

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. No. 1 on H.B. No. 2062

The purpose of this bill is to allow the University of Hawaii (UH) to manage its resources more flexibly. More specifically, this bill allows UH to carry over unexpended general funds for one additional fiscal year to be applied to any UH program.

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

- (1) Allowing UH to expend a sum equal to its end-of-the-fiscal-year faculty payroll from funds appropriated for the following fiscal year; and
- (2) Making technical, nonsubstantive changes 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. 2062, 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. 2062, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Sakamoto, Iwase, Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Iwase).

Representatives Takai, Kanoho, Goodenow, Yamane, Leong.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Yamane, Leong).

Conf. Com. Rep. No. 2 on H.B. No. 2514

The purpose of this bill is to clarify the law with respect to the interests of the Department of Human Services (Department) when it asserts its claims against a decedent's estate pursuant to sections 346-15 and 346-37, Hawaii Revised Statutes (HRS).

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

- (1) Adding section 346-15, HRS, to the requirement under which a person with tangible or intangible property belonging to a decedent turn that property over to a successor or to the Department where the Department has a claim against the estate pursuant to section 346-37, HRS; and
- (2) Making technical, nonsubstantive changes for 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. 2514, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2514, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Chun, Iwase, Anderson.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Iwase).

Representatives Arakaki, Kahikina, Yamane, Meyer.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 3 on H.B. No. 1955

The purpose of this bill is to expand the membership of the Corrections Population Management Commission.

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

- (1) Removing the chiefs of police representative provision; and
- (2) Adding the private sector member provision.

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. 1955, 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. 1955, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Tanaka, Anderson.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Garcia, Kanoho, Ahu Isa, Kaho'ohalahala, Moses.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Ahu Isa, Moses).

Conf. Com. Rep. No. 4 on H.B. No. 1947

The purpose of this bill is to prevent the practice of shark finning by:

(1) Prohibiting any person from knowingly:

(a) Harvesting shark fins from the territorial waters of the State; or

(b) Landing shark fins in the State,

unless the fins were taken from a shark landed whole in the State; and

(2) Establishing penalties, including the seizure and forfeiture of shark fins, commercial marine license, vessel, and fishing equipment, as well as administrative fines of not less than \$5,000 and not more than \$15,000.

Your Committee on Conference has clarified that the provisions of this bill shall also apply to the following types of vessels when fishing outside the territorial waters of the State:

(1) Vessels with federal documentation that lists as a homeport a location within the State; and

(2) Vessels that hold a fishing license or permit issued by the State as a prerequisite to participation in the fishery, or that have owners or captains who hold a fishing license or permit issued by the State as a prerequisite to participation in the fishery.

Other technical, nonsubstantive amendments have been made 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 H.B. No. 1947, 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. 1947, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, Tanaka, Matsuura, Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Matsuura, Slom).

Representatives Takumi, Hamakawa, Saiki, Schatz, Auwae.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 5 on H.B. No. 2530

The purpose of this bill as introduced was to rectify a drafting error that obligated the Department of Health to publish notice that certain information concerning air pollution control matters is available for public inspection "at least twice weekly" rather than one time.

In H.B. No. 2530 H.D. 1, S.D. 1, the Senate Committee on Ways and Means added a requirement that the Department of Health post the notice on its web site.

Your Committee finds that eliminating the twice weekly publication requirement reduces cost without impairing public access to information, and that posting notice on the web site enhances public awareness without adding cost.

Your Committee has amended this bill by deleting the added text from §342B-13(a)(1), and adding it instead to §342B-13(a)(2), with a reference to posting "notice" rather than "information." This change more accurately reflects the intent that the director of health be required to post notice, rather than all information available for public inspection, on the web site.

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. 2530, 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. 2530, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nakata, Ihara, Slom.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Hamakawa, Nakasone, Kanoho, Saiki, Auwae.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Kanoho, Auwae).

Conf. Com. Rep. No. 6 on H.B. No. 2406

The purpose of this bill is to:

- (1) Allow employees of authorized federal agencies under a cooperative agreement to act on behalf of the Department of Agriculture (DOA), to a limited extent, and enforce statutes and administrative rules regarding the movement of restricted items into and within the State; and
- (2) Include plant and non-domestic animal quarantine under chapter 150A, Hawaii Revised Statutes (HRS), and seeds under chapter 150, HRS, in the duties of the DOA under section 141-1, HRS.

Your Committee on Conference has amended this bill by making technical, nonsubstantive amendments for 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 H.B. No. 2406, 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. 2406, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Buen, Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, none.

Representatives Abinsay, Espero, Ahu Isa, Chang, Halford.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Chang).

Conf. Com. Rep. No. 7 on H.B. No. 1902

The purpose of this bill is to allow the Commission on Water Resource Development, as a condition for the issuance of permits pursuant to the State Water Code, to require the use of dual line water supply systems in new industrial and commercial developments located in designated water management areas. Under a dual line water supply system, potable and nonpotable water are distributed through parallel but separate distribution lines.

After careful consideration, your Committee on Conference amended this bill by:

- (1) Adding the term "development" to mean one more commercial or industrial subdivisions approved after the effective date of this Act. The term shall not apply to any modification, addition to or replacement of, any commercial or industrial subdivision in existence prior to the effective date of this Act;
- (2) Making technical, nonsubstantive amendments 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 H.B. No. 1902, 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. 1902, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Tanaka, Matsuura, Anderson.

Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Cachola, Kanoho, Garcia, Schatz, Meyer.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Garcia).

Conf. Com. Rep. No. 8 on H.B. No. 1773

The purpose of this measure is to reduce inefficiency and duplication in the process governing appeals from orders of the Public Utilities Commission (PUC). Specifically, this bill requires a motion for reconsideration or rehearing of an order or decision made by the PUC under Hawaii's Motor Carrier law, be decided by an order issued by the PUC within 45 days of the date on which the motion is filed.

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

- (1) Providing that the PUC may set aside the automatic stay in its discretion; 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. 1773, 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. 1773, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kanno, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Menor, Cachola, Garcia, Lee, Whalen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Cachola, Garcia).

Conf. Com. Rep. No. 9 on H.B. No. 2521

The purpose of this bill is to:

- (1) Replace statutory requirements for documentation of immunizations, physicals, and tuberculosis examinations with administrative rules; and
- (2) Require the Department of Education (DOE) to be responsible for providing occupational and physical therapy services for exceptional children in the public schools.

Your Committee on Conference finds that the title of this bill is not sufficient to embrace the provisions which transfer responsibility for providing occupational and physical therapy to exceptional children from the Department of Health to DOE. Article III, section 14 of the State Constitution states that "each law shall embrace but one subject, which shall be expressed in its title". As noted, the title of this bill is "Relating to School Health Requirements".

Your Committee on Conference has amended this measure by:

- (1) Deleting the requirement that DOE be responsible for providing occupational and physical therapy services for exceptional children in the public schools;
- (2) Effectuating this measure upon its approval, instead of July 1, 2020; and
- (3) Making technical, nonsubstantive amendments 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 H.B. No. 2521, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2521, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Chun Oakland, Sakamoto, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Santiago, Ito, Kawakami, Yamane, Leong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Yamane).

Conf. Com. Rep. No. 10 on H.B. No. 2469

The purpose of this measure, as received by your Committee on Conference, is to allow the Director of Commerce and Consumer Affairs to delegate subpoena authority to the deputy director.

Your Committee on Conference acknowledges that placing such authority solely with the deputy director may be limiting, and therefore allows the director to delegate the authority to a designee.

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

- (1) Deleting reference to the deputy director; and
- (2) Adding in the language, "or the director's designee" to give either the director or the director's designee the authority to subpoena witnesses.

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. 2469, 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. 2469, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Matsunaga, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Menor, Yamane, Cachola, Lee, Whalen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Conf. Com. Rep. No. 11 on H.B. No. 2183

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist Worldwide Energy Group, Inc. in the planning, design, construction, and operation of the Hawaii Sugar Ethanol Project.

Your Committee on Conference has amended this bill by:

- (1) Requiring that the Department of Budget and Finance report to the Legislature regarding any "status" made with respect to the issuance of the special revenue bonds as opposed to any "progress"; and
- (2) Making technical, nonsubstantive changes for purposes 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 H.B. No. 2183, 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. 2183, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Chun, Slom.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Morita, Abinsay, Espero, Luke, Fox.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Fox).

Conf. Com. Rep. No. 12 on H.B. No. 2701

The purpose of this bill is to establish a renewable energy demonstration project in the Department of Education for one public school in each district.

Your Committee on Conference recognizes that the State's public education system is a good place to introduce renewable energy systems because their benefits will likely extend beyond the particular site. Schools serve to educate students, their parents and family, and other community members. In addition, schools provide emergency shelters in the event of a disaster.

Your Committee on Conference finds that this bill is designed to demonstrate the feasibility and cost-effectiveness of renewable energy as an alternative energy resource. Your Committee on Conference has therefore amended this bill to broaden the scope of the demonstration projects to include other renewable energy systems.

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. 2701, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2701, H.D. 3, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Nakata, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Morita, Ito, Menor, Schatz, Leong.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 13 on H.B. No. 1984

The purpose of this bill is to modify statutory provisions concerning campaign contributions.

Your Committee on Conference finds it appropriate to provide that contribution limits in section 11-204(a), Hawaii Revised Statutes (HRS), are unaffected by factors causing the term of office to be shorter than usual, to resolve uncertainty about limits for candidates seeking nomination and election to state senate offices after the reapportionment in 2001 results in some senators being elected to serve for two years, and others for four.

Your Committee on Conference further finds it necessary to clarify a phrase in section 11-204(a), HRS, to which language was added by two separate measures enacted in 1999. Specifically, between the words "person" and "or" in the phrase "No person or any other entity shall make contributions to:", Act 96 added the words "other than a candidate for the candidate's own campaign," and Act 187 added "political party, political committees established and maintained by a national political party." Your Committee on Conference finds that the definition of "contributions" in section 11-191, HRS, permits a candidate to contribute to the candidate's own campaign, and that the term "entity" encompasses national political parties and committees. Accordingly, your Committee on Conference returned the text to the language as it existed prior to 1999.

Your Committee on Conference has amended this bill by:

- (1) Deleting the words "other than a candidate for the candidate's own campaign, political party, political committees established and maintained by a national political party" from section 11-204(a), HRS;
- (2) Retaining, rather than reducing, existing contribution limits for candidates for elective office;
- (3) Reducing from eight to four years the time within which inactive candidates or committees must return residual private contributions to donors, if known, pursuant to section 11-214(a), HRS; and
- (4) Providing for this measure to take effect on 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. 1984, 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. 1984, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Iwase, Ihara, Anderson.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

Representatives Hamakawa, Nakasone, Saiki, Auwae.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 14 on H.B. No. 2480

The purpose of this measure is to facilitate the formation of limited liability partnerships (LLPs) in Hawaii.

Current State law governing LLPs contains contradictions and anomalies that hinder interpretation and application of the law. This measure brings Hawaii's law into greater conformity with the Revised Uniform Partnership Act and with current business practices by eliminating the insurance and financial responsibility requirements and removing the prohibition against the formation of

LLPs by attorneys. The elimination of these restrictions and modernization of the law will make Hawaii a more attractive LLP domicile.

Your Committee on Conference has made 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. 2480, 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. 2480, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kanno, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Menor, Cachola, Garcia, Lee, Rath.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Rath).

Conf. Com. Rep. No. 15 on H.B. No. 2484

The purpose of this bill is to modernize the Hawaii Business Corporation Act by replacing chapter 415, Hawaii Revised Statutes, with the 1984 amendments to the Model Business Corporation Act (Model Act). The bill includes technical, nonsubstantive amendments to the newly adopted law for clarity and uniformity with Hawaii's laws, as well as to allow cross-referencing between Hawaii's law and the Model Act. Modernization of the law under this measure is intended to preserve existing rights and obligations and to benefit business, by making the incorporation process easier, and promoting uniformity with the laws of other states.

Your Committee has amended this measure by:

- (1) Providing that the Act take effect on July 1, 2001; and
- (2) Making technical, nonsubstantive amendments 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 H.B. No. 2484, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2484, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kanno, Hanabusa, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hanabusa).

Representatives Menor, Cachola, Garcia, Lee, Whalen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Garcia).

Conf. Com. Rep. No. 16 on H.B. No. 2797

The purpose of this measure is to clarify the State's enforcement jurisdiction in certain health-related matters.

This measure replaces certain references to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) in the insurance code provision relating to conformity to federal law with reference to title 42 United States Code section 300(gg), et seq., which includes the provisions of the Newborns' and Mothers' Health Protection Act of 1996 and Women's Health and Cancer Rights Act of 1998, in addition to those of HIPAA.

This measure amends section 431:2-201.5, Hawaii Revised Statutes, to:

- (1) Indicate more clearly that group health insurers need to offer all its group plans to small groups;
- (2) Clarify that it was the legislature's intent to go beyond the HIPAA in the area of prohibiting preexisting condition exclusions; and
- (3) Include association plans into the term group health issuers.

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

- (1) Providing for a definition of "small group health plans" to specify that small group health plans means medical plans currently offered, advertised or marketed by a group health insurer for small employers;
- (2) Modifying section 431:2-201.5(a)(4), Hawaii Revised Statutes, to only apply to small group health plans and small employers;
- (3) Changing the effective date of the Act to July 2, 2000 so that the Act will not be superseded when 1999 Session Laws of Hawaii, Act 93, Section 5, takes effect on July 1, 2000;
- (4) Making technical, nonsubstantive amendments 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 H.B. No. 2797, 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. 2797, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kanno, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Menor, Cachola, Garcia, Lee, Whalen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Garcia).

Conf. Com. Rep. No. 17 on H.B. No. 284

The purpose of this bill is to establish a Hawaii State Student Council with responsibility for conducting an annual conference of secondary school students. The annual conference is given the task of proposing solutions for major problems facing Hawaii's students.

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

- (1) Providing that the Hawaii State Student Council may invite students from schools represented by the Hawaii Association of Independent Schools to participate in the annual conference of secondary school students; and
- (2) Making a technical, nonsubstantive amendment to correct a drafting error.

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. 284, 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. 284, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Sakamoto, Slom.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Ito, Kawakami, Ahu Isa, Takai, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Ahu Isa).

Conf. Com. Rep. No. 18 on H.B. No. 2092

The purpose of this bill is to establish the Running Start Program (Program) within the Department of Education (DOE). Running Start will allow qualified students to enroll in classes within the University of Hawaii (UH) system, earning both high school and college credits.

Upon further consideration, your Committee on Conference has amended this bill by specifying that any further qualifications for eligibility in the Program determined by the DOE or UH shall not supplant the standardized test, or prevent a student from taking the standardized test.

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. 2092, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2092, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Sakamoto, Slom.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Ito, Kawakami, Ahu Isa, Takai, Moses.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 19 on H.B. No. 2095

The purpose of this bill is to require the Board of Education to invite the senior military commander in Hawaii to appoint a non-voting military representative to the Board.

Specifically, this bill:

- (1) Requires the military representative to:
 - (A) Advise the Board regarding state policies and actions affecting military family members;
 - (B) Carry out these duties without compensation and as part of the representative's military duties; and
 - (C) Comport with applicable state and federal statutes, regulations, and policies; and
- (2) Allows the military representative to be removed by a majority vote of the members of the Board.

Your Committee has amended this bill by limiting the military representative's term to two years and allowing the representative to be removed by the Board only for cause.

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. 2095, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2095, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Sakamoto, Slom.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Ito, Garcia, Takai, Leong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 20 on H.B. No. 2490

The purpose of this bill is to allow the Hawaii Teacher Standards Board (HTSB) to recommend that the Department of Education (DOE) grant extensions of teaching credentials on a case-by-case basis to individuals with extenuating circumstances that prevent them from becoming licensed.

Upon careful consideration, your Committee on Conference has amended this bill by:

- (1) Giving the HTSB the power to grant credential extensions rather than recommend credential extensions;
- (2) Narrowing the scope of the criteria to be used by the HTSB in granting credentials to include only those criteria specifically described in the bill; and
- (3) Deleting the requirement that the HTSB submit a report to the Legislature.

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. 2490, 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. 2490, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Sakamoto, Slom.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Ito, Morihara, Santiago, Takai, Leong.

Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Moriwara, Santiago).

Conf. Com. Rep. No. 21 on H.B. No. 2491

The purpose of this bill is to require that the price of school lunches for students be no greater than one third of the total cost to prepare the lunch.

Upon careful consideration, your Committee on Conference has amended this bill by changing the effective date to July 1, 2001.

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. 2491, 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. 2491, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Sakamoto, Iwase, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Ito, Kawakami, Ahu Isa, Takai, Moses.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 22 on H.B. No. 2574

The purpose of this bill is to:

- (1) Deposit moneys generated by the disposition of mineral and water rights into the Special Land and Development Fund (Fund); and
- (2) Authorize the use of the Fund for the protection, planning, management, and regulation of water resources.

After careful consideration, your Committee on Conference has amended this bill by changing the effective date to July 1, 2000.

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. 2574, 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. 2574, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Fukunaga, Tanaka, Matsuura, Anderson.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Tanaka).

Representatives Cachola, Kanoho, Garcia, Schatz, Meyer.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Garcia).

Conf. Com. Rep. No. 23 on H.B. No. 2405

The purpose of this bill is to strengthen the Hawaii Pesticides Law by:

- (1) Allowing the Pesticide Use Revolving Fund (Fund) to be used for the development of integrated pest management strategies and personnel costs;
- (2) Defining "integrated pest management" and "nonchemical methods";
- (3) Requiring the Department of Agriculture to submit an annual report to the Legislature on all moneys deposited into, and disbursed from, the Fund;
- (4) Deleting from coloration requirements pesticides that are no longer registered for use;
- (5) Exempting pesticides that are deregulated by the U.S. Environmental Protection Agency from regulation in Hawaii;
- (6) Clarifying that penalties imposed by the Board of Agriculture with regard to the Hawaii Pesticides Law are administrative penalties; and

- (7) Providing a process to recover administrative penalties.

Your Committee on Conference has amended this bill by:

- (1) Amending the definition of "integrated pest management" to mean a sustainable approach to managing pests by combining biological, cultural, physical, and chemical tools in a way that minimizes economic, health, and environmental risks;
- (2) Deleting the definition of "nonchemical methods";
- (3) Removing the \$250,000 ceiling balance in the Fund;
- (4) Specifying that all unobligated, unencumbered, or unexpended funds remaining in the Fund in excess of \$250,000 at the close of each fiscal year are to lapse to the general fund;
- (5) Amending the definition of "pest" to conform with federal law and regulations.
- (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. 2405, 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. 2405, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nakata, Inouye, Levin, Chun, Slom.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Abinsay, Morita, Espero, Chang, Halford.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Chang).

Conf. Com. Rep. No. 24 on H.B. No. 1763

The purpose of this bill is to:

- (1) Require a child who is 12 or under to wear a bicycle helmet when the child is operating a bicycle or riding a restraining seat attached to a bicycle;
- (2) Prohibit a person who provides bicycles for hire from renting a bicycle to any person failing to comply with the bicycle helmet requirement for children; and
- (3) Establish a \$25 fine for violation of the bicycle helmet requirement. The fines collected are to go to the state general fund.

Your Committee finds that the use of bicycle helmets improves child safety while bicycling.

Your Committee has amended this bill by:

- (1) Changing the age requirement to under 16 years of age;
- (2) Clarifying that the bicycle helmet must be tested by a nationally recognized agency and is designed to protect against head trauma;
- (3) Clarifying that the parent or legal guardian of a child violating the bicycle helmet requirement will be liable for paying the fine;
- (4) Changing the effective date to January 1, 2001.

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. 1763, 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. 1763, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Matsunaga, Buen.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, none.

Representatives Hiraki, Hamakawa, Goodenow, Saiki, Fox.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Fox).

Conf. Com. Rep. No. 25 on H.B. No. 1881

The purpose of this bill is to amend the laws relating to operating a vehicle while using an intoxicant.

More specifically, the purpose of the bill, which is divided into four parts, is to:

- (1) Reduce the maximum jail time that may be imposed for driving under the influence of drugs (Part 1);
- (2) Provide for revocation of motor vehicle registration for repeat intoxicated drivers under the administrative revocation of driver's license proceedings (Part 2);
- (3) Amend driving and boating impaired statutes to consolidate and conform offenses relating to operating a vehicle while using an intoxicant and to incorporate present drug and boating impaired offenses and refusal to be tested for these offenses into the administrative license revocation provisions (Part 3); and
- (4) Direct the Legislative Reference Bureau to propose and draft legislation prior to the regular session of 2001 as necessary to conform and consolidate the varying statutory provisions of parts 1, 2, and 3 of the bill (Part 4).

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

- (a) Redefining "under the influence", on page 60, to mean a person:
 - (1) Is under the influence of alcohol in an amount sufficient to impair the person's normal mental faculties or ability to care for the person and guard against casualty;
 - (2) Is under the influence of any drug that impairs the person's ability to operate the vehicle in a careful and prudent manner;
 - (3) Has .08 or more grams of alcohol per two hundred ten liters of the person's breath; or
 - (4) Has .08 or more grams of alcohol per one hundred milliliters or cubic centimeters of the person's blood;
- (b) Making necessary conforming amendments relating to "under the influence" at pages: 62 line 1, 72 line 11, 86 line 17, 87 lines 7 and 14, and 109 lines 9-21;
- (c) Reinserting the definition of "impair" at page 57, as it appeared in H.B. No. 1881, S.D. 1;
- (d) Changing the definition of "intoxicant" at page 57 and making conforming amendments at pages: 76 lines 9-10, 82 lines 1-2, 83 lines 9-10, and 93 lines 10-11;
- (e) Codifying existing appellate case law, (See State v. Wilson, 92 Haw. 45, 987 P.2d 268 (1999) and Gray v. Administrative Director of the Court, 84 Haw. 138, 931 P.2d 580 (1997)) concerning the minimum and maximum periods of administrative revocation possible under section 286-261(b)(1)-(3), HRS, at pages 38-39, and making amendments that mirror section 286-261(b) to section -41(b) of Part 3 of the bill at page 103; and
- (f) Making technical nonsubstantive changes at pages 110-115 to conform cross references and to correct an erroneous designation of subsections to reflect consecutive alphabetizing.

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. 1881, 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. 1881, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Matsunaga, Iwase, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Iwase).

Representatives Hiraki, Hamakawa, Goodenow, Saiki, Auwae.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Saiki).

Conf. Com. Rep. No. 26 on H.B. No. 2572

The purpose of this bill is to address matters relating to the roles of the Kaneohe Bay Master Plan (Plan), the Kaneohe Bay Regional Council (Council), and the Department of Land and Natural Resources (DLNR) in the management of Kaneohe Bay.

This bill provides DLNR with flexibility in the management of Kaneohe Bay by:

- (1) Repealing the Council upon the adoption of rules by DLNR relating to ocean use activities within Kaneohe Bay based on recommendations in the Plan;
- (2) Requiring DLNR, in adopting rules, to consider but not be bound by the criteria and general management principles in certain sections of the Plan;
- (3) Limiting the permits issued by DLNR for the commercial operation of ocean use activities to only the number, permit type, and passenger capacity provided in the Plan; and specifying that in issuing these permits, DLNR must comply with these provisions of the Plan until it has adopted applicable rules; and
- (4) Deleting provisions that authorize the Council to amend the Plan.

Your Committee on Conference has amended this bill by:

- (1) Reinstating the requirement that in issuing its commercial permits, DLNR shall also be limited to the locations and vessel capacity provided in the Plan;
- (2) Requiring that with regard to the provisions of the Plan:
 - (a) Previously adopted by the Legislature, the rules shall be in accordance with those provisions; and
 - (b) Not previously adopted by the Legislature, the Plan shall be used as a recommended guideline in the development of rules;
- (3) Deleting the provisions to repeal the Council;
- (4) Authorizing DLNR to relocate a permitted use activity for safety or environmental reasons;
- (5) Giving DLNR the discretion to permit vessel substitution with a similar length vessel, provided that the increase is not greater than ten percent of the current vessel length; and
- (6) Making technical, nonsubstantive amendments 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 H.B. No. 2572, 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. 2572, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, Levin, Fukunaga, Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Takumi, Schatz, Catalani, Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 27 on H.B. No. 749

The purpose of this bill is to provide for the regulation of persons calling themselves dietitians and offering dietetic services to:

- (1) Safeguard the public health, safety, and welfare;
- (2) Protect those seeking dietetic services from incompetent and unscrupulous persons, and persons unauthorized to perform these services;
- (3) Assure the highest degree of professional conduct on the part of dietitians; and
- (4) Assure the availability of high quality dietetic services.

After much discussion, your Committee on Conference has amended this bill by:

- (1) Adding the new chapter to title 19, Hawaii Revised Statutes, instead of title 25;

- (2) Changing the agency responsible for regulation from the Department of Commerce and Consumer Affairs to the Department of Health (DOH);
- (3) Requiring the Director of Health (Director) to adopt rules as deemed necessary for the licensure of dietitians to protect public health and safety;
- (4) Allowing the Director to consider certain criteria as minimum evidence that an applicant is qualified to be licensed;
- (5) Replacing the requirement of successful completion of the nutritionist examination developed by the Certification Board for Nutrition Specialists with the registration examination for dietitians administered by the Commission on Dietetic Registration;
- (6) Establishing a Dietitian Licensure Special Fund (Special Fund) to be administered by DOH;
- (7) Requiring that all fees be deposited into the Special Fund and that the funds be expended for the costs associated with administering the licensure program, including costs of education; and
- (8) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference would like to clarify that this measure is intended to protect the public by ensuring that those persons using the title "licensed dietitian" or "dietitian" have met the minimum standards provided for in this measure. Your Committee on Conference would also like to clarify that this is a title protection bill and not a practice protection bill. Therefore, other persons engaging in aspects of dietetic practice shall not be affected as long as they do not call themselves a licensed dietitian or dietitian.

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. 749, 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. 749, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Fukunaga, Levin, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Santiago, Menor, Kawakami, Lee, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Halford).

Conf. Com. Rep. No. 28 on H.B. No. 2160

The purpose of this bill is to establish a Traumatic Brain Injury Trust Fund (Trust Fund) to help defray the cost of providing care and rehabilitative services to residents of the State who have survived a traumatic brain or spinal cord injury.

In addition, this bill:

- (1) Establishes the Traumatic Brain Injury Trust Fund Commission (Commission) and a nine-member Board of Directors (Board) to:
 - (A) Adopt rules and employ staff to administer the Trust Fund, including funds received as grants, gifts, and donations; and
 - (B) Recommend changes in state programs, statutes, policies, budgets, and standards relating to the care and rehabilitation of persons with brain or spinal cord injuries;
- (2) Specifies the membership, appointment, and compensation of the Board, which includes three individuals who have sustained a brain or spinal cord injury or members of their immediate families; and
- (3) Directs the existing Traumatic Brain Injury Advisory Board (Advisory Board) in the Department of Health to provide advice to the Commission.

Your Committee on Conference has amended this measure by:

- (1) Deleting the establishment of the Commission, its Board, and their duties;
- (2) Deleting the provision directing the existing Advisory Board to provide advice to the Commission;
- (3) Making the Advisory Board nonadvisory in nature and changing its name to the Traumatic Brain Injury Board (TBI Board);

- (4) Redirecting the scope of the Trust Fund to:
 - (A) Provide services relating to traumatic brain injuries, including programs to educate the public about prevention of traumatic brain injuries, and services needed to treat and rehabilitate people who are victims of traumatic brain injuries;
 - (B) Train and educate professionals involved with individuals with traumatic brain injuries; and
 - (C) Fund research, evaluation, and advocacy activities to identify cost-effective strategies to meet the needs of traumatic brain injury survivors and their families to reduce the outlay of federal and state dollars under Medicaid;
- (5) Giving the TBI Board the authority to spend, and the jurisdiction and control over, the Trust Fund and its moneys, with the approval of the Director of Health;
- (6) Allowing the TBI Board to:
 - (A) Maintain its financial records;
 - (B) Submit an annual accounting of the Trust Fund's activities; and
 - (C) Adopt rules;
- (7) Funding the Trust Fund through donations collected from the initial issuance of a driver's license and each subsequent renewal; and
- (8) Making technical, nonsubstantive amendments 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 H.B. No. 2160, 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. 2160, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Chun Oakland, Anderson.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Santiago, Yamane, Kahikina, Stegmaier, McDermott.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. No. 29 on H.B. No. 1983

The purpose of this bill is to update the Land Court statute for consistency with other statutory provisions and with procedures in the Bureau of Conveyances (Regular System).

Your Committee finds that this bill will enhance efficiency of transactions involving Land Court property.

Your Committee has amended this bill by making a technical revision. H.B. No. 1983 H.D. 1 proposed replacing certain text in section 501-196, Hawaii Revised Statutes with language permitting an affidavit to be submitted in lieu of a petition to note certain changes in an owner's status. The additional language was not included in H.B. No. 1983 H.D. 1, S.D. 2, but brackets signifying deletion of text remained. Your Committee modified section 7 by removing the brackets that appear to have been retained inadvertently.

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. 1983, 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. 1983, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Tam, Matsunaga, Slom.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Hamakawa, Saiki, Auwae.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 30 on H.B. No. 1938

The purpose of this bill is to adopt the 1999 National Conference of Commissioners on Uniform State Laws (NCCUSL) revisions to Article 9 of the Uniform Commercial Code (Article 9), which governs secured transactions. As received by your Committee on Conference, this bill amends the NCCUSL version of Article 9 by excluding government from the scope of the article, as is the case under current law.

Your Committee on Conference finds that Article 9 is perhaps the most important of all of the articles in the Uniform Commercial Code, because it is relied upon every day in every commercial and consumer transaction that involves the granting of credit with a security interest in collateral. Article 9 was last amended by NCCUSL in 1972, and Hawaii enacted these amendments in 1978. The 1999 NCCUSL amendments make major revisions to Article 9 to bring the article into the 21st Century. Some of the most important changes made by this bill include:

- (1) Anticipating the transition from paper-based to electronic transactions by, among other things, providing for one central place in the State for filing financing statements, and making filing office operations more ministerial, thereby allowing financing statements to be considerably simplified;
- (2) Expanding the scope of Article 9 to encompass new kinds of property and transactions that have developed since Article 9 was last amended in 1972, and to include new statutory, non-possessory liens that have been created since the article was originally drafted;
- (3) Overcoming uncertainties about where to perfect a security interest under existing Article 9 through the new basic rule that the location of the debtor, rather than the collateral (which more easily shifts location), is the place where the security interest will need to be perfected;
- (4) Addressing and resolving ambiguities in the interpretation of Article 9 rules that have occurred over time; and
- (5) More clearly recognizing transactions in which the debtor is a consumer, and providing for greater consumer protections in these transactions.

Your Committee on Conference has amended this bill by:

- (1) Broadening the provision in section 490:9-109(b)(14), that excludes government from Article 9, to address county concerns that the existing exclusionary language is too narrow, as well as to preserve applicability of existing precedent and interpretation; and
- (2) Making a 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. 1938, 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. 1938, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kanno, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Menor, Saiki, Hamakawa, Lee, Whalen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Hamakawa).

Conf. Com. Rep. No. 31 on H.B. No. 2472

The purpose of this bill is to make "housekeeping" and other amendments to the Insurance Code (Code) to strengthen the insurance laws of this State. This bill:

- (1) Closes several gaps in the Code by:
 - (A) Providing a definition for the term "stock insurer," which is used throughout the Code; and
 - (B) Adding to existing provisions governing cancellation of motor vehicle policies, the requirement that there be notice of cancellation and nonrenewal of a motor vehicle policy;
- (2) Dispels ambiguity in the Insurance Code by:
 - (A) Specifying when an appointment is necessary to engage in the business of insurance;

- (B) Providing that prima facie acceptable premium rates, that are acceptable without actuarial support, only apply when the required 60 percent ratio of losses to premiums earned, occurs during the most recent three years; and
- (C) Amending the fraternal benefit society law to clearly reflect that the Insurance Commissioner's (Commissioner) assessment authority is applicable to fraternal benefit societies;
- (3) Provides for consistency with the recommendation of the National Association of Insurance Commissioners, and greater consumer protection, by increasing the financial responsibility requirement for alien insurers;
- (4) Strengthens penalty provisions of the Code by:
 - (A) Increasing the maximum civil penalty under the Code for conducting business without a license, from \$1,000 to \$5,000, and by establishing a new penalty for knowing violations, consisting of a minimum \$3,000 and maximum \$10,000 penalty;
 - (B) Adjusting the maximum fines for failure to file holding company statements to levels consistent with other penalty provisions in the Insurance Code; and
 - (C) Closing a loophole in the criminal penalties for insurance fraud, that currently do not apply when the value of the benefits, recovery, or compensation involved is exactly \$300;
- and
- (5) Enhances the Commissioner's ability to administer the Code by:
 - (A) Authorizing the Insurance Division to share information with federal agencies and specifying when certain records may be discarded;
 - (B) Clearly stating that in retaining professional, technical, and support personnel, the Commissioner may do so by contract;
 - (C) Providing that a premium tax refund is to be paid out of the general fund, which receives premium taxes, not the Insurance Regulation Fund; and
 - (D) Specifying that unclaimed funds remaining after liquidation of the assets of an insolvent insurer are to be paid out of the general fund, which receives the unclaimed funds.

In addition, this bill, as received by your Committee on Conference, makes technical, nonsubstantive amendments to the Code.

Your Committee on Conference has amended this measure by:

- (1) Amending the newly established penalty for a knowing violation of Code licensing requirements, by reducing the minimum penalty from \$3,000 to \$1,000; and
- (2) 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. 2472, 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. 2472, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kanno, Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, none.

Representatives Menor, Yamane, Cachola, Lee, Whalen.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 32 on H.B. No. 2585

The purpose of this measure is to adopt the Uniform Electronic Transactions Act (UETA) that establishes a law to govern electronic records and electronic signatures on a transaction.

The UETA was drafted by the National Conference of Commissioners on Uniform State Laws and represents a comprehensive attempt to provide uniform state law for the area of electronic commerce. It has been adopted by three states and is being deliberated

by 13 other. UETA is designed to assure uniform regulations of commercial transactions, which are conducted electronically throughout the United States.

At the same time, the United States Congress is currently considering two electronic commerce schemes, which threaten to broadly preempt state regulations governing commercial transactions conducted by electronic means, unless states adopt the provisions of UETA in a relatively uniform fashion. Therefore, in deliberations over UETA, each state is advised to consider uniformity with other states. Your Committee on Conference notes that the language proposed by this measure has been reviewed and approved by both the National Conference of Commissioners on Uniform State Laws, and the Department of Commerce and Consumer Affairs.

UETA's main purpose is to facilitate the transition of commercial transactions into the digital age by ensuring that legal recognition be granted to electronic signatures, documents and transactions. However, in drafting UETA, the National Conference of Commissioners on Uniform State Laws recognized that certain transactions and documents should be preferentially granted legal recognition in their paper and ink form. Therefore, the National Conference of Commissioners on Uniform State Laws has provided for certain exclusions from UETA's provisions and allowed the individual states to consider whether additional exclusions should be created.

Although the provisions of UETA apply only to transactions in which both parties have agreed to conduct them electronically, your Committee finds that in cases of consumer contracts where a greatly disparate level of bargaining power and expertise exists between the parties, application of the provisions of UETA may very well result in unintended outcomes, which weaken existing consumer protection laws.

In the transition into the digital age, your Committee is cognizant of the need to remain conscious of the fact that many of Hawaii's residents do not yet own personal computers or are not yet on-line. Therefore, your Committee finds that certain consumer notices which are required by other laws or rules, and carry significant legal implications, may not be anticipated by a consumer, and should continue to be sent and received in paper and ink, regardless of an agreement between the parties. These include notices of foreclosure, eviction, repossession, utility shut-off or cancellation of insurance benefits.

After careful consideration, your Committee on Conference has amended this measure by replacing the original section -3 of this measure with a new scope section -3 that has been approved by the National Conference of Commissioners on Uniform State Laws. The new section -3 has the approval of the Department of Commerce and Consumer Affairs, Insurance Division, and Office of Consumer Protection.

As amended, section -3, of this measure applies to electronic records and electronic signatures relating to a transaction, except:

- (1) wills, codiciles, testamentary trusts;
- (2) certain provisions of the Uniform Commercial Code;
- (3) certain rights of action for property owners;
- (4) utility shutoff for water, telephone, gas, or electricity; and
- (5) cancellation, termination, or lapse of an insurance contract.

Your Committee also finds that it is important to exclude notices of "material alteration" of contracts of insurance, insurance benefits and service contracts that are required by law. However, this exception does not create and is not intended to create any new substantive notice requirements for Hawaii Revised Statutes Chapter 431.

An alteration is material if it (1) changes the burden of a party (as by changing the date, time, place, amount, or rate of interest), (2) changes the liabilities or duties of any party (as by adding or removing the name of a maker, drawer, indorser, payee, or co-surety), or (3) changes the operation of the instrument or its effect in evidence (as by adding words of negotiability, changing the form of an indorsement, or changing the liability from joint to several).

Black's Law Dictionary 77 (7th ed. 1999). A material alteration is one which alters the form to that substantially different from its original composition. See Kimball v. Lincoln, 72 Haw. 117; 809 P.2d 1130 (1991); Francone v. McClay, 41 Haw. 72 (1955). When the law requires such notices, every effort should be made to ensure their receipt.

At the same time, the term "material" is employed as an adjective in hundreds of provisions of the Hawaii Revised Statutes, consistently with the definition supported by Black's Law Dictionary. There is nothing ambiguous about the use of the term when used as an adjective.

In the case of this measure, notices of material alteration are legally-binding and are infrequent and unanticipated by the consumer. When the law requires such notices, every effort should be made to ensure receipt of the notice. Currently, the Insurance Code contains few requirements. In the future, experience may show that similar requirements are warranted with the rise of innovations in the offering of insurance products. At that time new notice requirements may be enacted. Therefore, your Committee finds that some flexibility should be retained in the enactment of this provision.

Your Committee is aware that notices regarding life settlement and viatical settlement agreements are also excluded by this measure, even though no substantive laws requiring such notices are currently in place. However, your Committee finds that it is anticipated that such laws will be enacted in the near future.

For purposes of consistency, your Committee has also amended this measure by inserting section 2 to address overlapping notice and disclosure provisions that are present in this measure and S.B. No. 2819, in the event that both measures are enacted.

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. 2585, 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. 2585, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, D. Ige, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Menor, Cachola, Garcia, Lee, Rath.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Garcia, Rath).

Conf. Com. Rep. No. 33 on H.B. No. 1874

The purpose of this bill is to establish an interagency educational accountability working group that shall:

- (1) Review all relevant agency rules, policies, procedures, and practices and develop a list of those that are impeding educational restructuring and the efficient allocation of educational resources for the implementation of accountability measures;
- (2) Suspend the aforementioned list of rules, policies, procedures, and practices pending the approval of the Board of Education (BOE); and
- (3) Submit a status report to the Legislature and the BOE.

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

- (1) Requiring that the working group only identify to the BOE the agency rules, policies, procedures, and practices recommended for suspension;
- (2) Requiring the working group to review those statutes that may be impeding restructuring and reallocation efforts;
- (3) Requiring the working group to report to the Governor those statutes, rules, policies, procedures, and practices that need to be suspended;
- (4) Requiring the working group to submit a status report to the Legislature sixty, rather than twenty, days prior to the convening of each of the 2001 and 2002 legislative sessions; and
- (5) Making technical, nonsubstantive changes 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 H.B. No. 1874, 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. 1874, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Nakata, Sakamoto, Iwase, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Ito, Takamine, Kawakami, Takai, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Kawakami).

Conf. Com. Rep. No. 34 on H.B. No. 1925

The purpose of this measure is to enhance the effectiveness of campaign spending laws through various housekeeping and substantive measures.

Your Committee finds it reasonable for candidates to be allowed ten rather than five days after filing nomination papers to file an organizational report, and for the web page address, if any, to be included in the report. Your Committee further finds it appropriate to allow campaign funds to be used for ordinary and necessary expenses incurred in connection with the candidate's duties as an elected holder of office, and for limited contributions to community service, educational, youth, recreational, charitable, scientific or literary organizations.

Your Committee has amended this measure by:

- (1) Deleting the amendment to HRS § 11-195(f) that would have required candidates for senate and house of representatives to file reports with the campaign spending commission electronically;
- (2) Eliminating the proposed additional requirement that an organizational report include a candidate's e-mail address;
- (3) Specifying that "ordinary and necessary expenses incurred in connection with the candidate's duties as a holder of an elected state or county office" in HRS § 11-200(b)(2) has the same meaning as in HRS § 11-206(c);
- (4) Providing that in any election cycle, total contributions of campaign funds to a community service, educational, youth, recreational, charitable, scientific, or literary organization may not exceed the limits imposed in HRS § 11-204(a) on contributions that one person or other entity may contribute to that candidate;
- (5) Providing, likewise, that excess campaign contributions that may be contributed to a community service, educational, youth, recreational, charitable, scientific, or literary organization pursuant to HRS § 11-206(c) may not exceed the limits imposed in HRS § 11-204(a);
- (6) Specifying that the charitable contributions may be made "from campaign funds and surplus funds" to ensure that donations in the aggregate to charitable organizations not exceed the sum of contributions from both sources, i.e. HRS § 11-200(b)(3) and § 11-206(c)(3);
- (7) Deleting, at the request of the Campaign Spending Commission, text in HRS § 11-206(c) concerning permission to donate excess campaign contributions to "any other organization which the commission, by rules adopted pursuant to chapter 91, deems appropriate";
- (8) Changing the effective date to November 8, 2000; and
- (9) Making technical, nonsubstantive revisions for the sake 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 H.B. No. 1925, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1925, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Ihara, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Hamakawa, Saiki, Auwae.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 35 on H.B. No. 1912

The purpose of this measure is to define "damage to rental motor vehicle" or "damage to vehicle" to clarify what may be recovered in the event a rental vehicle is damaged. This measure also establishes a task force under the Office of Consumer Protection, with industry and consumer representation, to review current law, industry concerns, and to report to the 2001 legislature.

This bill clarifies what may be recovered in the event a rental vehicle is damaged, to remedy problems experienced by vehicle-rental companies in attempting to collect damages and losses. According to Catrala-Hawaii, the problem is that bad drivers escape paying portions of such damages and losses, which raises operations costs of rental companies, and is reflected in higher rental rates. Good drivers then end up subsidizing bad drivers by paying higher rental rates. This bill will clarify matters and help rental companies collect damages and losses from the drivers that cause them.

After careful consideration, and in keeping with your Committee's deliberations during conference, your Committee on Conference has amended this bill by:

- (1) Replacing sections 1 and 2 with a new section 1, that by making changes to section 437D-15, Hawaii Revised Statutes (HRS), seeks not only to clarify the scope of acceptable charges for damages and losses, but also to make over-charging for such damages and losses an unfair trade practice in violation of section 480-2, HRS; and

- (2) Changing the effective date to upon its approval.

The new section also makes technical, nonsubstantive changes to the existing provisions of section 437D-15.

This bill reflects a compromise between the Office of Consumer Protection and Catrala-Hawaii, which represents Hawaii's major vehicle rental and leasing companies.

Your Committee on Conference considered the request to also include administrative fees and costs in the statute. Your Committee on Conference finds this unnecessary. The parties to a rental contract may agree in writing as to the damages and losses a rental company may recover; a comprehensive statutory listing of all damages and losses that might be recovered would be too exhaustive and unnecessary. Your Committee finds that chapter 437D, HRS, does not prevent the recovery of damages or losses to a rental vehicle as agreed to by the parties to a rental contract, subject to applicable statutes and legal principles.

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. 1912, 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. 1912, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kanno, Slom.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Menor, Cachola, Garcia, Lee, Halford.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Halford).

Conf. Com. Rep. No. 36 on H.B. No. 2017

The purpose of this bill is to establish an "open border" for out-of-state collection agencies in the form of an exemption from certain State regulations, that include the requirements that collection agencies register, and maintain a bond and an active business office in the State. Under this measure, the Department of Commerce and Consumer Affairs may grant an exemption to an out-of-state collection agency that applies for the exemption and:

- (1) Is licensed or registered, and regulated by another state that provides a similar "open border" exemption;
- (2) Is in good standing with the laws of its state; and
- (3) Conducts activities in Hawaii limited to the collection of debts:
 - (A) On behalf of an out-of-state client; and
 - (B) Using interstate communication methods such as telephone, facsimile, or mail.

Once an out-of-state collection agency is granted an exemption, it remains subject to state laws prohibiting unfair, deceptive, unreasonable, abusive, and fraudulent activity.

Your Committee on Conference finds that this measure will benefit the bill collection industry by recognizing the growing number of creditors conducting business on a national scale, and the increasingly intrastate nature of the collection business. The bill does so by removing unnecessary regulatory requirements that duplicate consumer protections under other state laws and the federal Fair Debt Collection Practices Act, and that would otherwise impede legitimate bill collection activities by both out-of-state and in-state collection agencies.

Your Committee on Conference has amended this measure by:

- (1) Providing that an exempt out-of-state collection agency will also remain subject to the statutory section prohibiting collection of attorney's or collection fees from debtors, a section inadvertently omitted when the list of applicable statutory sections was added to this bill; and
- (2) 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. 2017, 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. 2017, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kanno, Slom.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Menor, Cachola, Garcia, Lee, Whalen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Garcia, Whalen).

Conf. Com. Rep. No. 37 on H.B. No. 2476 (Majority)

The purpose of this measure is to make several amendments to the motor vehicle insurance law.

Specifically, the measure:

- (1) Establishes a process for selecting an independent medical examination (IME) physician that requires the parties' agreement to the selection, and lacking an agreement, mandates the Director of Labor and Industrial Relations to select a physician from a list maintained by the Department of Labor and Industrial Relations.
- (2) Establishes a cap of \$400 on IMEs conducted in motor vehicle insurance cases;
- (3) Requires that the IME provider in motor vehicle insurance cases be selected by mutual agreement of the parties, and failing an agreement, be appointed by the Insurance Commissioner from a list of providers maintained by the Insurance Division; and
- (4) Creates a uniform reference to the Workers' Compensation Supplemental Medical Fee Schedule.

Your Committee on Conference received conflicting data regarding the need for and amount of a maximum charge for IME's. Accordingly, your Committee has amended this measure by deleting references to any maximum charge to defer consideration of the issue to future legislative or administrative action when there is sufficient time to fully consider the matter.

Your Committee has amended this measure to establish a fair selection process that favors selection by agreement. Where the parties are unable to agree, a neutral forum (Department of Commerce and Consumer Affairs, arbitration, or circuit court) will make the selection. It is emphasized that the selection should not be a perfunctory matter, but that every effort should be made to select a neutral examiner with a balanced approach that favors neither insurer or claimant. Those examiners who have acquired reputations for favoring one side or the other should not be selected. Examiners who are primarily treating doctors who are familiar with community treatment protocols, injury patterns and cultural factors, that do not rely heavily on IME income that may affect bias, are to be favored.

The specialty provision in Section 2 of the bill insures that IME doctors possess adequate knowledge necessary to properly evaluate the treatment rendered by the treating doctor or medical provider.

It is not the intention of your Committee on Conference to require multiple independent medical examiners in this ordinary case, but rather that an independent medical examiner should be selected that is most appropriate under the circumstances of the treatment rendered.

Your Committee on Conference notes that the changes proposed to Section 431:10c-308.5 represent new law and are not a restatement of prior law.

Your Committee has also amended this measure by deleting application of this bill to workers' compensation insurance.

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. 2476, 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. 2476, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nakata, Kanno, Taniguchi, Ihara, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Anderson).

Representatives Menor, Yoshinaga, Cachola, Garcia, Lee, Whalen, Souki, Meyer.
Managers on the part of the House.
Ayes, 5. Noes, 2 (Souki, Whalen). Excused, 1 (Meyer).

Conf. Com. Rep. No. 38 on H.B. No. 2774

The purpose of this bill is to specifically provide in statute that it is an unlawful discriminatory act to deny a breast feeding woman the full and equal enjoyment of public accommodations.

Your Committee on Conference believes that because breast feeding is an activity deserving of special protection, yet is not precisely analogous to other protected classes under civil rights law, the usual remedies in the public accommodations law are not appropriate. A new part is being added to ensure prompt compliance with the law. Your Committee on Conference believes that most places of public accommodations will voluntarily comply with the law upon realizing that breast feeding is, in fact, protected by law. However, if a place of public accommodations nonetheless discriminates against a breast feeding woman, the woman will be able to quickly and easily seek a small civil penalty, an injunction against the illegal discrimination, and costs of court and attorney fees, if applicable. Because this new part allows the action to be brought in the small claims division of the district court, your Committee on Conference believes that disputes about breast feeding can be inexpensively and expeditiously resolved.

Your Committee on Conference recognizes that the activity of breast feeding is uniquely able to be protected against illegal discrimination without resort to the enforcement powers of the Civil Rights Commission, as provided under chapter 368, Hawaii Revised Statutes, and elsewhere. It is the intent of your Committee on Conference that the limited remedies provided for discrimination based on breast feeding should not in any way be interpreted as an erosion of existing civil rights remedies.

Upon further consideration, your Committee on Conference has amended this bill by deleting its contents and substituting provisions that:

- (1) Create a new part in chapter 489, Hawaii Revised Statutes, making it a discriminatory practice to deny a breast feeding woman the full and equal enjoyment of public accommodations;
- (2) Providing for a private right of action based on discriminatory practices under the new part, with potential remedies of \$100, injunctive relief, and court costs and attorney fees;
- (3) Specifying that the new part shall not be enforced by the Civil Rights Commission, and specifying that enforcement and penalty provisions of existing civil rights law do not apply to the new part; and
- (4) Reinserting the upon approval effective date from the House position.

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. 2774, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2774, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Chumbley, Anderson.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Anderson).

Representatives Yoshinaga, Hamakawa, Catalani, Saiki, Auwae.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Auwae).

Conf. Com. Rep. No. 39 on H.B. No. 2418

The purpose of this bill is to improve service to the public by reforming the laws regarding State certificates of identification (certificates).

Your Committee on Conference finds that no undue burden will be placed upon the Department of the Attorney General by providing for renewal by mail of certificates for persons over sixty-five years old and for persons with physical or mental disabilities, in certain situations. Further, your Committee on Conference finds that a simple transition plan for the expiration and renewal of certificates expiring on dates other than birthdays of certificate holders, is necessary to prevent inconvenience to, and frustration of, the public.

Your Committee on Conference has amended this measure by adding a provision addressing the expiration of certificates expiring on dates other than the birthdays of certificate holders and by lowering the fee to \$10 for persons who are sixty-five years old or older.

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. 2418, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2418, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Levin, Anderson.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Saiki, Nakasone, Hamakawa, Yamane, Auwae.
Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Yamane).

Conf. Com. Rep. No. 40 on H.B. No. 2653

The purpose of this bill is to authorize the waiver of filing fees when victims of crime seek civil enforcement of court-ordered restitution.

After careful consideration, your Committee on Conference has amended this bill by deleting the proposed language revising section 706-647(3), Hawaii Revised Statutes (HRS), while adding substantively similar language to section 706-647(1), HRS. The amendment is made 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 H.B. No. 2653, 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. 2653, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Levin, Anderson.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, none.

Representatives Hamakawa, Nakasone, Saiki, Yamane, Auwae.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Yamane).

Conf. Com. Rep. No. 41 on H.B. No. 2429

The purpose of this bill is to make amendments to the Rent Supplement Program (Program). This measure:

- (1) Conforms the definition of "qualified resident" in section 201G-128, Hawaii Revised Statutes (HRS), with a similar definition currently in section 201G-112, HRS, to include persons living with other household members;
- (2) Includes "very low" income households or persons earning fifty percent or less of the median family income, as Program participants;
- (3) Enables eligible single persons, who are not elderly or disabled, to participate in the Program;
- (4) Lowers the income limits for participation in the Program from the requirements of the National Housing Act to a "very low" income limit;
- (5) Phases in an increase in the tenant's rent contribution from twenty percent to thirty percent of the tenant's annual income; and
- (6) Limits certification information released by the Housing and Community Development Corporation of Hawaii (HCDCH) to income of single persons and families applying for admission to the program; and
- (7) Deletes provisions relating to priorities given to eligible occupants.

Upon further consideration your Committee has amended this measure by deleting the provisions phasing in the increase of the tenant's rent contribution and replacing it with provisions authorizing the Housing and Community Development Corporation of Hawaii (HCDCH) to raise the tenant rent contribution to a maximum of thirty percent of the tenant's annual income; provided that HCDCH conducts a public hearing prior to any increase.

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. 2429, 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. 2429, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tam, Chun, Matsuura, Anderson.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Matsuura).

Representatives Arakaki, Kahikina, Stegmaier, Yamane, McDermott.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Stegmaier, McDermott).

Conf. Com. Rep. No. 42 on H.B. No. 2410

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

At the request of the Department of the Attorney General, your Committee on Conference has amended this bill by:

- (1) Adding ten additional claims totaling \$1,983,974.70; and
- (2) Changing the "Subtotal", "Total" and "Grand Total" amounts, where appropriate, to reflect the inclusion of the additional claims.

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. 2410, 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. 2410, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Levin, Fukunaga, Anderson.

Managers on the part of the Senate.

Ayes, 5. Noes, none. Excused, none.

Representatives Saiki, Nakasone, Kanoho, Hamakawa, Auwae.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Kanoho).

Conf. Com. Rep. No. 43 on H.B. No. 540

The purpose of this bill is to:

- (1) Provide state-funded medical assistance to:
 - (A) Permanent legal immigrant residents who arrived in the United States after August 22, 1996;
 - (B) Persons who are permanently residing in the United States under color of law; and
 - (C) Persons from countries of the Compact of Free Association,
 who are otherwise eligible for benefits under the State's Medicaid program, but are ineligible due to restricted eligibility rules imposed by Title XXI of the Social Security Act or the Personal Responsibility and Work Responsibility Act of 1996;
- (2) Transfer an unspecified percent of tobacco settlement moneys from the Department of Health (DOH) to the Department of Human Services (DHS) for the State's Children's Health Insurance Program (S-CHIP);
- (3) Appropriate out of the general fund an unspecified amount to provide state-funded medical assistance to legal immigrants; and
- (4) Appropriate out of the Hawaii Tobacco Settlement Special Fund an unspecified amount to fund S-CHIP, up to three hundred percent of the federal poverty level for Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Deleting the transfer of an unspecified percent of tobacco settlement moneys from DOH to DHS for S-CHIP;
- (2) Deleting the appropriation sections to:
 - (A) Provide state-funded medical assistance to legal immigrants; and
 - (B) Fund S-CHIP up to three hundred percent of the federal poverty level for Hawaii;
- (3) Amending the scope of providing medical assistance from all legal immigrants to providing medical assistance, of up to two hundred percent of the federal poverty level for Hawaii, to persons less than nineteen years old who are:
 - (A) Legal permanent residents who arrived after August 22, 1996;
 - (B) Persons who are permanently residing under color of law; and
 - (C) Nonimmigrants from the Trust Territories of the Pacific Islands who are citizens of:

- (i) The Marshall Islands;
- (ii) The Federal States of Micronesia; or
- (iii) Palau,

who are otherwise eligible for benefits under the Medicaid program, but who are ineligible due to restricted eligibility rules imposed by Title XXI of the Social Security Act, the Personal Responsibility and Work Reconciliation Act of 1996, the Compact of Free Association Act of 1985, the Compact of Free Association between the United States and the Government of Palau, or any other provision of federal law denying medical assistance to nonimmigrants who are citizens of the Marshall Islands, the Federated States of Micronesia, or Palau;

- (4) Changing the effective date to July 1, 2000; and
- (5) Making technical, nonsubstantive amendments 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 H.B. No. 540, 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. 540, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Fukunaga, Levin.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Arakaki, Kahikina, Stegmaier, Yamane, McDermott.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Stegmaier, McDermott).

Conf. Com. Rep. No. 44 on H.B. No. 2273

The purpose of this bill is to make an appropriation to the Hawaii Children's Trust Fund (Trust Fund) from the Hawaii Tobacco Settlement Special Fund.

Your Committee on Conference recognizes that it is more cost effective for the State to allocate funds toward child abuse prevention rather than child abuse treatment.

Your Committee on Conference has amended this bill by replacing the \$2 appropriation with \$250,000, provided that the Department of Health submit a detailed financial report of the Trust Fund no later than twenty days prior to the convening of the Regular Session of 2001.

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. 2273, 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. 2273, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Arakaki, Kahikina, Stegmaier, Yamane, McDermott.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Stegmaier, McDermott).

Conf. Com. Rep. No. 45 on H.B. No. 2648

The purpose of this bill is to require the court to order the defendant to pay a probation services fee upon sentencing the defendant to probation.

Your Committee on Conference amended this bill by inserting \$300,000 as the appropriation amount.

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. 2648, 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. 2648, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Levin, Anderson.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Hamakawa, Nakasone, Kanoho, Saiki, Auwae.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Kanoho).

Conf. Com. Rep. No. 46 on H.B. No. 2354

The purpose of this bill is to appropriate funds for the Fiftieth Anniversary Commemoration of the Korean War Commission.

Your Committee has amended this measure by changing the appropriation amount from a blank amount to \$70,000.

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. 2354, 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. 2354, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Bunda, Slom.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Bunda).

Representatives Garcia, Kahikina, Luke, Moses.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 47 on H.B. No. 2506

The purpose of this bill is to require:

- (1) The Department of Human Services (DHS) to develop standards to assure the reputable and responsible character of prospective adoptive parents (PAPs) including a criminal history record check;
- (2) The DHS to obtain criminal history record information from the Hawaii Criminal Justice Data Center (Center) on all PAPs, and:
 - (A) Restricts the use of the information to its stated purpose; and
 - (B) Makes the information subject to applicable federal laws and regulation;
- (3) PAPs to:
 - (A) Submit sworn statements indicating whether the PAPs were ever convicted of a crime other than a minor traffic violation involving a fine of \$50 or less;
 - (B) Provide consent to the DHS to:
 - (i) Conduct a criminal history record check; and
 - (ii) Obtain other criminal history information for verification;
 and
 - (C) Submit to fingerprinting for purposes of complying with the criminal history record check;
- (4) Authorize the DHS to deny a PAPs' application based on:
 - (A) A conviction of a crime other than a minor traffic violation involving a fine of \$50 or less; and
 - (B) If the DHS finds that the criminal history record of either of the PAPs poses a risk to the health, safety, or well-being of the child or children to be adopted;
- (5) Allow the DHS to authorize or contract for PAPs' home studies for children under the DHS custody by experienced social workers with specialized adoption experience; and

- (6) Define PAPs as a person or persons who are married to each other, applying with the DHS to adopt a child or children.

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

- (1) Clarifying that a criminal history check means an examination or search for evidence of an individual's criminal history by means of:
 - (A) A fingerprint search by the FBI and follow-up analysis; and
 - (B) A criminal history check by the Center;
- (2) Authorizing the Center to charge a reasonable fee for a criminal history record check performed by the Federal Bureau of Investigation (FBI);
- (3) Changing the offense of a crime other than a minor traffic violation involving a fine of \$50 or less to an offense for which incarceration is a sentencing option;
- (4) Clarifying that fingerprinting is required for a criminal history record check by the FBI;
- (5) Adding an investigation-notification-rebuttal procedure before an adoption application can be denied; and
- (6) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

It is the intent of your Committee on Conference that the definition of "prospective adoptive parents" not be construed in a manner that will prohibit same-sex couples or reciprocal beneficiaries from adopting a child or children.

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. 2506, 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. 2506, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Chumbley, Anderson.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Anderson).

Representatives Arakaki, Saiki, Kahikina, Hamakawa, Auwae.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Auwae).

Conf. Com. Rep. No. 48 on H.B. No. 2098

The purpose of this bill is to:

- (1) Require the Department of Health to conduct criminal history record checks for employees, applicants, providers, and subcontractors in positions which necessitate direct contact with clients when providing non-witnessed direct medical, mental health, or substance abuse services;
- (2) Request the Legislative Reference Bureau to conduct a comprehensive study on criminal history checks; and
- (3) Require the Board of Education to create and implement rules on conducting a sex offender registration check on individuals who volunteer with the schools.

Your Committee on Conference has amended this bill by:

- (1) Requiring the Department of Health to develop procedures for obtaining verifiable criminal history information of only those persons seeking employment, or seeking to serve as providers or subcontractors in positions that place them in direct contact with clients;
- (2) Deleting references to medical and substance abuse treatment services;
- (3) Allowing the Hawaii Criminal Justice Data Center to assess providers, subcontractors, and private schools a reasonable fee for criminal history record checks;
- (4) Deleting references to employer or prospective employer and substituting the Department of Health;
- (5) Deleting the provisions requesting the Legislative Reference Bureau to conduct a study on criminal history checks;

- (6) Deleting the provisions requiring the Board of Education to create and implement rules on conducting a sex offender registration check on individuals who volunteer with the schools;
- (7) Requiring private schools to develop procedures for background checks;
- (8) Setting a repeal date of June 30, 2001 for Section 1 of this bill; and
- (9) Technical, nonsubstantive amendments have been made 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. 2098, 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. 2098, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Chumbley, Sakamoto, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Ito, Saiki, Luke, Hamakawa, Takai, Pendleton.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. No. 49 on H.B. No. 2492

The purpose of this bill is to:

- (1) Authorize the Department of Education (DOE) to carryover five per cent of any appropriation for the school support services program (EDN 150) until the first year of the next fiscal biennium, as long as the funds have been allocated or distributed to the schools;
- (2) Add EDN 150 to the programs that can be funded with carryover funds;
- (3) Require the DOE to submit a report to the Director of Finance (Director) regarding carryover funds 90 days after the close of each fiscal year in a form prescribed by the Director; and
- (4) Delete the definition of "EDN 100."

Upon careful consideration, your Committee on Conference has amended this bill by:

- (1) Deleting the condition that the carryover funds must have been allocated or distributed to the schools; and
- (2) Making technical, nonsubstantive changes 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 H.B. No. 2492, 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. 2492, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Sakamoto, Iwase, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Iwase).

Representatives Ito, Kawakami, Santiago, Takai, Leong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Santiago).

Conf. Com. Rep. No. 50 on H.B. No. 37

The purpose of this bill is to encourage film production in Hawaii through the establishment of a special fund and through tax incentives.

Your Committee on Conference finds that film and television productions in Hawaii provide an invaluable source of advertisement and promotion for our State. Over the last four years, Hawaii's film and television industry has experienced double-digit growth with annual production expenses of \$100,000,000 per year and contributions of \$15,000,000 per year in State tax revenues. Within the next five to ten years, there is the potential for Hawaii's film and television industry to grow to a \$300,000,000 per year industry, generating \$45,000,000 in tax revenues.

To ensure that the State gains film and television exposure, it is essential to provide film and television producers with incentives and assistance to encourage them to produce their projects in Hawaii.

Your Committee on Conference finds that Hawaii's local film and television industry performs a vital role in the State by furthering cultural and artistic expression as well as providing a strong foundation for the financial future of Hawaii.

Your Committee on Conference finds that the most effective way to support Hawaii's film and television industry is to provide incentives to both in-state and out-of-state film and television productions by establishing grant and venture capital programs.

Upon careful consideration, your Committee on Conference has amended this bill by:

- (1) Deleting the tax incentives;
- (2) Renaming the special fund to "Hawaii Television and Film Development Special Fund" (Fund);
- (3) Establishing the Hawaii Television and Film Development Board (Board) which shall administer the Fund;
- (4) Requesting the Board to assess and consider the overall viability and development of the television and film industries and make recommendations to appropriate state or county agencies;
- (5) Adding new definitions;
- (6) Clarifying that the Fund shall be used to provide grants and fund venture capital investments;
- (7) Clarifying the types of productions that are eligible for assistance through the Fund;
- (8) Establishing the board's right to inspect in connection with the processing of a grant;
- (9) Changing the effective date from July 1, 1999, to upon approval; and
- (10) Making technical, nonsubstantive changes for clarity and consistency.

In addition, your Committee on Conference strongly encourages the Board to seek additional support through opportunities such as the Department of Business, Economic Development, and Tourism's loan and loan guarantee programs.

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. 37, 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. 37, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Fukunaga, Buen, Taniguchi, Anderson.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Buen, Taniguchi).

Representatives Takai, Luke, Suzuki, Leong.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 51 on S.B. No. 2513

The purpose of this measure is to authorize the use of a portion of conveyance tax proceeds to fund watershed management projects.

Your Committee finds that with over half of Hawaii's remaining natural lands in private ownership, the Legislature in 1991, established the natural area partnership program and the forest stewardship program to provide incentives for private landowners to provide long-term protection of important natural resources on private lands. These incentives were in the form of state matching funds to landowners willing to dedicate their lands to conservation.

The Legislature also provided for a permanent, dedicated source of funding for the programs by earmarking twenty-five per cent of the conveyance tax revenues for these programs. The Legislature's intent was to enhance private participation in the protection and management of conservation lands.

Since the inception of the natural area partnership and forest stewardship programs, significant efforts have given rise to another innovative public-private undertaking involving the collaboration of major landowners and stakeholders to protect thousands of acres of critical watershed areas. This effort began with the formation of the East Maui Watershed Partnership in 1991, followed by West Maui Watershed Partnership in 1998, and Koolau Watershed Partnership and East Molokai Watershed Partnership in 1999.

Collectively, these partnerships involve some 260,000 acres of land and include an array of major landowners and government agencies including the United States Fish & Wildlife Services, National Park Services, the Department of Land and Natural Resources, the Department of Hawaiian Home Lands, county boards of water supply, and numerous other agencies.

Your Committee believes that, just as the natural area reserves system needed funds to accomplish its goals, so too does the protection of critical watershed areas.

Upon further consideration, your Committee has amended the measure by amending both versions of section 247-7, Hawaii Revised Statutes, one that will expire on June 30, 2001, and the other that will take effect on July 1, 2001. Your Committee has also amended the effective date of the measure to reflect the insertion of the prospective change in statutory language and made technical amendments for purposes of clarity and style.

Your Committee finds that the measure, as received by your Committee, amended the version of section 247-7, Hawaii Revised Statutes, that is to be repealed on June 30, 2001, and amended section 2 of Act 170, Session Laws of Hawaii 1998, which contains a version of section 247-7, Hawaii Revised Statutes, that will take effect on July 1, 2001. Regardless of this amendment, the intent of the House Draft 1 was substantially similar to the Senate Draft 1. However, the methodology used in drafting the House Draft 1 (amending section 2 of Act 170, Session Laws of Hawaii 1998 and the effective date language contained in section 5 of the House Draft 1) made interpretation of the measure's intent unclear.

Your Committee believes that the amended measure is more readily understood and accomplishes the same purpose.

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. 2513, 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. 2513, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Nakata, Matsuura, Tanaka, Anderson.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Matsuura).

Representatives Cachola, Kanoho, Garcia, Meyer.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. No. 52 on S.B. No. 2411

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$10,000,000, to assist Kauai Coffee Company, Incorporated in planning and building a processing plant for freeze dried coffee, at a site to be determined.

Your Committee has amended this measure to add language clarifying that the Department of Budget and Finance shall:

- (1) Evaluate Kauai Coffee Company Inc.'s application for financing of the processing plant using the information submitted on Form P-501, entitled "Formal Application for Financing of an Processing Enterprise", dated June 1, 1999; and
- (2) Report its findings and recommendation to the legislature not less than twenty days before the convening of the Regular Session of 2001.

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. 2411, 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. 2411, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Chun, Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, none.

Representatives Abinsay, Kanoho, Espero, Halford.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 1 (Halford).

Conf. Com. Rep. No. 53 on S.B. No. 2530

The purpose of this measure is to authorize issuance of special purpose revenue bonds in a total amount not to exceed \$10,000,000, to assist Hawaii Gold Cacao Tree, Inc., in financing the establishment of facilities in the County of Hawaii to process cacao beans and to manufacture and produce cacao and chocolate products.

Your Committee has amended this measure to reinsert the language that was deleted by the House version requiring the Department of Budget and Finance to process applications for special purpose revenue bonds under this Act in accordance with the requirements of its "Formal Application for Financing of an Industrial Enterprise" as it existed on October 22, 1987, and to report to the legislature twenty days before the convening of the regular sessions of 2001 and 2002 regarding any progress made with respect to the issuance of the special purpose revenue bonds authorized by 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. 2530, 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. 2530, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Chun, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Abinsay, Espero, Chang, Kaho'ohalahala, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Kaho'ohalahala).

Conf. Com. Rep. No. 54 on S.B. No. 185

The purpose of this measure is to require the Department of Education (DOE) to be responsible for the related services of occupational therapy and physical therapy for evaluation and diagnostic purposes.

In addition, the measure:

- (1) Requires the DOE to provide for exceptional children who need such services and who attend public schools;
- (2) Requires the Department of Health (DOH) to work with the DOE to implement the measure in accordance with the rules of both the DOH and DOE;
- (3) Transfers all rights, powers, functions, and duties of the occupational and physical therapy programs of the school of health from the DOH to the DOE; and
- (4) Requires all officers and employees of these program to be transferred with their functions and regular duties.

Your Committee amended the measure to require retention of all current DOH rights, benefits, and privileges of all transferred officers and employees.

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. 185, 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. 185, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Chun Oakland, Sakamoto, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Ito, Kawakami, Ahu Isa, Leong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 55 on S.B. No. 2837

The purpose of the measure is to implement a comprehensive system of educational accountability to:

- (1) Expand the Department of Education's accountability system to specifically include student accountability; professional accountability for schools, teachers, principals, and other employees; and public accounting for other significant partners to the education process;
- (2) Require the establishment of a full and balanced set of appropriate consequences for observed performance, including rewards and recognition for those schools that meet or exceed their goals, assistance to those that fall short, and sanctions for those that continue to fail to meet their goals;

- (3) Require the establishment of a statewide student assessment program that provides annual data on student, school, and system performance at selected benchmark grade levels in terms of student performance relative to statewide content and performance standards;
- (4) Mandate the development of an accountability system that requires teachers and administrators to engage in continuous professional growth and development to ensure their currency with respect to disciplinary content, leadership skill, knowledge, or pedagogical skill, as appropriate to their position;
- (5) Mandate the establishment of an explicit link between professional evaluation results and individual accountability for professional development by requiring these evaluation results to be used to prescribe appropriate consequences;
- (6) Require the Department of Education to submit summaries of each school's standards implementation design to the Legislature and the Governor prior to each Regular Session;
- (7) Provide that the implementation of the accountability system is not subject to negotiation under chapter 89, Hawaii Revised Statutes (HRS); and
- (8) Establish within the DOE an interagency educational accountability working group.

Upon further consideration, your Committee amended the measure to:

- (1) Specify that the accountability system shall include public accounting for other significant partners to the education process, including parents, community members, business, higher education, media, and political leadership;
- (2) Require the development of a collaborative process with stakeholders, including representatives of appropriate bargaining units, parents, administration, and students, to define the roles, responsibilities, and obligations of each;
- (3) Require the system to involve not only statewide student assessment at selected benchmark grade levels but also annual assessment for each grade for core subject matters, as conducted by each school;
- (4) Require that results of the professional evaluation be used by the DOE to prescribe professional development focus and content, as appropriate;
- (5) Remove language regarding appropriate consequences;
- (6) Amend section 302A-1004(d), HRS, to:
 - (A) State that the superintendent is responsible for the development and accountability of the educational accountability system;
 - (B) Require the accountability system to include consequences and be designed through a collaborative process;
 - (C) Specify parties required to be involved in the design of the system; and
 - (D) Limit negotiations under chapter 89, HRS, to the impact on personnel arising from the superintendent's implementation of the system; and
- (7) Remove section 3 of the measure, regarding the interagency accountability working group.

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. 2837, 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. 2837, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Nakata, Iwase, Kawamoto, Sakamoto, Slom.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Slom).

Representatives Ito, Yoshinaga, Takamine, Leong.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 56 on S.B. No. 2480

The purpose of this bill is to give the Family Courts discretion to permit service by mail in lieu of publication where a plaintiff files an affidavit attesting to impoverishment and that the whereabouts of the defendant are unknown.

Your Committee on Conference finds that the provisions of this bill will assist those with low incomes in changing their marital status. Until January 1, 2000, the Hawaii Family Court Rules, independent of statutory authority, allowed indigent people seeking to divorce their missing spouses an alternative to notice by publication. The rules allowed the plaintiff to send a copy of the complaint and summons to the spouse at the spouse's last known address by registered or certified mail in lieu of service by publication. The repeal of this Family Court Rule has adversely affected indigent individuals who may wish to get a divorce, but are prevented from obtaining such, because they cannot afford the publication costs.

After careful consideration, your Committee on Conference has amended this measure by requiring the posting of the pleadings and process at the courthouse in which the papers were filed, in addition to service by mail in lieu of publication, in order to address any due process challenges. As an additional safeguard, your Committee on Conference has amended this measure by requiring that service of an additional copy of the pleadings be made on the defendant's closest known relative, if any can be found.

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. 2480, 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. 2480, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Chun Oakland, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Hamakawa, Saiki, Auwae.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 57 on S.B. No. 3073

The purpose of the measure is to add the habitual driving offense to the implied consent law, and to define "preliminary alcohol screening device" and clarify its limitations.

Your Committee upon further consideration has amended the measure by replacing the term "screen" with "screening" to be consistent with its use in the definition of "preliminary alcohol screening device".

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. 3073, 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. 3073, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Matsunaga, Buen, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Hiraki, Hamakawa, Goodenow, Saiki, Auwae.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 58 on S.B. No. 3038

The purpose of this bill is to expand the Department of Education's zero tolerance policy regarding possession of intoxicating liquor, illicit drugs, dangerous weapons, and switchblades, to include the sale, consumption, or use of intoxicating liquor or illicit drugs and the sale and use of a dangerous weapon.

Your Committee on Conference finds that in light of the court's ruling in James P. and Lucille P. versus Paul LeMahieu and Robert Ginlack (Civil No. 99-0861 DAE LEK), it is appropriate to expand the zero tolerance policy to include those situations in which a student may have consumed intoxicating liquor or illicit drugs during school or prior to a department-supervised activity held on or off school property. Discipline has become an increasingly difficult problem for teachers and students in Hawaii's schools. This measure will assist educators in their efforts to teach our youth in a safe and nurturing environment.

After careful consideration, your Committee on Conference has amended this measure by:

- (1) Clarifying that any student who reasonably appears to have consumed or used intoxicating liquor or illicit drugs prior to attending school or attending department-supervised activities held on or off school property may be excluded from attending school;
- (2) Deleting specific references to the provisions of Hawaii administrative rules, title 8, chapter 19 as it is unnecessary and undesirable due to the possibility of changes in section, chapter, or title numbers;

- (3) Deleting all references to "under the influence of intoxicating liquor";
- (4) Clarifying that substitute educational activities or other appropriate assistance are provided to any child who is excluded from attending school for more than ten days; and
- (5) Making technical, non-substantive 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. 3038, 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. 3038, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Sakamoto, Chumbley, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Ito, Saiki, Hamakawa, Leong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 59 on S.B. No. 2779

The purpose of this measure is to expand the enterprise zones law to include businesses engaged in research, development, sale, or production of all types of genetically-engineered medical, agricultural, or maritime biotechnology products, businesses that repair assisted technology equipment, and call centers.

Your Committee has amended this measure to clarify that call centers would include technical support service for manufacturing companies, rather than for manufactured products, and to make a technical amendment.

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. 2779, 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. 2779, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, D. Ige, Buen, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Herkes, Luke, Souki, Suzuki, Halford.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 60 on S.B. No. 3199

The purpose of this measure is to facilitate the importation of microorganisms for research and commercial purposes.

Your Committee has amended this measure to make technical amendments 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. 3199, 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. 3199, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Levin, Slom.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Abinsay, Espero, Ahu Isa, Halford.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ahu Isa).

Conf. Com. Rep. No. 61 on S.B. No. 2121

The purpose of this bill, as received by your Committee on Conference, is to repeal or amend laws to eliminate obsolete statutes or session laws, to repeal obsolete administrative rules, and to streamline agency procedures to repeal unnecessary administrative rules.

Your Committee on Conference finds that a streamlined procedure for repeal of unnecessary rules is an important step toward good government, but that it is equally important to ensure that the public is not deprived of the opportunity to participate and express concerns about rules proposed for repeal.

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

- (1) Deleting Parts I through IV of the bill, which dealt with the repeal of statutes or session laws;
- (2) Inserting a provision allowing an interested person to petition an agency regarding the proposed expedited repeal of a particular section, chapter, or subchapter, pursuant to chapter 91-6, Hawaii Revised Statutes; and
- (3) Making technical, non-substantive amendments to conform the language of the bill to the amendments listed above.

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. 2121, 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. 2121, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Tam, Sakamoto, Anderson.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

Representatives Herkes, Ahu Isa, Luke, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 62 on S.B. No. 2982

The purpose of this bill is to clarify that a lien procured by a child support order attaches to property and takes priority over subsequent liens only when the person subject to the child support order has actually become delinquent in payment.

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

- (1) Adding language amending subsection (c) of section 576D-10.5, to clarify that a lien becomes effective and attaches to property only when it arises under subsection (a) or (b), i.e., when the person whose property is subject to the lien has become delinquent in payments or owes a public assistance debt; and
- (2) Making conforming amendments to subsection (e) of section 576D-10.5.

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. 2982, 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. 2982, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Chun Oakland, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Hamakawa, Saiki, Auwae.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 63 on S.B. No. 680

The purpose of this measure, as introduced, is to allow the counties to regulate the use of non-aerial common fireworks through the issuance of certificates of use, and to establish as a misdemeanor the storing, possessing, purchasing, selling, transferring, setting off, igniting, or discharging of aerial common fireworks without a license or permit.

Your Committee upon further consideration has amended the measure to:

- (1) Delete the provisions regarding certificates of use;

- (2) Add a new section providing that aerial common fireworks and/or special fireworks shall only be imported and stored in an amount sufficient for an anticipated three-month inventory, or for a six-month inventory if a licensee uses fireworks for public displays more than once a month;
- (3) Require a person who has obtained a license and ships fireworks into the State to clearly designate fireworks on the bill of lading, declare the gross weight and the location of the storage facility, if applicable, and notify the county how the shipment will be distributed and the expected landing date;
- (4) Allow the fire department to inspect any shipment declared on a shipping manifest as fireworks;
- (5) Require a facility in which fireworks are to be stored to have approval fifteen days prior to arrival, and to meet all state and county fire and safety codes;
- (6) Subject any fireworks that have landed to seizure and forfeiture if the importer or consignee does not have a valid license to import fireworks, store fireworks, or has not properly declared the fireworks, and set increasing penalties by weight;
- (7) Add definitions for the terms "cultural", "import", and "public display";
- (8) Allow non-aerial common fireworks to be used only from 9:00 p.m. on New Year's Eve to 1:00 a.m. on New Year's Day, from 7:00 a.m. to 7:00 p.m. on Chinese New Year's Day, and from 1:00 p.m. to 9:00 p.m. on the Fourth of July, or from 9:00 a.m. to 9:00 p.m. as allowed by permit, provided that the purchase is not more than 5,000 individual firecrackers under each permit;
- (9) Allow special fireworks and aerial common fireworks to be used only by permit for public display;
- (10) Provide that a license issued by the county is nontransferable, and if a licensee has been convicted of a felony under the chapter, the license shall be revoked and no new license shall be issued for two years;
- (11) Allow fireworks only to be sold to a permittee not more than five days in advance of the applicable time period;
- (12) Restrict the permit for non-aerial common fireworks to one event for each permit;
- (13) Provide for a license fee of \$3,000 for importers, \$2,000 for each wholesalers' site, \$1,000 for each storage site, \$500 for each retailer's site, and \$110 for permits for public display, and that the license fees shall be used by each county fire department to pay the salary of an auditor of fireworks records;
- (14) Require a county to exempt nonprofit community groups from the license fees for importation and storage of fireworks for displays once a year;
- (15) Provide that any person importing aerial common fireworks or special fireworks without a valid license shall be guilty of a class C felony;
- (16) Provide that any person purchasing, possessing, setting off, igniting, or discharging aerial common fireworks or special fireworks without a valid permit, or storing, selling, or possessing aerial common fireworks or special fireworks without a valid license with a total weight of twenty-five pounds or more shall be guilty of a class C felony, and if the weight is less than twenty-five pounds, shall be guilty of a misdemeanor;
- (17) Provide that any person who transfers or sells aerial common fireworks or special fireworks to a person without a permit shall be guilty of a class C felony;
- (18) Provide that any person who removes or extracts the pyrotechnic contents from any fireworks related device shall be guilty of a misdemeanor;
- (19) Provide that a person violating any other provision of the chapter not otherwise set forth shall be fined not more than \$2,000;
- (20) Direct the courts to collect fines imposed for violations and allocate twenty per cent to the State and eighty per cent to the county in which the fine was imposed for law enforcement purposes;
- (21) Preclude a county from enacting ordinances or adopting rules regulating fireworks that are inconsistent with or more restrictive than the provisions of this Act;
- (22) Provide for county enforcement of the chapter; and
- (23) Make the Act effective on July 6, 2000.

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. 680, 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. 680, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Chumbley, Matsunaga, Bunda, Ihara, Taniguchi, Slom.

Managers on the part of the Senate.

Ayes, 6. Noes, none. Excused, 1 (Bunda).

Representatives Hamakawa, Nakasone, Goodenow, Saiki, Whalen.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 64 on S.B. No. 2062

The purpose of this measure is to extend the actuarial study on long-term care and clarify the requirements for the study, extend the sunset date of the Joint Legislative Committee on Long-Term Care (JLC), and make appropriations for the JLC expenses.

The need for long-term care, which is already significant, will continue to grow as Hawaii's population ages. Due to the high costs associated with long-term care, more and more families can be expected to endure financial hardships, and even impoverishment, unless a better method of financing long-term care is developed soon. Providing adequate care for the aged and disabled is an economic burden for many people. Long-term care insurance offers a means of alleviating that load. However, many people cannot afford those policies and there are usually limits on services and duration of benefits in coverages.

This measure allows the JLC to complete its ongoing work that commenced with Act 339, Session Laws of Hawaii 1997. A major portion of the JLC's work was accomplished with Act 93, Session Laws of Hawaii 1999, which enacted the Long-Term Care Insurance Model Act. But, more work is needed to explore the mechanics of establishing a state-sponsored long-term care system that is effective, cost-efficient, and covers the largest number of people.

Your Committee on Conference has amended this measure by:

- (1) Requiring the JLC to contract for an actuarial study;
- (2) Clarifying that the funding approach consider factors of expense, ease of administration, and actuarial soundness; and
- (3) Making technical changes for 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. 2062, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2062, S.D. 1, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Taniguchi, Kanno, Levin, Anderson.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

Representatives Arakaki, Menor, Kanoho, Yamane, Pendleton.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Pendleton).

Conf. Com. Rep. No. 65 on S.B. No. 2254

The purpose of this measure is to require the use of an encrypted or encoded identification for individuals and entities using nonidentifiable health information.

This measure strengthens the confidentiality of patient records by restricting access to those persons and entities who have encrypted or encoded identification.

Your Committee on Conference has amended this measure by:

- (1) Deleting the amendments to section 323C-1, Hawaii Revised Statutes, and the encoding provisions;
- (2) Clarifying the definition of "Nonidentifiable health information" to preserve the identity of the subjects of the information;
- (3) Deleting the restriction of disclosure of protected health information to within an entity for purposes of treatment or qualified health care operations;
- (4) Clarifying that research not subjected by federal regulation to institutional board review is subject only to the requirements of section 323C-37, Hawaii Revised Statutes, relating to health research approval;

- (5) Prohibiting a health researcher from disclosure or use of unique patient identifiers for any purposes not reviewed by an institutional review board;
- (6) Establishing a Medical Privacy Task Force; and
- (7) Deleting reference to criminal and civil liability.

This measure, as amended, will facilitate legitimate health research in this State and legitimate exchange of other health care data for the purpose of qualified health care operations.

The patient records confidentiality task force will address unresolved issues that remain regarding the possible impact of this amended measure on the disclosure or use of consumer volunteered health data, on health research, and on other aspects of compliance with chapter 323C, Hawaii Revised Statutes. The Medical Privacy Task Force will recommend solutions to any unresolved compliance issues.

The intent of the Committee on Conference is that any medical research projects currently in progress will not be impacted by this amended measure.

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. 2254, 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. 2254, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Chumbley, Iwase, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Iwase).

Representatives Santiago, Menor, Saiki, Cachola, Auwae.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 66 on S.B. No. 2655

The purpose of this measure is to strengthen the patient's bill of rights and responsibilities law.

This measure is a result of the work of the Patients Bill of Rights Task Force, established by Act 178, Session Laws of Hawaii 1998, to review various laws that may affect patient's rights in this State. The twenty members of the task force represent various organizations and agencies of diverse interests. This measure contains the recommended legislation of the task force, in response to Senate Concurrent Resolution No. 152, 1999, requesting the task force to develop further legislation and conduct a study of the term "medical necessity".

This measure protects the rights of children and adults within the parameters of a health care plan's coverage and benefits. Your Committee on Conference has been assured that the Task Force will continue its discussions and consider concerns raised by the pediatric community regarding developmentally disabled children, and also concerns raised by the psychiatric community.

Your Committee on Conference has amended this measure by adding to the membership of the Task Force, the Hawaii Psychiatric Medical Association, American Academy of Pediatrics, and Family Voices.

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. 2655, 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. 2655, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Taniguchi, Kanno, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Santiago, Menor, Yamane, Cachola, McDermott.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. No. 67 on S.B. No. 2850

The purpose of this measure is to allow the Department of Human Services (DHS) to adopt rules relating to kinship care, including criminal background checks and fingerprints.

This measure is intended to address a common situation in Hawaii where a child could live with a grandparent, or aunt or uncle, rather than with the child's parent or guardian. According to the DHS, this measure compliments and enhances the current regulatory framework regarding foster care, which is very similar to kinship care.

Your Committee on Conference has amended this measure by:

- (1) Requiring the adoption of standards relating to kinship boarding homes;
- (2) Clarifying that the sworn statement indicate whether or not the person has ever been convicted of an offense for which incarceration is a sentencing option, and making the same clarification of the grounds for refusal by the DHS;
- (3) Requiring that a refusal by the DHS may occur only after investigation, notification, and opportunity to meet and rebut the finding;
- (4) Defining "criminal history record check";
- (5) Defining "kinship boarding home" to include placement with the child's consanguineous father, mother, grandparent, brother, sister, aunt, uncle, or first cousin; and
- (6) Rearranging and recasting the material in the new section.

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. 2850, 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. 2850, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Chumbley, Iwase, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Arakaki, Saiki, Kahikina, Pendleton.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

Conf. Com. Rep. No. 68 on S.B. No. 2863

The purpose of this measure is to require that an application form for a motor vehicle license or renewal contain a question to designate whether the applicant has an advance health-care directive.

This measure also provides that if an applicant designates on the application for any motor vehicle license that the applicant has an advance health-care directive, the license will bear the designation "advance health-care directive", or a symbol or abbreviation for it.

Your Committee on Conference has amended this measure by:

- (1) Deleting reference to medical treatment information imprinted on the civil identification card; and
- (2) Reformatting statutory material for 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. 2863, 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. 2863, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Kawamoto, Chumbley, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Saiki, Nakasone, Hamakawa, Meyer.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 69 on S.B. No. 2154

The purpose of this bill is to amend the definition of "family or household member", within the context of domestic abuse protective orders, to include persons who have or have had a dating relationship.

The bill also:

- (1) Defines "dating relationship";
- (2) Specifies factors that may be considered by a court in its determination as to whether a dating relationship exists;
- (3) Clarifies the types of conduct that may be enjoined by a restraining order; and
- (4) Adds "incapacitated persons" to the list of those for whom reporting of their involvement in domestic abuse cases to the Department of Human Services is required and for whom reports by the Department of Human Services to the family court must be made.

Upon further consideration, your Committee on Conference has amended this bill by inserting, from the S.D. 1, a part II to chapter 586, Hawaii Revised Statutes, relating to foreign protective orders, which ensures that full faith and credit is given to foreign protective orders, as required by Section 2265 of the Violence Against Women Act, 18 U.S.C. §2265 (1994).

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. 2154, 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. 2154, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Chun Oakland, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Hamakawa, Saiki, Auwae.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 70 on S.B. No. 2711

The purpose of this bill, as received by your Committee on Conference, is to allow expedited repeal of obsolete administrative rules, to create a legislative management committee with oversight of agency rulemaking, and to require agency justification for rules required by federal law but exceeding minimum federal requirements.

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

- (1) Deleting its contents, with the exception of a provision requiring agency justification for rules required by federal law but exceeding minimum federal requirements, and a provision requiring each agency to use flexible approaches in rulemaking;
- (2) Reinserting from the Senate position a provision requiring the automatic repeal within six months of any rule adopted pursuant to a repealed statute or ordinance; and
- (3) Making technical, non-substantive changes required by the amendments listed above.

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. 2711, 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. 2711, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Sakamoto, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Herkes, Menor, Luke, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 71 on S.B. No. 2151

The purpose of this bill, as received by your Committee, is to:

- (1) Require the county police to conduct mental health and criminal history inquiries on registered firearms owners in five year intervals;

- (2) Provide for updates to the firearm registry using statements made under penalty of perjury every five years; and
- (3) Provide for the surrender or confiscation of all firearms by any person prohibited from owning or possessing firearms.

Your Committee on Conference finds that Hawaii's firearm laws are the second strictest in the nation and that Hawaii ranks 49th of 50 states in total firearms deaths. However, there are still loopholes in our laws that allow unqualified individuals in the state to own, possess, or control firearms. Your Committee on Conference further finds that significant improvements can be made in the enforcement of these laws. Therefore, Your Committee on Conference believes that the creation of a multi-agency coalition may help to reduce violent firearm crime through prevention, deterrence, and maximum effort at investigation, arrest, detention, and enhanced prosecution of such crimes.

Your Committee on Conference would like to suggest that the coalition examine the Model Violent Firearm Crime Coalition guidelines, created by the International Association of Chiefs of Police. This model has been used effectively in King County, Seattle, Washington. Your Committee on Conference further urges the coalition to seek input from groups that support firearm controls and from groups that oppose firearm controls, without advocating for either side. The intent of your Committee on Conference is that this coalition work to establish strategic partnerships among law enforcement, prosecution, corrections and the community with a goal of reducing violent firearm crime.

Additionally, it is your Committee's intent that the coalition determine the best process to seize firearms from individuals who no longer qualify for firearm ownership and who do not voluntarily relinquish firearms or transfer ownership. The coalition should also determine the best process to identify individuals who, because of significant behavioral, emotional or mental disorders, or organic brain damage, no longer qualify to own or control firearms. In determining the best processes to keep firearms from individuals no longer qualified to own or possess them, the coalition should also examine the feasibility of having a perpetual waiver for mental health records and how the information regarding changes in the mental health status of a firearms owner should be made accessible to law enforcement.

After careful consideration, your Committee on Conference has amended this measure by:

- (1) Deleting the provisions requiring periodic mental health history and criminal record inquiries;
- (2) Deleting the provisions requiring re-registration of firearms every five years;
- (3) Providing that the county police departments may seize all firearms and ammunition when a person is denied a permit to acquire;
- (4) Providing that the county police departments may seize all firearms and ammunitions when a person is disqualified from ownership or possession of a firearm under section 134-7;
- (5) Providing that the courts notify the county police departments when a person has been ordered to voluntarily surrender or dispose of all firearms and ammunitions;
- (6) Making a conforming amendment to chapter 323C, Hawaii Revised Statutes; and
- (7) Establishing a multi-agency coalition with the goal of reducing violent firearm crime in 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 S.B. No. 2151, 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. 2151, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Kawamoto, Ihara, Bunda.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Bunda, Ihara).

Representatives Hamakawa, Saiki, Whalen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 72 on S.B. No. 3133

The purpose of this bill is to:

- (1) Expand the prohibition of street solicitation of prostitution in Waikiki to other areas designated by the council of the appropriate county; and
- (2) Deny bail to those persons arrested for violating terms of bail or probation upon entering these prohibited designated areas.

Your Committee on Conference finds that allowing counties to designate additional areas as "prostitution-free zones" may provide counties with a way to address the proliferation of prostitution beyond the Waikiki area.

After careful consideration, your Committee on Conference has amended this measure by:

- (1) Re-inserting all references to "Waikiki" as an area designated as a zone of significant prostitution-related activity; and
- (2) Clarifying that county designations are limited to only four special areas within the State; and
- (3) Making technical, non-substantive 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. 3133, 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. 3133, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Kawamoto, Tanaka, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Tanaka, Anderson).

Representatives Hamakawa, Saiki, Auwae.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 73 on S.B. No. 2722

The purpose of this measure is to authorize the Department of Education (DOE), in its discretion, to establish and implement a Hawaiian Language Immersion Program (Program).

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

- (1) Deleting proposed references to charter and lab schools; and
- (2) Deleting the sections that provide for the appropriation of funds to the DOE to establish and implement the Hawaiian Language Immersion Program since it is your Committee's understanding that funding for the Program has been inserted in the State Budget.

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. 2722, 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. 2722, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, D. Ige, Chun, Tanaka, Anderson.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Tanaka).

Representatives Ito, Kawakami, Ahu Isa, Leong.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ahu Isa).

Conf. Com. Rep. No. 74 on S.B. No. 2741

The purpose of this measure is to provide the Department of Agriculture with an additional two years to complete the State Agricultural Water Use and Development Plan mandated by Act 101, Session Laws of Hawaii 1998 (Act 101).

The measure also appropriates an unspecified amount of funds to assist the Department of Agriculture in defraying the costs associated with developing the State Agricultural Water Use and Development Plan.

Your Committee finds that the Department of Agriculture, under Act 101, Session Laws of Hawaii 1998, was charged with the responsibility to develop a State Agricultural Water Use and Development Plan by the beginning of 2000. However, your Committee also finds that no additional funds were appropriated to the Department of Agriculture to carry out this additional responsibility.

Currently, the Department of Agriculture is utilizing its existing resources and is working in collaboration with the Commission on Water Resource Management to meet the mandates of Act 101.

Your Committee believes that providing the Department of Agriculture with an additional two years to complete the State Agricultural Water Use and Development Plan is reasonable considering that no additional funds have been made available for this purpose.

Upon further consideration, your Committee has amended the measure by reverting the contents of the House Draft 2 to the original provisions of the Senate Bill as introduced by deleting the appropriation section, and using the purpose section in the original 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. 2741, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2741, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Inouye, Fukunaga, Tanaka, Anderson.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Tanaka, Anderson).

Representatives Abinsay, Cachola, Espero, Halford.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 75 on S.B. No. 2843

The purpose of this measure is to provide for a more effective administration and disposal of Hawaiian home lands by:

- (1) Clarifying the Department of Hawaiian Home Lands' (DHHL) authority to lease out improvements situated on Hawaiian home lands;
- (2) Providing flexibility in the manner in which DHHL may dispose of Hawaiian home lands to a native Hawaiian or to an organization or association controlled by native Hawaiians; and
- (3) Allowing DHHL to grant licenses that are to be considered as non-exclusive franchises for the purpose of installing infrastructure on Hawaiian home lands.

Upon further consideration, your Committee has amended the measure by deleting the amendments made in the House Draft 2 version which allows DHHL to grant licenses that are to be considered as non-exclusive franchises for the purpose of installing infrastructure on Hawaiian home lands and reverting the provisions back to the original contents of the Senate Bill as introduced, with the exception of a technical, nonsubstantive amendment.

Your Committee finds that the original contents of S.B. No. 2843 clarified that DHHL may lease structures situated on Hawaiian home lands and provides the Department with greater flexibility in disposing of Hawaiian home lands to a native Hawaiian or an organization or association controlled by native Hawaiians.

Your Committee also finds that existing law is silent as to the DHHL's authority to lease structures situated on Hawaiian home lands. Although the authority is implied, your Committee believes the clarification provided by the measure is necessary.

Your Committee further finds that under existing law, native Hawaiians seeking to lease Hawaiian home lands offered under a general lease must go through a sealed bid process. If the land is not successfully bid upon, the land may be leased to the general public through an open bid process. Your Committee believes that this practice is unfair to native Hawaiians in that potential native Hawaiian lessees may end up paying more under a lease through the sealed bid process than what is actually necessary. Your Committee also believes that allowing potential native Hawaiian lessees to participate in an open bid process for Hawaiian home lands would allow these potential lessees to ascertain the exact value of competing voice bids, thereby providing the opportunity for the lower, more affordable lease rates.

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. 2843, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2843, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Kanno, Matsuura, Tanaka, Anderson.

Managers on the part of the Senate.

Ayes, 6. Noes, none. Excused, none.

Representatives Saiki, Nakasone, Hamakawa, Kaho'ohalahala, Auwae.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 76 on S.B. No. 2186

The purpose of this measure is to regulate the practices of individuals who review or audit billings for medical services to prevent the use of unreasonable or harsh tactics in billing reviews and to remove financial incentives for the denial or reduction of payments to providers. Under the licensure scheme established in this measure, independent bill reviewers (IBRs) must meet minimum qualifications, pay a licensing fee, submit to examination by the insurance commissioner, and maintain records. Further, this measure prohibits an IBR from receiving compensation based on a contingency fee.

Your Committee on Conference has amended this measure by:

- (1) Deleting the word "independent" from the term "independent bill reviewer" in the title of article 9, chapter 431, Hawaii Revised Statutes, to make the title less restrictive; and
- (2) Providing that the appropriations provision of the measure takes effect on July 1, 2000, rather than on July 1, 2050.

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. 2186, 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. 2186, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kanno, Slom.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Menor, Yamane, Cachola, Lee, Whalen.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 77 on S.B. No. 2283

The purpose of this measure is to streamline the resolution of disputed matters before the Public Utilities Commission (PUC) by requiring the parties to a PUC proceeding to participate in non-binding arbitration, mediation, or some other form of alternative dispute resolution prior to hearing.

Your Committee on Conference has amended this measure to provide that the Act takes effect 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. 2283, 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. 2283, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kanno, Slom.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Menor, Cachola, Garcia, Lee, Whalen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Cachola, Garcia).

Conf. Com. Rep. No. 78 on S.B. No. 2729

The purpose of this measure is to protect service contract holders in the State by creating a regulatory framework governing the sale, terms, and administration of service contracts sold to consumers.

Your Committee believes service contract legislation will benefit both consumers and existing service contract providers by:

- (1) Protecting consumers and providing a means by which they will be made aware of their rights when they enter into service contract agreements; and
- (2) Providing a regulatory framework that is clear, concise, and uniform for those service contract providers who wish to offer service contracts to consumers in the State.

Under current law, service contracts are considered insurance contracts and fall within the purview of the insurance code. Your Committee finds that both consumers and service contract providers are better served if service contracts are removed from the insurance code's stringent requirements that could hinder the industry's development and placed within the framework set forth within

this measure which resembles measures adopted by other states. In addition, a more comprehensive framework, which is based on an amended version of the Model Service Contract Act, would provide expanded protection for consumers not currently found in existing law.

Your Committee has amended this measure to:

- (1) Require service contract providers to provide consumers with a written copy of the service contract's basic terms and conditions at the physical point of sale, except for offers or sales consummated by telephone, mail, or electronic media;
- (2) Establish a \$75 registration fee and \$75 services fee for service contract providers; and
- (3) Make the Act effective on July 1, 2000, and applicable only to service contracts and contractual liability insurance policies in effect after June 30, 2000.

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. 2729, 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. 2729, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kanno, Ihara.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Ihara).

Representatives Menor, Yamane, Cachola, Lee, Marumoto.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 79 on S.B. No. 2819

The purpose of this measure is to establish standards governing life insurance policy illustrations and the replacement of life insurance and annuities.

This measure addresses the problems that arise when computer generated sales illustrations, including computer generated graphs and comparison charts, are used to induce the purchase of an insurance product, rather than to help consumers better understand the product. By establishing a regulatory framework for life insurance policy illustrations that defines terminology, establishes simplified uniform illustrations standards, and requires disclosure to consumers, this measure will facilitate the understanding and comparison of different life insurance products. The measure also regulates the replacement of life insurance policies and annuities by establishing the duties of producers and existing and replacing insurers, and requirements for the use of direct response solicitations.

Your Committee on Conference has amended section 3 of the measure that establishes a new part governing the replacement of life insurance policies and annuities by:

- (1) Expanding and retitling the exemptions section to include the purposes of the new part and placing it in the beginning of the part;
- (2) Establishing that the purposes of the part are to regulate the replacement of existing life insurance and annuities by insurers and producers, and establish minimum standards of conduct in replacement or financed purchase transactions;
- (3) Clarifying the type of group meetings held by insurance producers that are excluded from the meaning of direct solicitation for purposes of establishing exemptions from the part;
- (4) Establishing additional exemptions from the part for group life insurance used to fund prearranged funeral contracts, immediate annuities purchased with proceeds from an existing contract, and structured settlements;
- (5) Clarifying the types of transactions that constitute prima facie evidence of a policyholder's intent to purchase, within the definition of "financed purchase";
- (6) Deleting the definitions for "in force illustration" and "nonguaranteed elements";
- (7) Clarifying that the notice required of producers initiating replacement transactions need not be approved by the insurance commissioner if the notice is being amended merely to omit inapplicable references;
- (8) Clarifying the duties of insurers that use producers in regards to supervising a producer's compliance with the law, having the capacity to monitor a producer, recordkeeping, and other duties;
- (9) Clarifying the duties of replacing insurers that use producers as they relate to recordkeeping, refund notices, and verification of sales materials used by a producer; and

- (10) Clarifying the recordkeeping and notification duties of an existing insurer in replacement transactions.

Additionally, your Committee has advanced the measure's effective date from July 1, 2050, to July 1, 2001, and made 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. 2819, 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. 2819, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Ihara, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Menor, Cachola, Garcia, Lee, Whalen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Garcia, Whalen).

Conf. Com. Rep. No. 80 on S.B. No. 3043

The purpose of this measure is to authorize the establishment of a State-owned captive insurance facility to insure the general liabilities of the State. This measure will enable the State to take advantage of discounted premium rates in the reinsurance market and to retain control over insurance reserves.

Your Committee on Conference has amended this measure to:

- (1) Retain the comptroller's discretion to request the governor to transfer state programs savings to fund the obligations of the State Risk Management Revolving Fund and the discretion to dissolve the fund;
- (2) Require the insurance division to study the feasibility and cost effectiveness of providing insurance coverage for real property damage sustained as a result of fire, flood, or hurricane, and for other types of risks; and
- (3) Appropriate \$100,000 from the Captive Insurance Administrative Fund for the purposes of the 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. 3043, 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. 3043, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kanno, Anderson.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Anderson).

Representatives Menor, Yamane, Cachola, Lee, Whalen.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 81 on S.B. No. 3190

The purpose of this measure is to facilitate the development of the State's captive insurance industry by authorizing the licensing of branch captive insurance companies. Branch captive insurance companies are already allowed in Vermont and Hawaii has received inquiries from insurance organizations and businesses interested in establishing branches in Hawaii.

Your Committee on Conference has amended this measure by deleting language that would have limited the organizational flexibility of captives. The deleted provisions defined a captive insurance company as a class 1, class 2, class 3, class 4, or class 5 company, and categorized a branch captive as a class 5 company.

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. 3190, 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. 3190, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kanno, Slom.
Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Menor, Cachola, Lee, Whalen.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 1 (Whalen).

Conf. Com. Rep. No. 82 on S.B. No. 2467

The purpose of this bill is to authorize and establish procedures for the administrative forfeiture of materials, tools, and other property owned and used in unlicensed activity by an unlicensed contractor.

Your Committee on Conference has amended this measure by deleting its contents and replacing them with the contents of H.B. No. 1933, H.D. 1, S.D. 2, which contained the most recent Senate position regarding the contents of this measure. Your Committee on Conference has further amended this measure by:

- (1) Deleting a provision which would have made unlicensed contracting activity a per se unfair and deceptive practice;
- (2) Returning to a modified form of the House position regarding what prior departmental law enforcement contacts are required before a person's tools are subject to forfeiture: forfeiture may be applied for a person who is or was a defendant or respondent in a separate citation or lawsuit filed with or by the Department of Commerce and Consumer Affairs;
- (3) Deleting the qualifier "directly" in the requirement that property subject to forfeiture have been used in unlicensed activity; and
- (4) Making technical, non-substantive changes to conform the language of the bill to the substantive changes listed above.

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. 2467, 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. 2467, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Matsunaga, Slom.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, none.

Representatives Menor, Saiki, Cachola, Lee, Marumoto.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 83 on S.B. No. 2152

The purpose of this bill is to allow Hawaii to participate in a new interstate compact for the supervision of probationers and parolees.

Your Committee has amended this measure by making technical non-substantive changes to correct misspellings and formatting errors. Your Committee notes that these changes have received approval from the special counsel's office hired to ensure that the compact is adopted in substantially similar form by all the states choosing to participate in the new interstate compact.

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. 2152, 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. 2152, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Chun, Anderson.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Garcia, Saiki, Kanoho, Pendleton.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 1 (Pendleton).

Conf. Com. Rep. No. 84 on S.B. No. 2115

The purpose of this bill is to allow for qui tam, or citizen attorney general, lawsuits to recover against persons who submit fraudulent claims for payment by the State.

Upon further consideration, your Committee on Conference has amended this bill by adding provisions from the Senate position as follows:

- (1) Making it a violation of the chapter for a person to benefit from an inadvertent false claim and fail to disclose it within a reasonable time after discovering it;
- (2) Establishing joint and several liability for violations committed by multiple persons;
- (3) Limiting actions under the chapter to controversies involving at least \$500 in the aggregate;
- (4) Exempting claims subject to chapter 231, Hawaii Revised Statutes;
- (5) Permitting dismissal of an action by a private person with the written consent of the court and after consideration of the best interests of the parties and the law's public purposes;
- (6) Providing that the seal on a complaint is lifted whether the State decides to proceed or declines to proceed, once the State has given notification of its decision;
- (7) Prohibiting the filing of a false claim action against legislators, judges, and state and county elected officials, if the action is based on information known to the State (but not just to the person alleged to have made the false claim) when the action was brought;
- (8) Requiring, for a person to qualify as an "original source," that the person's information have prompted the action that led to public disclosure;
- (9) Prohibiting the filing of a false claim action by a present or former State employee based upon information discovered during the course of employment, unless the State failed to act on the information after the employee exhausted internal procedures for reporting and recovering for the false claim;
- (10) Limiting to 60 days an initial stay of discovery to prevent interference with a civil or criminal investigation or case, and allowing an extension of the stay upon a showing that the civil or criminal case has been pursued and the discovery would still interfere with it;
- (11) Making the bill effective upon approval, but not retroactive;
- (12) Deleting as redundant of current law a section creating a special whistleblower law for whistleblower suits based on allegations of violations of the chapter; and
- (13) Making technical, non-substantive amendments to conform the language of the bill to the substantive amendments listed above.

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. 2115, 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. 2115, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Chun, Sakamoto, Anderson.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

Representatives Saiki, Nakasone, Hamakawa, Auwae.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 85 on S.B. No. 2427

The purpose of this bill is to appropriate money for payments to compensate crime victims in the 2000-2001 fiscal year.

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

- (1) Clarifying in the appropriation language that the appropriation is made solely for the purpose of compensating crime victims or their providers of services;
- (2) Changing the appropriation amount from a blank to \$877,025;
- (3) Changing the effective date from a blank to July 1, 2000;

- (4) Deleting a provision that would have amended section 351-62.5, Hawaii Revised Statutes, to place a cap of not more than ten percent of the moneys in the crime victim compensation fund on the amount that can be used for operating expenses and salaries; and
- (5) Making technical, non-substantive 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. 2427, 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. 2427, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Fukunaga, Anderson.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Hamakawa, Nakasone, Saiki, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. No. 86 on S.B. No. 2879

The purpose of this measure is to regulate the disposal of used motor vehicle tires by:

- (1) Requiring all facilities accepting used tires to maintain records on the entity that supplied the used tires; and
- (2) Assessing a \$2 environmental clean up fee on all motor vehicles to be collected by the counties and deposited into a special account in the environmental management special fund and used for various purposes to promote and effectuate the proper disposal of used tires and to clean up improper tire disposal sites.

The measure also incorporates the necessary provisions to implement the program.

Your Committee on Conference amended the measure by:

- (1) Deleting the section imposing on all motor vehicles a \$2 annual environmental clean up fee to be collected by the counties and transferred to the State;
- (2) Imposing a \$1 surcharge on each motor vehicle tire imported into the State to be submitted to the Department of Health on a quarterly basis along with the required documentation;
- (3) Permitting motor vehicle rental companies to deduct the number of tires exported from the number imported in calculating the surcharge;
- (4) Exempting from the surcharge importers importing less than 50 tires per year;
- (5) Permitting importers of 50 but less than 200 tires to submit records and surcharge payment on an annual, rather than quarterly basis;
- (6) Deleting the section on liability;
- (7) Allowing for "a fine up to \$1,000 for each separate offense" rather than "a fine of \$1,000 for each separate offense"; and
- (8) Utilizing the term "importer" in place of "motor vehicle importer" or "motor vehicle tire importer".

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. 2879, 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. 2879, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nakata, Chun, Kawamoto, Ihara, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Anderson).

Representatives Morita, Schatz, Garcia, Fox.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Garcia).

Conf. Com. Rep. No. 87 on S.B. No. 2354

The purpose of this bill is to increase public access to the legislative process.

Specifically, the bill:

- (1) Appropriates funds for a legislative media streaming pilot project;
- (2) Appropriates funds for an additional full-time staff position for the Public Access Room;
- (3) Appropriates funds for a child care pilot project; and
- (4) Transfers responsibility for the sale and distribution of the Hawaii Revised Statutes and other legislative publications from the Office of the Lieutenant Governor to the Legislature.

Upon consideration, your Committee has amended this measure by deleting all of its contents and replacing them with an appropriation of funds to purchase hardware and software to upgrade the legislative internal computer network.

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. 2354, 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. 2354, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, D. Ige, Chun, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Kanoho, Takamine, Fox.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Fox).

Conf. Com. Rep. No. 88 on S.B. No. 3045

The purpose of this bill is to give the Auditor subpoena powers and clarify the scope of confidentiality of the Auditor's working papers.

In particular, this bill authorizes the Auditor to issue subpoenas, instead of precepts, compelling the appearance and sworn testimony of any person, as well as subpoenas duces tecum compelling the production of accounts, books, records, or other evidence, if the auditor reasonably believes these may relate to an audit or other investigation of the Auditor. Upon application by the Auditor, obedience to the subpoena may be enforced by the circuit court in the same manner as a subpoena issued by the clerk of the circuit court.

This bill also specifies, among other things, that the Auditor's confidentiality provision applies to all working papers collected by, reviewed by, and provided to the Auditor and the Auditor's agents in the course of their duties.

Finally, this bill makes conforming amendments to the penalty provisions for violation and false evidence by including persons subpoenaed by the Auditor and including accounts, records, files, and other evidence to the list of items that, if improperly withheld from the Auditor, may cause criminal prosecution.

Your Committee on Conference agrees with the need to give the Auditor subpoena powers in order to facilitate the Auditor's information gathering ability, and further agrees with the need to clarify the penalty provisions to ensure compliance with the Auditor's investigations and audits.

Your Committee on Conference has amended this bill by:

- (1) Deleting section 2 of the bill, which clarified the scope of confidentiality with respect to the Auditor's working papers; and
- (2) Renumbering the remaining sections accordingly.

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. 3045, 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. 3045, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Levin, Matsunaga, Anderson.
Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Kanofo, Saiki, Fox.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 89 on S.B. No. 2021

The purpose of this measure is to provide low-income tenants who live in housing projects subsidized under the United States Department of Housing and Urban Development (HUD) Section 8 program (Section 8) with some assurance that affordable housing will continue to be available.

This measure:

- (1) Requires Section 8 housing owners to provide the Housing and Community Development Corporation of Hawaii (HCDCH) with all HUD documents relating to the owner's intention to opt out of the Section 8 contract, as well as pertinent project and market information;
- (2) Requires the HCDCH to collaborate with HUD to preserve the affordability of the project by:
 - (A) Providing the owner and interested entities with information on government-assisted financing programs;
 - (B) Providing the owner with a list of local, regional, or national organizations interested in purchasing the project; and
 - (C) Encouraging the owner to provide the tenant association with an opportunity to purchase the project;
- (3) Requires that entities receiving state assistance be capable of managing the project by itself or through a management agent and agree to obligate itself and any successors in interest to maintain the affordability of the project for low, very low, or moderate income level persons; and
- (4) Prohibits entities receiving state assistance from having any officer with a financial interest in assisted housing projects that have terminated a subsidy contract or prepaid mortgage on the development.

Upon further consideration, your Committee notes that the purpose of this measure is to also encourage the HCDCH to devote its efforts primarily to the preservation of existing government subsidized rental housing and secondarily to the funding of rental housing projects by nonprofit organizations and has amended this measure by:

- (1) Limiting the definition of "owner" to one who holds title to an assisted housing development;
- (2) Authorizing or requiring the HCDCH to:
 - (A) Issue a "threat of condemnation";
 - (B) Communicate with HUD to maintain Section 8 subsidies;
 - (C) Use its staff and resources to form a tenant association and assist the association in applying for non-profit status;
 - (D) Conduct appraisals on properties targeted for purchase; and
 - (E) Issue multi-family housing bonds and make a corresponding appropriation to purchase target properties and perform necessary renovations;
- (3) Providing that tenant associations and local nonprofit organizations, and public agencies should first be considered as potential project purchasers; and
- (4) Providing that purchasing entities or successors in interest shall be obligated to maintain the affordability of the project for a minimum of thirty years from the date of possession.

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. 2021, 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. 2021, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tam, Chun, Matsuura, Anderson.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Arakaki, Kahikina, Yamane, McDermott.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Yamane).

Conf. Com. Rep. No. 90 on S.B. No. 2056

The purpose of this measure is to establish an Individual Development Account Contribution tax credit equal to fifty per cent of a contribution.

This measure establishes the Individual Development Account Contribution tax credit which is a nonrefundable income tax credit of fifty per cent of the amount contributed by individuals, organizations, and businesses to fiduciary organizations. Excess credits may be carried over to subsequent years until exhausted. The credit is allowed for tax years 2000 to 2004, and claims for the credit must be certified by the Department of Human Services (DHS).

Your Committee on Conference has amended this measure by:

- (1) Requiring the DHS to total all contributions to individual development accounts that it certifies; and
- (2) Requiring the DHS to discontinue certifying when the total amount reaches \$1,000,000, and limiting the total amount of certified contributions to that amount over the five-year period between January 1, 2000, and December 31, 2004.

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. 2056, 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. 2056, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Chun Oakland, Nakata, Anderson.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Arakaki, Kahikina, Yamane, McDermott.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. No. 91 on S.B. No. 2074

The purpose of this bill, as received by your Committee, is to:

- (1) Establish an advisory council whose purpose is to develop a plan to increase interagency cooperation to address needs unique to female offenders;
- (2) Recommend programming needs to the Department of Public Safety and the Office of Youth Services;
- (3) Mandate that the Director of Public Safety make a planning grant available from funds appropriated by the Legislature; and
- (4) Appropriate funds for these purposes.

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

- (1) Adopting the language establishing a task force on parity for female offenders as reflected in S.D. 2; and
- (2) Deleting the appropriation provisions.

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. 2074, 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. 2074, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Chun, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Garcia, Arakaki, Kanoho, Pendleton.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

Conf. Com. Rep. No. 92 on S.B. No. 2533

The purpose of this measure is to allow assessment of victim compensation fees on persons who enter deferred pleas of guilty or nolo contendere.

Your Committee has amended this measure by reinserting language from the Senate draft of the bill amending section 853-1, Hawaii Revised Statutes, to specify that payment of the compensation fee shall be a condition of a deferred acceptance of guilty or no contest plea, unless the defendant is unable to pay.

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. 2533, 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. 2533, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Fukunaga, Chun.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Chun).

Representatives Garcia, Saiki, Kanoho, Pendleton.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

Conf. Com. Rep. No. 93 on S.B. No. 2692

The purpose of this bill is to provide salary adjustments for the Administrative Director and Deputy Administrative Director of the Judiciary, and to give the Chief Justice of the Supreme Court the discretion to determine such salaries based on merit and other relevant factors, effective July 1, 2000.

After careful consideration, your Committee on Conference has amended this measure by:

- (1) Providing that the salary level of the Deputy Administrative Director of the Judiciary shall be no greater than provided in section 26-52(3), Hawaii Revised Statutes; and
- (2) Deleting the requirement that the factors used to determine the salary levels of the Administrative Director and the Deputy Administrative Director be disclosed in the Judiciary's annual budget submission to the legislature.

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. 2692, 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. 2692, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Chun, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Hamakawa, Nakasone, Saiki, Auwae.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 94 on S.B. No. 2988

The purpose of this measure is to ensure prompt payment by contractors to subcontractors working on state contracts. This measure imposes a penalty on contractors who improperly withhold payment from subcontractors where the subcontractor has provided evidence to the contractor of:

- (1) A valid union trust fund contribution bond acceptable to the contractor in an amount not less than three months of the subcontractor's trust fund contribution;
- (2) A performance and payment bond executed by a surety company authorized to do business in the State;
- (3) Any other bond acceptable to the contractor; or
- (4) Any other form of mutually acceptable collateral.

This measure also requires contractors who violate these provisions three or more times within two years from the first violation to be referred to the contractor license board by the procurement agency for action under section 444-17(14), Hawaii Revised Statutes, and requires the policy board to adopt rules relating to prompt payment and retainage.

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

- (1) Deleting the provision that would have required the Procurement Policy Board to adopt rules requiring contract clauses providing appropriate remedies with respect to prompt payment and retainage; and
- (2) Removing the statutory requirement that the Procurement Policy Board adopt rules requiring contract clauses providing for prompt payment and retainage by deleting subsection (c) of section 103D-501, Hawaii Revised Statutes and making conforming technical amendments.

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. 2988, 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. 2988, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tam, Fukunaga, Chun, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Herkes, Yoshinaga, Kanoho, Luke, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Halford).

Conf. Com. Rep. No. 95 on S.B. No. 1276

The purpose of this measure is to permit the Superintendent of Education to receive additional compensation from private sources.

Upon further consideration, your Committee on Conference amended the measure to allow the Board of Education to set the salary of the Superintendent at a rate no greater than \$150,000. The Ramseyer section was amended to conform to the new amendment.

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. 1276, 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. 1276, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Fukunaga, Levin, Sakamoto, Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Ito, Kawakami, Morihara, Leong.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Morihara).

Conf. Com. Rep. No. 96 on S.B. No. 2961

The purpose of this measure is to appropriate general funds for the payment of judgments against, and settlements entered into by, the University of Hawaii (University) in order to satisfy claims against the University, its officers, and employees.

Upon further consideration, your Committee on Conference amended the measure to:

- (1) Place the \$505,000.00 settlement under Miscellaneous Claims;
- (2) Add an \$800,000.00 miscellaneous claim for estimated expenditures for waste minimization and pollution prevention; and
- (3) Requiring all unexpended and unencumbered balances of the appropriations to lapse into the general fund.

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. 2961, 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. 2961, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Sakamoto, Slom.

Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Saiki, Nakasone, Hamakawa, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. No. 97 on S.B. No. 2448

The purpose of this measure is to establish the Hawaii Autism Center for Excellence within the University of Hawaii at Manoa (UHM).

Autism causes severe impairments in language and communication, and generally manifests itself in young children in the first two years of life, causing devastation that lasts a lifetime due to the emotional and financial distress that families experience. The prevalence of autism is more common than popularly thought. The federal Centers for Disease Control and Prevention estimates that one in five hundred individuals in the State are affected by autism.

There has been little biomedical research into autism, in spite of the fact that scientists consider autism to be one of the most congenital of all developmental disorders and most likely to yield to the latest scientific advancements in genetics and neurology. Several other states have established autism research centers. This measure establishes a world-class autism research center at the UHM.

Your Committee on Conference has amended this measure by deleting the appropriation and changing the effective date from July 1, 2000, 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. 2448, 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. 2448, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, D. Ige, Fukunaga, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Santiago, Yamane, Kahikina, McDermott.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. No. 98 on S.B. No. 2486

The purpose of this measure is to establish a mandatory cigarette stamp tax system as a means to assess, collect, and enforce the cigarette and tobacco tax.

Your Committee on Conference finds that a mandatory cigarette tax stamp system is vital to enhance the State's collection of cigarette and tobacco taxes. Your Committee on Conference further finds that enforcement of the current system of collecting cigarette and tobacco taxes is sporadic, haphazard, and ineffective, resulting in uncollected potential tax revenue. The current system of filing of returns by licensed dealers is in effect a system of voluntary compliance. Persons may try to sell cigarettes and tobacco without obtaining a license, or could have a license and not file a return or understate the income on the return.

Your Committee on Conference further finds that obtaining actual proof of large-scale black market cigarette sales is nearly impossible, due to the nature of the activity which is necessarily surreptitious and to the limitation of available resources. However, your Committee believes that actual proof of the magnitude of the black market is unnecessary, judging from the anecdotal evidence existing and continuing over a fifteen year period that a black market exists. Recent increases in the cigarette tax contributes to the temptation to enter the black market.

Your Committee on Conference further finds that enforcement of a mandatory cigarette tax stamp system need not be overly burdensome or expensive for the Department of Taxation to administer. Any additional costs will more than likely pay for itself in the form of additional tax revenues to be derived. Any administrative rules could be adopted within the time frame provided for the effective date of this Act.

Your Committee on Conference believes that this measure will augment efforts to deter smoking, especially among youth. This measure also provides the necessary enforcement of the new stamping of cigarette packs requirements by the attorney general.

Your Committee on Conference has amended this measure by:

- (1) Deleting provisions relating to export and import of foreign cigarettes, on the recommendation of the Attorney General based on bill title problems;

- (2) Inserting an appropriation amount of \$35,000, to the Department of Taxation and an amount of \$200,000 to the Attorney General;
- (3) Clarifying the appropriate statutory reference citations for the reenactment provision; and
- (4) Making nonsubstantive changes for drafting purposes.

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. 2486, 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. 2486, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Fukunaga, Taniguchi, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Menor, Saiki, Yamane, Whalen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Conf. Com. Rep. No. 99 on S.B. No. 2490

The purpose of this measure is to require the Department of Health (DOH) as the agency responsible for establishing a long-term care information and referral process to serve all potential clients of licensed care homes.

This measure also directs the subcommittee on residential care of the Joint Legislative Committee on Long-Term Care to recommend to the legislature the enactment of a new adult residential care facilities model or an alternative model.

This measure also appropriates funds to the DOH for the Aging Network, ASK 2000, and implementation of this measure.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the purpose section to add the recommendation of the subcommittee to maintain a uniform assessment tool;
- (2) Deleting reference to the DOH administrative rules in the purpose section;
- (3) Replacing the DOH with the Executive Office on Aging (EOA) to establish the information and referral process;
- (4) Changing from July, 2001, to July 2000, the beginning of the initial expansion of the EOA's screening and referral program, and changing from July, 2002, to July, 2001, the beginning of the full operation; and
- (5) Deleting the appropriation.

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. 2490, 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. 2490, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Buen, Chun, Anderson.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Arakaki, Santiago, Kahikina, Pendleton.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 100 on S.B. No. 2872

The purpose of this measure is to make an emergency appropriation for the Hawaii Health Systems Corporation (HHSC).

An emergency appropriation is necessary to ensure that the HHSC can repay the State for moneys advanced to pay retroactive and current fiscal year collective bargaining increase payments to state employees working for the HHSC.

Your Committee on Conference has amended this measure by:

- (1) Replacing the appropriated amount with an amount of \$20,500,000;
- (2) Clarifying the proviso that the HHSC transmit all information relating to its accounts receivable; and
- (3) Deleting reference in the proviso to collection repayment to the general fund.

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. 2872, 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. 2872, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Levin, Fukunaga, Chun, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Chun, Anderson).

Representatives Takamine, Kanoho, Kawakami, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Kawakami).

Conf. Com. Rep. No. 101 on S.B. No. 2108

The purpose of this measure is to require the Auditor to initiate and coordinate an inventory of lands within the Public Land Trust (Trust) by:

- (1) Establishing a comprehensive Trust inventory of all lands within section 5(f) of the Admission Act, which will identify all lands of the Trust and document title history for those parcels alienated or acquired since Statehood in 1959;
- (2) Facilitating the establishment of a Trust information system consisting of the Trust inventory and detailed information about each of the parcels; and
- (3) Consulting with the Office of Hawaiian Affairs on:
 - (A) Developing recommendations to the Legislature;
 - (B) Specifications for obtaining contractors' services; and
 - (C) Executing all other responsibilities imposed by the measure.

Delayed for years, your Committee finds that work on a comprehensive and accurate inventory must begin immediately to ensure that:

- (1) The State meets its fiduciary responsibility as the trustee of the Trust; and
- (2) The obligations under section 5(f) of the Admission Act are fulfilled.

Your Committee has amended the measure by inserting \$250,000 as the amount to be matched by the Office of Hawaiian Affairs and appropriated to the Auditor to complete the inventory and the other purposes of the measure.

Your Committee also recommends that the Department of Land and Natural Resources utilize a portion of the Special Land and Development Fund or any other moneys at the Department's disposal to assist in the funding of the Auditor's activities authorized under this measure.

Your Committee finds that the Legislature has been asking for a computerized, comprehensive public land trust inventory for a decade. Unfortunately, due to numerous reasons, no such inventory currently exists. Your Committee believes that placing the coordination of public land trust inventory activities in the hands of a neutral and well-respected entity such as the Auditor would facilitate a more expeditious resolution to the problems surrounding the public land trust.

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. 2108, 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. 2108, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Fukunaga, Levin, Tanaka, Anderson.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Tanaka).

Representatives Hamakawa, Cachola, Kanoho, Kaho'ohalahala, Thielen.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 102 on S.B. No. 2987

The purpose of this measure is to address any inequities in the retention practice of contractors on State projects by requiring equal retention rates for subcontractors who possess a valid performance and payment bond or other mutually acceptable form of collateral. This measure also authorizes government agencies to extend concession permit periods if the premises are under construction, renovation, or are being prepared for a new use.

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

- (1) Deleting the provisions authorizing government agencies to extend concession permit periods;
- (2) Deleting "penalty" from the proposed amendment to the title of section 103-32.1, Hawaii Revised Statutes; and
- (3) Making non-substantive technical amendments.

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. 2987, 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. 2987, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tam, Kawamoto, Matsuura, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Matsuura).

Representatives Menor, Yoshinaga, Yamane, Whalen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Conf. Com. Rep. No. 103 on S.B. No. 2579

The purpose of this measure is to create a special needs housing special fund.

The special needs housing special fund would be used to provide supportive housing for persons with mental illness and substance abuse conditions. The fund would be administered by the Housing and Community Development of Hawaii.

This measure will provide supportive housing which comprehensively addresses mental illness and substance abuse in the homeless population.

Current facilities and programs that provide special needs housing for persons with mental illness and substance abuse addictions have neither the funds nor the capacity to offer services to all those in need. State and county governments suffer unnecessary financial burdens when mainstream public support systems, such as prisons, hospitals, and emergency rooms, become the primary mechanism for treating acutely and chronically ill homeless persons. Studies show that these ad hoc approaches to the mentally ill and substance abusing homeless population exceed the cost of outright treatment by tens of thousands of dollars per capita per year. Ad hoc approaches that fail to comprehensively address mental illness, substance abuse, and homelessness will most likely prove unsustainable.

Combining housing services with mental health and substance abuse treatment is necessary to provide mentally ill homeless persons with the support needed to maintain housing and to ensure that homeless persons returning to more independent housing are able to adjust to their new demands.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the purpose section to reflect that this measure facilitates the efforts of the Department of Health to implement community housing in the downsizing of the Hawaii State Hospital;
- (2) Deleting the general obligation bond issuance; and
- (3) Exempting the special needs housing special fund from transfers for central service expenses and charges for administrative expenses.

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. 2579, 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. 2579, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Fukunaga, Anderson.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Anderson).

Representatives Arakaki, Santiago, Nakasone, Pendleton.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

Conf. Com. Rep. No. 104 on S.B. No. 2873

The purpose of this measure is to authorize the Hawaii Health Systems Corporation (HHSC) to issue \$38 million in revenue bonds.

Act 116, Session Laws of Hawaii 1998, relating to the state budget, authorized \$38 million in revenue bond funds for capital improvement projects for the HHSC. The HHSC is required by law to obtain approval of the legislature to issue revenue bonds. This measure allows the HHSC to seek bond financing for that amount.

Your Committee on Conference has amended this measure by changing the effective date to upon approval, and substituting updated figures for certain fiscal years and certain dates on recommendation of the Department of Budget and Finance.

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. 2873, 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. 2873, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Santiago, Yamane, Nakasone, McDermott.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. No. 105 on S.B. No. 3123

The purpose of this measure is to create a post-secondary education transitional benefits program within the Department of Human Services.

The program, called "bridge to hope", will be for heads of households in the Temporary Assistance to Needy Families program (TANF). The Federal Personal Responsibility and Work Opportunity Act of 1996 abolished the sixty-one year old Aid to Families with Dependent Children entitlement program and replaced it with a transitional aid program, TANF, that requires recipients who are able to work to secure employment at the earliest opportunity. The new law places a heavy burden on the states to meet strict work participation requirements.

Bridge to hope allows TANF recipients to continue to receive benefits if they are pursuing a post-secondary education, notwithstanding the work requirement of TANF.

Transitional benefits are needed to provide the necessary support to enable public assistance recipients to secure education and training beyond high school, in order to successfully transition from public assistance to self-sufficiency.

Your Committee on Conference has amended this measure by inserting an appropriation amount of \$300,000 in general 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 S.B. No. 3123, 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. 3123, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, D. Ige, Fukunaga, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Arakaki, Yoshinaga, Goodenow, Santiago, Pendleton.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Pendleton).

Conf. Com. Rep. No. 106 on S.B. No. 2576

The purpose of this measure is:

- (1) To increase the membership of the board of the Housing and Community Development Corporation of Hawaii (HCDCH) by adding two tenant representatives of public housing; and
- (2) To comply with the Federal Quality Housing and Work Responsibility Act (QHWRA) by:
 - (A) Requiring tenant representation on the board of HCDCH; and
 - (B) Establishing a resident advisory board to advise HCDCH on public housing issues and QHWRA compliance.

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

- (1) Requiring HCDCH to convene the resident advisory board upon consultation with the State Election Office and an independent monitor;
- (2) Requiring that the resident advisory board consist of no more than twenty-one members representing by percentage, federal, section 8, State, and senior citizen housing projects as deemed appropriate by HCDCH;
- (3) Requiring the resident advisory board once convened to compile a list of five candidates for the governor's consideration for appointment to the board of HCDCH;
- (4) Requiring the HCDCH to provide notice of board vacancies and nominations to "all occupied housing project units" as opposed to "active resident associations";
- (5) Deleting the proposed definition of "active resident associations";
- (6) Increasing the number of HCDCH board members from nine to twelve and limiting the tenant representatives to terms of two years;
- (7) Requiring the governor to appoint three tenant representatives to the board of HCDCH from the list of candidates prepared by the Resident Advisory Board;
- (8) Increasing the number of board members required for a quorum from five to seven;
- (9) Requiring the Resident Advisory Board to report annually to the legislature no later than thirty days prior to the convening of the legislative session; and
- (10) Making conforming, technical, non-substantive amendments.

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. 2576, 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. 2576, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tam, Chun, Anderson.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Anderson).

Representatives Arakaki, Kahikina, Yamane, McDermott.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. No. 107 on S.B. No. 3160

The purpose of this measure is to streamline owner-occupancy sales requirements for condominiums set forth in part VI of chapter 514A, Hawaii Revised Statutes, by giving priority to owner-occupants for sales of residential condominium apartments without hampering a developer's need for flexibility in the ever-changing real estate market. This measure:

- (1) Simplifies the list of items required in the announcement under section 514A-102, Hawaii Revised Statutes (HRS);
- (2) Allows a developer to substitute an apartment designated for owner-occupants with an apartment not so designated without requiring a supplemental report; provided the units are sufficiently similar;

- (3) Allows an owner-occupant to convey the apartment into a trust for estate planning purposes within three hundred sixty-five days from execution of an owner-occupant affidavit; provided the apartment is used as the principal residence; and
- (4) Simplifies the provisions and procedures relating to the sale of residential apartments to owner-occupants.

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

- (1) Excluding from the amended definition of "residential apartment", any other use pursuant to authority granted by law to a county; and
- (2) Making technical, non-substantive amendments to conform this measure with the preferred drafting 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. 3160, 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. 3160, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tam, Chun, Matsuura, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Matsuura).

Representatives Menor, Yamane, Cachola, Lee, Whalen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Lee, Whalen).

Conf. Com. Rep. No. 108 on S.B. No. 3179

The purpose of this measure is to prohibit the importation, distribution, and sale of cigarettes intended for export or use outside the United States.

Cigarettes intended for foreign export or sale are being imported and sold in the State at below the cost of cigarettes legally in the market and cigarette and tobacco taxes are not being paid on these transactions. This measure will help to stem the loss of tobacco tax revenues to the State by prohibiting the sale of export cigarettes, authorizing the confiscation, seizure and forfeiture of illegally sold cigarettes, and establishing monetary penalties for violations.

Your Committee on Conference has amended this measure by:

- (1) Inserting three provisions relating to affixing cigarette stamps to export packages, documentation of foreign cigarettes, and illegal sale of export or foreign cigarettes;
- (2) Increasing the penalty to a class C felony for knowingly selling less than twenty cigarettes or single cigarette;
- (3) Adding to the effective date that the Act takes effect only if Senate Bill No. 2486, Regular Session of 2000, relating to tobacco stamping, becomes an Act; and
- (4) Making nonsubstantive changes for 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. 3179, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3179, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kanno, Matsunaga, Chun, Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Santiago, Menor, Saiki, Yamane, Auwae.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Auwae).

Conf. Com. Rep. No. 109 on S.B. No. 2716

The purpose of this measure is to provide that the one-half of one percent wholesale tax rate for general excise and use taxes applies:

- (1) To sales by a printer to a publisher of magazines or similar materials containing advertisements;

- (2) When the publisher is under contract with advertisers to distribute a minimum number of the materials to the public; and
- (3) Whether or not the publisher charges the public for the material or distributes it without charge to the public.

The change in tax rate proposed under the measure would take effect on July 1, 2005.

Upon further consideration, your Committee has amended the measure by reverting the language contained in the House Draft 1 back to the language contained in the Senate Draft 1.

Specifically, your Committee has amended the effective date to state that upon approval, the measure shall apply to gross income or gross proceeds received, or gross value accruing, after June 30, 2000.

Your Committee believes that the amended measure provides the necessary safeguards to ensure equitable treatment under the State's general excise tax law.

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. 2716, 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. 2716, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Levin, Anderson.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Anderson).

Representatives Herkes, Takamine, Souki, Suzuki, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Halford).

Conf. Com. Rep. No. 110 on S.B. No. 2946

The purpose of this measure is to ease the financial burden on a taxpayer who is appealing a tax assessment to a District Board of Review.

Specifically, the measure lifts the requirement that taxpayers who are appealing a general excise, transient accommodation, use, fuel, liquor, tobacco, conveyance, or rental motor vehicle surcharge tax assessment, first pay the tax prior to an appeal to the District Board of Review.

Your Committee finds that requiring a taxpayer to pay a tax assessment as a condition precedent to appealing the assessment to the District Board of Review may place an undue burden on certain taxpayers.

Upon further consideration, your Committee has amended the measure by making technical, nonsubstantive amendments for the purpose of style.

Your Committee believes that the measure will benefit certain taxpayers without causing undue hardship upon the State. Your Committee would also like to note its intention that a taxpayer who appeals to the District Board of Review should not be required to pay the tax assessed so long as the person prevails in the judgment of the Board of Review.

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. 2946, 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. 2946, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Levin, Anderson.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Anderson).

Representatives Takamine, Kawakami, Suzuki, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Suzuki).

Conf. Com. Rep. No. 111 on S.B. No. 2706

The purpose of this bill is to provide tax relief for operators of airlines.

More specifically, this bill provides a taxpayer the option of:

- (1) Taking an aircraft operating lease investment tax credit, that is deductible from the net income tax liability of a lessee of an aircraft under an operating lease;
- (2) Taking a general excise tax exemption for amounts received as rent for leasing or renting aircraft or aircraft components used by lessees or renters for interstate air transportation of passengers or goods; or
- (3) Exempting the importation of aircraft or aircraft engines from the use tax.

In addition, the bill reduces the general excise tax on lessors of aircraft and aircraft engines to one-half of one per cent.

Upon further consideration of this bill, your Committee has deleted all substantive provisions except for the income tax credit. Your Committee has amended the income tax credit by reducing the credit to two per cent, deleting the June 30, 2000, date and allowing the credit to be claimed for operating leases entered into before or after the effective date of the Act.

In addition, your Committee has amended the credit to require that the eligible aircraft for which the lease credit is allowed be state 3 aircraft as provided by federal law. Stage 3 aircraft are required in most places in the world and are quieter aircraft. By making this change your Committee is encouraging the investment in new, quieter aircraft that will benefit the State. Finally your Committee has made the bill effective for taxable years beginning after December 31, 1999, and to apply to lease rent paid after June 30, 2000.

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. 2706, 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. 2706, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Fukunaga, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Hiraki, Herkes, Luke, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 112 on S.B. No. 539

The purpose of this bill is to amend Article X, section 6 of the Hawaii Constitution, to:

- (1) Allow the University of Hawaii (University) to exercise greater internal control over the University by:
 - (A) Codifying many of the powers recently granted to the University through legislation;
 - (B) Providing that all internal structure, management, and operation decisions of the University are clearly the responsibility of the Board of Regents; and
 - (C) Deleting the requirement that the Legislature first authorize the University to formulate policy and exercise control over the University before the University takes such action; and
- (2) Reserve to the Legislature the exclusive jurisdiction to identify the laws of statewide concern, that the Legislature is currently empowered to enact.

Your Committee on Conference finds that the Constitution currently requires that before the Board of Regents of the University can formulate policy or exercise control over the University through its executive officer, legislation providing and defining such powers must first be enacted.

The constitutional amendment proposed by this bill allows the University to formulate policy and exercise control over its internal operations without the Legislature first enacting legislation to authorize such action. The increasing complexity of public higher education requires the University to be responsive to the needs of the community on a timely basis, and only autonomy over its internal affairs will allow the University to accomplish this goal. This measure will also enable the University to be a major contributor to the economic development of the State. The experience in other regions of the country has shown that a quality higher education system is an essential element in any effort to successfully develop and sustain a dynamic economy.

Your Committee on Conference retained two amendments made to this measure, both of which limit the scope and impact of this constitutional amendment.

First, your Committee on Conference makes special note of the change in constitutional language from "The board shall have exclusive jurisdiction over the internal organization and management of the university" to "The board shall also have exclusive

jurisdiction over the internal structure, management, and organization of the university". This amendment is meant to be stylistic only, and is not intended to reflect any substantive change in the present constitutional provision.

The second amendment makes clear that the Legislature shall have exclusive jurisdiction to identify laws of statewide concern. Such language is necessary because, if ratified, this constitutional amendment will undoubtedly result in future disputes and litigation, particularly when the Legislature enacts a statute that is perceived to adversely impact the University. A legislative determination that a law is of statewide concern shall extinguish the controversy.

The need to reserve the identification of laws of statewide concern to the Legislature is necessary because the proposed constitutional amendment is susceptible to misinterpretation. The amendment's essential terms, i.e. "internal" and "statewide concern," may be vague and overbroad. This has already been evidenced by the testimony presented at the hearings on this measure.

Testimony indicated that the amendment is necessary because the University "is unable to make crucial decisions with respect to those employed to work in the university system nor can the Regents negotiate collective bargaining agreements covering the various employment groups within the university system." Such testimony was presented notwithstanding House Standing Committee Report No. 877-00 (noting that certain state employment laws are of statewide concern) and the holdings in *City & County v. Ariyoshi*, 67 Haw. 412 (1984) and *Hawaii Government Employees' Association v. County of Maui*, 59 Haw. 65 (1978) (holding that civil service and compensation matters are within the purview of the legislature).

The University will remain, as it is in the current law, subject to laws of statewide concern, including, but not limited to:

- (1) The budgeting process of the Legislature;
- (2) The Governor's ability to restrict funds;
- (3) The Legislature's power to fund new initiatives concerning the University;
- (4) The state employment laws found in Title 7, Hawaii Revised Statutes, (Civil Service/Collective Bargaining); and
- (5) Laws related to Hawaiian ceded land rights.

Your Committee on Conference intends that this constitutional amendment will memorialize the University's existing statutory powers, without restricting the powers of the Legislature in matters of statewide concern and without limiting the Governor's ability to restrict University funds. In addition, your Committee intends that this constitutional amendment not preclude the Legislature's prerogative to fund or not fund a specific University program.

Your Committee has amended this measure by deleting the July 1, 2050 effective date condition.

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. 539, 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. 539, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Fukunaga, Levin, Chumbley, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Takai, Saiki, Takamine, McDermott.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. No. 113 on S.B. No. 2420

The purpose of this bill is to:

- (1) Allow the sale of net operating losses and amend the various income tax incentives enacted last year for technology-based businesses;
- (2) Appropriate funds for educational programs under the Department of Education, the Pacific Center for Advanced Technology Training, and the University of Hawaii;
- (3) Exempt the members of the Governor's Special Advisory Council for Technology Development from the Senate confirmation process and from the need to file a disclosure of financial interests with the State Ethics Commission;
- (4) Develop partnerships between the Hawaii Tourism Authority and Hawaii's business community to promote the State as a place to do high technology business;

- (5) Give increased autonomy and authority to the High Technology Development Corporation (HTDC) over its fiscal and personnel matters;
- (6) Establish the Hawaii Venture Capital Technology Revolving Fund;
- (7) Require HTDC to establish programs for seed capital assistance, venture capital assistance, and capital access;
- (8) Provide that an appointed member from HTDC, the Natural Energy Laboratory of Hawaii Authority (NELHA), and the Hawaii Strategic Development Corporation (HSDC) serve on each others' boards;
- (9) Require the Department of Business, Economic Development, and Tourism (DBEDT) and HTDC to report on the Hawaii Capital Loan Program; and
- (10) Clarify that the ERS may invest in Hawaii high technology businesses or venture capital investments.

Your Committee on Conference has amended this bill by:

- (1) Deleting the substantive contents of this bill and replacing it with the substantive contents of S.B. No. 2420, S.D. 2, which establishes the New Economy Technology Scholarship Program (Program) on a pilot basis;
- (2) Inserting the appropriation amount of \$200,000 to establish and implement the Program;
- (3) Providing that DBEDT shall award a scholarship in an amount up to \$2,000 per academic year; and
- (4) Deleting references to the Hawaii Workforce Development Council, Pell grants, and other state grants.

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. 2420, 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. 2420, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Fukunaga, Kanno, Inouye, Sakamoto, Slom.

Managers on the part of the Senate.

Ayes, 6. Noes, none. Excused, none.

Representatives Herkes, Morihara, Takamine, Souki, Yoshinaga, Halford, Meyer.

Managers on the part of the House.

Ayes, 6. Noes, none. Excused, 1 (Souki).

Conf. Com. Rep. No. 114 on S.B. No. 2838

The purpose of this measure is to establish, on a special and temporary basis, the Access Hawaii Committee (Committee) to consist of a maximum of eleven voting ex officio members.

The Committee is to provide oversight of the Internet portal manager (portal manager) by:

- (1) Reviewing the annual strategic plan and periodic reports submitted by the portal manager;
- (2) Reviewing and approving all charges to be assessed to portal users;
- (3) Reviewing and approving service level agreements negotiated between government agencies and the portal manager;
- (4) Reviewing annual financial reports and audits of the portal manager;
- (5) Reviewing annual customer satisfaction surveys conducted by the portal manager; and
- (6) Reviewing the performance measures of the Internet portal.

This measure also allows the charging of fees for value added electronic services that will be collected by the portal manager and requires the Committee to submit an annual report on the operations of the portal manager to the Legislature.

Upon further consideration, your Committee on Conference amended the measure to:

- (1) Add titles to each section of the measure;
- (2) Expand the purpose section to include access to the portal through the public library system;

- (3) Expand the purpose of the measure, and duties of the Committee, to include assisting the public library system in providing access to the portal;
- (4) Expand the definition of "value added electronic services" to include the ability to transact business over the portal;
- (5) Terminate the Committee on June 30, 2003; and
- (6) Appropriate \$250,000 for the public library system to provide access to the portal.

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. 2838, 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. 2838, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Sakamoto, Fukunaga, Slom.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, none.

Representatives Herkes, Luke, Souki, Suzuki, Halford.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Souki).

Conf. Com. Rep. No. 115 on S.B. No. 2859

The purpose of this measure is to reform the public employment laws to improve the efficiency and effectiveness of government consistent with Article XIII, Section 2, and Article XVI, Section 1, of the Hawaii State Constitution.

Your Committee has undertaken the work of integrating the differing approaches to the modernization of Hawaii's public employment laws. These differences reflect many of the concerns raised by stakeholders -- management and workers, the various jurisdictions and agencies within Hawaii's system of government and the unions representing public workers, legislators and the broader general public who benefit from government services -- and your Committee is well aware that the resolution of these differences will not please all the parties.

Your Committee believes strongly, however, that the concepts reflected in S.B. No. 2859, S.D. 1, H.D. 1, C.D. 1, provide a comprehensive, responsive body of law that will bring about a more efficient and effective means of providing government services to the people of Hawaii.

Your Committee has amended this measure to incorporate concepts contained in both the Senate and House versions of the bill, as well as many of those in the measure as introduced. As amended, this bill:

- (1) Replaces the seven-member statewide civil service commission with a three-member merit appeals board to hear appeals related to recruitment and examination, classification and reclassification, initial pricing, and other employment actions taken against civil service employees who are excluded from collective bargaining, authorizes other jurisdictions to establish a merit appeals board or continue to use a civil service commission or appeals board as the merit appeals board, and establishes a procedure for internal complaints;
- (2) Provides incentives for public employees through increased in-service training opportunities and entrepreneurial activities, and establishes a related special fund;
- (3) Replaces the existing statewide public employment system with nine jurisdictions, requires each jurisdiction to establish separate civil service systems based on the merit principle, clarifies that within the classification systems established by each director, equal pay for equal work shall apply between equal classes in the same bargaining units among jurisdictions, and requires continuous improvements to streamline the recruitment process;
- (4) Redefines the merit principle as the selection of persons based on their fitness and ability for public employment and the retention of employees based on their demonstrated appropriate conduct and productive performance, and incorporates the merit principle in Chapter 89, Hawaii Revised Statutes (HRS);
- (5) Increases the flexibility of the jurisdictions to pursue alternatives in providing human resources program services through decentralization, delegation, and agreements, including with a private entity if authorized by the legislature, and provides additional flexibility of exemptions in citizenship and residency requirements for highly specialized or hard-to-fill positions;
- (6) Clarifies the parameters for establishing positions exempt from civil service, establishes a process for conversion of exempt positions to civil service. Requires the Department of Human Resources Development (DHRD) to review exempt positions established prior to this Act, and submit to the legislature an annual report on positions that were permanently exempted prior to the effective date of this Act, which were reviewed during the year, and recommendations for any actions regarding the positions;

- (7) Adds to the list of positions exempt from civil service, employees of the office of the lieutenant governor, positions that must be filled to comply with a court order, such as the Felix-Cayetano consent decree, and additional positions within the Department of Education;
- (8) Clarifies performance appraisal and establishes conditions for release of an employee from the position or discharge from service for failure to meet performance requirements, and provides for the right to grieve through either collective bargaining or the merit appeals board;
- (9) Clarifies that layoffs, suspensions, discharges, and demotions shall be in accordance with procedures negotiated under Chapter 89 or determined under Chapter 89C, HRS;
- (10) Authorizes drug testing for all prospective employees, with no drug convictions for three years prior to employment;
- (11) Authorizes experimental modernization projects to be developed in consultation with affected employees;
- (12) Establishes provisions for office hours, leaves of absence, injured employees, credits for workers' compensation benefits, leave sharing program, temporary inter- and intra-governmental assignments and exchanges, in-service training programs, incentive and service awards, and cafeteria plans in Chapter 78, HRS, to replace provisions in chapters to be repealed, and makes vacation, sick leave, and other leaves of absence negotiable under Chapter 89, or adjusted under Chapter 89C, HRS;
- (13) Clarifies the procedures for salary withheld for indebtedness to the government, and establishes a process of repayment to the employee if the determination of indebtedness was contested and found to be incorrect;
- (14) Requires the parties to establish a grievance procedure for employees covered by collective bargaining, with the final and binding decision to be made by a performance judge -- a neutral third party selected from a list mutually agreed upon by the parties;
- (15) Adds a definition for "jurisdiction" to Chapter 89, HRS, that lists seven of the nine jurisdictions established in Chapter 76, HRS, as the University of Hawaii and the Department of Education bargain under the umbrella of the State;
- (16) Amends the definition of "collective bargaining" to clarify that wages include the number of incremental and longevity steps, the number of pay raises, and the movement between steps within and between pay ranges;
- (17) Amends the definition of "cost items" to mean all items agreed to in the course of collective bargaining that an employer cannot absorb under its customary operating budgetary procedures and that requires additional appropriations by the respective legislative body;
- (18) Amends the appropriate bargaining unit language to delete optional bargaining unit designation for units 9 through 13, to adjust the composition of the bargaining committees to reflect the multi-jurisdictions, and to authorize each employer to negotiate independently of one another, supplemental agreements that apply to their respective employees;
- (19) Amends the scope of negotiations to reflect related changes under collective bargaining;
- (20) Clarifies that collective bargaining agreements reached under binding arbitration, agreements effective during the term of an agreement, such as a supplemental agreement, an agreement on reopened items, or a memorandum of agreement, are not subject to ratification by the employees, and that once approved, the general provisions of the agreement shall be in effect, regardless of the requirements for the submission of cost items;
- (21) Establishes a calendar-driven impasse procedure, beginning on April 16 of an even-numbered year, as a means of achieving timely submission of cost items to the respective legislative body;
- (22) Amends the arbitration criteria to define the lawful authority of the employer to use special funds within statutory limitations, and to clarify that the financial ability of the employer does not depend on increasing or imposing new taxes, fees, or charges, or developing other sources of income;
- (23) Expands the office of collective bargaining to include managed competition, including formulation of a philosophy and coordination of the process;
- (24) Extends to the respective jurisdictions the flexibility to adjust wages, hours, benefits, and other terms and conditions of employment for excluded employees, and clarifies the guidelines for making adjustments for excluded employees, whether civil service or exempt;
- (25) Establishes a program for voluntary severance benefits and special retirement incentive benefits for state executive branch employees as a means of facilitating the restructuring of government; extends to the other jurisdictions the option to provide a special retirement incentive for workers under a reduction-in-force or workforce restructuring plan;

- (26) Authorizes the board of education to appoint school personnel engaged in instructional work, other than teachers and educational officers, as part of the board's overall efforts to increase autonomy and accountability of the public education system;
- (27) Repeals numerous sections of Chapter 76 and 78, and repeals Chapters 77, 79, 80, 81, 82, 83 in their entirety;
- (28) Appropriates \$600,000 for in-service training, and \$128,000 for the REACH program, out of general funds, and \$150,000 out of the employees' retirement system's investment earnings to process the special retirement incentive; and
- (29) Provides for a transition period of two years for implementation of this Act, with the Act to take effect July 1, 2002.

This measure amends public employment laws that have evolved over decades and procedures constricted by layers of well-intended rules and ordinances. Your Committee believes that the principles, innovations, and additional flexibility contained in this measure, as amended, will provide a more responsive base for the continuing evolution of public employment.

Your Committee commends the many people who have been involved in crafting a system of public employment for the new century. On July 19, 1999, Governor Cayetano issued Executive Order No. 99-04, tasking the Director of Human Resources Development with "the responsibility to establish partnerships with all stakeholders, labor and management included, to collaboratively design and effectuate a process to modernize the civil service system." These stakeholders convened dozens of meetings; exchanged concepts and complaints; reviewed current laws, rules, ordinances, and procedures; and debated the pros and cons of hundreds of recommendations produced as a result. Without the diligence, persistence, and commitment of so many people, the work of this Committee would have been far more difficult.

Your Committee also wishes to acknowledge the Governor's leadership in implementing these changes in Hawaii's public employment system. Your Committee has fully and with due deliberation considered the Governor's civil service reform agenda. With the following exceptions, the concepts on which this agenda was based have been incorporated into this measure.

Two remain for further consideration -- a "two strikes and you're out" drug policy and changes in vacation benefits for new employees. The parties have indicated a desire to negotiate these issues through the collective bargaining process. Your Committee believes the collective bargaining process may be the appropriate arena to determine these issues, which are critical both for employees and for management, and strongly urges the parties to bring these issues to the table for resolution.

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. 2859, 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. 2859, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nakata, Levin, Fukunaga, Kanno, Slom.

Managers on the part of the Senate.

Ayes, 5. Noes, none. Excused, none.

Representatives Yoshinaga, Takamine, Goodenow, Souki, Moses.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 116 on S.B. No. 2221

The purpose of this measure is to provide an investment credit for investment in a qualifying ethanol production facility.

Your Committee has amended this measure to:

- (1) Clarify that the facility shall be in production on or before January 1, 2012;
- (2) Replace the two-tiered investment schedule -- for investments of up to \$5,000,000, and over \$5,000,000 -- with a sixteen-step schedule based on gallons produced, with a cap of thirty percent up to a specified dollar amount for each step;
- (3) Amend the definition of "credit period" to a maximum period of eight years for facilities with a total investment of less than \$50,000,000, and ten years for those with a total investment of \$50,000,000 or more;
- (4) Add a definition for "nameplate capacity" as the qualifying ethanol facility's production capacity in gallons of ethanol per year, based on an operating year of three hundred fifty days;
- (5) Cap the eligible ethanol investments in total nameplate capacities of ethanol production facilities in the State at forty million gallons per year;
- (6) Require written notice prior to construction of any new ethanol production facility, and an additional written notice within thirty days of the initial qualifying production;

- (7) Allow the capacity to be revised if a qualifying facility fails to achieve average annual production of at least seventy-five percent of its nameplate capacity for two consecutive years;
- (8) Require each qualifying producer to provide specific information on productions and sales;
- (9) Require the Director of Business, Economic Development, and Tourism, to submit an annual report to the Governor and the Legislature on ethanol production and sales;
- (10) Amend section 237-27.1, Hawaii Revised Statutes, to delete the requirement for a written report, and to provide a sunset date of December 31, 2006;
- (11) Make the credit applicable to tax years beginning after December 31, 2001; and
- (12) Make technical amendments.

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. 2221, 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. 2221, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Chun, Buen, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Buen).

Representatives Morita, Abinsay, Herkes, Luke, Fox.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 117 on S.B. No. 2781

The purpose of this bill is to enact a hotel construction and remodeling income tax credit and to repeal the qualified improvement tax credit.

Your Committee finds that the hotel industry, which includes hotel condominiums and time share plans, needs state assistance to add new stock or to renovate the current stock. The purpose of this bill is to provide that assistance. In addition, your Committee finds that attracting call centers to the State will provide more employment for our citizens and will encourage a clean industry that involves technology in Hawaii.

Upon further review of this bill, your Committee has amended the bill to:

- (1) Provide that a taxpayer instead of reducing the basis of eligible property may report the credit as income in the appropriate year;
- (2) Change the time period for ending the credit to December 31, 2002, and provide that the period begins for projects after December 31, 1998;
- (3) Remove the requirement that a qualified project has a cost that exceeds \$1,000,000;
- (4) Add a definition of taxpayer to include associations of apartment owners and time share associations;
- (5) Make the tax credit refundable; and
- (6) Provide that no taxpayer may claim a credit under this bill and a credit under chapter 235D, Hawaii Revised Statutes (HRS).

Your Committee notes that its intention is to also pass Senate Bill No. 2409 in an amended form to provide an alternative qualified improvement tax credit that will amend chapter 235D, HRS, enacted last year. Your Committee finds that such an alternative is appropriate and will provide taxpayers with options that would not otherwise be available.

In addition, your Committee has added an exemption of call centers from the general excise and public service company tax to this bill to encourage the formation of clean, technology businesses in Hawaii. Your Committee believes that the package of tax incentives in this bill will encourage the economy of the State.

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. 2781, 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. 2781, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Fukunaga, Levin, Buen, Slom.

Managers on the part of the Senate.

Ayes, 5. Noes, none. Excused, none.

Representatives Herkes, Takamine, Souki, Suzuki, Halford.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 118 on S.B. No. 2521

The purpose of this measure is to establish disclosure requirements for purchasing agencies of contracts for professional services of \$250,000 or more.

This measure requires the contracting agency to:

- (1) Post within an unspecified number of days on the agency's bulletin board and Internet:
 - (A) The name of the firm or individual awarded the contract; and
 - (B) The amount of the contract awarded;
- (2) Make available an annual report of all contracts for professional services posted the agency's bulletin board or Internet which shall include:
 - (A) The name of the contracting agency; and
 - (B) The amount and type of each contract awarded.

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

- (1) Requiring screening committees to consider but not be limited to, the following primary selection criteria:
 - (A) Experience and professional qualifications of the staff to be assigned to the project;
 - (B) Past performance on projects of similar scope; and
 - (C) Capacity to complete work in allotted time frame.
- (2) Requiring heads of purchasing agencies to rank candidates based on the selection criteria;
- (3) Requiring contracts awarded under this section to be posted electronically within seven days of the award for at least one year. The posting shall include the names of the top five persons submitted for consideration of the award, the name of the person or entity receiving the award, the dollar amount of the award, the name of the purchasing head making the award, and any relationship between the principals and the official making the award;
- (4) Deleting the proposed language that established negotiation requirements for contracts for professional services of \$250,000 or more and required contracting agencies to make available annual reports of all contracts for professional services; and
- (5) Making conforming technical, nonsubstantive amendments.

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. 2521, 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. 2521, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tam, Fukunaga, Matsuura, Anderson.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Matsuura).

Representatives Takamine, Kanoho, Kawakami, Marumoto.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 119 on S.B. No. 2409

The purpose of this bill is to provide an exemption from the general excise and public service company taxes for call centers, and to specify the terms, conditions, and amount of tax credits allowed qualified improvements under chapter 235D, Hawaii Revised Statutes (HRS).

Your Committee notes that last year the legislature enacted chapter 235D, HRS, to allow an unspecified tax credit for qualified improvements for resort and general facilities. This bill provides an increased percentage of tax credit for increasing expenditures to improve hotels and other resort and resort related activities.

Your Committee has amended the bill to:

- (1) Divide the bill into Part I containing the call center provisions and Part II containing the qualified improvement provisions;
- (2) Delete reference to commercial or recreational use to support or service a hotel or resort use in the definition of qualified improvement costs, clarify that zoning for resort use is resort/commercial, clarify that time share use is included, and add a provision concerning residential use in areas designated for hotel, resort, or time share use to include condominium facilities. The term resort/commercial includes the term "resort-commercial" as used in the land use ordinance of the city and county of Honolulu;
- (3) Add a definition of taxpayer to include associations of apartment owners and time share owners association and clarify other provisions to include such associations;
- (4) Add a provision to allow a tax credit of four per cent for improvement costs less than \$1,000,000, delete the \$10,000,000 cap for costs over \$5,000,000, and increase to \$30,000,000 the costs necessary to claim the twenty per cent tax credit. Add a provision requiring the department of business, economic development, and tourism to certify that without the twenty per cent credit the project is not economically feasible and the department of taxation to certify that the project will contribute positive tax dollars to the state treasury within five years and that the tax credit may be phased in to prevent negative impacts on the state treasury. Add a provision to allow taxpayers who cannot or choose not to comply with the twenty per cent provisions to claim the credit at fifteen per cent. Require that all credit claimants meet the prevailing wage requirement for projects involving costs of over \$10,000,000;
- (5) Add a provision allowing the department of taxation to request the assistance of the department of labor and industrial relations in administering the provisions of the bill relating to prevailing wages and nonsupervisory, nontipped employees, and allowing the department of taxation to request documentation to assist in carrying out these provisions;
- (6) Add a provision that taxpayers shall be in compliance with all applicable federal, state, and county statutes, rules, and regulations;
- (7) Amend the provision allowing the director of taxation to develop a plan that phases in the tax credits over a ten-year period to provide instead that the director shall allow tax credits to be claimed over a seven-year period in a fluctuating manner in relationship to the tax revenues generated by a project. Your Committee notes that during the construction of a project substantial revenues are generated by the activity involving the project. After a project is finished the tax revenues it pays to the State will fall and then as the project matures tax revenues will increase. Your Committee intends for the director to develop a plan so that, if entitled, a higher amount of tax credits may be claimed when the activity of the project generates higher state tax revenues and when lower tax revenues are generated then a lower amount of tax credits may be allowed. In no case does your Committee intend that the full amount of the tax credits to which a taxpayer is entitled not be claimed in the seven-year period;
- (8) Add a provision that no taxpayer that claims a credit under these provisions shall claim a hotel construction and remodeling tax credit under the income tax law; and
- (9) Amend the effective date to reflect the amendments made by your Committee.

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. 2409, 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. 2409, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, D. Ige, Fukunaga, Levin, Slom.

Managers on the part of the Senate.

Ayes, 5. Noes, none. Excused, none.

Representatives Herkes, Takamine, Suzuki, Halford, Souki.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

The purpose of this bill is to improve the quality of Hawaii's primary and secondary public school facilities by, among other things:

- (1) Establishing special funds to eliminate the backlog of projects existing on June 30, 2000, and pay for school repairs and cyclical maintenance projects scheduled after June 30, 2000; and
- (2) Authorizing the Department of Budget and Finance to issue general obligation bonds for the two special funds and making other related appropriations.

Upon further consideration, your Committee has amended this bill by expanding the scope of the bill by seeking to improve Hawaii's primary, secondary, and college level facilities. As amended, this bill:

- (1) Eliminates the two new special funds and related references, requirement for a six-year program and financial plan for school repair and maintenance, departmental school district business and fiscal officer positions, authorization to accept donated repair and maintenance services and materials, authorization to enter into cooperative agreements with the U.S. Department of Defense, allocation requirements, and listing requirements;
- (2) Appropriates \$30,000,000 for repair, maintenance, and improvement projects for the Department of Education;
- (3) Appropriates \$15,000,000 for repair, maintenance, and improvement projects for the University of Hawaii;
- (4) Exempts the expenditure of appropriations for any repair, maintenance, or improvement project with a total cost of less than \$100,000 from the Hawaii Public Procurement Code under chapter 103D, Hawaii Revised Statutes;
- (5) Requires that a separate contract file be maintained for each project funded; and
- (6) Makes other technical, nonsubstantive amendments 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. 3026, 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. 3026, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Sakamoto, Fukunaga, Levin, Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Ito, Kawakami, Ahu Isa, Leong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 121 on S.B. No. 2303

The purpose of this measure is to allocate the public service company tax revenue stream from passenger cruise vessels to finance the improvements and additions to passenger cruise facilities around the State. The public service company tax revenues identified shall be transferred to the department of transportation's harbor special fund and the department of land and natural resources' boating special fund for this purpose.

Your Committee upon further consideration has made the following amendments:

- (1) Deleted the sections amending sections 248-8 and 266-19, Hawaii Revised Statutes, as unnecessary due to the elimination of the substantive amendments to the section by your Committee; and
- (2) Provided that the Act shall take effect upon approval.

Your Committee believes that this measure, as amended, will provide the support necessary for the cruise ship industry to become a significant contributor to Hawaii's economy. To further the growth of the cruise ship industry, your Committee notes that current inequities in the assessment of user fees on cruise ship companies must be addressed. Accordingly, the Department of Transportation and the Department of Land and Natural Resources are requested to examine their user fee schedules to address such inequities and to ensure that fees imposed on cruise ship companies are fairly and equitably assessed. Your Committee requests the Department of Land and Natural Resources and the Department of Transportation to submit a report to the Regular Session of 2001 setting forth the various fees imposed on the cruise ship industry by type of fee, amount, place, and type of cruise ship.

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. 2303, 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. 2303, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Inouye, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Hiraki, Goodenow, Catalani, Takai, Fox.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Catalani).

Conf. Com. Rep. No. 122 on S.B. No. 2312

The purpose of this measure is to fund the operations and activities of the Hoisting Machine Operators Advisory Board by making an appropriation from the general fund and from the Hoisting Machine Operators Certification Revolving Fund.

Your Committee on Conference has amended this measure by inserting an appropriation amount of \$50,000, for both appropriations and by making technical, nonsubstantive differences 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. 2312, 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. 2312, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Yoshinaga, Catalani, Goodenow, Nakasone, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Goodenow).

Conf. Com. Rep. No. 123 on S.B. No. 2218

The purpose of this measure is to:

- (1) Provide legal protection to New Century Charter School (Charter School) boards;
- (2) Allow a group of teachers to establish a Charter School;
- (3) Require the Auditor to consider:
 - (A) The recommendations of local school boards in determining the allocations for Charter Schools; and
 - (B) Any changes to the Department of Education's budget made by the Governor;
- (4) Require the Auditor to develop a fund allocation methodology that can be applied to various alternative forms of public schools, including Charter Schools;
- (5) Require establishment of financial and academic criteria for school accountability and student graduation requirements equivalent to state standards; and
- (6) Appropriate funds for the establishment of additional Charter Schools.

Upon further consideration, your Committee amended the measure to:

- (1) Remove the purpose and appropriation sections;
- (2) Add a new section for chapter 302A, Hawaii Revised Statutes (HRS), to require the Board of Education to adopt guidelines to review charter schools attempting formation pursuant to sections 302A-1182 or 302A-1183, HRS;
- (3) Amend the requirements of the local school board's implementation to:
 - (A) Require local school boards to include a comprehensive assessment and accountability system and a system of financial accountability, in their implementation plans; and
 - (B) Provide the board 60 days to review the completed implementation plan;

- (4) Require that small schools with less than 120 students receive a subsidy or allotment, as determined by the DOE;
- (5) Allow the Department of Education to provide a limited start-up and planning grant to each Charter School;
- (6) Require the Charter School self-evaluation process to include a profile of the school's enrollment and community;
- (7) Require Charter School boards to conduct an independent evaluation of each school to assure compliance with statewide student content and performance standards; and
- (8) Require this measure not to apply to existing charter schools.

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. 2218, 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. 2218, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Sakamoto, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Ito, Kanoho, Yoshinaga, Kawakami, Leong.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 124 on S.B. No. 2475

The purpose of this measure is to prohibit gender discrimination in interscholastic, club, and intramural athletics in public schools, in grades nine through twelve.

Specifically, this bill:

- (1) Specifies factors that the Superintendent and the advisory committee may consider when assessing equality of opportunity for members of each sex, including unequal aggregate expenditures for members of each sex or unequal expenditures for male and female teams;
- (2) Allows the establishment of an Advisory Commission on Gender Equity in Sports and requires the advisory commission to determine if any school does not exhibit substantial progress toward compliance with state and federal laws prohibiting sexual discrimination in athletics;
- (3) Allows the Superintendent to define equity in athletics for all public high schools; develop a strategic plan; recommend rules for appropriate enforcement mechanisms to ensure equity; and prepare a compliance report to submit to the Legislature and the advisory commission; and
- (4) Applies this measure to public schools, grades 9 to 12.

Upon further consideration, your Committee on Conference amended the measure to:

- (1) Add a new provision on gender equity in athletics which prohibits denial of benefits or discrimination in athletics offered by a public school;
- (2) Delineate with more specificity some of the factors that the Superintendent and the advisory commission must consider when assessing equality of opportunity for members of each gender;
- (3) Require consideration of the failure to provide necessary funds for teams for one gender in assessing equality of opportunity for members of each gender, when determining violations;
- (4) Establish, for three years, a seven-member advisory commission which may make recommendations to the Board of Education, Superintendent of Education, and Legislature;
- (5) Require the Superintendent of Education to:
 - (A) Define equity in athletics for all public high schools;
 - (B) Recommend rules for appropriate enforcement mechanisms to ensure equity;
 - (C) Develop a strategic plan containing recommendations and a timetable to achieve equity;

- (D) Commence and continue by the expiration of the advisory commission those recommendations relating to the use of existing personnel, equipment, resources, and facilities; and
- (E) Submit to the Legislature and the advisory commission on gender equity on sports a report of compliance with Title IX;
- (6) Specifying that no private right of action shall arise under the provisions contained within this Act; and
- (7) Change the effective date to July 1, 2000.

In making these amendments, your Committee on Conference acknowledges that the Department of Education has already initiated a process to self-analyze and implement its means of compliance with Title IX. Thus, this measure merely formalizes those efforts. Further, your Committee on Conference notes that this measure is not intended to abrogate the Legislature's power to appropriate funds for the purpose of achieving compliance or require the expenditure of new or supplemental funds absent legislative appropriation. Accordingly, your Committee on Conference amended this measure to emphasize that the implementation of the Superintendent's recommendations over the stated three-year time period shall only apply to existing personnel, equipment, resources, and facilities, as opposed to those recommendations that will require new or supplemental funding by the Legislature.

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. 2475, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2475, S.D. 1, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Sakamoto, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Ito, Saiki, Catalani, Leong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 125 on S.B. No. 2134

The purpose of this bill is to keep Hawaii rabies-free and reduce the burdens that Hawaii animal quarantine user fees place on military personnel and others when being transferred to Hawaii.

It is your Committee's intent to continue working with the federal government to obtain federal funds to reduce or alleviate the cost of Hawaii animal quarantine fees imposed on military personnel.

Your Committee has amended this bill by:

- (1) Deleting provisions that:
 - (a) Prohibit the transfer of Animal Quarantine Special Fund (Special Fund) moneys to the general fund; and
 - (b) Reduce the user fee of the Animal Quarantine Station by a certain percentage of the user fee rate that existed on January 1, 2000;
 and
- (2) Inserting the appropriation sum of \$500,000 in general funds for deposit into the Special Fund for fiscal year 2000-2001 to be used to reduce quarantine user fees, provided that the reductions shall be based on the following factors:
 - (a) The public health, safety, and welfare;
 - (b) Fairness and equity to users; and
 - (c) Economic factors to ensure that individuals and families moving to Hawaii relocate without creating an economic hardship.

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. 2134, 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. 2134, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Kawamoto, Levin, Slom.
Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, none.

Representatives Abinsay, Garcia, Espero, Marumoto.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 126 on S.B. No. 2433

The purpose of this bill, as received by your Committee, is to provide for privatized correctional facilities in the State. More specifically, this bill authorizes the Governor to:

- (1) Enter into and execute contracts in the name of the State with any private entity to operate correctional facilities at sites within the State and selected by the Governor; and
- (2) Negotiate with any person for the development of a private correctional facility capable of housing both minimum and medium security inmates to be situated on lands identified as a portion of TMK 1-6-001-025 and 1-6-001-002.

Your Committee on Conference notes that under existing law, the Governor and the Director of Public Safety have the authority to act to reduce prison overcrowding. For example, the law provides that the Governor may negotiate with private entities for the development and construction of out-of-state correctional facilities, which the State or a private entity may own. However, your Committee recognizes that similar authorization has not been enacted to permit the Governor or the Director of Public Safety to negotiate with a private entity for the management and operation of in-state correctional facilities.

In Konno v. County of Hawaii, 85 Haw. 69 (1997), the Supreme Court concluded that absent legislative authorization for non-civil servants to perform services customarily and historically performed by civil servants, such services must be performed by civil servants. Within the State of Hawaii, correctional facilities have been customarily and historically staffed by state employees who are civil servants. If in-state correctional facilities, particularly those developed by private entities to relieve prison overcrowding, are to be staffed by persons other than civil servants, express authority for implementing such a staffing plan must be conferred by the legislature. Thus, it is your Committee's intent that this measure overrule the Supreme Court's decision in Konno, with respect to staffing of the correctional facilities.

Your Committee on Conference further believes that the management and operation of a newly constructed correctional facility would be a good pilot project for the managed competition process. The process is designed to encourage in-house efforts to improve the Department of Public Safety's operation first, and to permit the Department to contract for the new correctional facility's operation without violating civil service, collective bargaining, and procurements laws, only if a contractor is willing and able to operate the new facility at less cost than an in-house effort is able to realize. The process is premised on the assumption that efficiencies and economies are more likely to be realized when the public and private sectors are given the opportunity to compete with each other.

After careful consideration, your Committee on Conference has amended this measure by:

- (1) Changing the legislative findings and purpose section to reflect the amendments made to the bill;
- (2) Authorizing the Director of Public Safety, with the approval of the Governor, to use a managed competition process for the operation of in-state correctional facilities constructed after the effective date of this Act;
- (3) Providing that if the contract for operation of the new correctional facility is awarded to a private contractor, the Director of Public Safety shall appoint a state monitor to oversee all aspects of the operation of the facility;
- (4) Providing that any contract executed between the State and a private contractor for the operation of the new correctional facility shall include specific contractual provisions to insure the safety and well-being of the inmates, the employees, and the general public;
- (5) Providing that the requirements for the managed competition process as set forth in the bill supercede inconsistent provisions of civil service, state employee compensation, collective bargaining, and procurement laws;
- (6) Repealing section 353-16.3, Hawaii Revised Statutes (HRS), that grants the governor the authority to negotiate with an out-of-state jurisdiction to develop a Hawaii correctional facility in that other jurisdiction;
- (7) Repealing section 353-16.36, HRS, which is reenacted in the new subsections of section 353-16.35;
- (8) Making conforming amendments to section 96-1, HRS, by amending the definition of "agency";
- (9) Correcting site identification numbers from "TMK 1-6-001-025" to "TMK 3-1-6-001-025" and "TMK 1-6-001-002" to "TMK 3-1-6-001-002";
- (10) Expanding the scope of possible designated construction sites to also include any other appropriate sites within the State;

- (11) Deleting the section appropriating funds for the preparation of an environmental impact statement for the development of a private correctional facility;
- (12) Providing that the developer of the facility shall be responsible for the preparation of an environmental impact statement for the development of a private correctional facility; and
- (13) Making technical, non-substantive 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. 2433, 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. 2433, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chumbley, Matsunaga, Nakata, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.
Ayes, 6. Noes, none. Excused, none.

Representatives Garcia, Yoshinaga, Takamine, Pendleton.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 127 on S.C.R. No. 204

The purpose of this measure is to assist homeowners whose health may be at risk from toxic substances in their soil. The measure authorizes the Department of Health (DOH) to provide technical guidance and assistance regarding soil testing to the owners of homes in Village Park and West Loch Fairways where soil samplings tested positive for the presence of dichlorodiphenyltrichloroethane, chromium, or arsenic.

Your Committee on Conference has amended this measure to:

- (1) Request the DOH to perform soil testing on the individual homes covered in composites 17 and 25 from the Department's previous tests to clarify the level of toxic substances in each home and determine the habitability of each residence, and to report its findings to the Legislature; and
- (2) Request the DOH to make full disclosures to the affected homeowners regarding their responsibilities and liabilities if the testing reveals soil contamination, prior to obtaining the homeowners' consent to testing.

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. 204, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 204, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Morita, Schatz, Fox.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Fox).

Conf. Com. Rep. No. 133 on H.B. No. 2650

The purpose of this bill is to provide supplemental appropriations and authorizations for the operation of and capital improvements for the Judiciary branch by amending Act 156, Session Laws of Hawaii 1999, for the 1999-2001 fiscal biennium.

ECONOMIC CONDITIONS

Hawaii's economy in the previous decade was marred by stagnation while the mainland economy experienced a substantial economic boom. The lack of sufficient revenues required the Legislature to dramatically limit spending. The Judiciary actively supported the general fund through the last decade of stagnation, by implementing its own initiatives to generate revenues, and by consistently participating in budget reduction initiatives.

Although we are still far from economic prosperity, the economy seems to be slowly recovering at present. This fact is supported by several leading economic indicators including increases in personal income and visitor arrivals and decreases in unemployment claims and bankruptcy filings. These tell-tale economic indicators hint that Hawaii's economy is poised for a recovery and gives your Committee on Conference a cautious sense of optimism for the future.

JUDICIAL PARADIGM

Because of the specialized role the Judiciary plays in our government, developing its budget requires special attention. As an independent branch, the Judiciary is entrusted to administer justice in an impartial, efficient, and accessible manner. For this reason, your Committee on Conference has focused appropriations in the Judiciary budget on the efficient and effective adjudication of criminal and civil cases. At the same time, your Committee on Conference recognizing the importance and effectiveness of these services have earmarked funds for treatment and rehabilitation of both victims and offenders in those departments best equipped to provide those services.

To this end, your Committee recommends that the Judiciary budget be increased from \$95,246,911 to \$96,885,971 for all means of financing. Of noted interest in the Judiciary budget are the following four areas:

HIGHLIGHTS

- (1) Providing for Basic Needs: Guardian Ad Litem and Attorney Costs;
- (2) Supporting New Initiatives: Maui Drug Court Program and the Domestic Violence Criminal Division;
- (3) Improving Efficiency: the Human Resources Information and Management System; and
- (4) Investments in the future: Capital Improvement Projects.

PROVIDING FOR BASIC NEEDS

As outlined under Chapter 587 of the Hawaii Revised Statutes, in cases where parental rights might be severed to protect children from harm, the Judiciary is required to provide guardians to protect the interests of the children and appoint attorneys to protect the rights of the parents in these cases.

The safety of children has consistently been a top priority of your Committee on Conference. Therefore, this measure addresses budget shortfalls for these services in the Third Circuit with an additional allocation of \$350,000. This ensures that the Judiciary can meet its obligation to the law and that the rights of citizens will be upheld.

SUPPORTING NEW INITIATIVES

Recognizing that certain types of cases not only require specialized knowledge, but also additional attention, your Committee on Conference supports the Judiciary's efforts to expand two special divisions: the Drug Court Program and the Domestic Violence Criminal Division.

The Drug Court Program was first implemented on Oahu in 1995. It has proven to be a very effective and cost-efficient alternative to incarceration for nonviolent drug offenders.

With a growing drug abuse problem on Maui, your Committee on Conference supports the Judiciary's efforts to expand the success of the Drug Court Program to this neighbor island. This measure provides the matching funds required for \$90,000 in federal funds, an additional social worker position, and an additional \$125,000 for substance treatment services.

The Domestic Violence Criminal Division in the First Circuit Court has committed staff and resources to meet the needs of both victims and offenders. With dedicated judges, and specially-trained staff, this division can promptly respond to the complex problem of violence in the home.

This measure dedicates an additional \$222,690 in general funds, and six positions to the Domestic Violence Division. These funds will improve the process of investigating, evaluating, and adjudicating domestic violence and spouse abuse cases.

IMPROVING EFFICIENCY

The Judiciary has long searched for a system that would enhance its personnel management. Relying on the key-punch data entry system has proven to be insufficient to adequately maintain the Judiciary's employee and payroll data.

Your Committee on Conference supports the Judiciary's initiative to more effectively manage personnel resources and identify labor needs. Therefore, your Committee on Conference supports the allocation of \$400,000 for a state-of-the-art, on-line personnel management system.

CAPITAL IMPROVEMENT PROJECTS

Your Committee on Conference has provided \$6,990,000 in new projects. Of this amount, \$6,501,000 is for the land acquisition for the Hilo Judiciary Complex. Other projects include the following:

- (1) \$265,000 for roof and structural improvements to Aliiolani Hale; and
- (2) \$224,000 for improvements to Koloa District Court, and the Lihue Office Annex.

CONCLUSION

Your Committee on Conference believes that this measure balances both the Legislature's understanding of the significance of the Judiciary's mission and the sensitivity to the current fiscal situation. It is important that the Legislature continue to support the Judiciary in its efforts to further develop these new initiatives and improve its efficiency through the 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 H.B. No. 2650, 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. 2650, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Levin, Buen, Chun, Chun Oakland, D. Ige, M. Ige, Iwase, Kawamoto, Nakata, Tam, Taniguchi, Anderson.

Managers on the part of the Senate.

Ayes, 11. Noes, none. Excused, 2 (Chun Oakland, Anderson).

Representatives Hamakawa, Takamine, Saiki, Moses, Kawakami.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 134 on H.B. No. 1900

GENERAL OVERVIEW

As our voyage into the new century begins, it is becoming clear that the State of Hawaii is heading in the right direction. Positive indications for the future of our economy, combined with renewed dedication to educating our children and caring for those in need, are signs that the course we have charted has led us out of the stormy seas of the last decade.

Economic Backdrop

After ten years of economic stagnation, Hawaii's economy is finally showing signs of recovery. Several leading economic indicators support this claim, including increases in personal income and visitor arrivals and decreases in unemployment claims and bankruptcy filings. Of particular note is the state unemployment rate for March 2000, which is below the March 1999 rate by more than a percentage point.

Despite these recent signs of strength, Hawaii's dependence on economic growth in Asia and the mainland United States still makes our economic future uncertain. Unfortunately, the Japanese economy continues to struggle, although there is long-term expectation of growth in Japan. In addition, recent volatility in U.S. equity markets demonstrates that the American economy is susceptible to economic shocks.

Thus, while a slowly expanding Hawaii economy has generated additional revenues as evidenced by two upward revisions in state tax revenues by the Council on Revenues, future economic prosperity is far from certain. For this reason, your Committee on Conference remains cautiously optimistic.

Budgetary Approach

These modestly increased revenues enabled your Committee on Conference to focus on a broad, but prudent, range of initiatives that demonstrate an investment in our future, a dedication to providing for basic needs, and a continued commitment to improving government operations.

Your Committee on Conference has made a concerted effort to invest in our future by devoting additional funds to the Department of Education (DOE) and the University of Hawaii (UH), as well as making efforts to spur long term economic stability. Simultaneously, your Committee on Conference has remained dedicated to providing for the basic needs of our citizens with increased funding for the Department of Health (DOH), as well as the Department of Human Services (DHS). Finally, your Committee on Conference has continued the drive to improve the provision of government services and support the ever-growing number of programs moving towards self-sufficiency.

In light of this, your Committee on Conference has recommended an increase of the general fund executive budget in fiscal year 2001 from \$3,094,546,973 to \$3,104,504,134 an increase of \$9,957,161 or 0.3%. For all means of financing, your Committee has proposed a total expenditure level of \$6,367,979,192 for fiscal year 2001.

BUDGET HIGHLIGHTS

EDUCATIONDepartment of Education

Although the outlook for Hawaii's economy is optimistic, uncertainty still exists. Consequently, the need to invest in Hawaii's future is that much greater. This investment necessitates a commitment of resources to our public school system. As such, your Committee on Conference recognizes the importance of smaller class sizes and has therefore appropriated \$2.6 million to reduce the student-teacher ratio for the most formative years of a child's life from kindergarten through the second grade. To further reduce class size, your Committee on Conference has also set aside resources for 275 additional regular and special education teachers for all grade levels, statewide.

To assist all teachers and students, your Committee on Conference is recommending an additional cash infusion of \$3 million directly to our schools. These funds will be spent at the discretion of each school to address their unique needs from technology infrastructure to textbooks to basic classroom supplies.

To further aid teachers in classroom instruction, \$2.7 million has been appropriated for the Hawaii Content and Performance Standards. These funds will complete the work on the benchmarks teachers use to guide classroom instruction and develop assessments that will measure student performance statewide. These standards and assessments are necessary to ensure not only the instruction of a consistent curriculum but also to hold both teachers and students to high standards.

In addressing the need to improve our educational infrastructure, \$2.8 million was provided for equipping and staffing new schools and facilities. These funds are in addition to the \$30 million in general funds (S.B. 3026, C.D. 1) and \$15 million in general obligation bonds that has been allocated for the general repair and maintenance of our public schools statewide. This devotion of funds will not only ensure that facilities are safe and adequate for our children, but will also create an environment conducive to learning.

With regard to broader educational concerns, your Committee on Conference appropriated \$5.7 million for an entire array of educational programs, including English for Second Language Learners, Hawaiian Language Immersion, and programs for at-risk students. Your Committee on Conference also saw fit to increase the budget of the public library system by \$1.25 million for the purchase of books and materials.

Finally, in accordance with the requirements of the Felix v. Cayetano Consent Decree, \$4.6 million was appropriated to improve educational services to children with physical and mental impairments. These resources will be used to employ additional speech pathologists, school psychologists, educational assistants, and resource teachers to meet the special learning needs of these children.

In sum, your Committee on Conference has demonstrated a clear commitment to investing in our future by approving an additional \$18 million in the operating budget for the education of our young people, a full \$6.7 million more than originally requested by the Governor.

University of Hawaii

Despite the large investment in lower education, your Committee on Conference has not overlooked the necessity of investing in higher education as well. To this end, your Committee on Conference has appropriated an additional \$8 million for the University of Hawaii, which is \$3.4 million more than requested by the Governor. These additional resources target two specific areas: maintaining basic educational infrastructure and improving instructional capacity in advanced technology.

To improve the educational infrastructure of UH, your Committee on Conference has appropriated \$1.3 million for the basic system-wide needs of the community college system. In addition, \$15 million in general funds (S.B. 3026, C.D. 1) and \$5 million in general obligation bonds have been provided to ensure that the physical infrastructure of the University is functional, architecturally sound, and in compliance with building and safety codes.

To build instructional capacity in advanced technology, your Committee on Conference has appropriated \$1 million for the Pacific Center for Advanced Technology Training for the UH Community Colleges. This will better prepare students to enter the high technology workforce. Furthermore, to specifically conduct research into wireless communication, \$1 million was approved for the UH School of Engineering to establish the Hawaii Center for Advanced Communications. Your Committee on Conference also provided another \$1 million for the business school to purchase computer hardware and develop course material for an e-commerce curriculum.

In the area of medical technology, \$1 million was provided to the John A. Burns School of Medicine to establish a molecular genetics program focused on disease prevention. In addition to the necessary equipment, funds will be used to employ faculty who are recognized as pioneers in their fields, which in turn will attract additional funds to UH through external grants.

Finally, your Committee on Conference has also provided \$2 million to improve a wide range of educational programs at UH-Hilo, including biology, marine science, astronomy, agricultural research, nursing, psychology, and workforce training.

BASIC NEEDS

Department of Health

In addition to investing in our future through appropriations for higher and lower education, your Committee on Conference also deemed important the basic needs of our citizens, particularly those who live in isolated, rural areas.

With this concern in mind, your Committee on Conference has appropriated over \$2.5 million for nonprofit community health care facilities, such as Kahuku Hospital, Molokai General Hospital, Hana Health Center, and the Waianae District Comprehensive Health Center. Recognizing the poor financial situation of the Hawaii Health Systems Corporation, your Committee on Conference also appropriated \$13 million to Hawaii's only network of public hospitals. These health care facilities are the safety net for those living in rural areas.

Your Committee on Conference, dismayed with the ever-growing number of people without health coverage, provided \$800,000 for primary health care for the uninsured. This appropriation is over and above the current \$1.3 million budget and covers an additional 4,800 uninsured people.

Cognizant of its responsibility to provide adequate levels of health care for Hawaii's special needs population children and adults who are mentally ill and developmentally disabled, your Committee on Conference has set aside funds in three distinct areas. First, your Committee on Conference has appropriated an additional \$2 million to provide child and adolescent mental health services and to achieve compliance with the Felix v. Cayetano Consent Decree.

Secondly, your Committee on Conference provided \$4.2 million in response to the Makin vs. State of Hawaii lawsuit. These funds will reduce the waitlist for home and community-based waiver services for persons with developmental disabilities or mental retardation. This appropriation will bring the total number of clients served to 1,200.

Finally, your Committee on Conference recognized the longstanding nature of the Department of Justice Settlement Agreement concerning the Hawaii State Hospital. In light of this, your Committee on Conference has increased the Adult Mental Health Division budget by \$23.5 million for community-based mental health services for persons with serious mental illnesses.

Department of Human Services

Your Committee was also sensitive to the needs of the most vulnerable segments of our population and has allocated resources to ensure that their basic needs are adequately met.

To simultaneously protect those who cannot work and to promote self-reliance, responsibility, and family stability, your Committee on Conference has maintained \$122 million in all means of financing for the Temporary Assistance to Needy Families (TANF) and Temporary Assistance to Other Needy Families (TANOF) financial assistance programs.

Your Committee on Conference has also maintained funding levels of over \$600 million for the state's medical assistance payment programs to provide medical, dental, and other professional health care services to those in need.

In addition to these services, DHS is also responsible for safeguarding the welfare of all children. When the removal of a child from the child's home is deemed necessary for safety reasons, it is essential that the child be placed in an appropriate and safe environment. To this end, your Committee on Conference has provided \$3.2 million for out-of-home child placement costs, which includes adoption and foster care.

In continuing your Committee on Conference's dedication to the safety of children, \$420,000 has been appropriated for the Blueprint for Change program. This program will provide for the basic needs of Hawaii's children by establishing community-based services for families considered to be at-risk for child abuse and neglect.

Along with the growing needs of our children, the needs of Hawaii's elderly have also grown. The number of elderly who need long-term care will continue to grow as the median age of the population increases. To enable Hawaii's elderly to remain in their homes and to prevent or delay institutionalized care, your Committee on Conference has provided an additional \$2 million for home-based care services.

ECONOMIC DEVELOPMENT

In an effort to improve the state economy, to build a sound foundation from which to invest in education, and to provide for the basic needs of our population, your Committee on Conference has allocated resources to retain and improve our competitiveness in the tourism industry as well as to diversify our economic base.

To improve Hawaii's position in the tourism industry, your Committee on Conference provided an additional \$1 million for the Hawaii Tourism Authority. These funds will be used for marketing and product development programs in order to maintain Hawaii's status as one of the top destinations for travelers worldwide.

Recognizing the need to incubate an entrepreneurial spirit in the islands, an additional \$2.5 million for the Hawaii Strategic Development Corporation (HSDC) was appropriated. Through various partnerships with venture capital firms, HSDC will be able to increase investment in Hawaii-based companies.

Even with investment and tax incentives for high technology firms being the focus of legislative initiatives, your Committee on Conference still recognizes the importance of providing support for those who have been displaced by the decline of the sugar and pineapple industries in Hawaii. To this end, your Committee on Conference supports economic diversification through the continued funding of the Community-Based Economic Development Program (CBED). Through CBED support, hundreds of business start-ups and expansions are expected statewide. This program will continue to provide financial and technical assistance to those areas transitioning to a more diversified economy.

With their large populations and close proximity to Hawaii, the emerging economies of Asia present a substantial opportunity for local growth and development. One of these opportunities is tapping Asia's infrastructure development markets with the expertise of local architecture, engineering, and planning firms. To aid in this process, \$175,000 has been set aside for obtaining matching funds from the federal government to establish the Center for Asia-Pacific Infrastructure Development (CAPID). CAPID will provide links and will facilitate business for small to medium-sized local firms by assisting in the process of making initial contact and fostering relations with foreign business partners.

GOVERNMENT OPERATIONS

To complement efforts to increase economic growth and resulting tax revenues, your Committee on Conference has recommended budgetary measures to maximize existing streams of revenue. The Office of the Attorney General was appropriated \$4 million to allow for aggressive litigation efforts. Recent examples of success in this area include an antitrust lawsuit against gasoline dealers resulting in a substantial partial settlement of millions of dollars and legal action against asbestos manufacturers that should result in a settlement of at least \$30 million.

In addition to these efforts, your Committee on Conference has also supported proposals that encourage efficient and effective use of current revenue levels by promoting self-sufficiency and improving the delivery of services. The move towards self-sufficiency calls for state agencies to sustain their operations through use of non-general funds, thereby freeing up general funds that may be used to support not only existing programs but also new initiatives. Divisions striving to achieve self-sufficiency include the Land Division under the Department of Land and Natural Resources and the entire Department of Commerce and Consumer Affairs.

Your Committee on Conference also approved the transfer of the student transportation program from the Department of Accounting and General Services to the Department of Education. This will advance the State towards the goal of optimizing government services while minimizing the costs of these services. This transfer improves program coordination and brings revenue and cost accountability for student transportation services into one department.

Finally, in efforts to further improve services to the public, your Committee on Conference has appropriated \$840,000 to complete the modernization of the document recordation systems at the Bureau of Conveyances. This will improve efficiency and alleviate the problems caused by the time consuming and labor-intensive process of manual document recording done presently.

CONCLUSION

This is a responsible budget. It not only meets the needs of the State, but also allocates resources to those areas of highest priority such as education, health, and human services. It also promotes improved government operations, all while ensuring that the State lives within its means. With this budget, your Committee on Conference trusts that the State is equipped to stay the course of fiscal prudence that your leadership has charted.

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. 1900, 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. 1900, H.D. 1, S.D. 1, C.D. 1.

Signed by the President and the Speaker on behalf of the Committee.

Senators Fukunaga, Levin, Buen, Chun, Chun Oakland, D. Ige, M. Ige, Iwase, Kawamoto, Nakata, Tam, Taniguchi, Anderson.

Managers on the part of the Senate.

Ayes, 11. Noes, none. Excused, 2 (Chun Oakland, Anderson).

Representatives Takamine, Kawakami, Ahu Isa, Catalani, Espero, Goodenow, Kahikina, Kanoho, Luke, Nakasone, Schatz, Suzuki, Yamane, Fox, Marumoto, Meyer, Moses.

Managers on the part of the House.

Ayes, 14. Noes, none. Excused, 3 (Kahikina, Fox, Meyer).

The purpose of this bill is to:

- (1) Make an appropriation for legislative agencies to fund retroactive salary increases and other cost adjustments for fiscal years 1997-1998 and 1998-1999 for officers and employees of the Office of the Auditor, Ethics Commission, Legislative Reference Bureau, and Ombudsman;
- (2) Make an appropriation for studies by the Office of the Auditor;
- (3) Make an appropriation for Council of State Governments (CSG) dues;
- (4) Make an appropriation for the Office of Information Practices (OIP);
- (5) Place the Office of the Legislative Analyst with the Office of the Auditor for administrative purposes, require the Legislative Analyst to produce fiscal impact statements, and fund the Office of the Legislative Analyst; and
- (6) Repeal the Joint Legislative Budget Committee.

Your Committee on Conference has amended this bill by:

- (1) Appropriating \$125,000 for studies by the Office of the Auditor;
- (2) Appropriating \$103,000 for CSG dues;
- (3) Deleting the retroactive pay raises for legislative officers and employees;
- (4) Deleting the OIP appropriation; and
- (5) Deleting the provisions related to the Office of the Legislative Analyst and the Joint Legislative Budget Committee.

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. 2024, 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. 2024, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Levin, D. Ige, Taniguchi, Anderson.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Anderson).

Representatives Takamine, Kanoho, Kawakami, Luke, Souki, Moses.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, 1 (Moses).

Conf. Com. Rep. No. 136 on H.B. No. 2407

The purpose of this bill is to make an emergency appropriation to cover the expenses for the temporary relocation of the Department of Agriculture's Measurement Standards Program (Program) and its personnel as a result of the redevelopment of Kakaako.

Specifically, this bill:

- (1) Appropriates \$200,000 to cover the expenses for the temporary relocation of the Program; and
- (2) Authorizes the issuance of \$3,800,000 in general obligation bonds to finance the plans, design, construction, and equipment for a new building for the Measurement Standards and Commodities Programs on Oahu.

Your Committee on Conference has amended this bill by:

- (1) Revising the net general fund revenues and debt limit forecasts to reflect the amounts reported in the Council on Revenues report to the Governor dated March 10, 2000; and
- (2) Changing the date the Council on Revenues made its net general fund revenues estimates from December 20, 1999 to March 10, 2000.

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. 2407, 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. 2407, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Fukunaga, Buen, Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Takamine, Catalani, Goodenow, Kawakami, Moses.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 137 on H.B. No. 3014

The purpose of this bill is to authorize the issuance of special purpose revenue bonds, in an amount not to exceed \$19,000,000, to assist Rickmar Properties, Inc. in establishing a distribution system for air conditioning of buildings utilizing water chilled at a cooling facility.

Your Committee on Conference finds and declares that the issuance of special purpose revenue bonds under this bill constitutes an industrial enterprise defined in part V, chapter 39A, Hawaii Revised Statutes, and is in the public interest.

Your Committee on Conference has amended this bill by:

- (1) Requiring that the Department of Budget and Finance report to the legislature regarding any "status" made with respect to the issuance of the special revenue bonds as opposed to any "progress"; and
- (2) Making technical, nonsubstantive changes for purposes 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 H.B. No. 3014, 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. 3014, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Chun, Anderson.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Anderson).

Representatives Takamine, Catalani, Goodenow, Kawakami, Moses.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Goodenow).

Conf. Com. Rep. No. 138 on H.B. No. 2314

The purpose of this measure is to modify certain provisions of the Hawaii Hurricane Relief Fund (HHRF) law.

Specifically, this bill:

- (1) Clarifies that the HHRF will not assess property and casualty insurers on their gross direct written premiums for property insurance if the insurers offer the standard extended coverage endorsements on commercial or residential property;
- (2) Terminates coverage for commercial property; and
- (3) Requires the HHRF to set aside funds to provide policyholders with matching grants to install hurricane damage mitigation devices.

After careful consideration, your Committee on Conference has amended this measure by:

- (1) Deleting the provision which develops a comprehensive loss reduction plan for hurricane peril; and
- (2) Incorporating a section to provide for the HHRF advisory committee to study the issue of hazard mitigation, including the providing of matching grants to policyholders who install mitigative devices.

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

The study by the HHRF advisory committee shall also take into consideration and provide advisement for the development of:

- (1) Improvements to current practices and procedures at HHRF for application and issuance to policyholders of "Wind Resistive Devices Credits" used as the basis for internal administrative processing of matching grants;

- (2) Hazard mitigation incentives for policyholders of property insurers, and the development of promotional material for these incentives;
- (3) A marketing plan designed to promote awareness of the hazard mitigation program;
- (4) Co-operative public/private sector marketing programs for the hazard mitigation program; and
- (5) A timetable for completion of the study.

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. 2314, 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. 2314, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Chun, Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Slom)

Representatives Menor, Yamane, Cachola, Lee, Whalen.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Cachola, Whalen).

Conf. Com. Rep. No. 139 on H.B. No. 2222

The purpose of this measure is to direct the Real Estate Commission (Commission) to review Hawaii's existing condominium laws and propose a recodification. The Commission is also required to hold a public hearing to receive input and comments from affected parties. Appropriation for this measure is provided by the Condominium Management Education Trust Fund, rather than the General Fund.

Your Committee on Conference finds that the condominium law was initially enacted in 1961 and is approximately thirty-nine years old. The initial condominium law was just an enabling statute enacted soon after the Federal Housing Authority approved mortgages for condominiums. From 1963 to the present, the condominium law has been subject to numerous amendments and has grown initially from 7 sections to the current 135 plus sections. Since its initial enactment, many piece-meal amendments have been made to the condominium law over the years, without regard to the condominium law as a whole. As a result, the condominium law today is unorganized, not clearly understood and unresponsive to the changing times.

Past studies conducted over the years by the Legislative Reference Bureau and the Commission in connection with specific issues relating to project registration and condominium management and governance all lend support to a major recodification effort.

It is your Committee's understanding that the Commission continues to hear from developers and their attorneys that the law is confusing, overly complicated, and extremely expensive to comply with, given Hawaii's current economic and real estate market.

Accordingly, your Committee on Conference is in agreement that a study should be performed to recodify the condominium law so that it is easy to understand and user friendly.

After careful consideration, your Committee on Conference has incorporated the proviso submitted by the division administrator of the Professional & Vocational Licensing Division by amending the appropriation provision to establish a full-time temporary specialist position, instead of a full-time temporary position. The amendment provides that the appropriation may also be used for other current expenses.

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. 2222, 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. 2222, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Tam, Anderson.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Menor, Yamane, Cachola, Lee, Whalen.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 140 on H.B. No. 2556

The purpose of this bill is to repeal the requirement that effective July 1, 2000, the period between an initial safety inspection of a boiler, pressure system, amusement ride, or elevator and kindred equipment, or the inspection used as the basis for the issuance of a permit to operate, and any subsequent inspection, not exceed seven months nor be less than five months.

Your Committee on Conference has amended this bill by requiring that the period between an initial safety inspection or the inspection used as the basis for the issuance of a permit to operate, and any subsequent inspection of:

- (1) A boiler or pressure system shall not exceed thirteen months; or
- (2) Elevators and kindred equipment shall not exceed eight months.

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. 2556, 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. 2556, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nakata, Kawamoto, Kanno, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Yoshinaga, Catalani, Goodenow, Nakasone, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Nakasone).

Conf. Com. Rep. No. 141 on H.B. No. 2277

Act 304, Session Laws of Hawaii (SLH) 1999, established the Hawaii Tobacco Settlement Special Fund (Special Fund) to provide for the proper allocation and prudent use of moneys received from the settlement of the class action lawsuit against the tobacco companies. The moneys were apportioned as follows:

- (1) Forty percent to the Emergency and Budget Reserve Fund (Reserve Fund);
- (2) Twenty-five percent to the Hawaii Tobacco Prevention and Control Trust Fund (Trust Fund) for tobacco prevention and control; and
- (3) Thirty-five percent to the Department of Health (DOH), of which:
 - (A) Up to ten percent will be transferred to the Department of Human Services (DHS) for the State's Children's Health Insurance Program (S-CHIP); and
 - (B) The remainder of the moneys will be expended for health promotion and disease prevention programs.

The purpose of this bill, as received, is to:

- (1) Provide that any expenditure of moneys by DOH of tobacco settlement moneys for health promotion and disease prevention programs not supplant or diminish the funding of programs by the State's general fund;
- (2) Clarify that Special Fund moneys shall be transferred, rather than appropriated, from the Special Fund to the three funds receiving tobacco settlement moneys;
- (3) Allow the transfers to be made without an appropriation act or budget proviso, to alleviate the necessity of annual legislative appropriation measures, which was not the intent of Act 304, SLH 1999;
- (4) Create the DOH Tobacco Special Fund (DOH Special Fund) for tobacco settlement moneys received by DOH, to provide consistency and convenience;
- (5) Add youth programs, programs for the prevention of child abuse and neglect, early childhood education and care programs, substance abuse prevention and treatment services, and adult dental services to the list of health promotion and disease prevention programs;
- (6) Require DOH to expend available moneys for each program in a proportional amount, if tobacco settlement moneys are less than anticipated, because of the difficulty of accurately predicting the precise amounts of moneys that will be received in any upcoming fiscal year;
- (7) Allow the selected nonprofit entity to expend moneys from the Trust Fund to implement the Tobacco Prevention and Control Strategic Plan;

- (8) Revise the appropriated amounts contained in Act 304, SLH 1999, to reflect new anticipated amounts of tobacco settlement moneys for the coming fiscal year; and
- (9) Make various appropriations from the DOH Special Fund for substance abuse prevention and treatment programs, the prevention of child abuse and neglect, early childhood education and care, school-based health services, dental services, and the Healthy Hawaii Initiative.

This measure is intended to address the following problems that arose since Act 304, SLH 1999, went into effect just less than a year ago:

- (1) The administration has proposed to use moneys from the Special Fund to supplant existing DOH programs; and
- (2) Concerns have been raised that DOH has not adequately incorporated the community's need to address primary prevention programs such as substance abuse prevention and treatment, child protection, early childhood education and care, school-based health services, and dental services.

The intent of Act 304, SLH 1999, is to expand tobacco prevention and control programs and health promotion and disease prevention programs, and to serve as a long-term source of stable funding for prevention-oriented public health efforts. As such, your Committee on Conference agrees that additional language, as found in both the House and Senate versions of the bill, is necessary to make it absolutely clear that the Legislature is against the administration using Special Fund moneys to supplant existing programs.

The Senate version of this measure attempts to address the second problem by dipping into the Trust Fund's corpus, for a period of one year, to fund various prevention programs. The intent of establishing the Trust Fund was to allow the corpus to grow, reaching significant levels where the interest accrued would be a continual source of program funding once tobacco settlement moneys are depleted. The expectation is to have DOH and the Trust Fund Advisory Board (Board) work together on their long-range plan.

After much discussion, your Committee on Conference agrees that dipping into the corpus would not be sound policy, as it would deprive Hawaii from a unique opportunity to accrue a significant amount of interest to ensure a long-term and meaningful commitment to prevention programs. Should the Board decide to fund start-up programs, the Board should consult with DOH for funding.

Your Committee on Conference has amended this measure by:

- (1) Deleting the various programs that were added on to the list of health promotion and disease prevention programs;
- (2) Deleting the requirement that DOH expend available moneys for each program in a proportional amount if tobacco settlement moneys are less than anticipated;
- (3) Deleting the authorization for the selected nonprofit entity to expend moneys from the Trust Fund to implement the Tobacco Prevention and Control Strategic Plan;
- (4) Deleting the revisions to appropriations contained in Act 304, SLH 1999, for the Reserve and Trust Funds to reflect new anticipated amounts of tobacco settlement moneys for the coming fiscal year;
- (5) Deleting the various appropriations from the DOH Special Fund for substance abuse prevention and treatment programs, the prevention of child abuse and neglect, early childhood education and care, school-based health services, dental services, and the Healthy Hawaii Initiative;
- (6) Clarifying that moneys transferred to the DOH Special Fund shall be used only for the Healthy Hawaii Initiative and S-CHIP, which includes services for immigrant and other children;
- (7) Requiring DOH to submit a report of the previous fiscal year's beginning balance, revenues, expenditures, and ending balance of the Special Fund and its three funds to the Legislature no later than twenty days prior to the convening of each Regular Session;
- (8) Exempting the DOH Special Fund from assessments for central services and administrative expenses;
- (9) Revising the appropriations contained in Act 304, SLH 1999, to reflect for fiscal year 2000-2001, \$19,506,527 to DOH, of which \$6,100,000 will be transferred to DHS for S-CHIP, which includes services for immigrant and other children;
- (10) Increasing the number of members of the DOH advisory group to include a member of the House of Representatives, to be appointed by the Speaker of the House, and a member of the Senate, to be appointed by the Senate President;
- (11) Clarifying that the Special Fund moneys will be immediately transferred to the three funds, but the departments are not obligated to expend the moneys immediately; and
- (12) Making technical, nonsubstantive amendments for purposes of clarity and style.

Essentially, this measure now:

- (1) Prohibits the supplanting or diminishing of moneys received from the Special Fund for existing health promotion and disease prevention programs;
- (2) Transfers thirty-five percent of the tobacco settlement moneys to the newly established DOH Special Fund and clarifies that these moneys can only be used for the Healthy Hawaii Initiative and S-CHIP, which includes services for immigrant and other children;
- (3) Requires that each year, DOH submit a report of the previous fiscal year's beginning balance, revenues, expenditures, and ending balance of the Special Fund and its three funds to the Legislature;
- (4) Adds a member of the House and the Senate to the DOH advisory group; and
- (5) Increases the ceiling of S-CHIP, which includes services for immigrant and other children, and the DOH Special Fund.

As a result of conference discussions, your Committee on Conference strongly encourages DOH and the Board to:

- (1) Work closely with one another to ensure a long-range, seamless system of prevention programs for healthy living that embraces the spirit of Act 304, SLH 1999; and
- (2) Reflect in the Healthy Hawaii Initiative the array of services as expressed through the Senate version.

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. 2277, 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. 2277, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Fukunaga, Levin, Iwase, Anderson.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

Representatives Santiago, Hamakawa, Takamine, Yamane, McDermott.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Yamane, McDermott).

Conf. Com. Rep. No. 142 on H.B. No. 139

The purpose of this bill is to revitalize Hawaii's construction industry by:

- (1) Establishing a definition of "state resident" that can be used by federal contracting officers in enforcing employment preferences for state residents that are provided in federal law;
- (2) Exempting from the general excise tax (GET), all of the gross income or gross proceeds arising from federal construction contracts and received by state subcontractors;
- (3) Clarifying that contractors, including out-of-state contractors, working on federal construction contracts in the State are subject to the licensing and other provisions of chapter 444, Hawaii Revised Statutes, to the extent allowed under federal law; and
- (4) Authorizing the use of, and establishing criteria for, project labor agreements, which are intended to ensure the efficiency, stability, and quality of federal construction projects.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provisions:
 - (a) Authorizing the use of, and establishing criteria for, project labor agreements; and
 - (b) Exempting from the GET, all of the gross income or gross proceeds arising from federal construction contracts and received by state subcontractors;
- (2) For purposes of employment preference provided in federal law in favor of state residents where the "state resident" is:
 - (A) A business entity, by reducing the percentage of employees that are required to be state residents from one hundred percent to eighty-five percent for a business entity to qualify as a state resident; or

- (B) A joint venture, by requiring that a majority of the business entities that compose a joint venture be state residents and eighty-five percent of the employees of the joint venture be state residents for the joint venture to qualify as a state resident;

and

- (3) Changing the effective date to July 1, 2000;

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. 139, 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. 139, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Fukunaga, Levin, Bunda, Iwase, Tam.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 2 (Iwase, Tam).

Representatives Herkes, Yoshinaga, Yamane, Luke, Suzuki, Meyer.

Managers on the part of the House.

Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. No. 143 on H.B. No. 2392

The purpose of this measure is to require all individual accident and sickness health care policies and all group health care contracts to cover outpatient diabetes self-management training, education, equipment, and supplies.

This measure provides:

- (1) Clarification to the assessment amount paid by health insurers annually to the Insurance Commission, to effect the intent of the legislature in Act 127, Session Laws of Hawaii 1999, that all health insurers pay for the costs of regulation;
- (2) Clarification of the coverage for diabetes self-management training, education, equipment, and supplies as to the provision of services;
- (3) A provision to amend Act 121, Session Laws of Hawaii 1999, relating to establishment of Hawaii mental health insurance task force; and
- (4) A provision to move the Hawaii mental health insurance task force from the Department of Health to the Insurance Division of the Department of Commerce and Consumer Affairs and renames the Hawaii mental health task force.

Your Committee on Conference finds that in 1996, the cost of care attributable to diabetes in Hawaii was \$600 million. The total cost of care, including costs that are not directly attributable to diabetes is about three times greater for those with diabetes, compared to those without. Cost of caring for those with diabetes may approach 25% of the United States Medicare budget. The high cost of care has refocused attention on the potential of reducing costs by preventive measures. Studies show that it is cost effective to treat diabetes with the goal of normoglycemia, and that the initial investment in preventive treatment is partially offset by reducing future expenditure for end-stage complications. Treatment is more cost-effective for those with greater risk of complications, including those with greater life expectancy, ethnic groups, and those with worse glycemic control.

After careful consideration, your Committee on Conference has amended the bill as follows by:

- (1) Incorporating a provision for insurers, health maintenance organizations, and mutual benefit societies required to provide coverage for outpatient diabetes programs to conduct a study of their diabetes coverages;
- (2) Deleting subsections (a)(3), (b), (c), (d), (e) and (f) of new HRS section "431:10A-" to allow insurers the ability to develop and manage their own programs to best meet the needs of its members;
- (3) Changing the effective date to July 1, 2001, except for sections 6, 7, and 8, which shall take effect upon approval;
- (4) Providing that sections 6 and 7 shall be repealed on June 30, 2003; and
- (5) Reenacting Hawaii Revised Statutes sections 431:2-216 and 431M-5;

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. 2392, 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. 2392, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Taniguchi, Kanno, Kawamoto, Anderson.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

Representatives Menor, Kawakami, Kahikina, Lee, McDermott.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. No. 144 on H.B. No. 1873

The purpose of this bill is to:

- (1) Allow the Department of Education (DOE) to retain the excess federal impact aid, U.S. Department of Defense funds, and federal direct overhead reimbursements it receives, rather than depositing them into the general fund;
- (2) Allow the DOE to increase the federal fund expenditure ceiling for EDN 100 if the aforementioned federal funds received by the DOE exceed the authorized appropriation in the General Appropriations Act or the Supplemental Appropriations Act;
- (3) Allow the DOE to retain the full amount of any general fund offset created by increased impact aid receipts to further carry out the purposes of EDN 100;
- (4) Create the Federal Grants Search and Application Revolving Fund for the deposit and expenditure of indirect overhead reimbursements; and
- (5) Allow the Superintendent of Education to approve trust fund expenditures up to the amount of available revenues.

Upon careful consideration, your Committee on Conference has amended this bill by:

- (1) Allowing DOE to increase the federal fund expenditure ceiling for all program identification numbers when federal funds received exceed the authorized appropriation in the General Appropriations Act or the Supplemental Appropriations Act;
- (2) Allowing the DOE to retain any general fund offset created by increased impact aid receipts for any program identification number, provided that such funds shall not be used to create or expand programs;
- (3) Changing the name of the revolving fund to "Federal Grants Search, Development, and Application Revolving Fund";
- (4) Changing the effective date to July 1, 2000; and
- (5) Making technical, nonsubstantive changes 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 H.B. No. 1873, 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. 1873, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Sakamoto, Fukunaga, Levin, Slom.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Ito, Kawakami, Ahu Isa, Takai, Moses.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 145 on H.B. No. 2280

The purpose of this bill is to continue the development of school-to-work initiatives in Hawaii by:

- (1) Clarifying the membership and powers of the School-to-Work Executive Council (Council); and
- (2) Appropriating funds to the Council.

Upon careful consideration, your Committee on Conference has amended this bill by:

- (1) Removing the Director of Human Resources Development from the membership of the Council;

- (2) Reinstating the Director of Human Services as a member of the Council;
- (3) Changing the appropriation amount from \$1 to \$200,000; and
- (4) Making technical, nonsubstantive changes 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. 2280, 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. 2280, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Nakata, Sakamoto, Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Ito, Morihara, Yoshinaga, Takamine, Leong.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 146 on H.B. No. 2458

The purpose of this bill is to reduce the State's and counties' employer contributions to the Employees' Retirement System by extending the payment schedule for the actuarial present value cost of the 1994 early retirement incentive bonus from five years to nineteen years beginning July 1, 1997.

Your Committee on Conference has amended this bill by:

- (1) Requiring the State and counties to make separate additional payments to the Employees' Retirement System in the amounts required to liquidate the additional actuarial present value of benefits over a period of time as specified in section 88-122(d), Hawaii Revised Statutes (HRS);
- (2) Amending the bill to liquidate each employer's total unfunded actuarial present value of benefits as of June 30, 1997 instead of June 30, 1999;
- (3) Deleting language that referenced the unfunded actuarial present values of benefits as part of the unfunded accrued liability under sections 88-122 and 88-123, HRS;
- (4) Providing it shall take effect, upon approval, on June 30, 1999; 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. 2458, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2458, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Fukunaga, Levin, Slom.

Managers on the part of the Senate.

Ayes, 5. Noes, none. Excused, none.

Representatives Yoshinaga, Goodenow, Catalani, Suzuki, Fox.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 147 on H.B. No. 1994

The purpose of this bill is to provide necessary funds to assist in maintaining current minimum levels of agricultural research and development at the Hawaii Agriculture Research Center (HARC).

Specifically, this bill appropriates funds for agricultural research and development by HARC, provided that the funds are matched dollar-for-dollar by the private sector.

Your Committee on Conference has amended this bill by:

- (1) Inserting the sum of \$750,000 for fiscal year 2000-2001 for agricultural research and development by HARC; and

- (2) Making a technical, nonsubstantive amendment 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. 1994, 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. 1994, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Nakata, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Abinsay, Espero, Ahu Isa, Chang, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Chang).

Conf. Com. Rep. No. 148 on H.B. No. 2801

The purpose of this bill is to determine the incidence of porcine respiratory and reproductive syndrome (PRRS), a disease that can have a devastating impact on swine, by requiring the Department of Agriculture (DOA) to:

- (1) Conduct a mandatory survey and sampling of swine farms in the State;
- (2) Establish procedures to certify that swine herds are negative for PRRS; and
- (3) Maintain a list of these herds.

Your Committee on Conference has amended this bill by 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. 2801, 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. 2801, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Chun, M. Ige, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (M. Ige).

Representatives Abinsay, Espero, Ahu Isa, Chang, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Ahu Isa).

Conf. Com. Rep. No. 149 on H.B. No. 2802

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the Hawaii Food Resource Center (Center) in planning and building a multi-function food processing facility on Oahu.

Your Committee on Conference has amended this bill by:

- (1) Authorizing the issuance of special purpose revenue bonds in a total amount not to exceed \$3,500,000 to assist the Center; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors.

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. 2802, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2802, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Chun, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Abinsay, Espero, Ahu Isa, Chang, Halford.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Ahu Isa, Halford).

Conf. Com. Rep. No. 150 on H.B. No. 2151

The purpose of this bill is to:

- (1) Exempt state bonds from the requirement of perfecting security interests in government collateral; and
- (2) Authorize the issuance of general obligation bonds and to declare findings that the total amount of principal and interest, estimated for such bonds authorized but unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance.

Article VII, section 13 of the Constitution of the State of Hawaii requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds, which shall declare the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee on Conference has amended this bill by:

- (1) Deleting the exemption of state bonds from the requirement of perfecting security interests in government collateral;
- (2) Inserting the appropriate amounts provided by the Department of Budget and Finance; and
- (3) Making technical, nonsubstantive revisions 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 H.B. No. 2151, 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. 2151, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Levin, Anderson.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Anderson).

Representatives Takamine, Kawakami, Ahu Isa, Catalani, Espero, Goodenow, Kahikina, Kanoho, Luke, Nakasone, Schatz, Suzuki, Yamane, Fox, Marumoto, Meyer, Moses.

Managers on the part of the House.

Ayes, 15. Noes, none. Excused, 2 (Fox, Meyer).

Conf. Com. Rep. No. 151 on H.B. No. 1759

The purpose of this bill is to extend the traffic enforcement demonstration project until July 1, 2003, authorize the department of transportation to retain and pay contractors for the project, and make other required changes to the enabling legislation.

Your Committee on Conference finds that this measure will provide additional time needed to implement the demonstration project, provide sufficient time for contractors to recover their investment, and provide the Legislature with sufficient time to enact appropriate permanent legislation. Your Committee further finds that the further implementation of the photo red light imaging and photo speed imaging detector demonstration project will assist in both reducing traffic congestion and making Hawaii's roads safer.

Your Committee has amended this bill by making the following amendments:

- (1) Changing the fiscal years for the sum of \$5,000,000 to be appropriated out of the moneys deposited into the photo enforcement revolving fund from "fiscal years 2000-2001, 2001-2002, and 2002-2003" to "fiscal year 2000-2001".
- (2) Replacing the term "the fund" with the term "this Act", on page 30, line 17.
- (3) Making technical, nonsubstantive amendments for the 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 H.B. No. 1759, 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. 1759, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Matsunaga, Buen, Iwase, Anderson.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

Representatives Hiraki, Goodenow, Catalani, Takai, Fox.

Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 152 on H.B. No. 2835

The purpose of this bill is to appropriate funds to be expended by the Department of Land and Natural Resources (DLNR) for watershed protection.

Your Committee finds that the four county water departments (Honolulu, Maui, Hawaii and Kauai), are committed to water management and resource protection programs. The estimated county water departments' expenditures, including past and current expenditures, are about \$9.1 million statewide. This represents about 5.4% of the annual revenue collected by all four county water departments.

The various county watershed and resource protection programs among the islands include the following:

- (1) Watershed partnerships to preserve and protect valuable watersheds;
- (2) Projects to eradicate miconia that threatens watersheds;
- (3) Partnerships with the various State Soil and Water Conservation Districts;
- (4) Cooperative agreements with the United States Geological Survey for resource monitoring and hydrologic studies that improve understanding of water resources; and
- (5) The tri-county monitor well drilling program to advance understanding of groundwater resources.

Your Committee recognizes that fresh water is not an infinite resource and that its high quality, quantity, and sustainability are linked to the existence of forested watershed. A statewide watershed management plan must be developed to assess the condition of our watersheds and determine what actions or programs are necessary to insure their long-term viability for future generations.

Your Committee further finds that there is no funding requirement from the budget of the current fiscal year.

Your Committee has amended this bill by:

- (1) Eliminating the appropriation for watershed protection and language that the appropriation is to be expended by the Department of Land and Natural Resources;
- (2) Revising the purpose of this bill, that it will establish a watershed protection board to develop a watershed protection master plan to provide for the protection, preservation, and enhancement of important watershed areas;
- (3) Inserting language regarding this master plan, that it will include potential watershed protection projects, an implementation plan, and funding sources;
- (4) Describing the membership of the watershed protection board;
- (5) Describing the powers and duties of the watershed protection board;
- (6) Stating that the cost shall be borne by some or all of the agencies that have representation on the board by agreement or from other funding sources as approved by the board;
- (7) Adding language that the board shall submit the watershed protection master plan to the legislature no later than June 30, 2001; and
- (8) Revising the effective date to be upon approval of this Act, and sunset date to be June 30, 2002.

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. 2835, 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. 2835, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Fukunaga, Levin, Chun, Matsuura.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Matsuura).

Representatives Cachola, Kanoho, Garcia, Schatz, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Garcia).

Conf. Com. Rep. No. 153 on H.B. No. 2062

The purpose of this bill is to allow the University of Hawaii (UH) to manage its resources more flexibly. More specifically, this bill allows UH to carry over unexpended general funds for one additional fiscal year to be applied to any UH program. Additionally, this bill Allows UH to expend a sum equal to its end-of-the-fiscal-year faculty payroll from funds appropriated for the following fiscal year.

Upon careful consideration, your Committee on Conference has amended this bill by requiring that general funds that are carried over shall be used for instructional programs only.

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. 2062, H.D. 2, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2062, H.D. 2, S.D. 1, C.D. 2.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Sakamoto, Iwase, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Iwase).

Representatives Takai, Kanoho, Goodenow, Yamane, Leong.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Goodenow).

Conf. Com. Rep. No. 154 on H.B. No. 3016

The purpose of this bill is to appropriate funds to the Department of Human Services to raise the income eligibility for the medically needy program.

Your Committee on Conference finds that the "medically needy program" is a Medicaid option that Hawaii has chosen to implement. The program is designed for aged and disabled persons who are ineligible for the standard Medicaid program because their income levels exceed one hundred per cent of the federal poverty level. Your Committee on Conference finds that this is a gap group that is not income qualified but has significant medical expenditures.

Your Committee on Conference further finds that the medically needy program utilizes a "spend-down" provision and a "medically needy" income standard. The dollar amount by which net countable monthly income exceeds that income standard is the spend-down requirement, so that a person who incurs monthly medical expenses that are more than the spend-down requirement will be provided medical coverage for the remainder of the month.

A typical situation is a person who is disabled from a terminal illness and whose income exceeds the maximum amount allowable to qualify for Medicaid. That person has medical bills that would reduce the person's income to below the qualifying amount for Medicaid, but that person would still not qualify for medical assistance unless the State has implemented the medically needy program.

Your Committee on Conference has amended this bill by:

- (1) Deleting the appropriation to the Department of Human Services;
- (2) Adding a new section to chapter 321, Hawaii Revised Statutes, to require the State to cover medical assistance according to a statutory formula to certain medically needy persons who derive their income solely or not less than eighty per cent from Social Security, if they have a terminal or life threatening illness; and
- (3) 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 H.B. No. 3016, 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. 3016, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Fukunaga, Levin, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Anderson).

Representatives Arakaki, Takamine, Fox, Kahikina, Kawakami.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Kawakami).

Conf. Com. Rep. No. 155 on H.B. No. 645

The purpose of this bill is to provide an alternative to the disbursement of burial grant funds for World War II Filipino veterans (veterans).

This bill requires the Office of Veterans Services (OVS), at the request of a deceased Filipino veteran's survivor or an interested party, to make payment to:

- (1) Provide funeral and burial services for a deceased veteran; and
- (2) Transport the remains of a deceased veteran to the Philippines.

Among other things, this bill also:

- (1) Requires OVS to establish specific eligibility criteria, application and appeal procedures, service choices, and invoicing arrangements; and
- (2) Appropriates the sum of \$1.

Your Committee on Conference has amended this bill by:

- (1) Clarifying the purpose of this bill by specifying that OVS is authorized to provide grants;
- (2) Appropriating the sum of \$55,000 for fiscal year 2000-2001;
- (3) Within the amount appropriated in this bill, requiring OVS to establish the maximum amounts of burial grant funds that may be disbursed;
- (4) Taking the provisions out of chapter 363, Hawaii Revised Statutes, and authorizing OVS to implement the purposes of this bill; and
- (5) Making technical, nonsubstantive amendments for the purpose of 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. 645, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 645, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Levin, Bunda, Taniguchi, Slom.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Bunda).

Representatives Garcia, Kanoho, Kaho'ohalahala, Pendleton.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 1 (Pendleton).

Conf. Com. Rep. No. 156 on H.B. No. 2023

The purpose of this bill is to provide a tax credit for major investment in the planning, design, construction, reconstruction, improvement, altering, or repair of large agricultural infrastructures and the construction of drought mitigating water storage facilities.

Your Committee on Conference has amended this bill by changing its effective date to take place 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 H.B. No. 2023, 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. 2023, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Levin, Fukunaga, Buen, Slom.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Buen).

Representatives Abinsay, Espero, Ahu Isa, Chang, Halford.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Ahu Isa).

Conf. Com. Rep. No. 157 on H.B. No. 2793

The purpose of this bill is to:

- (1) Carry over to fiscal year 2000-2001, any expended or unencumbered funds at the close of fiscal year 1999-2000, for expenses incurred in the performance of the duties of the Agribusiness Development Corporation (ADC) Board; and
- (2) Allow ADC to use \$250,000 for grants for the development of an agricultural subdivision in the Hamakua District on the island of Hawaii.

Your Committee on Conference has amended this bill by changing the effective date to June 29, 2000.

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. 2793, 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. 2793, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Fukunaga, D. Ige, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (D. Ige).

Representatives Abinsay, Takamine, Chang, Espero, Halford.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 158 on H.B. No. 1956

The purpose of this bill is to assist small businesses in this State by:

- (1) Making permanent the law enacting the Hawaii Small Business Regulatory Flexibility Act and the Small Business Defender;
- (2) Transferring the Small Business Regulatory Review Board and the Small Business Defender to the Department of Budget and Finance (B&F) for administrative purposes; and
- (3) Appropriating funds for the Small Business Defender to carry out the purposes of the bill.

Your Committee on Conference has amended this bill by:

- (1) Expanding the purpose section to specify a direct nexus regarding small businesses in serving a public purpose;
- (2) Leaving the Small Business Regulatory Review Board in the Department of Business, Economic Development, and Tourism (DBEDT);
- (3) Transferring the Small Business Defender to DBEDT;
- (4) Allowing the Small Business Defender to hire attorneys under section 28-8.3, Hawaii Revised Statutes;
- (5) Specifying that the Small Business Defender's salary be within the range of salaries paid to the directors and deputy directors of the departments of state government, rather than as determined by the appointing authority;
- (6) Authorizing the Small Business Defender to request staff assistance from DBEDT, rather than B&F, and other appropriate state agencies in carrying out its duties;
- (7) Deleting the appropriation for the Small Business Defender and its related provisions; and
- (8) 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. 1956, 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. 1956, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Herkes, Menor, Luke, Suzuki, Halford.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 159 on H.B. No. 1969

The purpose of this bill is to appropriate general fund moneys to match federal funds on a dollar-for-dollar basis to establish manufacturing extension programs in the State.

Your Committee on Conference has amended this bill by changing the appropriation amount from \$2 to \$200,000.

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. 1969, 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. 1969, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Levin, Buen, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Herkes, Luke, Ahu Isa, Suzuki, Halford.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 160 on H.B. No. 1632

The purpose of this bill is to encourage continuation of sugar production on the island of Kauai by:

- (1) Appropriating \$2,500,000 in general funds for fiscal year 2000-2001 to be deposited into the Agriculture Loan Revolving Fund (Fund);
- (2) Appropriating \$2,500,000 out of the Fund for fiscal year 2000-2001; and
- (3) Authorizing the Department of Agriculture to make direct loans to qualified farmers under section 155-8, Hawaii Revised Statutes, in the aggregate amount of \$5,000,000 from the Fund;

to finance major sugar cane operations on Kauai.

Your Committee on Conference has amended this bill by:

- (1) Appropriating \$5,000,000, rather than \$2,500,000, out of the Fund to finance major sugar cane operations on Kauai;
- (2) Requiring not less than a first lien position in collateral;
- (3) Organizing the bill into two parts to include a part that appropriates \$800,000 for fiscal year 2000-2001 for intensive control of the papaya ringspot virus, leading to the eradication of the virus from the island of Hawaii; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style and to correct a drafting error.

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. 1632, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1632, H.D. 3, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Fukunaga, Levin, Buen, Anderson.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Buen, Anderson).

Representatives Abinsay, Kanoho, Espero, Kawakami, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Kawakami).

Conf. Com. Rep. No. 161 on H.B. No. 2901

The purpose of this bill is to encourage the continued growth and development of high technology businesses and associate industries by:

- (1) Providing tax benefits to encourage and support high technology businesses;
- (2) Allowing the Board of Trustees of the Employees' Retirement System (ERS) to invest up to ten percent in venture capital for high technology businesses;
- (3) Creating partnerships with the tourist industry to market and promote Hawaii's emerging technology industries and Hawaii as an ideal location to conduct e-business;
- (4) Creating the Hawaii Technology Investment Program for small individual investors; and
- (5) Creating the New Economy Trust Fund (Trust Fund) to support:
 - (a) Public education;
 - (b) Innovative projects that expand access to technology; and
 - (c) Workforce development initiatives emphasizing skills-building.

In making amendments to this bill, it is your Committee on Conference's intention that high technology businesses qualifying for the tax provisions under Part I be businesses that engage in activities that advance the state-of-the-art in the high technology industry. These businesses include:

- (1) Computer software design and development that involve the delivery of full lifecycle software development products (from analysis through implementation); and
- (2) The use of fourth generation software development tools or native programming languages to design and construct unique and specific code to create applications and design databases for sale or license.

Your Committee on Conference intends the following software programming to qualify under this bill, including innovative technology applications, such as:

- (1) Palm-top-based application to collect data during field inspections;
- (2) Web-based client data collections systems;
- (3) Health plan web-based interface application;
- (4) Entertainment applications, such as computer-based games and digital media;
- (5) Interactive web-based products and services;
- (6) Large-scale relational databases;
- (7) Web-based stock exchange; and
- (8) Creation of development tools.

Activities that would not qualify under this standard include computer repair, break and fix services, and configuration of off-the-shelf software.

Your Committee on Conference has amended this bill by, among other things:

- (1) Deleting provisions that:
 - (a) Allows the ERS Board of Trustees to invest ten percent of its alternative investment funds in qualified high technology businesses;
 - (b) Provides an income tax credit to promote investment in venture capital; and
 - (c) Establishes the New Economy Trust Fund;
- (2) Clarifying provisions relating to the sale of unused net operating loss carryovers;

- (3) Amending the definition section under the Income Tax Law to: include the definition of "biotechnology", amend the definitions of "computer data" and "investment", and delete the definitions of "qualified high technology business" and "qualified research" for appropriate applicability to the law;
- (4) Broadening the scope of services performed by qualified high technology businesses to include performing arts, thereby enabling businesses performing these services to qualify for the tax incentives under Part I of the bill, subject to certain requirements including fees and residuals from television and film products to be excluded from taxation;
- (5) Specifying that qualified high technology businesses under the stock options exemption section conduct more than fifty percent of its activities in qualified research;
- (6) Amending the High Technology Investment Tax Credit by deleting the option of obtaining a refund and changing the one hundred percent requirement to seventy-five percent for conducting research and receiving gross income in the State;
- (7) Expanding the types of individuals who may qualify for the stock option exemption, to include officers, or directors, or investors who qualify for the High Technology Business Investment Tax Credit;
- (8) Deleting the limitation of research to Hawaii and instead requiring a business to have at least fifty percent of its activities in qualified research and providing that the business conducts more than seventy-five percent of its qualified research in the State;
- (9) Stipulating that the Governor's Special Advisory Council for Technology Development (Council):
 - (a) Is not subject to the requirements under section 26-34, HRS, regarding the selection and terms of members of boards and commissions;
 - (b) Develop, establish, and implement ethics and conflict of interest guidelines for its members; and
 - (c) Is exempt from the financial disclosure requirements under section 84-17, HRS, provided that the Council members are not otherwise subject to subsection 84-17(c)(9), HRS;
- (10) Broadening the business area in which the Hawaii Tourism Authority may enter into contracts and agreements;
- (11) Granting increased autonomy and authority to the High Technology Development Corporation (HTDC) over its personnel and fiscal matters by broadening its powers, and creating the Hawaii Technology Loan Revolving Fund;
- (12) Allowing for a member of the Boards of HTDC, the Hawaii Strategic Development Corporation, and the Natural Energy Laboratory of Hawaii Authority to sit on one another's boards;
- (13) Establishing the Hawaii Technology Investment Program (Program) to allow individual investors to contribute to the Program to invest venture capital in businesses in Hawaii;
- (14) Deleting the appropriation relating to funds out of the New Economy Trust Fund;
- (15) Removing the provision requiring the Governor's Special Advisor for Technology Development to submit a report to the Legislature on the initiatives and actions taken in response to the bill;
- (16) Inserting the appropriation sum of \$200,000 for fiscal year 2000-2001 for HTDC;
- (17) Including an appropriation of \$800,000 for fiscal year 2000-2001 for the expansion of the Department of Education's E-Academies and the Laptops for Learning Program;
- (18) Indicating legislative intent that the amendments to Part I of the bill be liberally construed, and in this regard, give latitude to the Department of Taxation (DOTAX) to interpret those amendments in light of current industry standards;
- (19) Specifying that amendments made in Part I of the bill shall not be construed to disqualify any taxpayer who has received a favorable written determination from DOTAX under the original provisions of those sections as enacted by Act 178, Session Laws of Hawaii 1999 (SLH 1999); and
- (20) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee on Conference has deleted the ten percent venture capital investment requirement imposed on the ERS and the definitions regarding venture capital investment to enable the ERS Board of Trustees to use greater prudence in making such investments, in their informed opinion, that are appropriate to invest funds of the ERS. A provision regarding the evaluation of venture capital investments was added to require the ERS Board to consider the impact on job creation in the State and the state economy. It is not your Committee on Conference's intent that the ERS Board make seed money investments in this area. Instead, your Committee intends that the ERS make investments in companies that show or will show a positive return on investment.

Your Committee on Conference believes that the amendments in this bill will enable the State to strengthen its high technology industry, and are reflective of the progress made in this area as a result of the enactment of Act 178, SLH 1999. Your Committee finds that the package of incentives in this bill improves upon existing law. Amendments to the HTDC Law will greatly enhance HTDC's ability to lead Hawaii into the New Economy. This, in turn, will diversify Hawaii's economy and benefit the citizens 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. 2901, 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. 2901, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators D. Ige, Fukunaga, Levin, Taniguchi, Inouye, Slom.

Managers on the part of the Senate.

Ayes, 6. Noes, none. Excused, none.

Representatives Herkes, Morihara, Yoshinaga, Takamine, Fox, Luke, Marumoto.

Managers on the part of the House.

Ayes, 7. Noes, none. Excused, none.

Conf. Com. Rep. No. 162 on S.C.R. No. 129

The purpose of this measure is to address public health and safety issues arising out of unplanned releases of emissions and spills at Campbell Industrial Park by requesting the Hawaii State Emergency Response Commission (HSERC) to assess the risks to the public and the environment posed by above ground chemical storage tanks at Campbell Industrial Park.

Your Committee on Conference has amended this measure to:

- (1) Request the Department of Health (DOH) to transmit copies of the findings of its June, 2000, study on unplanned emissions to members of the Campbell Industrial Park/Kahe Area Air Quality Advisory Task Force and other community, governmental, and legislative entities, request the recipients to submit comments to the DOH, and request the DOH to submit its findings, including comments received, to the Legislature;
- (2) Request the DOH to assess the effectiveness of its environmental hotlines and to submit a report of its assessment to the Legislature; and
- (3) Identify additional parties who should receive copies of the Concurrent Resolution.

Your Committee has also amended the title of this measure to reflect its amended purpose.

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. 129, S.D. 1, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 129, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, none.

Representatives Morita, Schatz, Fox.

Managers on the part of the House.

Ayes, 2. Noes, none. Excused, 1 (Fox).

STANDING COMMITTEE REPORTS

SCRep. 2001 (Majority) Ways and Means on H.B. No. 2150

The purpose of this bill is to authorize funds for the expenses of the legislature and its legislative support agencies that include the auditor, the ombudsman, and the legislative reference bureau.

The bill provides funds for the current regular session of 2000 and funds for legislative agency expenses for fiscal year 2000-2001.

Your Committee concurs with the "no growth" legislative budget policy recommended by the House Committee on Finance and believes that the attached budget can adequately finance the expenses of the legislature.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2150, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, 4 (Buen, Chun, M. Ige, Nakata). Excused, 2 (Chun Oakland, D. Ige).

SCRep. 2002 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 1

Recommending that the Senate advise and consent to the nominations of the following:

OFFICE OF HAWAIIAN AFFAIRS SALARY COMMISSION

G.M. No. 1 GLADYS A. BRANDT, KEOLAHOU DAVIDSON-COLEMAN, ZACHARY HELM, CLARA KAKALIA, KAMAKI KANAHELE, JOSEPH PAPALIMU, AND JAMES KAPULE TORIO, for terms to expire no later than February 17, 2000,

Upon review of the qualifications and other background information submitted by the nominees, your Committee finds that the aforementioned nominees have and will work with compassion and commitment in administering the responsibilities placed upon them to determine a fair and appropriate salary for the Trustees of the Office of Hawaiian Affairs.

Your Committee finds that the nominees are all well-respected members of the Hawaiian community with a long history of community activism and service. Your Committee also finds that the nominees have already exhibited their diligence in performing their responsibilities by eliciting information and opinions from the Hawaiian communities around the State to assist them in making an informed and fair recommendation.

Testimony in support of the nominations was received from the Department of Business, Economic Development and Tourism's Office of Planning. Testimony supporting the nomination of Keolahou Davidson-Coleman was received from the Hawaiian Homes Commissioner representing Maui.

The Office of Hawaiian Affairs and a representative of the Hawaiian Political Action Council of Hawaii testified in opposition to the nominations.

Your Committee members diligently questioned the nominees regarding their vision of the purpose, goals, and direction of the Office of Hawaiian Affairs Salary Commission. Based on this discussion, your Committee believes that the nominees will ably discharge their duties as commissioners.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kanno, Matsuura, Nakata).

SCRep. 2003 (Majority) Labor and Environment on S.B. No. 2052

The purpose of this bill is to appropriate funds for training of managers and supervisors and a selected group of employees during the 2000-2001 fiscal year.

Testimony in favor of the measure was presented by the Department of Human Resources Development. The Director testified that if civil service is to modernize, managers require the necessary skills to perform more effectively and efficiently.

Your Committee has amended the bill to remove the reference to the Frontline Leadership program which is provided through a particular vendor. Your Committee believes that the State's options for leadership training should be open and not limited to one particular program.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2052, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2052, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (M. Ige, Ihara, Kanno).

SCRep. 2004 (Majority) Labor and Environment on S.B. No. 2060

The purpose of this bill is to make it an unlawful discriminatory practice for employers to require applicants and current employees, as a condition of employment, to agree to forego rights, protections, or remedies provided by the state employment discrimination laws.

Testimony in favor of the measure was received from the Hawaii State Commission on the Status of Women, Hawaii Civil Rights Commission, National Employment Lawyers Association, Hawaii Women Lawyers, Hawaii Women's Legislative Coalition, ILWU Local 142, and the League of Women Voters of Hawaii. Testimony in opposition to the measure was received from the Chamber of Commerce of Hawaii, Hawaii Bankers Association, and Society of Human Resource Management.

Your Committee finds, as an example, that most employees agreeing to mandatory arbitration of their civil rights as a condition of employment do not understand the significance and ramifications of the rights relinquished. Thus, this bill is necessary particularly to protect non-union employees in an unequal bargaining position against large employers offering "take it or leave it" agreements.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2060 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (M. Ige, Ihara, Kanno).

SCRep. 2005 Labor and Environment on S.B. No. 2171

The purpose of this bill is to authorize paid leave for state employees responding to disasters for the American Red Cross.

Testimony in support of the measure was received from the Department of Defense, Hawaii Nurses' Association, Healthcare Association of Hawaii, and the American Red Cross - Hawaii State Chapter.

Your Committee finds that state employees participating in disaster relief in-state are deemed to be engaging in the performance of their ordinary duties and are therefore compensated. However, when responding to disasters out-of-state as Red Cross volunteers, state employees are not compensated. Due to the rarity of disasters in Hawaii, volunteers often need to go out-of-state to acquire field experience. Currently, state employee volunteers must go without pay or use vacation time when responding to out-of-state disasters. Thus, paid leave will remove the financial constraint and provide an incentive for state employees to volunteer for the American Red Cross in out-of-state disasters and simultaneously acquire invaluable field experience. In the event of a state disaster, Hawaii benefits from experienced Red Cross volunteers in the form of timely response and preparation.

Your Committee on Labor and Environment respectfully requests that the Committee on Ways and Means consider whether county employees should be granted similar leave.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2171 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Ihara, Kanno).

SCRep. 2006 Labor and Environment on S.B. No. 2204

The purpose of this bill is to strengthen the statewide litter control and beautification campaign by funding a coordinated statewide leadership agency whose mission is to change public attitude to clean up litter and provide beautification guidelines and solid waste initiatives in Hawaii.

Testimony in favor of the measure was received from the Department of Health, the Office of the Mayor - County of Maui, County Council - County of Maui, Na Leo Pohai, Community Work Day Program, Nani 'O Wai'anae, and three individuals. The Environmental Center, University of Hawai'i at Manoa, submitted comments on the measure.

Partnership of community, business, and government agencies is essential for litter prevention and control. In tight budgetary times, utilization and coordination of community and business support to provide much needed services makes economic sense. Beautification campaigns leverage \$6 in private funds for each dollar of public funds spent. This is a wise investment producing pristine coastlines and mountain trails for visitors to experience and an improved quality of life for islanders.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2204 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Ihara, Kanno).

SCRep. 2007 (Majority) Labor and Environment on S.B. No. 2255

The purpose of this bill is to establish an environmental education council to oversee implementation of a strategic plan for environmental education.

Testimony in favor of the measure was received from the Hawaii Environmental Education Association and the Sierra Club - Hawaii Chapter. Testimony in opposition to the measure was received from the Office of Environmental Quality Control. The Environmental Center, University of Hawaii at Manoa, submitted comments on the measure.

Your Committee finds that environmental education is currently offered by a wide array of federal, state, local, private and non-profit organizations, and public and private schools. Hawaii lacks a comprehensive strategy to properly coordinate and educate its students on environmental matters. Although the Office of Environmental Quality Control conducts environmental education programs, it does so on a peripheral level absent a strategic plan. Your Committee believes that educating tomorrow's decision makers is the key to preserving Hawaii's endangered species and natural resources. Accordingly, environmental education deserves a primary focus, and establishing an environmental education council with members from the highest level of government will provide that focus.

Your Committee on Labor and Environment respectfully requests that the Committee on Ways and Means consider whether the Department of Education should take the lead on this measure.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2255 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Chumbley, Ihara, Kanno).

SCRep. 2008 Transportation and Intergovernmental Affairs on Gov. Msg. No. 2

Recommending that the Senate advise and consent to the nomination of the following:

EDWARD L. CORREA, JR., gubernatorial nominee as Adjutant General, for a term to expire December 2, 2002,

Upon review of the biography and other background information submitted by the nominee and others, your Committee finds that General Correa was born in Hilo, Hawaii. In 1962, after graduating from St. Mary's High School in Berkeley, California, he attended the University of Hawaii where he earned a sociology degree in 1970. He received his juris doctorate degree from the University of Hawaii in 1976. His military education includes U.S. Army Armor Officer Candidate School in 1966, Infantry Officer Advance Course in 1977, Command and General Staff College in 1980, and War College in 1986.

General Correa enlisted in the Army in June 1965, reaching the rank of sergeant before his commission as a second lieutenant in 1966. His first assignment was with the 3rd Battalion, 1st Brigade, U.S. Army Training Center, Armor, at Fort Knox, Kentucky. He served with the battalion as a platoon leader, company executive officer, and company commander. In 1968, he was assigned to HQ, USATCA, and served as chief, advanced individual training, until honorably discharged in 1969.

After active duty, General Correa returned to Hawaii and joined the Hawaii Army National Guard. Throughout the years, he served in various staff positions with the 29th Separate Infantry Brigade, and was named commander on August 1, 1994. While serving as commander of the 103rd Troop Command, and as deputy commander, he participated in Operation INIKI, a hurricane relief and recovery mission on the island of Kauai. As commander of the 29th, he was instrumental in the organization and readiness of the unit transitioning to one of the 15 enhanced brigades in the nation.

General Correa assumed command of the Hawaii Army National Guard in July 1996. He commanded the headquarters, State Area Command, and three major commands. The units are spread out over the five islands in Hawaii, five other states, and two territories.

His awards and decorations include the Legion of Merit, Meritorious Service Medal, Army Commendation Medal, Army Reserve Component Achievement Medal with four oak leaf clusters, National Defense Service Medal with Silver Star, Armed Forces Reserve

Medal with one Hourglass, Army Service Ribbon, Overseas Reserve Training Ribbon with Numeral 7, and the Humanitarian Service Medal.

General Correa's civilian affiliations include the Junior Chamber of Commerce, Kuliouou Community Association, Neighborhood Board, Democratic Party of Hawaii, Holy Trinity Church Council, and the Hawaii Bar Association. General Correa and his wife have three sons and two daughters.

Testimony in support of the nomination was received from the Department of Human Resources Development, the U.S. Department of Justice, the Drug Enforcement Administration, Brigadier General Allen M. Mizumoto, Department of Public Safety, University of Hawaii Administration, National Advisory Committee on Minority Veterans, Department Commander of the Disabled American Veterans, Director and the Advisory Board of the Office of Veteran Services, the American Legion, HGEA/AFSCME, Hawaii County Veterans Advisory Committee, Hawaii Island Veterans Memorial, Inc., Disabled American Veterans DAV Chapter 6 Hilo, Hawaii, American Legion #5 from Maui, Auditor of the National Guard, and numerous citizens.

Testimony in support of the nominee submitted to your Committee indicated that General Correa is known as an individual with a strong sense of self discipline and commitment to excellence in fulfilling his responsibilities, and has demonstrated his ability to be an effective military commander and administrator. Your Committee further finds that testimony also indicated General Correa has performed the duties of his various positions with integrity, superior judgment, and utmost professionalism.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2009 Economic Development on S.B. No. 2003

The purpose of this measure is to appropriate \$200,000 for fiscal year 2000-2001, to establish manufacturing extension programs in Hawaii; provided that no funds shall be made available unless the Department of Business, Economic Development, and Tourism provides a dollar-for-dollar match of federal funds.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Oahu Economic Development Board, the West Kaua'i Community Development Board, Industry Network Corporation (INC Hawaii), the Maui Economic Development Board, Inc., Arturo's of Hawaii, the Hawai'i Fashion Industry Association, the Hawai'i Forest Industry Association, Martin & MacArthur, Oils of Aloha, and one individual.

Your Committee finds that manufacturing extension programs have made a significant impact on Hawaii's economy. Over the past three years, they have created nearly 400 jobs and have provided much needed assistance to the manufacturing businesses in Hawaii, including the initiation of new distribution channels and support for a number of activities and organizations that assist manufacturers. Your Committee further finds that this proactive program will greatly help in broadening the State's economic base through direct technical, business, and workforce development assistance for new and existing businesses.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2003 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2010 Economic Development on S.B. No. 2002

The purpose of this measure is to appropriate \$1,000,000, for fiscal year 2000-2001, for agricultural research and development to be performed by the Hawaii Agriculture Research Center.

Testimony in favor of this measure was submitted by the Department of Agriculture, the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa, Hawaii Agriculture Research Center (HARC), Hawaii Farm Bureau, Maui County Farm Bureau, Hawai'i Forest Industry Association, Pineapple Growers Association of Hawaii, Alexander and Baldwin, Inc., Aloha Farms, Inc., Gay & Robinson, Inc., Garst Hawaii Station, Oils of Aloha, Waialua Farmers Cooperative, and one individual.

Your Committee finds that with new economic opportunities emerging as prime agricultural land becomes available, the need for research on a variety of agricultural commodities is crucial to maintain high quality and compete in a global market. HARC has been in the forefront on applied agricultural research in such programs as coffee breeding and selection, and papaya propagation and transfer of the transgenic traits to other lines of papaya. Your Committee further finds that HARC works closely with other agricultural entities, and receives funding from several sources, including the industry. Your Committee is supportive of the work of HARC and finds that this appropriation is beneficial to the success of Hawaii's agricultural industry.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2002 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2011 Economic Development on S.B. No. 2004

The purpose of this measure is to appropriate \$221,413, for fiscal year 2000-2001, and the same sum in fiscal year 2001-2002, for pineapple research projects that focus on pervasive threats to Hawaii's pineapple industry.

Testimony in favor of this measure was submitted by the Department of Agriculture, the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa, Hawaii Farm Bureau, Maui County Farm Bureau, Pineapple Growers Association of Hawaii, and Hawaii Agriculture Research Center.

Your Committee finds that pineapple is the number one agricultural commodity in Hawaii, and it is important to the health of Hawaii's agricultural industry that the pineapple industry continue to thrive. This success is due in part to research that has enabled Hawaii's pineapple industry to remain competitive in the world market with new varieties and improved quality. Your Committee also finds that continued financial support of the pineapple industry is important to current efforts to further enhance both yield and quality of Hawaii's pineapple.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2004 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2012 Economic Development on S.B. No. 2008

The purpose of this measure is to establish an agricultural water storage tax credit for farmers or ranchers, not to exceed \$10,000 per year and carried forward for a maximum of ten years.

Testimony in favor of this measure was submitted by the Department of Agriculture, the Mayor of Maui County, the Council Chair and a member of the Maui County Council, Hawaii Farm Bureau, Maui County Farm Bureau, and the Hawaii Cattle Producers Cooperative. The Department of Taxation submitted testimony in opposition. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that in the past four years, the State has been severely impacted by low rainfall and drought conditions. Drought mitigation has been difficult due to the lack of water storage facilities in remote regions, and on small farms and ranches. Under normal conditions, these agricultural operations do not include costs of such facilities as part of their capitalization plans, due to the extremely high costs of water storage facilities. In addition, the impact on county water supplies can be severe in the case of widespread drought, such as Maui County has experienced. Your Committee further finds that encouraging the private sector to invest in water storage facilities will help resolve water use problems facing the counties and the State.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2008 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2013 Economic Development on S.B. No. 2022

The purpose of this measure is to appropriate \$100,000,000, for fiscal year 2000-2001, to expand the agricultural loan program of the Department of Agriculture.

Testimony in favor of this measure was submitted by the Hawaii Farm Bureau. The Department of Agriculture submitted testimony in opposition.

Your Committee finds that this measure would help Hawaii's farmers in their efforts to expand both crops and markets. Your Committee has also heard the concerns of the Department of Agriculture that, while the department is appreciative of the support, an appropriation of this size should be considered when the State's fiscal condition improves.

Your Committee has amended this measure to change the appropriation from \$100,000,000 to an unspecified amount for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2022, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2022, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2014 Economic Development on S.B. No. 2342

The purpose of this measure is to issue special purpose revenue bonds not to exceed \$8,000,000 to assist Hawaii Taro Company in planning and building a processing plant.

Testimony in favor of this measure was submitted by the Department of Agriculture and one individual.

Your Committee finds that Hawaii Taro Company has provided small taro farmers with a reliable buyer for their crops, and has led to expanded acreage as a result. Your Committee further finds that support of this measure would enable taro farmers to increase planting of other varieties and other crops, and to explore the production of additional products for new markets.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2342 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2015 (Majority) Economic Development on S.B. No. 2359

The purpose of this measure is to appropriate \$80,000, for fiscal year 2000-2001, to assist the Hawaii Organic Farmers Association in educational, marketing, and federal accreditation activities.

Testimony in favor of this measure was submitted by the Department of Agriculture, the College of Tropical Agriculture, University of Hawaii at Manoa, a member of the Hawai'i County Council, Hawaii Farm Bureau, Maui County Farm Bureau, Big Island Farm Bureau, Hamakua Farm Bureau, the Hawaii Organic Farmers Association, Sierra Club, Hawai'i Chapter, and thirty-six individuals.

Your Committee finds that, as the bill recognizes, there is currently underway a process of national agreement on standards for certified organic products. Without these commonly agreed upon national standards, there is no objective means of identifying organic crops and assisting those farmers. Your Committee further finds that organic produce has become increasingly popular with consumers, which presents opportunities for qualified farmers to expand into this niche market in Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2359 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (M. Ige). Excused, 1 (Kawamoto).

SCRep. 2016 Economic Development on S.B. No. 2411

The purpose of this measure is to issue special purpose revenue bonds not to exceed \$10,000,000, to assist a cooperative formed by coffee growers of Hawaii in planning and building a processing plant for freeze dried coffee, at a site to be determined.

Testimony in favor of the intent of this measure was submitted by the Department of Agriculture.

Your Committee finds that it is important to support ventures that can increase the value of Hawaii's agricultural industry in an increasingly competitive market. The development of new products is one means of meeting this challenge by Hawaii's coffee industry.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2411 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2017 Water, Land, and Hawaiian Affairs on S.B. No. 2108

The purpose of this bill is to direct the Auditor to coordinate the resolution of the issues and controversies surrounding the public land trust by facilitating the completion of a comprehensive inventory of lands that comprise the public land trust.

Testimony in support of the measure was received from Ka Lahui Hawaii and the Hawaiian Political Action Council of Hawaii. The Office of Hawaiian Affairs and a private citizen supported the measure, subject to amendments.

The Department of Land and Natural Resources testified that it would cooperate with the Auditor.

Your Committee finds that the Legislature has been asking for a computerized, comprehensive public land trust inventory for a decade. Unfortunately, due to numerous reasons, no such inventory currently exists. Your Committee believes that placing the coordination of public land trust inventory activities in the hands of a neutral and well-respected entity such as the Auditor would facilitate a more expeditious resolution to the problems surrounding the public land trust.

Your Committee has amended the measure by:

- (1) Including language that requires each parcel inventoried to be identified not only by tax map key number but also by the original source (such as Crown land, government land, or land acquired by lawful condemnation or gift) from which the land was obtained; and
- (2) Including language that requires the inventory to account for ceded lands that were alienated by the Territory or State of Hawaii, including lands transferred to the counties and the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2108, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 2018 Water, Land, and Hawaiian Affairs on S.B. No. 2109

The purpose of this bill is to enable the Department of Hawaiian Home Lands to retain its own legal counsel.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, the State Council of Hawaiian Homestead Associations, and Ka Lahui Hawaii. The Attorney General's office testified in opposition to the measure.

The Kawaihae Hawaiian Homes Community Association testified that a review of the services provided by the Attorney General's office to the Department of Hawaiian Home Lands should be conducted.

The Department of Hawaiian Home Lands testified that the measure is unnecessary, based on recent discussions with the Attorney General's office in which the Attorney General assured the Department that if the need arose, the Department of Hawaiian Home Lands would be able to hire its own legal counsel.

Your Committee finds that although assurances were made by the Attorney General to the Department of Hawaiian Home Lands to allow the Department to hire outside legal counsel, it is not convinced that such a prospect is enough to eliminate a perceived conflict of interest on the part of the Attorney General.

In light of this finding, your Committee believes it necessary to provide the Department of Hawaiian Home Lands with the authority to retain its own legal counsel when the need arises.

Your Committee has amended the measure by making a technical amendment to correct a grammatical error.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2109, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 2019 Water, Land, and Hawaiian Affairs on S.B. No. 2111

The purpose of this measure is to clarify that gubernatorial nominees to the Office of Hawaiian Affairs Salary Commission are subject to the advice and consent of the Senate.

Your Committee received testimony in support of the measure from the Office of Hawaiian Affairs.

Testimony in opposition to the measure was received from the Hawaiian Political Action Council of Hawaii.

Your Committee finds that under existing law, there is a perceived conflict as to whether gubernatorial nominees to the Office of Hawaiian Affairs Salary Commission are subject to the advice and consent of the Senate. Although Section 10-9.5, Hawaii Revised Statutes, is silent on the issue of having the Senate advise and consent to these nominations, Section 26-34, Hawaii Revised Statutes, does state that "...members of each board and commission established by law shall be nominated and, by and with the advice and consent of the senate, appointed by the governor." Therefore, your Committee believes that in order to clarify the Senate's authority in this matter, the amendment contained in the measure is necessary.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2111 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 2020 Water, Land, and Hawaiian Affairs on S.B. No. 2117

The purpose of this bill is to appropriate funds for Project Faith, a Hawaiian commercial cultural center project located in Anahola, Kauai.

Testimony in favor of the measure was received from three private citizens.

The Department of Hawaiian Home Lands had no objections to the passage of the bill.

Your Committee finds that the Hawaiian community of Anahola, Kauai, is seeking a creative, innovative way to revitalize itself through the creation of a Hawaiian commercial cultural center project called Project Faith. Project Faith, as envisioned by the Anahola Homesteaders Council, will develop an economic development and infrastructure master plan to form a community based commercial-cultural center to benefit native Hawaiians who reside on homestead lands in Anahola. The project will help develop solutions to combat high unemployment, social depression, the rising elderly population in need of care, and community deterioration.

The expected outcome of Project Faith will be to provide long-term jobs, native business entrepreneurial opportunities, job training for youths, and enhance cultural relevance and preservation for native Hawaiians. Project goals include the building of a one hundred-bed capacity elderly nursing care facility, a twenty-unit studio apartment facility for independent living for the elderly, an early education and child care facility, a fire station, commercial office space, a cultural pavilion, a post office, and a convenience store.

Your Committee believes that Project Faith is a worthwhile endeavor and that legislative support is necessary in order for the project to succeed.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2117 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 2021 Water, Land, and Hawaiian Affairs on S.B. No. 2513

The purpose of this bill is to authorize the use of a portion of conveyance tax proceeds to fund watershed management projects.

Testimony in support of the measure was received from the Department of Land and Natural Resources, the Land Use Research Foundation, and the Nature Conservancy of Hawaii.

Testimony in opposition to the bill was received from a private citizen.

The Tax Foundation provided comments on the measure.

Your Committee finds that with over half of Hawaii's remaining natural lands in private ownership, the Legislature in 1991, established the natural area partnership program and the forest stewardship program to provide incentives for private landowners to provide long-term protection of important natural resources on private lands. These incentives were in the form of state matching funds to landowners willing to dedicate their lands to conservation.

The Legislature also provided for a permanent, dedicated source of funding for the programs by earmarking twenty-five per cent of the conveyance tax revenues for these programs. The Legislature's intent was to enhance private participation in the protection and management of conservation lands.

Since the inception of the natural area partnership and forest stewardship programs, significant efforts have given rise to another innovative public-private undertaking involving the collaboration of major landowners and stakeholders to protect thousands of acres of critical watershed areas. This effort began with the formation of the East Maui Watershed Partnership in 1991, followed by West Maui Watershed Partnership in 1998, and Koolau Watershed Partnership and East Molokai Watershed Partnership in 1999.

Collectively, these partnerships involve some 260,000 acres of land and include an array of major landowners and government agencies including the United States Fish & Wildlife Services, National Park Services, the Department of Land and Natural Resources, the Department of Hawaiian Home Lands, county boards of water supply, and numerous other agencies.

Your Committee believes that, just as the natural area reserves system needed funds to accomplish its goals, so too does the protection of critical watershed areas.

Your Committee has amended the measure by amending both versions of Section 247-7, Hawaii Revised Statutes, one that will expire on June 30, 2001, and the other that will take effect on July 1, 2001. The bill, as received by your Committee, only amended the version of Section 247-7, Hawaii Revised Statutes, that is to be repealed on June 30, 2001. Your Committee has also amended the effective date of the measure to reflect the insertion of the prospective change in statutory language and made technical amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2513, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2513, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2022 Water, Land, and Hawaiian Affairs on S.B. No. 2514

The purpose of this bill is to protect the State's watersheds by providing a dedicated revenue source for that purpose.

Specifically, the measure accomplishes this objective by establishing a Watershed Protection Tax. The tax imposed is a 5 cent per one thousand gallon tax on domestic water use to be collected by each county's water agency. The proceeds of this tax would be deposited into a Watershed Protection Trust Fund which would be used to fund projects or activities that manage and protect watershed management areas. Qualifying projects and activities include watershed maintenance and enhancement projects within the watershed management areas, erosion prevention and control, reforestation, alien species control and eradication, exclusion of stock, and control of feral animals.

The measure also establishes a Watershed Protection Trust Fund Review Board to identify watershed management areas.

Testimony in support of the bill was received from the Department of Land and Natural Resources (provided that certain amendments be made), the Nature Conservancy of Hawaii, the Wailuku Agribusiness Company, Inc., the Ala Wai Watershed Association, and four private citizens.

The Honolulu Board of Water Supply, the County of Kauai's Department of Water, and a private citizen submitted testimony in opposition to the measure.

The Tax Foundation provided comments on the bill.

Your Committee recognizes that fresh water is not an infinite resource and that its high quality, quantity, and sustainability are essentially linked to the existence of forested watersheds. By establishing a dedicated source of funds to protect, preserve, and enhance important watershed areas, your Committee believes that the State will be better able to ensure that these essential and sustainable sources of fresh water will exist for future generations' use.

Your Committee has amended the measure by:

- (1) Changing references to "watershed management areas" to "water recharge and protection areas" to broaden the scope of protection of the State's water resources;
- (2) Altering the composition of the Watershed Protection Trust Fund Review Board by lowering the number of members with degrees in either hydrology or geology to two, and adding two members with degrees in either biology or ecology;
- (3) Amending the qualifications of the members discussed in paragraph (2) to allow persons with degrees in related fields to serve on the Watershed Protection Trust Fund Review Board; and
- (4) Making numerous technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2514, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2514, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2023 Water, Land, and Hawaiian Affairs on S.B. No. 2529

The purpose of this bill is to authorize a land exchange in the North Kona area of the island of Hawaii between the State and Earl E. Bakken.

Testimony in favor of the measure was received from the Hawaii Leeward Planning Conference, a representative of Mr. Bakken, and three private citizens.

Testimony in opposition was submitted by the Office of Hawaiian Affairs and the Kona Hawaiian Civic Club.

The Department of Land and Natural Resources took no position on the proposed land exchange.

Your Committee finds that the measure authorizes a land exchange that involves private lands located on the coast of Kiholo Bay, North Kona District, on the island of Hawaii for public lands located inland of Kiholo Bay, North Kona, Hawaii.

Your Committee believes that these private lands, found at the location identified as TMK (3) 7-1-02:02, have significant recreational, environmental, and cultural value to the people of Hawaii. This shoreline property has an extensive coastal strand, mature vegetation, and anchialine pools adjacent to a fine black sand beach fronting Kiholo Bay. The private parcel is also surrounded by public lands and the public acquisition of this private parcel would effect a consolidation of holdings of public lands and improve access from mauka public lands to the shoreline.

Kiholo Bay is a significant and productive marine ecosystem and is a major area for green sea turtles to rest and feed. The significant environmental value of the bay was recognized by the State, when it designated Kiholo Bay as a fishery management area, with specific restrictions to protect the sea turtles.

Your Committee also finds that the general area of Kiholo Bay has historical importance as the location of an historical fishing village that was once the abode of Kamanawa, who along with his twin brother, Kame'eiamoku, are the two great chiefs and supporters of King Kamehameha who appear on the official shield of the Hawaiian Kingdom. The great Kiholo Fishpond, built for King Kamehameha, was located in this area, before it was destroyed by lava in the 1850's.

Earl E. Bakken has proposed to exchange these private lands for a nine-acre parcel of public land at the location identified as a portion of TMK (3) 7-1-02:08, inland of Kiholo Bay, North Kona, Hawaii. These public lands are of significantly less public value as they have very limited recreational resources, and are located inland of the important and productive coastal ecosystem. This parcel of public land is located inland and adjacent to the Bakken's current residence, a single-family home. The land is to be used for a caretaker's residence.

Your Committee has amended the bill by:

- (1) Placing a one-year time limit on executing the exchange;
- (2) Stating that the lands received by the State in the exchange shall assume the same public land status as the lands transferred to Mr. Bakken; and
- (3) Making technical, nonsubstantive amendments for purposes of consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2529, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2529, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2024

Water, Land, and Hawaiian Affairs on S.B. No. 2842

The purpose of this bill is to allow the Department of Hawaiian Home Lands to set the interest rate it charges on loans by rule.

Testimony in support of the measure was received from the Department of Hawaiian Home Lands.

Your Committee finds that Section 215 of the Hawaiian Homes Commission Act of 1920, as amended, established in law, a loan interest rate of two and one-half percent. This statutorily established rate requires the Department of Hawaiian Home Lands to provide a qualified loan applicant with this exceptionally low interest rate, regardless of the applicant's ability to pay.

Your Committee believes that the bill would provide the Department of Hawaiian Home Lands with the flexibility to set by rules adopted pursuant to Chapter 91, Hawaii Revised Statutes, the interest rates on loans from the Hawaiian Home Loan Fund and other loan sources. Rates would be based on interest rates in the marketplace and the needs and financial qualifications of the loan applicant.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2842 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2025 Water, Land, and Hawaiian Affairs on S.B. No. 2843

The purpose of this bill is to provide for the more effective administration and disposal of Hawaiian home lands.

Specifically, the measure clarifies that the Department of Hawaiian Home Lands may lease structures situated on Hawaiian home lands and provides the Department with greater flexibility in disposing of Hawaiian home lands to a native Hawaiian or an organization or association controlled by native Hawaiians.

Testimony in support of the measure was received from the Department of Hawaiian Home Lands.

Your Committee finds that existing law is silent as to the Department of Hawaiian Home Lands' authority to lease structures situated on Hawaiian home lands. Although the authority is implied, your Committee believes the clarification provided by the bill is necessary.

Your Committee also finds that under existing law, native Hawaiians seeking to lease Hawaiian home lands offered under a general lease must go through a sealed bid process. If the land is not successfully bid upon, the land may be leased to the general public through an open bid process. Your Committee believes that this practice is unfair to native Hawaiians in that potential native Hawaiian lessees may end up paying more under a lease through the sealed bid process than what is actually necessary. Your Committee also believes that allowing potential native Hawaiian lessees to participate in an open bid process for Hawaiian home lands would allow these potential lessees to ascertain the exact value of competing voice bids, thereby providing the opportunity for the lower, more affordable lease rates.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2843 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2026 Health and Human Services on S.B. No. 2444

The purpose of this measure is to make an appropriation for treatment of victims of intrafamilial child sexual abuse.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS), the Judiciary, Honolulu Prosecuting Attorney, Sex Abuse Treatment Center, Children's Advocacy Center of Oahu, Inc., and Friends of the Children's Advocacy Center of East Hawaii.

Your Committee believes that intrafamilial child sexual abuse is a traumatic event for families, with long-lasting effects on the child victims, siblings, and protective parents. Treatment services are essential to promote healing and psychological health of children and families who have suffered the devastation of child abuse.

This measure is intended for families who are not under the child protective services system of the DHS. These families are not eligible to receive treatment services provided by the system so their plight is ignored unless treatment is extended to them.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2444 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2027 Health and Human Services on S.B. No. 2447

The purpose of this measure is to establish a child care facilities special grant fund, and to make appropriations to improve the affordability, accessibility, and quality of early childhood services and to provide coordination to the early childhood care system.

Your Committee received testimony in support of this measure from the Department of Health, Department of Human Services, Good Beginnings Alliance, and Honolulu Community Action Program, Inc.

This measure makes the following appropriations:

- (1) \$500,000 to the child care facilities special grant fund;
- (2) \$3,000,000 to increase the number of child care subsidies and provide parent workshops to recipients of child care subsidies, with an allocation for each county;
- (3) \$155,000 to expand and continue the accreditation-mentor project for early childhood programs, with an allocation for each county;
- (4) \$150,000 for the coordination and implementation of the Good Beginnings Alliance initiative, on a matching basis;
- (5) \$364,000 for fiscal year 2000-2001, for the expansion of Families for REAL to certain schools, and \$360,000 for fiscal year 2000-2001, for expansion of Families for REAL to additional school sites;
- (6) \$465,470 to increase the capacity of the keiki/family interactive mobile units;
- (7) An unspecified sum for child care for parenting teens; and
- (8) \$35,000 to provide financial assistance for persons in attaining a child development associate credential.

Your Committee finds that recent neuroscience research demonstrates that the early years of a child are most crucial in a child's cognitive, emotional, social, and physical development, and affirms that there are tremendous opportunities for preventive work with children and families as well as the predictable, costly consequences of not doing so. Your Committee further finds that quality early childhood education and child care that supports all aspects of early development by parents and care givers in a variety of settings, including child care centers, family child care, and in the homes of families and friends, is crucial to ensuring that every young child has a good beginning and does not lose the potential with which the child was born.

Your Committee further finds that additional funding in selected programs targeting key populations, strategically linked together at the local level, can significantly enhance the State's capacity to achieve these outcomes, as well as leverage additional federal and private dollars.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2447 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2028 Health and Human Services on S.B. No. 2456

The purpose of this measure is to make an appropriation for the Blueprint for Change program and existing Neighborhood Places.

Your Committee received testimony in support of this measure from the Department of Human Services, Blueprint for Change, Neighborhood Place of Kona, Waipahu Neighborhood Place, Communities in Schools of Hawaii/YMCA, Communities in Schools-Hawaii Project of YMCA, Ua Nani O Ke Anuenue Respite Care Service, Waipahu United Church of Christ Preschool, Family Support Services of West Hawaii, Kamehameha Schools Bernice Pauahi Bishop Estate, and twelve private individuals.

One of the recommendations of a 1994-1996 task force on child protective services reform was to implement a community partnership for child protection. A major component of this partnership was to be the establishment of the neighborhood place to deliver diversion services and child protective services to targeted families.

Neighborhood Places is part of the Blueprint for Change that provides for the delivery of diversion services and child protective services to target families. Limited start-up funding for Neighborhood Place sites in West Hawaii and Waipahu were obtained through local foundation grants and federal Title IVB moneys. However, without continued funding for the pilot period, the neighborhood places will not be able to model the system reform that the task force and the legislature recommended.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2456 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2029 Health and Human Services on S.B. No. 2608

The purpose of this measure is to establish an employer-provided child care program income tax credit equal to a percentage of the taxpayer's qualified child care program expenses.

Your Committee received testimony in support of this measure from the Good Beginnings Alliance. Testimony in opposition was received from the Department of Taxation.

It is the intent of your Committee to promote child care programs on the premises of employers to assist employees in caring for their children. This measure provides a financial incentive for employers by providing an income tax credit for employers in an amount equal to a percentage of the taxpayer's qualified child care program.

Unlike other work site child care proposals, this measure is not limited to actual child care at or near a workplace. Rather, this measure allows the credit for time-off policies, alternative work schedules, and other assistance plans. Your Committee believes that it is important to provide an array of childcare options that can be tailored to the individual family. The focus is on the child, rather than on the place or method of delivery of services. Employers are given the discretion to structure a child care program to meet their employees' needs while accounting for the employers' operational efficiencies.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2608 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2030 Health and Human Services on S.B. No. 2700

The purpose of this measure is to appropriate funds to establish a statewide program coordinator within the department of health's maternal and child health branch to administer prenatal outreach programs.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Hawaii Commission on the Status of Women, Healthy Babies Healthy Mothers, and March of Dimes.

Your Committee believes that there is a need to increase awareness and counseling on the importance of prenatal care, particularly in rural areas. A statewide prenatal educational awareness program that utilizes volunteers is essential in reducing the incidence of low birth weight, birth defects, and infant mortality.

Your Committee has amended this measure by:

- (1) Deleting reference to a coordinator;
- (2) Clarifying that the appropriation be on a matching basis with the private sector; and
- (3) Requiring that the programs be volunteer-based, conducted by the private sector in collaboration with the DOH, and based on a broad public and private partnership.

Your Committee suggests that the partnership should involve many agencies, including those which currently include prenatal outreach in their programs such as MothersCare for Tomorrow's Children, March of Dimes, Good Beginnings Alliance, Healthy Start, and Alu Like, as well as those planning a revival of former programs such as the Kamehameha Schools' early prenatal and childhood education program.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2700, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2700, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2031 Health and Human Services on S.B. No. 2442

The purpose of this measure is to allow a caregiver of a child to give medical and educational consent for the child by executing a prescribed affidavit.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Na Tutu, and a private individual.

This measure is patterned after similar laws in California, Delaware, Indiana, Kansas, Kentucky, Mississippi, North Carolina, Texas, and Washington. The measure addresses a common situation in Hawaii where a child often resides, at least temporarily, with a grandparent who assumes the responsibility of caregiver. The caregiver needs authority to enroll the child in school and to authorize school-related medical care in the absence of the presence of the child's parent or guardian who often cannot be found or is otherwise incommunicado. This measure allows the caregiver to execute an affidavit that is prescribed in the measure. The affidavit is presented to the school or to health providers, as appropriate, who must honor the affidavit.

The legislature finds that an affidavit procedure is preferable to formal court proceedings that confer to the caregiver legal custody of the child. Court proceedings are often burdensome, expensive, and time consuming, and detract from the immediate attention that the child needs to enroll in school and receive school-related medical care such as dental care, immunizations, physical examinations, and medical examinations. Furthermore, the caregiver may not wish to have legal custody of the child but will take care of the child nonetheless.

Your Committee has amended this measure to correct a typographical error for a section reference.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2442, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2442, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2032 Health and Human Services on S.B. No. 2446

The purpose of this measure is to make various appropriations for the protection of children and families.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Health, Attorney General, Children's Trust Fund Committee, Prevent Child Abuse Hawaii, Hawaii Community Foundation, Good Beginnings Alliance, and a private individual.

This measure appropriates unspecified amounts for:

- (1) Establishment of one and one-half full time equivalent (FTE) positions for child death review teams;
- (2) Establishment of three FTE positions for deputy attorney generals and support staff for the family law division;
- (3) Establishment of one half-time position for a permanent physician position for consultation and forensic review;
- (4) Filling eleven vacant public health nursing positions to implement the medical and health care management system;
- (5) The Hawaii Children's Trust Fund;
- (6) Health Start program for families identified as "at risk";
- (7) Substance abuse treatment services for pregnant and parenting women and their families through the Department of Human Services;
- (8) Substance abuse treatment services for pregnant and parenting women and their families through the Department of Health;
- (9) Neighborhood Places program;
- (10) Increasing foster board payments for children with special needs; and
- (11) Increasing the capacity of the Parent Line and Home Reach programs.

This measure is intended to ensure that a continuum of services for the prevention of child abuse is available. Your Committee is committed to preventing child abuse before it occurs. Since child abuse is a complex problem with a multitude of causes, Hawaii's response to prevention must respond to a range of needs.

During the interim of the regular session of 1998, child protection legislative roundtable discussions were convened to suggest statutory, guideline, rule, regulation, and other changes to improve Hawaii's child protective system. Legislators, the departments of human services, health, and the attorney general, the judiciary, private nonprofit child and family serving agencies, and concerned individuals communicated and collaborated with one another, on behalf of abused and neglected children and their families, to develop formal and informal mechanisms for working together.

As a coordinated response, the roundtable cohesively designed a comprehensive strategy comprised of community-based programs to prevent child abuse. Reflective of the phases of the family life cycle, the approach provides children and parents with the education and support necessary for healthy family functioning.

Your Committee has amended this measure by:

- (1) Clarifying the purpose of the attorney general's appropriation for administrative expenses;
- (2) Changing the references in the title of Part IV and in sections 10, 11, and 12 to the medical/health case management system to consultant medical services and clarifying the purpose of that appropriation;

- (3) Changing the appropriation for a permanent physician position to establishing procedures for meeting the health needs of foster children, including using contracting for consultant medical services;
- (4) Changing the expending agency from the Department of Human Services to the Department of Health for the appropriations for substance abuse treatment services;
- (5) Clarifying that the appropriation for the Blueprint for Change is to maintain and develop the two neighborhood places that currently exist; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2446, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2446, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2033 (Joint/Majority) Health and Human Services and Commerce and Consumer Protection on S.B. No. 2062

The purpose of this measure is to extend the actuarial study on long-term care and clarify the requirements for the study, extend the sunset date of the Joint Legislative Committee on Long-Term Care (JLC), and make unspecified appropriations for the JLC expenses.

Your Committees received testimony in support of this measure from the Executive Office on Aging, Hawaii State Commission on the Status of Women, Faith Action for Community Equity, Kokua Council, Policy Advisory Board for Elder Affairs, and American Association of Retired Persons. Informational testimony was presented by the Insurance Commissioner and Hawaii State Association of Life Underwriters.

Your Committees find that the need for long-term care, which is already significant, will continue to grow as Hawaii's population ages. Due to the high costs associated with long-term care, more and more families can be expected to endure financial hardships, and even impoverishment, unless a better method of financing long-term care is developed soon. Providing adequate care for the aged and disabled is an economic burden for many people. Long-term care insurance policies offer a means of alleviating that load. However, many people cannot afford those policies and there are usually limits on services and duration of benefits in coverages.

This measure allows the JLC to finish its ongoing work that commenced with Act 339, Session Laws of Hawaii 1997. A major portion of the JLC's work was accomplished with Act 93, Session Laws of Hawaii 1999, which enacted the Long-Term Care Insurance Model Act. But, much more work needs to be done to explore the mechanics of establishing a state-sponsored long-term care system that is effective, cost-efficient, and covers the largest number of people. Your Committees sincerely believe that only a state-sponsored system of long-term care, in some form, can adequately provide for Hawaii's elderly and disabled.

Your Committees have amended this bill by:

- (1) Requiring that the actuarial study focus on one model to report on;
- (2) Clarifying that the House and Senate may expend the appropriation rather than the JLC;
- (3) Changing from the first two years to two and one-half years the time for beginning front-end nursing home care;
- (4) Changing from the 366th day to the 91st day the time for beginning back-end coverage; and
- (5) Making technical, nonsubstantive changes to reflect preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2062, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2062, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, 1 (Slom). Excused, 5 (Bunda, Fukunaga, Hanabusa, Ihara, Iwase).

SCRep. 2034 Economic Development on S.B. No. 2007

The purpose of this measure is to appropriate \$10,000, for fiscal year 2000-2001, for research to control heart rot of coconut palms.

Testimony in favor of this measure was submitted by the Department of Agriculture, the College of Tropical Agriculture, University of Hawaii at Manoa, Hawaii Farm Bureau, Maui County Farm Bureau, and one individual.

Your Committee finds that heart rot is a serious disease that was established in the islands over forty years ago, and for which there is still no known cure. Heart rot is particularly insidious because by the time the disease is discovered, the tree is already dead. While there is no approved fungicidal control to prevent the disease, injection of systemic fungicide into healthy trees has shown promise as a means to protect them from infection.

Your Committee has heard that more research needs to be done in this vital area if Hawaii's signature coconut palms are to survive. Unfortunately, your Committee has not heard that the Department of Agriculture considers these research efforts to be a priority of the department. Your Committee strongly suggests that the department reorder its priorities to elevate its activities in heart rot research. Your Committee finds this to be both an agricultural and an economic issue for the State and has therefore amended this measure to increase the appropriation for research to control heart rot of coconut palms from \$10,000 to \$50,000.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2007, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2035 Economic Development on S.B. No. 2112

The purpose of this measure is to extend the Waianae Coast Community Benchmarking Pilot Project for three years to June 30, 2003, and to appropriate funds to support the project.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism and the Hawai'i Community Services Council.

Your Committee finds that the benchmarking process offers both tangible and intangible benefits to the people of the Waianae Coast and the State. Through this project the community has developed a management tool for reallocating resources based on priorities, an accountability mechanism for block grants, and improved collaboration between public, private, and nonprofit organizations. As a result, the community has succeeded in building community consensus around initiatives and increasing public trust in government.

Your Committee is supportive of these community based initiatives as a means of both economic and community growth for the residents of Waianae. Your Committee has amended this measure to make June 29, 2000, the effective date for the extension of the project, to ensure a seamless continuation.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2112, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2112, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2036 Economic Development on S.B. No. 2221

The purpose of this measure is to create an ethanol producers income tax credit of forty cents per gallon to encourage investment in Hawaii based ethanol production facilities.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism, Hawaii Farm Bureau, Hawaiian Commercial & Sugar Company, Gay & Robinson, Inc., E D & F Man Alcohol Inc., Hawaii Renewable Energy Alliance, The 'Aina Institute, and Worldwide Energy Group. The Department of Taxation submitted testimony in opposition. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that ethanol production is both appropriate and timely, considering recent advances in production technology, substantial federal tax credits, and the economic opportunities it would provide in Hawaii's rural areas. Currently, the State provides a GET exemption for ethanol blended fuels, and encourages the use of alternative fuels. Despite this support, no facilities have been developed and no local blending has taken place. Your Committee has also heard that over thirty states provide incentives of one kind or another for ethanol. While many were originally ethanol blending incentives, over time several states have introduced producer incentives such as provided in this measure.

Your Committee finds that ethanol is a growth industry, and that Hawaii has an opportunity to take advantage of national and international trends supporting increased use of ethanol fuel.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2221 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2037 Economic Development on S.B. No. 2415

The purpose of this measure is to provide a tax credit for major investments in the planning, design, construction, reconstruction, improvement, altering, or repair of supporting infrastructure used or formerly used by a plantation system or other large agricultural operation.

Testimony in favor of this measure was submitted by the Hawaii Farm Bureau; the Pineapple Growers Association of Hawaii; Kamehameha Schools; Grove Farm Company, Incorporated; and one individual. The Department of Taxation submitted testimony in opposition. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that maintenance of abandoned plantation infrastructure is considered to be such a large undertaking that the assumption has been only government could be expected to provide adequate support. This measure would provide an incentive for the private sector, with the twofold benefit of improved infrastructure at a savings for taxpayers. With more and more infrastructure at risk with each passing year, your Committee is supportive of this measure as one alternative means of addressing a critical problem.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2415 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2038 Economic Development on S.B. No. 2473

The purpose of this measure is to give the small business defender the discretion to refuse any case, to limit the small business defender's liability, and to appropriate \$100,000 for fiscal year 2000-2001 to fund the position and other support personnel.

Testimony in favor of this measure was submitted by the Small Business Regulatory Review Board, The Chamber of Commerce of Hawaii, the Kona-Kohala Chamber of Commerce, NFIB Hawaii, The Hawaii Business League, Small-Business Economic Revival Force, the Hawai'i Restaurant Association, and one individual.

Your Committee finds that the legislation creating the small business defender, the Hawaii Small Business Regulatory Flexibility Act, Act 168, Session Laws of Hawaii 1998, is being used as a model throughout the United States. If this model legislation is to advance in Hawaii, funding must be provided for the small business defender position.

Your Committee has also heard the continuing discussion regarding the location of the small business defender position, and the recommendation from the small business community that the position be placed outside the legislature. Your Committee has amended this measure accordingly, to:

- (1) Place the position of the small business defender in the Department of Budget of Finance;
- (2) Authorize the Director of Finance to appoint the small business defender from a list submitted by the Senate President and the Speaker of the House of Representatives;
- (3) Authorize the Director of Finance to determine the salary of the small business defender and appoint administrative support personnel; and
- (4) Make the Department of Budget and Finance the expending agency for the appropriation.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2473, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2473, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2039 Economic Development on S.B. No. 2528

The purpose of this measure is to appropriate \$100,000 for fiscal year 2000-2001, and the same sum for fiscal year 2001-2002, for emergency repair and maintenance of Hamakua Ditch facilities.

Testimony in favor of this measure was submitted by the Department of Agriculture and Hawaii Farm Bureau.

Your Committee finds that continued maintenance of the Hamakua Ditch is essential to the success of diversified agriculture on the Hamakua coast. Since the bankruptcy of Hamakua Sugar Company, however, the facilities have deteriorated badly. Your Committee has heard that the Department of Agriculture has initiated a federally assisted watershed project for major repairs and is establishing a revenue producing irrigation system that will provide for maintenance. These funds will not be available until meters are installed and connected, and this measure will provide funding for the two-year interim period.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2528 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2040 Economic Development on S.B. No. 2530

The purpose of this measure is to authorize the issuance of special purpose revenue bonds not to exceed \$10,000,000 to assist Hawaii Gold Cacao Tree, Inc., to finance the establishment of facilities on the Island of Hawaii to process cacao beans and manufacture and produce cacao and chocolate products.

Testimony in favor of this measure was submitted by the Department of Agriculture; the Mayor of the County of Hawaii; Rural Economic Transition Assistance, Hawai'i; Mauna Loa Macadamia Nut Corp.; and Hawaii Gold Cacao Tree, Inc. Great Pacific Chocolate Company, Inc., submitted testimony expressing concerns.

Your Committee finds that Hawaii Gold Cacao Tree, Inc., proposes to build a 70,000 square foot facility, and initially employ one hundred people in its high technology processing and manufacturing activities. In addition, your Committee has heard that many of the skills that were vital to the sugar industry are applicable to the cacao industry, increasing opportunities for unemployed sugar workers in the region.

Your Committee was also presented with concerns regarding importation of cacao beans and seed stock, and the possibility of disease importation as a result. The Department of Agriculture responded that any such importation would be subject to rigorous testing, as is done presently with coffee.

Your Committee believes cacao production represents another opportunity for Hawaii's increasingly diversified farming industry and is supportive of this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2530 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2041 Economic Development on S.B. No. 2549

The purpose of this measure is to repeal the sunset date for solar energy systems tax credits.

Testimony in favor of this measure was submitted by the Hawaii Solar Energy Association, the Hawaii Renewable Energy Alliance, Rezachek & Associates, Na Leo Pohai, the Sierra Club, Hawai'i Chapter, and Life of the Land. The Department of Taxation testified in opposition. Hawaiian Electric Company, Inc., submitted comments.

Your Committee finds that repeal of the sunset date for all energy system tax credits, wind, solar, heat pumps, and ice storage systems will promote the State's policy to decrease our use of imported fossil energy and increase the use of indigenous resources. These tax credits are an investment for the State, and leverage private investment that helps to sustain existing jobs and support Hawaii businesses.

Your Committee has also heard the concerns that this measure would actually reduce energy alternatives for residents. Some residents may find that a heat pump, wind, or thermal storage system would be preferable to a solar system, but these alternative systems would no longer be eligible for the tax credit after July 1, 2003, under the measure as introduced. Your Committee has therefore amended this measure to repeal the sunset date of July 1, 2003, for all the energy conservation tax credits provided under Section 235-12, Hawaii Revised Statutes, making these tax credits permanent. Your Committee has also made a technical amendment to correct the ramseyer language in section 2.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2549, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2042**Economic Development on S.B. No. 2948**

The purpose of this measure is to enhance the tax benefits of Act 178, Session Laws of Hawaii 1999 (SLH), to:

- (1) Include certain performing arts products in the definition of "computer data";
- (2) Expand the exclusion from income of royalty and other income derived from patents and copyrights to include income derived from trade secrets;
- (3) Allow partnership investors the flexibility of allocating the high technology business investment tax credit among partners without regard to federal income tax allocation rules; and
- (4) Increase the state tax credit for research and development from 2.5 percent to twenty percent to match the federal rate.

Testimony in favor of this measure was submitted by the Department of Taxation, the Governor's Special Advisor on Technology Development, the High Technology Development Corporation, and two individuals.

Your Committee finds that this measure will further strengthen high technology business incentives approved in 1999, and that the proposed changes are in response to industry recommendations to enhance those incentives. Your Committee is particularly interested in the opportunities that the measure is intended to provide to the entertainment industry in Hawaii.

Your Committee has amended this measure to make technical changes to conform the bill to the preferred drafting style. Your Committee notes that one of the technical changes is to split Section 235-2.4, Hawaii Revised Statutes (HRS), into two sections, 235-2.4 and 235-2.45. Section 235-2.4, HRS, is often amended, has become unwieldy, and the preferred drafting style requires that the entire section be set out for any amendment. As a precedent, Act 19, Session Laws of Hawaii 1985, performed a similar split.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2948, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2043**Judiciary on S.B. No. 2426**

The purpose of this bill is to authorize the Crime Victim Compensation Commission to pay for mental health counseling for the relatives of a deceased victim, witnesses, or other individuals present at the scene of a mass casualty.

Your Committee finds that federal funding is available to state crime victim compensation programs to provide mental health counseling for victims of mass violence, including relatives of the dead, witnesses, and others present at the scene. Hawaii was offered such funding after the November 1999 shooting incident at Xerox Corporation, but was unable to accept it because the Crime Victim Compensation Commission has no statutory authority to pay for such counseling. Your Committee believes that the Crime Victim Compensation Commission should have the authority to provide compensation for counseling to persons affected by incidents of mass violence, although priority in compensation should be given to actual victims of crime.

Testimony in support of this measure was submitted by the Crime Victim Compensation Commission, the Department of Health, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the American Red Cross.

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

- (1) Specifying that compensation of crime victims takes priority over compensation for mental health counseling of relatives of crime victims, witnesses, and others present at mass casualty incidents; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2426, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 2044**Judiciary on S.B. No. 2427**

The purpose of this bill is to make an appropriation for the compensation of crime victims.

Your Committee finds that the Crime Victim Compensation Commission is the only state agency to compensate victims of violent crime. Your Committee believes that it is important for the state to extend this helping hand to crime victims who might otherwise be unable to pay medical bills or obtain counseling related to the crime. Your Committee notes that the Crime Victim Compensation Commission is ultimately intended to be self-funding. However, until it fully reaches that goal, your Committee believes that the financial assistance provided by this bill is appropriate.

Testimony in support of this measure was submitted by the Crime Victim Compensation Commission, Child and Family Service, and the Department of the Prosecuting Attorney of the City and County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2427 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 2045**Judiciary on S.B. No. 615**

The purpose of this bill is to propose an amendment to article I of the Constitution of the State of Hawaii to give crime victims rights that are recognized and protected in the state constitution.

Your Committee finds that although crime victims enjoy certain rights provided by statute, these rights are not guaranteed to them by the state constitution. Your Committee further finds that those accused of crimes do have constitutional rights as specified in article I, section 14, of the state constitution. Your Committee believes that crime victims should be treated with dignity, respect, and courtesy and that their rights should be protected in a manner no less vigorous than those of the accused. Thus, your Committee agrees that it is appropriate to recognize in the state constitution that crime victims have certain rights. Your Committee recognizes that those accused of crimes in Hawaii enjoy the constitutional protections they do because they are threatened with the loss of liberty or property. Crime victims, who have already suffered physical injuries or a loss of property, should not have their rights and interests neglected in the course of protecting the accused. It is your Committee's intent, therefore, to provide a constitutional guarantee of certain rights for crime victims without abridging the rights constitutionally guaranteed to those accused of crimes.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu and Mothers Against Drunk Driving.

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

- (1) Adding the right for crime victims to participate in criminal proceedings; and
- (2) Making a technical, non-substantive amendment for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 615, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 615, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 2046**(Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on S.B. No. 2323**

The purpose of this bill is to require the State to pay to the Office of Hawaiian Affairs an amount equivalent to the pro rata share of ceded land revenues obtained from the Honolulu International Airport.

Testimony in support of the measure was received from the Office of Hawaiian Affairs.

Your Committees find that the Office of Hawaiian Affairs has been waiting for a substantial period of time to receive the pro rata share owed to them from revenues generated at the Honolulu International Airport. These moneys represent the largest single amount owed to the Office of Hawaiian Affairs as compared to any other single ceded land revenue source. Although the Office of Hawaiian Affairs does receive a statutorily established interim amount in lieu of the actual revenues, the deprivation of such revenues and the uncertainty as to whether the amount will be reduced, severely impacts on the Office of Hawaiian Affairs' ability to effectively manage its trust portfolio.

Therefore, your Committees believe that the Office of Hawaiian Affairs is entitled to the full pro rata amount and that the administration should make every effort to fulfill its financial obligation to the Office of Hawaiian Affairs so that the Office of Hawaiian Affairs may, in turn, fulfill its obligation to its beneficiaries.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2323 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (D. Ige, Iwase, Kanno, Nakata, Taniguchi, Anderson).

SCRep. 2047 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on S.B. No. 2551

The purpose of this bill is to increase the threshold for land use boundary changes under the jurisdiction of the Land Use Commission from fifteen to fifty acres.

Testimony in favor of the measure was received from a member of the Maui County Council, the County of Hawaii's Planning Department, the Land Use Research Foundation, and the Hawaii Leeward Planning Conference.

Testimony in opposition to the measure was received from the Land Use Commission, the Department of Business, Economic Development, and Tourism's Office of Planning, Hawaii's Thousand Friends, and the Sierra Club, Hawaii Chapter. The University of Hawaii's Environmental Center submitted comments on the measure.

Your Committees find that the counties are capable of deciding on district boundary amendments for larger parcels of land. Your Committees believe that enabling the counties to authorize district boundary amendments on parcels up to fifty acres brings the land use planning process closer to the community that will be affected by the boundary amendment and would also streamline the zoning process.

Your Committees have amended the bill by deleting the proposed language that only allowed those counties that delegate its zoning authority to a planning commission to be able to amend district boundaries for parcels up to fifty acres.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2551, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2551, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (D. Ige, Iwase, Kanno, Nakata, Taniguchi, Anderson).

SCRep. 2048 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on S.B. No. 2844

The purpose of this bill is to allow the Department of Hawaiian Home Lands to license infrastructure improvements on Hawaiian Home Lands to the counties for operation and maintenance purposes.

Testimony in support of the measure was received from the Department of Hawaiian Home Lands and the State Council of Hawaiian Homestead Associations.

Your Committees find that the measure amends section 220(a) of the Hawaiian Homes Commission Act of 1920, as amended, to clearly specify that the Department of Hawaiian Home Lands may license water, sewer and drainage systems, street lights, and other improvements constructed in accordance with county standards to the county for operation and maintenance purposes.

Your Committees also find that although in the past, the counties accepted the maintenance of roads and other infrastructure improvements constructed to county standards on Hawaiian Home Lands, certain counties are now reluctant to assume responsibility for such infrastructural improvements unless the fee title on which the improvements are situated are dedicated to the county. Unfortunately, section 205 of the Hawaiian Homes Commission Act of 1920, as amended, prohibits the Department of Hawaiian Home Lands from conveying fee title to its lands. The Department of Hawaiian Home Lands can, however, provide licenses and easements that essentially provide the same security that fee simple ownership provides.

Your Committees believe that the measure provides a reasonable and equitable solution to the counties' concerns while concomitantly ensuring the more expeditious improvement of Hawaiian Home Lands.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2844 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (D. Ige, Iwase, Kanno, Nakata, Taniguchi, Anderson).

SCRep. 2049 Government Operations and Housing on S.B. No. 289

The purpose of this short form bill is to amend the Hawaii Revised Statutes relating to housing.

Your Committee has amended this bill by adding content which designates the Housing and Community Development Corporation of Hawaii as a mortgage lender so that it may provide refinancing of permanent residential home mortgages for residents of Hawaii.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that are attached to this report, your Committee is in accord with the action to report out S.B. No. 289, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 289, S.D. 1, and be recommitted to the Committee on Government Operations and Housing for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Levin, Matsunaga, Sakamoto, Anderson).

SCRep. 2050

Judiciary on S.B. No. 2142

The purpose of this bill, as received by your Committee, is to amend the bill of rights for crime victims to clarify that a finding of unfitness to stand trial, a transfer to the state hospital or other psychiatric facility, or a finding that a defendant has become fit to stand trial are major developments of which victims and family members have the right to be notified.

Your Committee finds that it is not clear in the current law whether crime victims, surviving immediate family members, and witnesses have the right to be notified of developments relating to a defendant's fitness to stand trial or to a defendant's commitment to a psychiatric facility. Your Committee further finds that, under the current law, psychiatric facilities are not required to provide notice of the actual or proposed release of an individual committed to the facility in the course of criminal proceedings to the law enforcement agency involved or to the victims, surviving family members, or witnesses. This system has, in the past, resulted in the release of highly dangerous individuals into the community without notice to police, prosecutors, or their past victims.

Your Committee believes that crime victims and witnesses have a strong interest in being notified of changes in the status of defendants diverted from the criminal justice system to the mental health system. Your Committee further believes that requiring notice to the law enforcement agency involved in the criminal proceedings against a defendant transferred to a psychiatric facility will help prevent situations in which an individual's mental state and potential danger to the community is assessed without considering the individual's history of violent attacks on others. Your Committee believes that through this measure a process will be established through which a crime victim will know whom to ask -- the law enforcement agency -- for information about the status of a defendant transferred to a psychiatric facility, and the law enforcement agency in turn will be kept informed of major developments as provided by law.

Testimony in support of this measure was submitted by Senator Sam Slom, the Department of the Prosecuting Attorney of the City and County of Honolulu, and two individuals. Testimony commenting on this measure was provided by the Office of the Public Defender. Testimony in opposition to this measure was submitted by the Department of Health.

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

- (1) Inserting provisions from S.B. 3013, which would require notice to state or county law enforcement agencies when a former criminal defendant under the supervision of the mental health system petitions or is otherwise considered for release, and make more difficult and less automatic the release of a former criminal defendant involuntarily committed to a psychiatric facility;
- (2) Clarifying that the major developments requiring notice to victims and their families are not limited to the list enumerated in the bill; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2142, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2142, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 2051

Judiciary on S.B. No. 2533

The purpose of this bill is to require, as a condition of a deferred acceptance of guilty plea or deferred acceptance of nolo contendere plea, payment of a compensation fee to be deposited into the crime victim compensation special fund.

Your Committee finds that defendants who choose to enter a deferred guilty or nolo contendere plea currently do not pay into the crime victim compensation special fund. Your Committee notes concerns that many defendants who are actually innocent may nonetheless choose to enter such a deferred plea rather than face the risks inherent in a criminal trial. However, your Committee further notes the likelihood that defendants who make such a plea are, in many other cases, actually guilty of the offense charged,

although they are at low risk of re-offending. Your Committee believes that all those who have committed criminal offenses should be required to pay into the crime victim compensation fund, unless the court determines that they are unable to pay. Given the relatively small amount of the compensation fee to be charged, your Committee believes that the compensation fee is a minor additional requirement and may appropriately be imposed on such defendants.

Testimony in support of this measure was submitted by the Crime Victim Compensation Commission. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2533 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 2052 Judiciary on S.B. No. 2933

The purpose of this bill is to authorize the Crime Victim Compensation Commission to appoint a civil service-exempt executive director and administrative assistant.

Your Committee finds that the Commission's current administrator was hired as an emergency special hire, because the Commission currently lacks statutory authority to hire a civil service-exempt leadership team. Your Committee believes that the Commission should have the statutory authority and stability of permanent staffing similar to other state programs that provide direct services to our citizenry.

Testimony in support of this measure was received from the Crime Victim Compensation Commission.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2933, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 2053 (Majority) Labor and Environment on S.B. No. 647

The purpose of this measure is to place an advance disposal fee on plastics to reduce litter and increase recycling.

Testimony in favor of the measure was received from the Environmental Center, Save Our Bays and Beaches, Aloha Plastic Recycling, Inc., Surfrider Foundation, and three individuals. Testimony in opposition to the measure was received from the Department of Public Works and Waste Management of the County of Maui, Anheuser Busch Companies, Life of the Land, and the Hawaii Food Industry Association. The Ala Wai Watershed Association and the Tax Foundation submitted comments on the measure.

In 1999, "Get the Drift and Bag It" volunteers collected 217,000 pieces of debris, 55 percent of which were plastic. Your Committee is in agreement that plastic litter can be reduced by establishing an effective recycling program. The advance deposit fee on plastics is a tiny cost to each individual when weighed against the cost-savings to government and volunteers who clean plastic litter each year.

Your Committee made technical, nonsubstantive amendments to correct the dates in the bill and to address other technical problems.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 647, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 647, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 2 (M. Ige, Slom). Excused, 2 (Chumbley, Fukunaga).

SCRep. 2054 Labor and Environment on S.B. No. 2192

The purpose of this bill is to strengthen the protection provided by Hawaii's Whistleblowers' Protection Act by providing protection to employees who report to government entities or their employers violations of law, rule, regulation, or ordinance; or information demonstrating danger to the public health, safety, and welfare.

The bill also extends the time to ask for injunctive relief from ninety days to two years and increases the fine for violation of the Act from \$500 to \$10,000.

Testimony in favor of the measure was received from the Department of Labor and Industrial Relations, ILWU Local 142, League of Women Voters of Hawaii, Common Cause Hawaii, Hawaii Nurses' Association, Hawaii Electricians Market Enhancement Program Fund, HGEA-AFSCME, and eight individuals. Testimony in opposition to the measure was received from the Chamber of Commerce of Hawaii and the Society of Human Resource Management - Hawaii Chapter. Oral testimony was submitted by the Environmental Center and one individual.

Your Committee finds that amendments to Hawaii's Whistleblowers' Protection Act are necessary. Extending the Act's protection to employees who report violations to their employers encourages employees to report violations. Increasing the penalty to \$10,000 will serve as a deterrent to employers from retaliating against employees. If employees are retaliated against, extension of the statute of limitations to two years will provide adequate time to gather information and evidence. Your Committee is in agreement that the amendments strengthen the Whistleblowers' Protection Act.

Your Committee made technical, nonsubstantive amendments to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2192, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Chumbley, Fukunaga).

SCRep. 2055 (Majority) Labor and Environment on S.B. No. 2281

The purpose of this bill is to require regulated public utilities to prepare environmental impact statements (EIS) by a qualified environmental consultant retained under contract by the office of environmental quality control in accordance with the state procurement code.

Testimony in favor of the measure was received from Na Leo Pohai, Life of the Land, and one individual. Testimony in opposition to the measure was received from the Public Utilities Commission, Hawaiian Electric Company, Inc., GTE, Wilson Okamoto & Associates, Inc., R.M. Towill Corporation, and Kauai Electric and the Gas Company. Oral testimony in opposition was received from the Environmental Center and one individual. Comments were received from the Office of Environmental Quality Control.

Currently, a regulated utility may utilize any consultant to prepare an environmental impact statement (EIS) including those affiliated with the company. Requiring a regulated utility to procure the services of an independent consultant through the State to prepare an EIS eliminates the appearance of any bias or conflict of interest. Your Committee is in agreement that this measure provides a greater perception of integrity in the EIS process.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2281 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (M. Ige). Excused, 3 (Chun Oakland, Fukunaga, Kanno).

SCRep. 2056 Labor and Environment on S.B. No. 2545

The purpose of this measure is to improve the enforceability of the glass advance disposal fee program by clarifying the applicability of the statute to glass importers and inspection procedures. The bill also changes the method of imposing the penalty for violation of the program from a civil to an administrative action.

Testimony in favor of the measure was received from the Department of Health and the Department of Public Works and Waste Management, County of Maui.

Your Committee finds that only those glass importers registered with the Department of Health are required to pay the advance disposal fee. Companies can avoid paying the fee by failing to register. Your Committee is in agreement that the fee be imposed on all glass container importers. Also, changing the method of imposing the penalty will facilitate enforcement without going to court.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2545 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Chumbley, Fukunaga).

SCRep. 2057 (Majority) Labor and Environment on S.B. No. 2611

The purpose of this bill is to bring Hawaii state laws into closer conformity with current federal regulations regarding habitat conservation plans and safe harbor agreements.

Testimony in favor of the measure was received from Earthjustice Legal Defense Fund, Environmental Center - University of Hawaii at Manoa, and the Sierra Club - Hawaii Chapter. Testimony in opposition to the measure was received from the Board of Land and Natural Resources and the Land Use Research Foundation of Hawaii.

The U.S. Fish and Wildlife Service revokes incidental take permits if continuation of the authorized activity would threaten an imperiled species to extinction. In Hawaii, the State would be bound to the habitat conservation plan or safe harbor agreement and its only recourse would be to purchase the land. This measure allows the State to revoke the plan or agreement if the authorized activity would threaten endangered species to extinction. Your Committee is in agreement that this measure brings state laws into closer conformity with federal regulations.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2611 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, 1 (M. Ige). Excused, 2 (Chumbley, Fukunaga).

SCRep. 2058 Labor and Environment on S.B. No. 2672

The purpose of this bill is to prohibit public employees from taking official action that directly affects a business or undertaking in which a family member has a substantial financial interest in.

Testimony in support of the measure was received from The Hawaii State Ethics Commission and Common Cause Hawaii.

Under current law, a state official must recuse himself or herself from taking official action affecting a business in which the official's spouse or dependent child has a financial interest. This measure expands the law to include parents, siblings, emancipated children, and household members. Your Committee believes that this measure will preserve the public's confidence in government decision-making.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2672 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Fukunaga, M. Ige, Kanno).

SCRep. 2059 Labor and Environment on S.B. No. 2676

The purpose of this bill is to add a new section to the State Ethics Code that specifically addresses the issue of prohibited campaign activities by state legislators and state employees.

Testimony in favor of the measure was received from the Hawaii State Ethics Commission and Common Cause Hawaii.

State law currently prohibits the use of state time, equipment, and facilities for private business purposes. Although the Ethics Commission has interpreted "private business" to include political campaigning, abuses continue. Your Committee finds this measure is needed to clarify the ethics restrictions on campaign activities, to emphasize the importance of these restrictions, and to provide for fair elections by barring state resources from being used to unfairly assist a candidate.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2676 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Fukunaga, M. Ige, Kanno).

SCRep. 2060 Labor and Environment on S.B. No. 2971

The purpose of this bill is to require environmental impact statements to disclose effects on the cultural practices of the community and the State.

This bill also amends the definition of "significant effect" to include adverse effects on cultural practices.

Testimony in favor of the measure was received from the Office of Environmental Quality Control, Office of Hawaiian Affairs, Environmental Center, Sierra Club, and Hawaii's Thousand Friends. Testimony in opposition to the measure was received from the Board of Land and Natural Resources.

Your Committee recognizes that protection of cultural practices is equally important as the environmental, social, and economic welfare in Hawaii. Requiring cultural impact information in assessments and amending "significant effect" to include the adverse effect on cultural practices will allow for more informed and better decisions on land uses that affect both natural and cultural resources. Your Committee is in agreement that this measure will promote and protect cultural beliefs, practices, and resources of native Hawaiians as well as other ethnic groups.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2971 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Fukunaga, M. Ige, Kanno).

SCRep. 2061 Health and Human Services on S.B. No. 2024

The purpose of this measure is to require free-standing radiation oncology facilities and other treatment or pathology facilities to submit a report of any person admitted with or diagnosed as having cancer to the Hawaii Tumor Registry or participating hospital registry.

Your Committee received testimony in support of this measure from the Hawaii Tumor Registry, Cancer Research Center of Hawaii, and the Hawaii Medical Association.

This measure further requires physicians who diagnose or treat a patient for cancer to submit a report to the Hawaii Tumor Registry or participating hospital registry.

This measure will improve the gathering of statistics and information on cancer rates in Hawaii. This data is critical to cancer research, preventive medicine, and public health.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2024 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2062 Health and Human Services on S.B. No. 2027

The purpose of this measure is to make an appropriation for dental services for adults.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Health, State Planning Council on Developmental Disabilities, The ARC in Hawaii, Bay Clinic, Inc., Hawaii State Primary Care Association, Kalihi-Palama Health Center, Ke Ola Mamo Native Hawaiian Health Care System, Office for Social Ministry, Hana Community Health Center, Hawaii Nurses' Association, Kokua Council, Waimanalo Health Center, Hawaii Dental Hygienists' Association, American Friends Service Committee, and twenty-five private individuals.

As of February 1, 1996, basic dental services for adults covered by Medicaid and Med-QUEST were discontinued. Presently, Medicaid and Med-QUEST cover only emergency dental services. Medicaid, a federally funded program, will provide fifty-one and one-half per cent of the funds necessary to provide basic dental coverage to Medicaid and Med-QUEST adult clients. The State must provide the remaining forty-eight and one-half per cent of the necessary funds.

Your Committee finds that the Department of Health and some community health centers have had to reduce or discontinue adult dental services due to budget restrictions. As a result of these restrictions, indigent adults, who are covered by Medicaid or Med-QUEST, have no access to basic dental care, particularly on the neighbor islands. This measure provides for basic dental services.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2027 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2063 Health and Human Services on S.B. No. 2039

The purpose of this measure is to make an appropriation for the Medicine Bank.

Your Committee received testimony in support of this measure from the Department of Health, Bay Clinic, Inc., Hawaii State Primary Care Association, Legal Aid Society of Hawaii, Healthcare Association of Hawaii, Hawaii Nurses' Association, Waimanalo Health Center, Kalihi-Palama Health Center, and one private individual.

The Medicine Bank, a project of the Hawaii State Primary Care Association, was opened in August, 1997, to collect and distribute donated pharmaceuticals to medically indigent patients at community health centers. As public private partnership, the Medicine Bank has been supported by federal funds from the Bureau of Primary Health Care and by in-kind staff and space provided by the Department of Health at Waimano Home. In addition, various individuals and local foundations have contributed cash to community health centers to purchase pharmaceuticals which are not donated but are needed by patients.

Your Committee finds that the Medicine Bank's work is endangered by the closing of Waimano Home and termination of in-kind services and space provided by the Department of Health. The legislature further finds that \$100,000 is needed to ensure the continuation of the Medicine Bank.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2039 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2064 Health and Human Services on S.B. No. 2040

The purpose of this measure is to appropriate funds, to be matched by federal funds, to provide services to persons with developmental disabilities.

Your Committee received testimony in support of this measure from the Department of Health, Department of Human Services, Disability and Communication Access Board, State Planning Council on Developmental Disabilities, The ARC In Hawaii, Catholic Charities, Easter Seals, Hawaii Disability Rights Center, Special Education Center of Hawaii, and six private individuals. Informational testimony was submitted by the United States Department of Health and Human Services.

Your Committee finds that individuals with developmental disabilities require life long support and services. The best treatment for these individuals is to be independent, productive, integrated, and included in the community. Act 189, Session Laws of Hawaii 1995, was intended to provide services in the community for individuals who were residing at Waimano Training School and Hospital by mandating that all programs and services for them be provided for in the community. Act 189 also required the Department of Health to maximize state funds for community services, using these funds as a match for title XIX federal programs, other governmental programs, and privately financed programs.

The medicaid waiver program under section 1915(c) of the Social Security Act was designed to allow states to provide long-term care, support, and services in the community by using at least fifty percent of federal dollars for individuals who would otherwise be institutionalized. The medicaid and community-based services waiver program provides an array of services such as adult day health, personal assistance, environmental accessibility adaptations, habilitation, supported employment, respite care, skilled nursing, and specialized services designed to support the individual's right to live in the community.

Your Committee is concerned that recent statistics indicate that Hawaii ranks 47th in its level of funding for community services, and 50th in its total funding effort for mental retardation and developmental disabilities services. Furthermore, the home and community-based services waiver program is underfunded, which causes the State to use state dollars inefficiently and to miss the opportunity to maximize federal dollars.

Your Committee has amended this measure by clarifying that there are 800 individuals who may be eligible for the waiver program, and deleting reference to application to the United States Health Care Financing Administration.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2040, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2065 Health and Human Services on S.B. No. 2063

The purpose of this measure is to require the Department of Health (DOH) to request a criminal history record check on applicants for a license to operate an adult residential care facility or nursing home, and to require the Department of Human Services (DHS) to request a criminal history record check on applicants for registration to operate a home care agency, as well as their employees.

Your Committee received testimony in support of this measure from the DOH, DHS, Attorney General, Executive Office on Aging, Hawaii State Commission on the Status of Women, American Association of Retired Persons, Hawaii Coalition for Affordable

Long-Term Care, Kokua Council, Parents and Children Together, Hawaii Nurses' Association, Hawaii Women Lawyers, Policy Advisory Board for Elder Affairs, and two private individuals.

This measure specifies that the DOH and the DHS may not deny a license or registration solely on the basis of the check, if the conviction is not sufficiently related to the financial or personal welfare or safety of the provider's residents, if the current or prospective employees can demonstrate rehabilitation, or if the conviction occurred more than ten years prior to the registration or licensure.

Your Committee finds that operators and employees of adult residential care homes, nursing homes, and home care agencies work in close proximity to the frail and elderly who are vulnerable to abuse. This measure offers a modicum of protection against potential abuse.

Testimony on this measure indicated a great concern for the administrative costs of conducting criminal history record checks. However, all testifiers agreed that such checks need to be done. This measure is limited to checks on applicants for licenses. Ultimately, your Committee believes that checks should be made on all operators. This measure is a first step toward that goal. Your Committee defers this issue to the Committee on Judiciary for determination, including the matter of costs.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "criminal history record check" to include requiring the applicant to furnish information;
- (2) Adding home health services and assisted living facilities to the list of applicants under the DOH requiring a check;
- (3) Adding day care centers for elder disabled and aged persons and facilities providing care to dependent adults and deleting home care agencies to the list of applicants under the DHS requiring a check;
- (4) Authorizing Hawaii criminal justice data center to disseminate information gathered under this measure to the DOH and DHS; and
- (5) Making technical, nonsubstantive changes to reflect preferred drafting style and for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2063, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2063, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2066 Health and Human Services on S.B. No. 2064

The purpose of this measure is to provide that pregnant women are covered by the Uniform Health Care Decisions Act.

Your Committee received testimony in support of this measure from the Executive Office on Aging, Hawaii State Commission on the Status of Women, Hawaii Women Lawyers, League of Women Voters, Healthcare Association of Hawaii, Hawaii Medical Association, and three private individuals. Testimony in opposition was received from the American Center for Law and Justice of Hawaii, Hawaii Catholic Conference, Hawaii Right to Life, Pro-Family Hawaii, Christian Voice of Hawaii, and Archbishop Fulton Sheen Foundation.

This measure repeals the exclusion from chapter 327E, Hawaii Revised Statutes, for a patient who is diagnosed as pregnant by the attending physician. Your Committee believes that an advance health care directive by a woman should be valid if she later becomes pregnant or if she executes a directive during her pregnancy. A woman should have the right to predetermine her medical treatment, including treatment during her pregnancy, if she should lack the ability to make a health care decision for herself.

Your Committee notes that the exclusion for pregnant women may violate the federal constitution, according to testimony on this measure.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2064 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2067 Health and Human Services on S.B. No. 2182

The purpose of this measure is to make an appropriation for emergency services at the Waianae Coast Comprehensive Health Center (WCCHC).

Your Committee received testimony in support of this measure from the Department of Health, WCCHC, Office of Hawaiian Affairs, and a private individual.

Your Committee finds that the WCCHC, a nonprofit community health center, provides critical and necessary emergency medical services to the Waianae, Nanakuli, and Maile areas. The next nearest emergency facility is St. Francis-West in Waipahu.

WCCHC has received appropriations for emergency medical services since 1976. Your Committee further finds that the WCCHC emergency room would probably close without state funding.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2182 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2068 Health and Human Services on S.B. No. 2246

The purpose of this measure is to make an appropriation for emergency medical services in the Kaaawa area on Oahu.

Your Committee received testimony in support of this measure from the Department of Health, Koolauloa Neighborhood Board No. 28, and a private citizen.

Your Committee finds that the Kaneohe to Kahuku area needs additional emergency medical resources to address the high rate of motor vehicle crashes, medical emergencies, and other trauma. The legislature finds further that as there is an empty ambulance bay at the Kaaawa fire station, an emergency vehicle and staffing are all that is required.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2246 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2069 Health and Human Services on S.B. No. 2370

The purpose of this measure is to make an appropriation for emergency ambulance service on the Island of Hawaii.

Your Committee received testimony in support of this measure from the Department of Health, Bay Clinic, Inc., and 169 private individuals.

Your Committee finds that unacceptably long and potentially life-threatening delays in emergency ambulance service have occurred in the Hawaiian Ocean View Estates area of the Big Island. Delays can last up to two hours and occur when the Kau ambulance in Naalehu is already on call. Delays in the provision of appropriate emergency medical care because of geography are inhumane and unfair. This measure alleviates this unacceptable situation by appropriating funds to provide emergency advanced life support ambulance service to the residents of Hawaiian Ocean View Estates on the island of Hawaii.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2370 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2070 Health and Human Services on S.B. No. 2486

The purpose of this measure is to establish a mandatory cigarette stamp tax system as a means to assess, collect, and enforce the cigarette and tobacco tax.

Your Committee received testimony in support of this measure from the Department of Taxation, Department of Health, Coalition for a Tobacco Free Hawaii, Hawaii Food Industry Association, and Hawaii Nurses' Association. The Tax Foundation of Hawaii submitted informational testimony.

Your Committee finds that a mandatory cigarette tax stamp system is vital to enhance the State's collection of cigarette and tobacco taxes. Your Committee further finds that enforcement of the current system of collecting cigarette and tobacco taxes is sporadic, haphazard, and ineffective, resulting in uncollected potential tax revenue. The current system of filing of returns by licensed dealers is in effect a system of voluntary compliance. Persons may try to sell cigarettes and tobacco without obtaining a license, or could have a license and not file a return or understate the income on the return.

Your Committee further finds that obtaining actual proof of large-scale black market cigarette sales is nearly impossible, due to the nature of the activity which is necessarily surreptitious and to the limitation of available resources. However, your Committee believes that actual proof of the magnitude of the black market is unnecessary, judging from the anecdotal evidence existing and continuing over a fifteen year period that a black market exists. Recent increases in the cigarette tax contributes to the temptation to enter the black market.

Your Committee further finds that enforcement of a mandatory cigarette tax stamp system need not be overly burdensome or expensive to administer. Any additional costs will more than likely pay for itself in the form of additional tax revenues to be derived. Any administrative rules could be adopted within the time frame provided for the effective date of this Act.

Your Committee believes that this measure will augment efforts to deter smoking, especially among youth. This measure also provides the necessary enforcement of the new stamping of cigarette packs requirements by involving the liquor commission, the attorney general, and the prosecuting attorney.

Your Committee has amended this bill by:

- (1) Adding the Attorney General to the distribution of revenues for enforcement activity;
- (2) Adding violation of federal law relating to the sale of tobacco products as a basis for forfeiture; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2486, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2486, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2071 Health and Human Services on S.B. No. 2488

The purpose of this measure is to make an appropriation for the Hana Community Health Center.

Your Committee received testimony in support of this measure from the Department of Health, Office of Hawaiian Affairs, three council members of the Maui County Council, Hana Community Health Center, and a private individual. Testimony in opposition was received from the United Public Workers.

The State transferred the Hana Medical Center to the Hana Community Health Center in July, 1997, with a guarantee to continue providing needed financial support for the Center's essential medical programs. Hana is one of the most isolated areas in the State. During the rainy season from October to March, the frequent storms often wash out the roadways and disrupt electricity and telephone service. Hana town is fifty-seven miles from Wailuku and the trip takes two hours along a single lane road with six hundred seventeen turns and fifty-six one-lane bridges. The district is made up of small, isolated settlements scattered over more than two hundred square miles. Many of the villages are located a minimum of forty-five minutes from the main town of Hana.

The Hana Community Health Center provides a hybrid of medical services, including emergency services. The Center is the only health care provider in the district. The coordination of emergency services and provision of life support care is absolutely essential to the three thousand residents of Hana and the 500,000 tourists who visit annually.

Hana also has the dubious distinction of consistently having some of the worst health and socio-economic indicators in the State. Native Hawaiians account for sixty-five per cent of all the Center's patients. Hana is federally designated both as a medically underserved population and as a health professional shortage area.

When the Hana Community Health Center was operating as the Hana Medical Center as part of the State's community hospitals system, it required a subsidy of approximately \$1,500,000 annually. Since the Center's transfer to the Hawaii Health Systems Corporation in 1996, the Legislature has reduced appropriations each year to the Center. The appropriation for fiscal year 1999-2000 of \$750,000, was at least fifty per cent less than the cost of operations before the transfer to the Hana Community Health Center, or \$617,300 less than what it cost the State to operate.

Your Committee finds that the Hana Community Health Center requires a minimum of \$952,000 in fiscal year 2000-2001 to maintain its current level of operations.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2488 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2072**Health and Human Services on S.B. No. 2489**

The purpose of this measure is to establish a task force to identify and eliminate policy barriers to neurotraining services and to establish a community-based neurotraining research, education, and training infrastructure.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, Hawaii State Commission on the Status of Women, Craine Institute of Neuropsychology Community-based Healthcare, Art Calendar Hawaii Database, and two private individuals.

Your Committee finds that the problem of traumatic brain injury and its effects are serious and far reaching. Injury is the leading cause of mortality among Americans under forty-five years of age and traumatic brain injury is responsible for the majority of these deaths. Traumatic brain injury claims more than fifty-six thousand American lives annually and is the cause of hospitalization for an estimated three hundred seventy-three thousand Americans annually. In Hawaii, the Hawaii health systems corporation estimates that twelve hundred people are discharged annually from Hawaii's hospitals with traumatic brain injury.

Your Committee further finds that neurotraining services is a state of the art outpatient therapy grounded in psychological and neurological principles that enables individuals to overcome and improve deficits that result from central nervous system dysfunctions. Unlike other rehabilitation programs where a client learns to compensate for his or her deficits, neurotraining is categorized as "deficit-specific", which means that attention is focused directly on identified brain function losses. Neurotraining's emphasis is on the mental process instead of any particular subject content, such as reading, writing, or math. Motivation is a key factor in this training because of its direct approach to the difficulties faced by the client. This measure is intended to plant the seed that will germinate into a promising industry in Hawaii for traumatic brain injury research.

Your Committee has amended this measure to replace the Director of Business, Economic Development, and Tourism with a person from the Department of Human Services designated by the Director of Human Services to serve as chair of the task force. Technical, nonsubstantive changes also were made.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2489, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2489, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2073**Health and Human Services on S.B. No. 2567**

The purpose of this measure is to make an appropriation for respite care services for families of individuals with special needs.

Your Committee received testimony in support of this measure from the Department of Health, Disability and Communication Access Board, State Planning Council on Developmental Disabilities, Easter Seals Hawaii, Hawaii Podiatric Medical Association, Special Education Center of Hawaii, and five private individuals.

The last major appropriation for respite care was made in 1990 for \$1,000,000 to help families who provide home care to their sons or daughters with special needs, by providing them with support services and training. The respite care budget has not increased since 1990, although several budget cuts have been made over the years that significantly reduced the funds for respite care. For fiscal year 1999-2000, \$624,128 was allocated for respite care, resulting in fewer families being served and in less money for each family.

Your Committee finds that there are approximately five thousand five hundred families who are in need of respite care services to maintain their sons or daughters at home rather than institutionalizing them. However, because of budget cuts, only about eight hundred ninety-seven families could be served in 1999-2000. For many families, the Department of Health's respite program is their only source of support. The respite program allows families to choose their own care providers.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2567 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2074**Health and Human Services on S.B. No. 2865**

The purpose of this measure is to allow the Department of Health (DOH) to adopt rules and charge fees to regulate the sale of prophylactics through vending machines and require that they be stocked with adequately labeled and scientifically approved devices only.

This measure also clarifies existing law by deleting the requirement for a permit from the DOH to vend prophylactics from a coin-operated machine.

Your Committee received testimony in support of this measure from the Department of Health. Testimony in opposition was received from Pro-Family Hawaii.

According to testimony of the DOH, this measure is part of a continuing state effort to reduce the number of unnecessary permits that businesses are required to obtain. The DOH states that the permits have no useful purpose.

Your Committee expresses the concern raised at the hearing on this measure that prophylactics should not be placed in vending machines allowed on secondary public school grounds, as provided in section 302A-412, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2865 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2075 Health and Human Services on S.B. No. 2872

The purpose of this measure is to make an emergency appropriation for the Hawaii Health Systems Corporation (HHSC).

Your Committee received testimony in support of this measure from the HHSC, HGEA, Kona-Kohala Chamber of Commerce, and a private individual.

Your Committee finds that this emergency appropriation request is necessary to ensure that the HHSC can repay the State for moneys advanced to pay retroactive and current fiscal year collective bargaining increase payments to state employees working for the HHSC.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2872 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2076 Health and Human Services on S.B. No. 2968

The purpose of this measure is to appropriate funds to complete the installation of air conditioning equipment for the Waianae Coast Comprehensive Health Center (WCCHC).

Your Committee received testimony in support of this measure from the WCCHC and a private individual.

Your Committee finds that the WCCHC's physical structure is in need of a new air conditioning unit to properly maintain a suitable environment for its patrons and staff. The WCCHC provides emergency medical services to the entire Leeward Coast of Oahu. In the past, the legislature has appropriated \$286,000 for the initial phases of installing a new air conditioning system in the Center's physical structure. The initial phases have been completed and all that remains is the funds to purchase the equipment and install the air conditioning.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2968 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2077 Health and Human Services on S.B. No. 3022

The purpose of this measure is to make an appropriation to provide services to the medically underserved and at-risk populations in Kona.

Your Committee received testimony in support of this measure from the Department of Health, The Salvation Army, Bay Clinic, Inc., and a private individual.

Research by the Salvation Army indicates that a significant number of Kona residents have inadequate access to health care. The Kona Corps of the Salvation Army proposes to establish a primary health care clinic in Kona. This project is a significant expansion of the Salvation Army's existing health clinic which is operated by volunteer medical practitioners. The expanded health center, with a full-time practitioner and other staff working in conjunction with volunteer providers, will be able to provide 4,300 patient visits per year compared to only about 400 patient visits in the current volunteer clinic.

Although the Salvation Army has obtained funding for the building, an endowment, and salary and expenses from other sources, it requires additional support to sustain the clinic's operation.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3022 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2078 Health and Human Services on S.B. No. 3120

The purpose of this measure is to authorize the issuance of general obligation bonds in the sum of \$2,900,000, for the Maui Memorial Medical Center (Center) to upgrade facilities.

Your Committee received testimony in support of this measure from three council members of the Maui County Council, Maui Memorial Medical Center, and a private individual.

Your Committee finds that an upgrade of facilities is necessary to comply with National Fire Protection Association and Americans with Disabilities Act regulations. The current state of the facilities are technically in violation of those regulations and could expose the Center to costly liability and jeopardize the safety of employees, patients, and visitors.

According to the testimony of the Center, in March, 1999, the Joint Commission on Accreditation of Healthcare Organizations sent an Accreditation Team to the Center and issued a Statement of Conditions detailing the deficiencies with the Center's facilities and including a timetable and estimated cost of repairs. This measure is intended to enable the Center to cure those deficiencies.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3120 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2079 Education and Technology on S.B. No. 278

The purpose of this short form measure is to amend section 307-2, Hawaii Revised Statutes, to change the composition of the board of directors of The Research Corporation of the University of Hawaii.

Your Committee amended this measure by adding provisions to replace the five members of the Board of Regents of the University of Hawaii, who are on the board of directors of The Research Corporation of the University of Hawaii, with two members of the board of regents of the University of Hawaii, a vice president or dean for another member, and one faculty member for the period from July 1, 2000, to June 30, 2001. Provisions were also added so that as of July 1, 2001, members of the board of directors of the Research Corporation of the University of Hawaii shall include, for four year terms, the following: vice presidents or deans as two members and faculty as two members.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the action to report out S.B. No. 278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 278, S.D. 1, and be recommitted to the Committee on Education and Technology for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Matsunaga).

SCRep. 2080 Judiciary on S.B. No. 2152

The purpose of this bill is to authorize state participation in the Interstate Compact for the Supervision of Adult Offenders.

Your Committee agrees with the intent of this bill, and finds that the interstate compact provides a necessary framework for the promotion of public safety in Hawaii and the protection of the rights of victims through the control and regulation of the interstate movement of offenders in the community. Your Committee further finds that this bill will help to provide for the effective tracking, supervision, and rehabilitation of these offenders and will further help to equitably distribute the costs, benefits, and obligations of the compact among the compacting states.

Upon further consideration, your Committee has amended the bill as follows:

- (1) By deleting language specifying that the rules of the interstate commission "shall have the force and effect of statutory law"; and

- (2) By making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2152, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 2081 (Majority) Judiciary on S.B. No. 2429

The purpose of this bill is to allow extended term sentencing for criminal offenders who intentionally select their victims because of hostility to their race, color, religion, ancestry, national origin, gender, transgender, sexual orientation, age, or disability; and to provide a reporting mechanism to compile, track, and analyze hate crimes data.

Your Committee finds that crimes, especially those involving violent acts, which are based upon threats against persons because they belong to a certain classification or distinction, are a perennial problem that shock communities across the nation. Your Committee notes that Hawaii is one of only four states that does not track hate crime data for collection by the Federal Bureau of Investigation. Your Committee believes that hate-motivated crimes, which combine a seeming randomness -- victims are generally strangers to the perpetrator -- with a very direct animus toward a group to which the victim belongs, should subject their perpetrators to extended term sentencing. Your Committee notes that extended term sentencing is already applied to many categories of offenders whose crimes, for one reason or another, pose a particular threat to the community.

Testimony in support of this bill was submitted by the Attorney General, the Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women, the Honolulu Police Department, and the American Friends Service Committee. Testimony commenting on the measure was submitted by the Office of the Public Defender. Testimony in opposition to this bill was submitted by the Christian Voice of Hawaii.

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

- (1) Correcting statements in the purpose section of the bill regarding state participation in the federal hate crimes reporting program;
- (2) Amending the requirements for a crime to be considered a hate crime to conform the requirements given for extended term sentencing and reporting purposes, and to better reflect the bill's intent; and
- (3) Making technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2429, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 3. Noes, 2 (Sakamoto, Tanaka). Excused, 2 (Ihara, Anderson).

SCRep. 2082 Judiciary on S.B. No. 2432

The purpose of this bill is to appropriate funds for the development, implementation, and maintenance of a sentencing simulation model for Hawaii's criminal justice system.

Your Committee believes that this measure will bring to light the truth about our criminal offender population through the development and administration of a centralized offender database. Your Committee further believes that the consolidation and interpretation of data on convicted offenders is essential to the efficient allocation of prison, probation, and community resources. Your Committee notes that this bill will also assist policy-makers by providing definitive information in evaluating the impact of relevant proposals on criminal justice and correctional resources. Therefore, your Committee agrees that this sentencing simulation model will serve as a valuable tool for all three branches of government, and thus it should be our highest legislative priority.

Testimony in support of this measure was submitted by the Judiciary, the Department of the Attorney General, the Department of Public Safety, the Hawaii Paroling Authority, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Office of the Public Defender, the Honolulu Police Department, the Hawaii County Police Department, the Maui County Police Department, the American Civil Liberties Union of Hawaii, the Community Alliance on Prisons, and TJ Mahoney & Associates.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2432 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 2083 Judiciary on S.B. No. 2685

The purpose of this bill is to authorize trustees to: split a trust into separate trusts; apply the antilapse provisions presently applicable to wills to revocable living trusts providing for distribution upon the settlor's death; include trusts in a provision making anti-contest provisions unenforceable where the contest was reasonable; change the procedures for disposition of unclaimed assets; provide for apportionment of expenses connected with estate taxes; and raise the financial ceiling for small estates from \$60,000 to \$100,000.

Your Committee finds that this measure would make changes to probate law which were proposed and are supported by practitioners in that area of law. Your Committee believes that this measure will make the probate process more efficient and more accessible to those with small estates.

Testimony in support of this measure was submitted by the Judiciary and four attorney members of the Committee on the Uniform Probate Code and Probate Court Practices. Testimony summarizing and taking no position on this measure was submitted by the Department of Taxation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2685, and recommends that it pass Second Reading, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 2084 Judiciary on S.B. No. 2688

The purpose of this measure is to provide operating and capital improvement supplemental appropriations for FY 2001.

Your Committee finds that the Judiciary supplemental budget is limited in focus and addresses only the most pressing of needs. Your Committee further finds that these requested additional resources are necessary for technological enhancements, essential court services, and a very limited number of positions. The requests are consistent with the Judiciary's mission and respond to public demands to ensure the safety of children and other at-risk family members by providing adequate resources for courtroom staff and support services.

Testimony in support of this measure was submitted by the Judiciary. One individual submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2688 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 2085 Judiciary on S.B. No. 2691

The purpose of this measure is to authorize the waiver of filing fees pursuant to sections 607-4 and 607-5, Hawaii Revised Statutes, when victims of crimes seek civil enforcement of criminal restitution.

Your Committee finds that with the passage of Act 269, Session Laws of Hawaii 1998, crime victims were provided with an enhanced means of recovering restitution awarded in criminal cases by permitting them to use civil enforcement proceedings to collect the restitution. The primary objective of Act 269 was to facilitate the recovery of restitution for victims and to restore them without the burden of additional court proceedings and costs. Your Committee further finds that with the implementation of Act 269, courts were obligated under a separate statute to impose a mandatory \$225.00 filing fee upon the victims when they sought civil enforcement of court-ordered restitution. Your Committee believes that by waiving the mandatory filing fees, crime victims will be further empowered in their struggle to achieve financial recuperation from their victimization.

Testimony in support of this measure was submitted by the Judiciary and the Department of the Prosecuting Attorney of the City and County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2691 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 2086 Judiciary on S.B. No. 2692

The purpose of this bill, as received by your Committee, is to provide salary adjustments for appointed judiciary administrative officers for fiscal years 1999-2000 and 2000-2001.

Your Committee finds that the salaries of the administrative director and the deputy administrative director of the courts have not been adjusted in ten years. During the same period, all forty-nine states have increased their judiciary administrative officers' level of compensation at least twice. Your Committee further finds that these appointed administrative officers are significantly undercompensated when measured against their responsibilities, experience, and qualifications.

In addition, your Committee notes that there are judiciary employees reporting directly to the administrative director and deputy administrative director who have higher salaries because they have received several salary increases through collective bargaining agreements. This disparity in income creates potential morale problems and violates basic management principles, since the workload demands placed upon these officers go substantially beyond those of salaried employees.

Your Committee recognizes that the Judiciary is a separate and co-equal branch of government and should, therefore, be afforded greater independence regarding its administrative structure and staffing. Thus, your Committee believes that the chief justice of the supreme court should be given the authority to set the salary levels of the administrative officers of the courts, provided that the salary increases are based upon articulated criteria such as merit and other relevant factors.

Testimony in support of this measure was submitted by the Judiciary.

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

- (1) Modifying the purpose section to reflect the amendments made to the bill;
- (2) Providing that the chief justice may subsequently determine the salaries of the judiciary administrative officers if based upon merit and other relevant factors; and
- (3) Making other technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2692, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2692, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 2087 Judiciary on S.B. No. 3155

The purpose of this bill is to establish an informational practices special fund, to be used by the Office of Information Practices (OIP) for government and public education.

Your Committee finds that OIP has cut back its educational activities and training sessions severely over the past several years, as a result of budget cuts. Your Committee believes that this fund would help OIP to raise its level of educational activities, and thus help government agencies and the public to better understand the legal requirements of the Uniform Information Practices Act.

Testimony in support of this measure was submitted by OIP and one individual. Testimony expressing concerns about this measure was submitted by the Department of Budget and Finance.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3155 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2088 Water, Land, and Hawaiian Affairs on S.B. No. 460

The purpose of this bill is to appropriate funds for infrastructural improvements to the Maunalaha Valley subdivision on the island of Oahu.

Testimony in support of the measure was received from the Office of Hawaiian Affairs and the Maunalaha Valley Community Association. The Department of Land and Natural Resources in oral testimony did not support the measure due to budgetary constraints.

Your Committee finds that families of Hawaiian ancestry living in the Maunalaha region of Makiki Heights have been living in the area for a very long time, some since the Great Mahele. Act 225, Session Laws of Hawaii 1981, authorized the Department of Land and Natural Resources to negotiate and enter into long-term residential leases with residents who met certain specified criteria. When

the leases were offered in 1983, however, only thirty leases were executed and only a few lessees have been able to construct new homes.

The remaining lessees of Maunalaha live in substandard housing, and have not been able to upgrade or rebuild their homes since they are unable to qualify for loans due to substandard infrastructure and because they do not own the land.

Your Committee also finds it unfortunate that in the middle of Honolulu's urban core, these substandard conditions exist, particularly in light of the fact that this issue is not a new one. In light of these findings, your Committee believes that the infrastructural improvements are needed for the Maunalaha Valley residents who have waited long enough for the most basic of infrastructural needs.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 460 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 2089**Water, Land, and Hawaiian Affairs on S.B. No. 2175**

The purpose of this bill is to establish the Youth Conservation Corps.

Specifically, the bill allows the governor to utilize moneys appropriated to any department, regardless of the original purpose of the appropriation, to support and implement the Youth Conservation Corps program.

Testimony in support of the measure was received from the Department of Land and Natural Resources. The Department of Land and Natural Resources did, however, voice its concern over the use of moneys in the Natural Area Reserve Fund to fund the Youth Conservation Corps program.

Your Committee finds that the Youth Conservation Corps is a service learning program for students in high school and college. The program was designed to provide a holistic viewpoint of resource management based on the Hawaiian ahupua'a concept, whereby the protection of the resources are looked at in a more interactive way. Students work alongside resource managers in the field, obtaining "hands on" experience in resource management skills. In addition to learning about resource management, students learn life skills such as leadership, communication, team building, and personal responsibility.

Your Committee has amended the bill by adding two sections that amend the existing version of section 247-7, Hawaii Revised Statutes, and the version of section 247-7 that will take effect on July 1, 2001, to include the Youth Conservation Corps as an authorized expenditure of moneys derived from the conveyance tax.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2175, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2175, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 2090**Water, Land, and Hawaiian Affairs on S.B. No. 2603**

The purpose of this bill is to authorize the issuance of general obligation bonds and appropriate funds for various water quality improvement projects benefitting the Ala Wai Watershed and Canal.

Testimony in support of the measure was received from the Department of Health, the Waikiki Improvement Association, and four private citizens. The Department of Land and Natural Resources could not support the measure due to a projected budget shortfall and the existence of higher priority projects.

Your Committee believes that the Ala Wai Watershed and Canal are important resources for both the island of Oahu and the immediate geographic area it encompasses. Long term neglect of the Ala Wai Watershed and Canal have resulted in serious environmental and aesthetic impacts that force mitigative action. Inaction at this juncture would result in increased costs and irreparable damage to the watershed.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2603, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 2091 Water, Land, and Hawaiian Affairs on S.B. No. 2604

The purpose of this bill is to clarify the scope of the capital improvement project authorized under Act 91, Session Laws of Hawaii 1999, section 64, item A. 15, relating to planning for sediment retention basins for the discharge from the Manoa and Palolo Streams.

Testimony in support of the measure was received from the Department of Land and Natural Resources, the Department of Health, the Hawaii Tourism Authority, the Waikiki Improvement Association, and five private citizens. The University of Hawaii's Environmental Center submitted comments on the bill.

Your Committee finds that the measure clarifies the scope of the planning process by specifically requiring that a conceptual plan for sediment retention basins for Manoa and Palolo Streams be formulated, that an environmental assessment be undertaken, and alternatives to the basins be considered.

Your Committee has amended the measure by making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2604, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 2092 Water, Land, and Hawaiian Affairs on S.B. No. 2646

The purpose of this bill is to authorize the issuance of general obligation bonds in the amount of \$3,988,000, and appropriate those funds for the Wailupe Stream Flood Control Project.

Testimony in support of the measure was received from thirteen private citizens that live near the Wailupe Stream.

The Department of Land and Natural Resources and a private citizen did not support the passage of the bill.

Your Committee finds that the Wailupe Stream Flood Control Project is envisioned to be a tripartite-sponsored capital improvement project to be undertaken by the State, City and County of Honolulu, and moneys appropriated by the U.S. Congress. Although funds are requested in the measure for the project, testimony indicated that the funds would not be needed until 2004. However, testimony also indicated that Congress would require some form of assurance from the state and local government that local funds will be committed for these purposes if it is to appropriate matching funds.

Your Committee has amended the bill by deleting the general obligation bond amount and the amount to be appropriated for the Wailupe Stream Flood Control Project.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2646, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2646, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 2093 Water, Land, and Hawaiian Affairs on S.B. No. 2736

The purpose of this bill is to provide for infrastructural improvements in the Kikala-Keokea region of the island of Hawaii for persons of Hawaiian ancestry who were displaced by lava flows.

Testimony in support of the measure was received from the Department of Land and Natural Resources, the Housing and Community Development Corporation of Hawaii, the Office of Hawaiian Affairs, the Hawaii County Economic Opportunity Council, the Maunaloa Valley Community Association, and a private citizen.

Your Committee finds that Act 314, Session Laws of Hawaii 1991, as amended, authorized the Department of Land and Natural Resources to negotiate and enter into long-term leases with persons of Hawaiian ancestry who were dispossessed or displaced from their homes at Kalapana as a result of the volcanic eruptions on the island of Hawaii. Act 314 also authorized the Department of Land and Natural Resources to subdivide and provide for the creation of a residential subdivision in the Kikala-Keokea homestead area for persons who receive long-term leases from the Department of Land and Natural Resources.

Your Committee also finds that to assist those persons displaced by volcanic eruptions in the Kalapana area, the Legislature also enacted Act 242, Session Laws of Hawaii 1991 to provide low interest loans for those persons to rebuild their homes in the Kikala-Keokea area. Unfortunately, neither of the two acts provided for the infrastructural improvements necessary for the area to become habitable.

Your Committee believes that the bill is necessary to assist the Kikala-Keokea residents in finally being able to enjoy basic infrastructural amenities and that concerns over added costs to the State are negligible in that the bill proposes to utilize funds that were originally appropriated in 1991.

Your Committee has amended the bill by recasting the language in section 6 to more appropriately effectuate the bill's intent.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2736, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2736, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 2094 Water, Land, and Hawaiian Affairs on S.B. No. 2767

The purpose of this bill is to provide for the effective management and operation of the State's Coastal Zone Management (CZM) Program.

Specifically, the bill:

- (1) Establishes a Coastal Zone Special Fund to retain fees, fines, and moneys for the benefit of the CZM Program;
- (2) Clarifies the lead agency's (Office of Planning) responsibilities in maintaining a public advisory board and that the function of such a board as purely advisory;
- (3) Clarifies that it is the lead agency's responsibility to review federal programs, permits, licenses, and development proposals;
- (4) Clarifies what activities are exempt under the CZM program's definition of "development" to ensure consistency with county zoning ordinances;
- (5) Increases the cost threshold for development permits from \$125,000 to \$165,000 to streamline the permitting process for smaller projects while maintaining a high level of environmental oversight;
- (6) Increases certain penalties so as to provide a real deterrent to violations of the CZM law; and
- (7) Replaces the Marine and Coastal Zone Management Advisory Group with a citizen-based body.

Testimony in support of the measure was received from the Office of Planning, the City and County of Honolulu Department of Planning and Permitting, the County of Hawaii Planning Department, the Land Use Research Foundation, and the Hawaii Chapter of the Sierra Club.

Your Committee believes that the establishment of the Coastal Zone Special Fund and the amendments made to the State's CZM law will assist the Office of Planning in the effective management of the State's coastal zone areas.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2767 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 2095 Water, Land, and Hawaiian Affairs on S.B. No. 2768

The purpose of this bill is to establish a funding mechanism for the operation and maintenance of the statewide planning and geographic information system (GIS).

Specifically, the measure enables the Office of Planning to charge fees for spatial analysis services and establishes a special fund in which to deposit the proceeds derived from these services for the Office of Planning's use in this area.

Testimony in support of the measure was received from the Office of Planning and the Department of Agriculture.

Your Committee finds that the Office of Planning's GIS operation is considered to be one of the finest in the nation. Unfortunately, even with this degree of excellence, the GIS program, like so many other fine governmental programs, is constrained by constant pressure to cutback its budget due to dwindling public resources.

Your Committee believes that enabling the Office of Planning to generate and keep revenues that it receives for its services would provide a more stable funding source to ensure the GIS program's long term success.

Your Committee has amended the measure by making numerous technical, nonsubstantive amendments for purposes of clarity and style, and to conform the bill to recommended drafting procedures.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2768, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2768, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 2096 Water, Land, and Hawaiian Affairs on S.B. No. 2983

The purpose of this bill is to clarify the definition of "land" in the State's landowner liability law.

Testimony in support of the measure was received from the Consumer Lawyers of Hawaii.

Your Committee finds that under the State's existing landowner liability law (Chapter 520, Hawaii Revised Statutes), the definition of "land" is somewhat unclear as to whether it encompasses all private lands open to the public. Your Committee also finds that the original intent of Chapter 520, Hawaii Revised Statutes, was to limit the liability of landowners who provide access, for no consideration, to lands for the recreation and enjoyment of the public-at-large. The law was not enacted to protect landowners from liability if the real property is open to the public for commercial purposes.

Consequently, your Committee believes that the bill will provide the clarity necessary to ensure that the limited immunity from liability provided under Chapter 520, Hawaii Revised Statutes, is judiciously implemented.

Your Committee has amended the measure by making a technical, nonsubstantive amendment to accurately reflect existing statutory language.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2983, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2983, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 2097 Water, Land, and Hawaiian Affairs on S.B. No. 2997

The purpose of this bill is to appropriate \$500,000 to develop a Waialua-Haleiwa stormwater drainage master plan.

The Department of Land and Natural Resources did not support the measure due to budgetary constraints.

Your Committee finds that the Waialua-Haleiwa flood plain is located on the northwestern coast of Oahu and has an approximate area of two square miles. The watershed above the Waialua-Haleiwa flood plain is the largest on Oahu, containing an area of 96.5 square miles. On December 2, 1999, a storm occurred in the Koolau which caused water to spill over the emergency spillway at Wahiawa Reservoir into Kaukonahua Stream and caused flood waters to rise up to the floorboards of homes at Otake Camp.

The primary purpose of the Waialua-Haleiwa stormwater drainage master plan will be to provide residents of Waialua and the City and County of Honolulu with specific engineering recommendations for the control of storm drainage throughout the study area, to reduce repetitive flooding to residents and businesses in the area, and to reduce the constant drain on city, state, and federal resources whenever a flood occurs.

Your Committee has amended the measure by deleting the appropriated amount and by making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2997, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2997, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 2098 Water, Land, and Hawaiian Affairs on S.B. No. 2998

The purpose of this bill is to appropriate \$75,000 to the Department of Land and Natural Resources to help fund the operation and maintenance of streamflow and crest-stage gaging stations that provide data for hydraulic and hydrologic flood analyses.

The Department of Land and Natural Resources did not support the measure due to budget constraints.

Your Committee finds that the United States Geological Survey currently operates ninety-five crest-stage gages as of water year 2000. The gages provide information on peak flows for the streams upon which they are located. The Honolulu Forecast Office of the National Weather Service uses the historical record from these gages, in conjunction with other data sources (e.g., continuous record gages, rain gages, etc.), to help determine rainfall-to-runoff relationships for flood prone streams. These relationships are then used to determine thresholds of rainfall for when a particular stream will start to experience flash flooding. The rainfall-to-runoff relationships are stream-specific so it is obviously advantageous to have as much stream flow data as possible. Since forecasters cannot realistically have data for every stream, they apply the rainfall-to-runoff relationships of instrumented stream basins to non-instrumented stream basins with similar physical characteristics.

Your Committee also finds that if not funded by the State, the elimination of forty-seven crest-stage gage sites will occur. This loss will negatively impact forecasters' ability to conduct post-flood analyses and since the loss of forty-seven sites represents a significant reduction in available peak flow data across the State of Hawaii, forecasters will lose their ability to accurately assess the conditions that occur during an actual flood event.

Your Committee has amended the bill by deleting the specific appropriated amount.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2998, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2998, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 2099 Water, Land, and Hawaiian Affairs on S.B. No. 3049

The purpose of this bill is to ensure that certain historic and burial sites are protected by keeping the location of these sites confidential.

Testimony in support of the measure was received from the Department of Land and Natural Resources and the Office of Hawaiian Affairs. The University of Hawaii's Environmental Center provided comments on the measure.

Your Committee finds that the measure amends section 6E-43.5, Hawaii Revised Statutes, to allow the Department of Land and Natural Resources to keep the records, description, and location of a historic site, including burial sites, confidential if the site is deemed sensitive by an island burial council or the Hawaii Historic Places Review Board.

Your Committee believes that the bill will provide for the protection and preservation of these culturally significant sites.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3049 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 2100 Water, Land, and Hawaiian Affairs on S.B. No. 3122

The purpose of this bill is to allow the Board of Land and Natural Resources to lease, by direct negotiation and without recourse to public auction, state-owned submerged lands or lands beneath tidal waters for private residential noncommercial piers without the approval of the Governor or the Legislature.

Testimony in support of the measure was received from the Department of Land and Natural Resources, Rosehill and Associates, and three private citizens.

Your Committee finds that the Department of Land and Natural Resources has initiated a project to bring piers into conformance with state laws and to ensure appropriate revenue generation for beneficiaries of the Public Land Trust. The major components of this program, which now focuses on Kaneohe Bay, are to:

- (1) Identify the approximately two hundred illegal piers;
- (2) Process a master Conservation District Use Application (CDUA), including an environmental assessment (EA) for those illegal pier owners willing to participate in the program;
- (3) Resolve the status of those illegal piers whose owners choose not to participate in the program through the normal departmental penalty system;
- (4) Issue revocable permits or easements for the use of state-owned submerged lands; and
- (5) Waive back rent or fines for those who participate in the program.

Your Committee believes that the program offers participants the opportunity to legalize their piers without having to pay the costs of hiring a consultant to prepare a CDUA and EA and is a fair compromise for all parties involved.

Your Committee wishes to make clear its intent that support of this measure should not be equated as support for the proliferation of private piers in Kaneohe Bay or the streamlining of the permit process to authorize such piers in Kaneohe Bay.

Your Committee has amended the measure by adding a five-year time limit in which the Board of Land and Natural Resources will have the authority to enter into such lease agreements.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3122, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 2101 (Joint) Labor and Environment and Transportation and Intergovernmental Affairs on S.B. No. 2617

The purpose of this bill is to allow the certification of up to five additional eligibles in filling police recruit vacancies.

Testimony in support of the measure was received from the Honolulu Police Department.

All police departments utilize a very comprehensive screening process. Consequently, difficulties are encountered in filling police vacancies. Your Committees are in agreement that certification of additional eligibles will facilitate filling the vacancies.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2617 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (Chun Oakland, Fukunaga, D. Ige, Iwase, Kanno, Taniguchi).

SCRep. 2102 (Joint) Labor and Environment and Transportation and Intergovernmental Affairs on S.B. No. 2890

The purpose of this bill is to delegate the responsibility of regulating individual wastewater systems from the Department of Health to the counties.

Testimony in favor of the measure was received from the Department of Health and the City and County of Honolulu. Testimony in opposition to this measure was received from the Department of Public Works, County of Kauai.

With respect to the permitting process, the Department of Health regulates individual wastewater systems while the counties review building permits. This measure delegates the Department's regulatory responsibilities to the counties; in effect, making the counties a "one-stop agency". Your Committees are in agreement that efficiency will be achieved with this delegation.

Your Committees made technical, nonsubstantive amendments to reflect preferred drafting style.

Your Committees respectfully request that the Committee on Ways and Means weigh the particular needs of each county and modify the appropriations accordingly.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2890, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2890, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (Chun Oakland, Fukunaga, D. Ige, Iwase, Kanno, Taniguchi).

SCRep. 2103 (Joint) Labor and Environment and Education and Technology on S.B. No. 2329

The purpose of this bill is to appropriate general revenues in order to place a school-to-work coordinator/counselor in every public high school.

Testimony in favor of this measure was received from the Department of Education, Hawaii State Teachers Association, Pahoa Schools' Business-Education-Community Alliance, and Kalihi-Palama Local Partnership Council. Testimony in opposition to the measure was received from one individual.

Providing our youth with career guidance is essential for a successful transition from high school to post-secondary education, vocational training, or actual employment. Your Committees are in agreement that appropriating funds for coordinators/counselors who are technologically literate, skilled in vocational counseling, and knowledgeable about comprehensive development career guidance, organizational management, labor market/economy, and educational systems/reform models serves the purpose of this bill.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2329 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Chun Oakland, Fukunaga, Kanno, Matsunaga).

SCRep. 2104 Transportation and Intergovernmental Affairs on S.B. No. 2012

The purpose of this measure is to provide adequate funds for the care and maintenance of veterans cemeteries in Hawaii.

Testimony in support of this measure was received from the Office of Veteran Services, a Council Member from the County of Hawaii, the Parks and Recreation Department of the County of Hawaii, five members of the Disabled American Veterans Chapter #6 in Hilo, three members of the Big Island Retired Military Association, the Hawaii Island Veterans Memorial Inc., two members of the Korean War Veterans, Hilo Chapter, the WW II 100th Infantry Battalion Veterans Group, Sons and Daughters of AJA Veterans, and VFW Post 3875 Aux.

The testimony received by your Committee indicated that the Counties have had the primary responsibility for establishing and maintaining veterans cemeteries within their respective counties, while the State has provided a small maintenance subsidy. As a result, the cemeteries are suffering from inadequate care and are not receiving maintenance at the level they deserve.

Your Committee believes that the State should contribute a larger amount of funding and show that the State shares in its commitment to honor those men and women and their spouses who have served our nation in times of need.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2012, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2105 Transportation and Intergovernmental Affairs on S.B. No. 2031

The purpose of this measure is to require bicycle riders under eighteen years of age to wear a bicycle helmet.

Testimony in support of this measure was received from the Department of Transportation, State Advisory Board for Traumatic Injury, Honolulu Police Department, Keiki Injury Prevention Coalition (KIPC), American Medical Response Hawaii, Peoples Advocacy for Trails Hawaii (PATH), Hawaii Bicycling League, and a concerned citizen.

The testimony received by your Committee indicated that about one third of the injuries from bicycle incidents have involved children under the age of eighteen. Over a recent three year period in Hawaii, 126 children under the age of eighteen were injured seriously enough to require ambulance transport to a hospital, with the average cost \$10,000 per injury.

Your Committee is aware that there is legislation in twenty-four states requiring helmet use and there is firm evidence that the legislation is saving lives and preventing injury. Your Committee believes that requiring the use of a bicycle helmet by persons under eighteen years of age will reduce the number of accidents substantially.

Your Committee has amended this measure by:

- (1) Requiring that the National Safety Council, rather than the highway safety coordinator, be the entity to determine whether an agency is nationally recognized for purposes of testing bicycle helmets;
- (2) Deleting the words "or in a trailer towed by the bicycle", as unnecessary, because section 291C-144, Hawaii Revised Statutes, prohibits bicycles from towing anything;
- (3) Changing the effective date to January 1, 2001, to allow time for education and promotion; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2031, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 2031, S.D.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2106 Transportation and Intergovernmental Affairs on S.B. No. 2133

The purpose of this measure is to appropriate funds to promote a strong partnership between the military and the State of Hawaii by making funds available for community liaison efforts.

Testimony in support of this measure was received from the State Adjutant General, the Department of Business, Economic Development, and Tourism, and the Military Affairs Council of the Chamber of Commerce. Testimony in opposition to this measure was received from the American Friends Service Committee.

Upon consideration of all pertinent issues and testimony, your Committee finds that a strong military presence in Hawaii provides stability in the Pacific region while contributing significantly towards Hawaii's economy, and thus, supports this measure.

Your Committee has amended this measure by clarifying in section 2 that the funds are to be appropriated to the Department of Business, Economic Development, and Tourism, instead of the Department of Defense.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 2133, S.D.1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (D. Ige, Taniguchi, Slom).

SCRep. 2107 Transportation and Intergovernmental Affairs on S.B. No. 2135

The purpose of this measure is to appropriate funds for the Fiftieth Anniversary Commemoration of the Korean War Commission.

Testimony in support of this measure was received from the Department of Defense, Office of Veteran Affairs, four members of the Korean War Commission, a member of the Korean War Veterans Association, eight veterans of the Korean War, forty-two members of the 5th Regimental Combat Team, Korean War Veterans, thirty-nine members of the Korean War Veteran Association, Hawaii Chapter #1, a member of the American Legion Post #2, and the Military Affairs Council of the Chamber of Commerce.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will show that the State of Hawaii recognizes and appreciates the dedicated men and women who served the nation during the war and deserve to be recognized and honored for their many sacrifices and heroic deeds.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2135, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (D. Ige, Inouye, Taniguchi).

SCRep. 2108 (Majority) Transportation and Intergovernmental Affairs on S.B. No. 2156

The purpose of this measure is to exempt certain foreign diplomatic and consular mission members from the transient accommodations tax (TAT).

Testimony in support of this measure was received from the United States Department of State, the Department of Taxation, and the Career Consular Corps in Hawaii. Comments were received from the Tax Foundation of Hawaii.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will bring Hawaii into conformity with the rest of the United States, as Hawaii currently is the only State that does not grant a TAT exemption.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2156, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, 1 (Slom). Excused, 2 (D. Ige, Inouye).

SCRep. 2109 (Majority) Transportation and Intergovernmental Affairs on S.B. No. 2306

The purpose of this measure is to specify factors that the public utilities commission must consider in whether to grant a certificate of public convenience and necessity, and makes unauthorized activity grounds for denying subsequent applications.

Testimony in support of this measure was received from E Noa Corporation, a Hawaii motor carrier. The public utilities commission opposed the measure.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will clarify the factors to be considered by the public utilities commission in granting a certificate of public convenience.

Your Committee has amended this measure by making a technical, nonsubstantive change.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2306, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Buen). Excused, 3 (D. Ige, Inouye, Iwase).

SCRep. 2110 (Majority) Transportation and Intergovernmental Affairs on S.B. No. 2307

The purpose of this measure is to require the public utilities commission to issue a certificate of convenience allowing more than the service proposed for common carriers and permits for contract carriers.

The bill also provides that if a carrier engages in activity without the authority of the commission, this activity shall be grounds for denial for a period of two years of any application by the carrier to the commission.

Testimony in support of this measure was received from E Noa Corporation, a Hawaii motor carrier. The public utilities commission submitted testimony in opposition to this measure.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will clarify that the public utilities commission cannot authorize more service than requested by the applicant for either certificates of public convenience or permits for contract carriers.

Your Committee has amended this measure by limiting the bill to applicants for authority to carry passengers, and has made technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2307, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2307, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Buen). Excused, 3 (D. Ige, Inouye, Iwase).

SCRep. 2111 Transportation and Intergovernmental Affairs on S.B. No. 2635

The purpose of this measure is to lower highway vending to a petty misdemeanor and extend the definition of the crime to include the risk of creating a hazardous condition or public nuisance.

Testimony in support of this measure was received from the Department of Transportation, the Honolulu Police Department, and the Honolulu Department of the Prosecuting Attorney.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will clarify where vending is prohibited, eliminate discrepancies between the section stating the offense and the section imposing the penalty, and provide that the offense can be committed by recklessly disregarding the risk of creating a hazardous condition or public nuisance rather than requiring the actual creation of the hazardous condition or public nuisance. In addition, the bill reduces the offense from a misdemeanor to a petty misdemeanor.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2635, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (D. Ige, Inouye).

SCRep. 2112 Transportation and Intergovernmental Affairs on S.B. No. 2955

The purpose of this measure is to give the Director of Transportation the authority to limit road use in areas that have greater than normal potential for developing into a disaster for highway users.

Testimony in support of this measure was received from the Department of Transportation. Testimony in opposition of the measure was received from a citizen.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will give the Director of Transportation the authority to limit the transport of hazardous chemicals and materials on the highways, and to restrict travel through certain designated areas.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2955 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (D. Ige, Inouye).

SCRep. 2113 (Majority) Economic Development on S.B. No. 2742

The purpose of this measure is to repeal the pork labeling law.

Testimony in favor of this measure was submitted by the Department of Agriculture. The Hawaii Farm Bureau submitted comments.

Your Committee finds that this law, which requires pork produced in Hawaii to be labeled as "Island Produced Pork", is unenforceable because pork originating from different geographic areas is virtually impossible to differentiate visually. In addition, there is no rule making authority or penalty for noncompliance under the law. Your Committee has heard a voluntary program with adequate protection from mislabeling is preferred, and would reduce the regulatory burden placed on small businesses in Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2742 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (M. Ige). Excused, none.

SCRep. 2114 Economic Development on S.B. No. 2909

The purpose of this measure is to replace the temporary 'Aina Ho'omaluku special fund with a permanent state parks special fund, and to expand the authorized uses of the fund to include general administration and operations of the state parks system.

Testimony in favor of this measure was submitted by the Department of Land and Natural Resources (DLNR). The Office of Hawaiian Affairs (OHA) testified in opposition.

Your Committee finds that the 'Aina Ho'omaluku special fund was established to support interpretive programs focusing on "Parks of Distinction" within the State Parks Division. With the decline in revenues over the last several years, the restricted aspect of this fund has had a negative impact on the overall resources available for the statewide system of state parks.

Your Committee has heard the concerns of the Office of Hawaiian Affairs regarding both the broader focus of this new special fund, and the fact that the special fund language does not address the revenue due to OHA from state parks located on ceded lands. Your Committee has also heard that representatives from DLNR and OHA will be meeting to discuss the ceded lands revenues, and believes this issue can be resolved outside of this measure. While your Committee finds interpretive programs to be an important part of the state parks program, our parks suffer from neglect and remedying this situation should be first priority of the parks system.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2909 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (M. Ige, Kawamoto).

SCRep. 2115 Economic Development on S.B. No. 2911

The purpose of this measure is to clarify that the five per cent transfer from the boating special fund to the general fund for central services expenses shall be limited to the amount remaining after debt service.

Testimony in favor of this measure was submitted by the Department of Land and Natural Resources and the Hawaii Boaters Political Action Association.

Your Committee finds that this measure would provide the same provisions for the boating special fund that were in place when the boating program was under the authority of the Department of Transportation. The exemption of the amounts required for debt service from the five per cent assessment will allow the boating program to retain approximately \$100,000 annually that can be expended on programs to benefit Hawaii's boating community.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2911 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (M. Ige, Kawamoto).

SCRep. 2116 Economic Development on S.B. No. 3134

The purpose of this measure is to appropriate \$50,000 for fiscal year 2000-2001 to the Department of Business, Economic Development, and Tourism, to conduct a study on the feasibility of establishing a technology-focused community-based center in Waialua town.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism, the High Technology Development Corporation (HTDC), Waialua High and Intermediate School, Friends for Waialua Town, Hui Kalo 'O Waialua, Waialua Farmers Cooperative, Mokuleia Community Association, and two individuals.

Your Committee finds that this measure supports the State's efforts to encourage rural and economically distressed communities to plan and develop facilities that foster innovation and efficient use of resources and technology to expand economic opportunities for these communities. Your Committee has heard from the HTDC that the agency has facilitated development of a community-based technology center at Laupahoehoe on Hawaii, and will be assisting in the establishment of the Molokai Community Innovation Center and the Hilo and Kona technology centers this year.

Your Committee has also heard that Waialua town is an excellent candidate for a similar center and that the feasibility study called for in this measure need not be lengthy or costly. Your Committee finds the suggestion by the HTDC that the measure incorporate community input and assistance in establishing the center to be a prudent use of this appropriation and has amended the measure to:

- (1) Authorize the HTDC to establish a task force made up of representatives of the Waialua community to study the feasibility of establishing a community-based center, to define the needs of the community, and to develop and implement a plan for the center;
- (2) Expand the scope of the purpose of this measure to include the purchase of computers, telecommunications, and network systems that the will be required for operation of the center;
- (3) Make the HTDC the expending agency; and
- (4) Correct a technical error.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3134, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3134, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2117 Economic Development on S.B. No. 3137

The purpose of this measure is to authorize the issuance of special purpose revenue bonds not to exceed \$10,000,000 to assist Science and Technology International, Inc., in planning and building a processing plant for freeze drying of agricultural products at a site to be determined.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism, the High Technology Development Corporation, and Science and Technology International, Inc.

Your Committee finds that this measure will support both the diversification of agricultural products produced in Hawaii and the development of new export markets for the State. Your Committee has heard that the high technology applications of the proposed operations also support current efforts to develop the many aspects of this industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3137 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2118 Labor and Environment on S.B. No. 2414

The purpose of this measure is to prohibit the contractors licensing board from restoring a contractor's license if the contractor has allowed worker's compensation insurance coverage to lapse for more than sixty days.

Testimony in favor of this measure was received from Hawaii Building and Construction Trades Council, AFL-CIO. Testimony in opposition to the measure was received from the Contractors License Board, Department of Commerce and Consumer Affairs.

To obtain and maintain a license, a contractor must carry workers' compensation insurance. Circumvention is possible by purchasing insurance for a couple of months to obtain a license and then having the policy lapse. This measure encourages continued coverage by prohibiting the licensing board from restoring a forfeited license if the contractor has allowed the policy to lapse for more than sixty days. Your Committee is in agreement that with continued insurance coverage, workers injured on the job are protected.

Your Committee has amended this measure to correctly reflect the language in the Hawaii Revised Statutes and to correct a typographical error.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2414, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Fukunaga, M. Ige, Ihara).

SCRep. 2119 (Majority) Labor and Environment on S.B. No. 2893

The purpose of this bill is to increase Hawaii's minimum wage to an amount equal to fifty cents above the federal minimum wage.

Testimony in favor of the measure was received from the Department of Labor and Industrial Relations; Department of Human Services; Hawaii State Commission on the Status of Women; ILWU Local 142; Hawaii Nurses' Association; Hawaii Federation of Business and Professional Women's Club, Inc.; Local Union 1186, IBEW; Electrical Contractors Association of Hawaii; American Friends Service Committee; and two individuals.

Testimony in opposition to the measure was received from the Chamber of Commerce of Hawaii; Liberty House; Legislative Information Services of Hawaii; Hawaii Hotel Association; Hawaii Business League; Hawaii Restaurant Association; National Federation of Independent Business-Hawaii; Kyotaru and Columbia Inn Restaurants; Small Business Regulatory Review; Retail Merchants of Hawaii; and one individual. The Building Industry Association submitted comments on the measure.

Your Committee finds that the last minimum wage increase in Hawaii was in 1993 to \$5.25 per hour. With passage of this measure, future increases to Hawaii's minimum wage will be automatically linked to increases in the federal minimum wage. Your Committee believes that this link to the federal minimum wage will benefit Hawaii's workers.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2893 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, 1 (Slom). Excused, 2 (Chumbley, Fukunaga).

SCRep. 2120 (Majority) Labor and Environment on S.B. No. 2905

The purpose of this measure is to extend the sunset date of the Employment and Training Fund Program through December 31, 2005.

Testimony in favor of this measure was received from the Department of Labor and Industrial Relations, Hawaii Agriculture Research Center, Head Start Hawaiian Beaches Site, Hawaii Fashion Industry Association, Hawaii Island Landscape Association, People Attentive to Children, Hawaii Association for the Education of Young Children, Pacific Business Insights, Inc., Napali Kai, Shriners Hospital, Oceanic Institute, ABC Stores, Pacific Beach, Pagoda, and King Kamehameha Beach hotels, and Hui Malama Learning Center. Testimony in opposition to the measure was received from the Hawaii Business League, National Federation of Independent Business, and the Retail Merchants of Hawaii.

To compete in the global market, businesses must upgrade the skills of their workers to meet changing technology and consumer tastes. Many small businesses cannot afford the expense of training. Through the Employment and Training Fund Program, small businesses are able to provide their workers the skills necessary to keep pace with competitors. Your Committee finds it worthwhile to continue the Employment and Training Fund Program.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2905 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Fukunaga, M. Ige, Ihara).

SCRep. 2121 Water, Land, and Hawaiian Affairs on S.B. No. 559

The purpose of this measure is to ensure that the public maintains its right to access the State's recreational and cultural resources.

The measure accomplishes this by establishing a new chapter in the Hawaii Revised Statutes (HRS) which requires that, prior to any state or county approval for any development, the approving agency shall ensure that free and unimpeded public access to the shoreline, mountains, or other recreational, cultural, or natural resource is provided as a condition of approval; provided that such a condition shall not be imposed if public access is available nearby.

Testimony in favor of the bill was received from the Office of Hawaiian Affairs, the Hawaii Audubon Society, Hawaii's Thousand Friends, and the Hawaii Chapter of the Sierra Club.

Testimony in opposition to the measure was received from the Department of Land and Natural Resources, the County of Hawaii's Planning Department, Hawaiian Electric Company, and the Land Use Research Foundation.

Your Committee has amended the measure by deleting its substance and inserting therefor, language that amends section 46-6.5, HRS, relating to the counties' requirements for developers to provide public access.

Your Committee believes that the issue is more appropriately addressed in chapter 46, HRS, due to the concerns raised over access rights dealing with gated communities which would fall under the jurisdiction of the counties.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 559, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 559, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nakata, Anderson).

SCRep. 2122 Water, Land, and Hawaiian Affairs on S.B. No. 2110

The purpose of this measure is to extend the process by which individual native Hawaiian claimants may seek compensation from breaches of the Hawaiian Home Lands Trust.

Specifically, the measure:

- (1) Extends the Hawaiian Home Lands Trust Individual Claims Review Panel's authority until December 31, 2002; and
- (2) Establishes an Individual Hawaiian Home Lands Trust Claims Compensation Commission to develop funding options to compensate successful claimants.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, the Hawaiian Political Action Council of Hawaii, and three private citizens. The Attorney General and the Department of Hawaiian Home Lands supported the spirit of finding a mechanism that would finally and conclusively resolve these individual claims.

An attorney representing individual claimants who are currently in litigation in state circuit and federal district courts over this matter testified in opposition to the measure.

Your Committee believes that individual claimants that put their faith in the process established and subscribed to by the State pursuant to the enactment of chapter 674, Hawaii Revised Statutes, were unceremoniously denied resolution of, and compensation for, their successful claims through the Attorney General's retraction of participation in the resolution process and the subsequent veto of the extension of the review process by the Governor last year.

Your Committee believes that the claimants who successfully engaged the claims review process should be compensated and that the State should honor its commitment to "let the process run its course."

Your Committee has amended the measure by making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2110, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2110, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun, Nakata).

SCRep. 2123 Water, Land, and Hawaiian Affairs on S.B. No. 2118

The purpose of this measure is to provide for the more efficient protection of culturally-significant Hawaiian burial sites and heiau in the State.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, Life of the Land, and Ka Lahui Hawaii. The International Archaeological Research Institute, Inc., testified in support of the intent of the measure but asked that it be amended.

The Land Use Research Foundation, and a private citizen opposed the passage of the measure. The Department of Land and Natural Resources and a member of Hui Malama I Na Kupuna O Hawai'i Nei, testified that the measure should be deferred due to the possibility that S.B. No. 568, S.D. 2, H.D. 2, would be released from the House of Representatives this year. The University of Hawaii's Environmental Center provided comments on the measure.

Your Committee finds that the measure:

- (1) Allows the Department of Land and Natural Resources to utilize burial specialists, rather than archaeologists for the assessment and oversight of burial site mitigation plans;
- (2) Provides for the protection of heiau on private lands by establishing a property forfeiture penalty for the wilful, unauthorized destruction or alteration of heiau; and
- (3) Establishes a burial site program within the Department of Land and Natural Resources to assist island burial councils with their mandated responsibilities.

Your Committee has amended the measure by:

- (1) Deleting the definition of, and all references to, "burial specialist";
- (2) Establishing a definition of "heiau";
- (3) Increasing the fine for wilful, unauthorized destruction or alteration of a historic burial site or heiau from \$10,000 to \$25,000;
- (4) Establishing that if a property owner fails to take corrective action or report to the Department of Land and Natural Resources that a historic burial site or heiau has been wilfully damaged or destroyed, after the property owner has been made aware of the unlawful act, then the property owner shall be subject to the penalties provided in chapter 6E, Hawaii Revised Statutes.

Your Committee believes that the amended measure more appropriately addresses the concerns of the Hawaiian community, historic preservationists, and property owners by providing reasonable guidelines and penalties for the desecration of culturally-significant Hawaiian sites.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2118, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Nakata).

SCRep. 2124 Water, Land, and Hawaiian Affairs on S.B. No. 2181

The purpose of this measure is ensure that the Office of Hawaiian Affairs receives its pro rata share of ceded land revenues while a comprehensive ceded land inventory is being completed.

The measure accomplishes this by appropriating \$16,060,000 for fiscal year 2000-2001 to be credited against the State's obligation to pay a pro rata share of ceded land revenues to the Office of Hawaiian Affairs for the benefit of native Hawaiians.

The measure also states that if it is determined that the State owes more than this amount, then the State must make additional payments to satisfy the discrepancy.

Testimony supporting the intent of the measure was received from the Office of Hawaiian Affairs.

Your Committee believes that an interim revenue amount must be established if the Office of Hawaiian Affairs is to effectively carry out its mandated responsibilities to the native Hawaiian community. The measure ensures that the Office of Hawaiian Affairs will be able to fund its programs for native Hawaiians while providing that the State will be credited for such payment in any future financial settlement between the State and the Office of Hawaiian Affairs over the ceded land controversy.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2181 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Nakata).

SCRep. 2125 Water, Land, and Hawaiian Affairs on S.B. No. 2914

The purpose of this measure is to consolidate certain special funds under the jurisdiction of the Department of Land and Natural Resources to realize cost savings.

The measure accomplishes this by abolishing the Department of Land and Natural Resources' Industrial Park Special Fund and directing the moneys collected thereunder, as well as fees and fines collected under Chapter 183C (Conservation Districts), Hawaii Revised Statutes, into the Department of Land and Natural Resources' Special Land and Development Fund.

Testimony in support of the measure was received from the Department of Land and Natural Resources and Na Leo Pohai, the public policy affiliate of the Outdoor Circle.

Your Committee believes that the special fund consolidation recommended by the bill will not adversely impact any programs currently funded by either special fund and will result in the more efficient fiscal management of the programs and funding mechanisms under the Department of Land and Natural Resources' jurisdiction.

Your Committee has amended the measure by making technical, nonsubstantive amendments for the purpose of clarity and to conform the measure to recommended drafting procedures.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2914, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2914, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Nakata).

SCRep. 2126 Water, Land, and Hawaiian Affairs on S.B. No. 2915

The purpose of this measure is to direct the moneys generated by the disposition of mineral and water rights into the Department of Land and Natural Resources' Special Land and Development Fund and to authorize the Commission on Water Resource Management to use the moneys contained in that fund for its programs.

Testimony in support of the measure was received from the Department of Land and Natural Resources and the Honolulu Board of Water Supply. The Office of Hawaiian Affairs opposed the passage of the bill.

Your Committee finds that since 1994, the Commission on Water Resource Management's budget has been reduced by eighteen percent. While the Special Land and Development Fund accounts for roughly six percent of the Commission's funding, the remaining ninety-three percent of its budget is derived from state general funds. As such, during these fiscally trying times, the Commission's budget has constantly been a target for further cutbacks.

Your Committee believes that a consistent source of funding through the redirection of a moneys generated by the disposition of mineral and water rights into the Special Land and Development Fund would allow the Commission to not only base more its budget needs on that fund, but also enable it to fully carry out its responsibilities and to implement monitoring, management, enforcement, and resource protection programs/activities that are necessary to sustain the State's limited water resources.

Your Committee has amended the bill by making technical, nonsubstantive amendments for the purposes of clarity and to conform the measure to recommended drafting style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2915, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2915, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Nakata).

SCRep. 2127 Water, Land, and Hawaiian Affairs on S.B. No. 3181

The purpose of this measure is to appropriate \$2,500,000 to the Office of Hawaiian Affairs for the purpose of funding a process by which native Hawaiians may register to be a subject of the Kingdom of Hawaii or a citizen of the United States of America.

Testimony in support of the measure was received from the Hawaiian Political Action Council of Hawaii and four private citizens. The Office of Hawaiian Affairs and Kukahi testified in opposition to the measure.

Under the measure, the registration of native Hawaiians shall include:

- (1) Registration for a Monarchy position;
- (2) Registration of subjects of the Kingdom of Hawaii which includes:
 - (A) Identification cards;
 - (B) Right to travel cards;
 - (C) Passports;
 - (D) Certificates of citizenship; and
 - (E) Voting registration;
 and
- (3) Registration of a government official position.

Your Committee believes that the measure provides an opportunity for native Hawaiians to register their preference on the matter of sovereignty in a very personal and therefor, meaningful way.

Your Committee has amended the measure by:

- (1) Deleting the specific appropriated amount;
- (2) Deleting the reference to a trust fund to be overseen by a body such as the Native Hawaiian Women League of Voters; and
- (3) Making numerous technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3181, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3181, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Nakata).

SCRep. 2128 Health and Human Services on S.B. No. 2030

The purpose of this measure is to appropriate funds for the nonprofit, community-based, health-care system for the medically underserved.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Bay Clinic, Inc., Hawaii State Primary Care Association, Waimanalo Health Center, Hana Community Health Center, Kalihi Palama Health Center, Waianae Coast Comprehensive Health Center, Healthcare Association of Hawaii, Legal Aid Society of Hawaii, and two private individuals.

Hawaii's system of nonprofit, community-based, health-care providers specialize in preventive care for those who are denied care due to cultural or socio-economic conditions. These nonprofit, community-based, health-care providers also contribute greatly to the economies of the depressed areas they serve, being directly or indirectly responsible for annually adding seventy-five million dollars and nine hundred jobs to the local economy.

Your Committee finds that adequate financial support for this system of nonprofit, community-based, health-care providers is constantly threatened by a lack of resources as it is established for those who cannot afford to pay for care.

Your Committee has amended this measure by:

- (1) Clarifying that the DOH may provide resources for the purposes of the appropriation;
- (2) Deleting reference to the DOH providing resources of in-kind staffing support;
- (3) Deleting reference to including community health centers, school-based clinics, and Care-A-Van program for homeless as providers; and

- (4) Clarifying that costs, scope of service, and need on all islands are factors to be considered in distribution of funds on a per visit basis.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2030, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2030, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2129 Health and Human Services on S.B. No. 2607

The purpose of this measure is to create the Commission on the Status of Women trust fund (fund) and to authorize the Commission to establish a nonprofit organization to effectuate its powers and duties.

Your Committee received testimony in support of this measure from the Department of Public Safety; Department of Labor and Industrial Relations; University of Hawaii at Manoa Women's Center and Office of Student Equity, Excellence, and Diversity; Honolulu Human Resources Department; Hawaii State Commission on the Status of Women and two commissioners; Hawaii Civil Rights Commission; Hawaii Women's Legislative Coalition, League of Women Voters, Hawaii Women Lawyers; Community Alliance on Prisons; Family Planning Centers of Hawaii; TJ Mahoney & Associates; Sex Abuse Treatment Center; Hawaii Coalition for Affordable Long-Term Care; Parents and Children Together; Hawaii State Coalition Against Domestic Violence; Violence Prevention Consortium; Volunteer Legal Services Hawaii; Hawaii Women's Political Caucus; Hawaii Federation of Business and Professional Women's Clubs, Inc.; and three private individuals.

The purpose of the fund is to financially support the programs of the Commission on the Status of Women (Commission). The trust fund would receive private contributions and would expend funds exclusively for commission programs.

Your Committee believes that the fund is an excellent method of allowing the Commission to become self-funded, and it would set an example for other commissions with a laudable public purpose to do the same. The programs of the Commission benefit all women of all ages, without regard to economic strata. Private contributions from the general public can be expected to increase, particularly if the Commission establishes a nonprofit organization.

The measure also calls for the conversion of the Commission's civil service staff position to exempt status to allow for flexibility of hours and autonomy to adjust personnel to meet its project needs. Your Committee notes that the measure also provides that any employee affected by the conversion shall be retained in the employment of the State at the same pay and classification, through a transfer to another position for which eligible.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2607 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2130 Health and Human Services on S.B. No. 2864

The purpose of this measure is to create criminal offenses of endangering the welfare of an incompetent person in the first and second degrees.

Your Committee received testimony in support of this measure from the Executive Office on Aging, State Planning Council on Developmental Disabilities, Honolulu Prosecuting Attorney, and Honolulu Police Department.

Under current law, endangering the welfare of an incompetent person is a misdemeanor. This measure changes it to a first degree offense classified as a class C felony, and adds an element of intent. The second degree offense added by this measure would penalize reckless acts in a manner likely to be injurious to the physical or mental welfare of a person who is unable to care for the person's self because of physical or mental disease, disorder, or defect.

This measure is intended especially to protect the frail, elderly, and disabled populations who are particularly susceptible to abuse that usually occurs in the home or in an institution. Your Committee finds that this measure addresses a common situation of a reckless act rather than an intentional act that harms a person.

Your Committee has amended this measure to make technical, nonsubstantive changes to reflect preferred drafting style and to add missing statutory language.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2864, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2864, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2131 Health and Human Services on S.B. No. 2866

The purpose of this measure is to revise the prescription drug laws.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Hawaii Pharmacists Association, and Longs Drugs.

The thrust of this measure is to:

- (1) Improve patient care by liberalizing the requirements for dispensing prescription drugs and medical oxygen, without compromising public health; and
- (2) Remove refill restrictions on out-of-state prescriptions which impede access to needed prescription medications for visitors and local residents with mainland physicians.

Your Committee has amended this bill to make clarifying amendments as recommended by the DOH, and to make technical, nonsubstantive changes to reflect preferred drafting style and for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2866, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2866, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2132 Health and Human Services on S.B. No. 2873

The purpose of this measure is to authorize the Hawaii Health Systems Corporation (HHSC) to issue \$38 million in revenue bonds.

Your Committee received testimony in support of this measure from the Department of Budget and Finance (B&F), Kona-Kohala Chamber of Commerce, Maui Region Public Health Facility Management Advisory Committee, Maui Hotel Association, HGEA, Maui Memorial Medical Center, HHSC, and two private individuals.

Act 116, Session Laws of Hawaii 1998, relating to the state budget, authorized \$38 million in revenue bond funds for capital improvement projects for the HHSC. The HHSC is required by law to obtain approval of the legislature to issue revenue bonds. This measure allows the HHSC to seek bond financing for that amount.

According to testimony of B&F, Maui Memorial Hospital and Hilo Medical Center are the only two profitable hospitals in the HHSC system. The system as a whole is experiencing a negative cash flow. The improvements and renovations financed by the \$38 million in revenue bonds are expected to improve the revenue generating capabilities at the Maui Memorial Hospital.

Your Committee has amended this measure by making technical, nonsubstantive changes to reflect preferred drafting style and for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2873, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2873, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2133 Health and Human Services on S.B. No. 2876

The purpose of this measure is to require the Department of Health (DOH) to develop procedures for obtaining verifiable information, including criminal history record checks, regarding the criminal history of persons seeking employment with the DOH, providers, or subcontractors.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Attorney General, Office of Youth Services, and The Sex Abuse Treatment Center.

This measure applies to persons in positions that place them in close proximity with clients, when providing medical, mental health, or substance abuse treatment services. These services are personal and may involve intimate contact with clients. Your Committee believes that any person performing these services should be of reputable character, as evidenced in part by a criminal history background check.

Your Committee has amended this measure by:

- (1) Replacing "close proximity" with "direct contact";
- (2) Clarifying that the positions covered by this measure are those involving direct contact with clients when providing services that are "non-witnessed";
- (3) Clarifying that the DOH must obtain criminal history checks on current as well as prospective employees;
- (4) Adding that the DOH may terminate a current employee on the same basis as other provisions in the measure;
- (5) Clarifying that the DOH must do background checks first for providers and subcontractors, second for employees employed by the DOH since 1990, and third for all other employees of the DOH;
- (6) Allowing Hawaii criminal history data center to disseminate information to the DOH for purposes of the measure; and
- (7) Making technical, nonsubstantive changes to reflect preferred drafting style and for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2876, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2134 Health and Human Services on S.B. No. 2883

The purpose of this measure is to make an emergency appropriation for the State's Medicaid home and community based services for the developmentally disabled or mentally retarded program.

Your Committee received testimony in support of this measure from the Department of Health, Department of Human Services (DHS), State Planning Council on Developmental Disabilities, Easter Seals, United States Department of Health and Human Services, The ARC in Hawaii, and Catholic Charities.

The amount of the appropriation is \$367,268, to the DOH for the State's share of matching federal funds. The additional funds will support current clients, provide for the admission of more people into the program, and address issues raised by a federal lawsuit against the State.

Your Committee has amended this measure on the recommendation of the DHS to clarify the amount of federal matching funds, and to make technical, nonsubstantive changes to reflect preferred drafting style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2883, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2883, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2135 Health and Human Services on S.B. No. 2885

The purpose of this measure is to repeal certain regulatory statutes of the Department of Health (DOH).

Your Committee received testimony in support of this measure from the Department of Health.

This measure would repeal statutes relating to:

- (1) Location of slaughterhouses;
- (2) Building permit or license issuance by the counties for a building or operation of a bakery, laundry, poi shop, abattoir, stable, fish, meat, or vegetable store or market, hotel, tenement, lodging house, or any place or building where noisome or noxious trades or manufactures are carried on;
- (3) Requiring that yard and grounds of a dwelling be well drained and kept free from rubbish, and requiring a lodging house keeper or employer of laborers to keep in repair a closet or privy;
- (4) Requiring lodging houses and dwellings for laborers to allow free access to DOH agents; and

- (5) Requiring dwellings to be free of filth so as not to be a nuisance or injurious to health.

Your Committee finds these statutes to be archaic, obsolete, and of no current or future necessity. According to testimony of the Department of Health, it has adequate authority under other statutes to perform the functions of the repealed statutes.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2885 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2136 Health and Human Services on S.B. No. 2892

The purpose of this measure is to correct a technical error in Act 304, Session Laws of Hawaii 1999, relating to the Hawaii tobacco settlement moneys.

Your Committee received testimony in support of this measure from the Department of Health.

Specifically, this measure provides that the appropriation out of the Hawaii tobacco settlement special fund to the Department of Health is for fiscal year 1999-2000, not 1999-2001.

Your Committee wishes to make clear that the correction of the fiscal year does not change the percentage allocations of tobacco settlement moneys as provided in Act 304.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2892 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2137 Judiciary on S.B. No. 2523

The purpose of this bill is to cap fees for copying state and county government records at 25 cents per page.

Your Committee finds that the present law requires government agencies to charge a minimum of five cents per page, but places no cap on the amount that may be charged. Your Committee further finds that the cost per page of copying standard pages, even if the copy machine operator were the governor himself, is no greater than five cents per page. Your Committee notes that there may be additional costs associated with reproduction of records, such as staff time needed to search for records. However, your Committee believes that a cap of 25 cents per page for a record copying charge allows more than enough to cover those additional costs. Your Committee finds that placing a cap on the amount that may be charged for records, and repealing the current minimum amount required to be charged, will improve public access to government.

Your Committee finds that oversized records, such as maps and plats, may be substantially more costly to reproduce than standard sized records. Your Committee believes that agencies working with such oversized records should be able to charge a fee equal to or less than the actual cost of reproduction.

Testimony in support of this measure was submitted by the Office of Information Practices, Common Cause Hawaii, Life of the Land, and three individuals. Testimony partly in opposition and partly in support of this measure was submitted by the Department of Accounting and General Services. Testimony in opposition to this measure was submitted by a Hawaii County Council member and the United Public Workers.

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

- (1) Deleting provisions preempting county action, as precedence of statutes over county ordinances already prevents a county from enacting an ordinance contrary to the statute, and the preemption clause could potentially prevent counties and agencies from setting, by rule or ordinance, a copying fee within the range permitted by the statute;
- (2) Permitting an agency to charge a higher fee for oversized documents, up to the actual cost of reproduction; and
- (3) Requiring that an agency charging a higher fee for oversized documents explain how the fee is calculated upon request by a member of the public.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2523, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2523, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2138 Judiciary on S.B. No. 2690

The purpose of this bill, as received by your Committee, is to: require that the court, upon sentencing a defendant to probation or deferring a plea of guilty or nolo contendere, order the defendant to pay a probation service fee of \$100 for a term of over a year or \$50 for a term of a year or less; and to establish the probation services special fund.

Your Committee finds that the probation offender population in Hawaii has increased by about ten percent in the last five years, yet the resources allocated to the program have been reduced in conjunction with general budget reductions. Thus, probation officers are now required to provide more investigative and supervision services, for more high-risk offenders, with fewer resources. Your Committee finds that the proposed fees will not approach fully reimbursing the State for the money spent on probation services, but will help to defray the costs of administration. Your Committee further finds that a probation fee may have a useful effect with regards to offender reform by emphasizing that they must take responsibility for their offenses and for the costs incurred due to their criminal acts.

However, your Committee believes that the inclusion of defendants who have agreed to deferred acceptance of a guilty or nolo contendere plea in the general probation offender population is inappropriate. Your Committee notes that although such defendants, like probation offenders, are assessed as to risk and supervised through the probation administration, as a group they present a low risk of re-offending. For this reason, significantly fewer resources are required for supervision of defendants who have agreed to deferred pleas than for offenders sentenced to probation. Your Committee believes that, in fairness, the burden of probation service fees should fall on those who present a higher risk of re-offending and are, therefore, heavier users of probation resources.

Testimony in support of this measure was submitted by the Judiciary and the Department of the Prosecuting Attorney of the City and County of Honolulu. Testimony partially supporting and partially opposing this measure was submitted by the Attorney General and the Crime Victim Compensation Commission. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

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

- (1) Deleting language that would have given payment of the probation service fee priority over payment of child support and victim restitution;
- (2) Deleting language requiring defendants entering deferred guilty or nolo contendere pleas to pay the probation service fee; and
- (3) Increasing the fee amount from \$100 to \$150 for probation of over a year, and from \$50 to \$75 for probation of a year or less.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2690, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2690, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Anderson).

SCRep. 2139 Commerce and Consumer Protection on S.B. No. 2200

The purpose of this measure is to increase the amount of resources available to the Public Utilities Commission (PUC) by limiting the amount of moneys in the PUC special fund that lapse into the state general fund at the end of each fiscal year.

The PUC, Hawaii Transportation Association, Kauai Electric, The Gas Company, Hawaiian Electric Company, Inc., and Life of the Land submitted testimony in support of the measure.

Currently, the law requires that all moneys in excess of \$1,000,000 remaining in the PUC special fund at the end of each fiscal year lapse into the state general fund. This measure would limit moneys unavailable to the PUC by virtue of their lapsing by restricting the amount of lapsed funds to the greater of either moneys in excess of \$1,000,000, or two-thirds of the fund's balance. Allowing the PUC to keep more of the moneys in the special fund will enable it to support a workload that presently includes regulation of over two hundred sixty utilities, two water carriers, and nine hundred motor carriers. The additional resources will also enable the PUC to retain qualified staff to monitor compliance by the regulated industries by initiating audits of carriers and tracking utility expenditures.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2200 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Inouye).

SCRep. 2140

(Majority) Commerce and Consumer Protection on S.B. No. 2280

The purpose of this measure is to appropriate funds to the Consumer Advocate for a study that develops measurement standards to quantify the benefits of underground high-voltage utility lines, including the measurement of externalities associated with underground lines.

The Public Utilities Commission (PUC), Department of Commerce and Consumer Affairs, Kauai Electric, GTE, Life of the Land, and Na Leo Pohai submitted testimony in support of the measure. The Hawaiian Electric Company, Inc., submitted comments expressing concerns about the measure.

Section 269-27.6, Hawaii Revised Statutes, requires that the PUC, in considering a public utility's application to construct a high-voltage electric transmission system, determine whether the system's utility lines should be placed above or below the ground. The law further requires that the PUC consider several factors in its determination, including whether a benefit exists that outweighs the costs of placing the system underground.

The Legislative Reference Bureau (LRB), in a report on undergrounding public utility lines prepared pursuant to Senate Concurrent Resolution No. 30, passed by the 1999 Legislature, noted that the law sets no standards for valuing benefits, and that measurement standards are essential to an accurate cost-benefit analysis. The LRB proposed that the Legislature authorize the development of standards by appropriating funds of \$500,000 to \$700,000 to the Consumer Advocate to measure the externalities involved in a cost-benefit analysis, and this Act implements that recommendation.

Your Committee intends that the Consumer Advocate's study include a quantification of the direct and indirect costs associated with underground utility lines and that the Consumer Advocate seek input from community members, utility representatives, and regulators to ensure that all the relevant issues are analyzed in its study.

Your Committee has amended this measure by:

- (1) Appropriating the moneys for the study out of the public utilities commission special fund, rather than the general revenues of the State; and
- (2) Increasing the amount of the appropriation from \$500,000 to \$700,000.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2280, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2280, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, 1 (Slom). Excused, 2 (Hanabusa, Inouye).

SCRep. 2141

Commerce and Consumer Protection on S.B. No. 2289

The purpose of this measure is to clarify that the sale of prepaid telephone calling cards are subject to taxation under the general excise tax law as tangible personal property.

The Department of Taxation, AT&T, and GTE Hawaiian Telephone submitted testimony in support of the measure.

Currently, telephone carriers charge consumers public service company taxes and general excise taxes when a prepaid calling card is used for local, intrastate, interstate, and international calling service. Since carriers generally do not know the retail price of the card being used by the caller, its tax calculations are imprecise. Further, since the public service company tax is applied only when the card is used, the State receives such revenues only to the extent the card is used, and no public service company tax revenues are realized on unused cards or unused portions of a card.

Additionally, some retailers in the State charge consumers general excise tax on the sale of prepaid calling cards. Therefore, some consumers using prepaid calling cards are taxed twice, when the card is purchased and when the card is used.

This measure, by clarifying that prepaid telephone calling services are taxable at the point of sale, allows for simplified and more precise tax calculations and eliminates the imposition of multiple taxes on consumers purchasing and using a calling card in the State. Further, the State's receipt of tax revenues would not be dependent upon calling card usage. Finally, by adopting this measure, Hawaii would be in conformity with thirty states and the District of Columbia which tax prepaid telephone calling services service at the point of sale.

Your Committee has amended this measure by:

- (1) Clarifying that all prepaid telephone calling services are taxable under the general excise tax law, in lieu of taxation under the public service company tax law; and
- (2) Providing that the measure applies to gross income and gross proceeds on sales of prepaid telephone calling services received after August 31, 2000, to enable the Department of Taxation sufficient time to educate affected businesses about the new law.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2289, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2142 Commerce and Consumer Protection on S.B. No. 2296

The purpose of this measure is to update State law regarding the disclaimer of property interests by enacting the Uniform Disclaimer of Property Interests Act (UDPIA).

The State Commission to Promote Uniform Legislation submitted testimony in support of the measure.

Disclaimers are used to reallocate interests in estates, trusts, and other types of property interests allocated at death, and are often used to obtain more favorable tax treatment. This measure adopts the Uniform Disclaimer of Property Interests Act (1999) which replaces three separate disclaimer acts promulgated in 1978, including an earlier version of the UDPIA. The UDPIA authorizes the making of disclaimers, specifies the type of interests that may be disclaimed, and establishes when disclaimers are effective and the effects of a disclaimer on the distribution of the disclaimed property interest. Additionally, the Act clarifies that trustees and other fiduciaries may use disclaimers, powers of appointment may be disclaimed, and unfair distributions of interests are avoided when disclaimers are used.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2296 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Slom).

SCRep. 2143 (Joint) Commerce and Consumer Protection and Health and Human Services on S.B. No. 2976

The purpose of this measure is to require that nursing home administrators satisfy continuing education requirements as a condition of license renewal.

The Hawaii Long Term Care Association submitted testimony in support of the measure. The Department of Commerce and Consumer Affairs (DCCA) submitted testimony in opposition to the measure.

Your Committees find that continuing education will help nursing home administrators keep abreast of changes in federal and state laws and regulations, treatment philosophies, and technology, thereby enabling licensees to provide better oversight of the care of our elderly and disabled in nursing home facilities. By establishing a continuing education requirement for license renewal, Hawaii will join the majority of the states that require continuing education for its nursing home administrator licensees.

Your Committees have amended this measure by authorizing the director of DCCA to coordinate, rather than contract the services of a private entity to provide educational or testing services, and by making a technical, nonsubstantive amendment to reflect preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2976, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2976, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 5 (Bunda, Fukunaga, Hanabusa, Ihara, Levin).

SCRep. 2144 Health and Human Services on S.B. No. 2075

The purpose of this measure is to make an appropriation to continue the coordination and implementation of the Good Beginnings Alliance initiative.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Education, Honolulu Department of Community Services, Hawaii Family Support Center-Healthy Start, Hawaii Association for the Education of Young Children, Prevent Child Abuse Hawaii, Healthy Mothers Healthy Babies, Hawaii Medical Association, Good Beginnings Alliance, Hawaii Business Roundtable, American Academy of Pediatrics Hawaii Chapter, Easter Seals, Maui Family Support Services, Inc., and a private individual.

The Good Beginnings Alliance, established by Act 77, Session Laws of Hawaii 1997, is an incorporated nonprofit entity that works through four good beginnings county councils and an interdepartmental council. The Good Beginnings Alliance partners work

to implement strategies in good beginnings county plans and in the state early childhood master plan that support progress towards the child outcomes and key indicators and benchmarks of those outcomes.

Your Committee finds that the goals of the Good Beginnings Alliance are of great importance to the community. A major reason why children fail in school is that they are not emotionally and cognitively prepared for school, often lacking language and social skills. If they do not learn to read by the third grade, they are at risk for school failure. There is an increasing amount of data showing that having positive and stimulating early childhood experiences, particularly for children at risk, enhances children's performance capacity, school readiness, and later success in life, and reduces the risk for poor outcomes such as involvement in the criminal justice system. Quality child care can help.

In order to continue the development and coordination of quality early childhood education and care services, your Committee finds that this public-private partnership requires public funding to match the private funding acquired to date.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2075 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2145 Health and Human Services on S.B. No. 2443

The purpose of this measure is to require the reporting of child abuse or neglect by professionals and officials to either the police or the Department of Human Services.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS), Honolulu Prosecuting Attorney, Honolulu Police Department, Prevent Child Abuse Hawaii, and Catholic Charities.

The intent of this measure is to facilitate and expedite the furnishing of services by the DHS for child abuse and neglect cases. Current law requires the reporter of child abuse or neglect to report to the police and child protective services. Under this measure, it will be less cumbersome for the reporter to report to two agencies. Police departments and child protective services are still obligated to report to each other once they have received a report of child abuse or neglect.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2443 and recommends that it pass Second Reading and be referred to the Committee on Transportation and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2146 Health and Human Services on S.B. No. 2457

The purpose of this measure is to clarify that any expenditure of moneys by the Department of Health (DOH) of tobacco settlement moneys for health promotion and disease prevention programs shall not supplant or diminish the funding of programs by the State's general fund.

This measure also requires the concurrence of the Director of Health for the nonprofit entity selected to administer the Hawaii tobacco prevention and control trust fund to expend moneys from the trust fund, and corrects a typographical error with regard to the fiscal year appropriation in Act 304, Session Laws of Hawaii 1999.

Your Committee received testimony in support of this measure from the Department of Health, Good Beginnings Alliance, American Heart Association, Hawaii Family Support Center-Healthy Start, Coalition for a Tobacco Free Hawaii, Injury Prevention Advisory Committee, Keiki Injury Prevention Coalition, Hawaii Nurses' Association, and Ka'u Rural Health Community Association, Inc. Testimony in opposition was received from the Department of Budget and Finance.

Your Committee finds that the Governor is reducing the budget of the DOH for health programs in an amount equal to the tobacco settlement moneys allocated to the DOH. This measure clarifies your Committee's original intent in enacting chapter 328L, Hawaii Revised Statutes, providing for the disposition of the Hawaii tobacco settlement moneys, that the tobacco settlement moneys would be in addition to budgeted moneys so that there would be more funding for health programs. Your Committee believes that it would be anomalous for the State to receive a windfall of moneys intended for health programs if those programs do not benefit with more funding.

Your Committee has amended this measure to clarify that the nonprofit entity selected to administer the Hawaii tobacco prevention and control trust fund may expend any portion of the moneys, including principal and interest, from the trust fund without the concurrence of the Director of Health. Your Committee has also made a technical, nonsubstantive amendment to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2457, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2457, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2147 Health and Human Services on S.B. No. 2493

The purpose of this measure is to make appropriations for substance abuse treatment services for teenagers, pregnant women, babies, and child protective services families.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Department of Human Services (DHS), Hawaii Substance Abuse Coalition, and Hawaii Family Support Center-Healthy Start.

This measure appropriates an unspecified sum for specialized substance abuse treatment services for families who have children under five years of age and who are involved with child protective services of the DHS. This measure also appropriates an unspecified sum for specialized substance abuse treatment services for pregnant women and teenagers.

Your Committee finds that the target populations for services under this bill have a tremendous need for specialized substance abuse treatment services that address their particular needs. The target populations have more sensitive social, psychological, and medical conditions that do not respond well to conventional therapies designed for the ordinary drug addict or abuser.

Your Committee has amended this measure by making a single appropriation to the DOH for services for women, teenagers, and families.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2493, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2148 Health and Human Services on S.B. No. 2496

The purpose of this measure is to change the allocation of tobacco settlement moneys in the Hawaii tobacco settlement special fund and to clarify the expenditure of those moneys by the Department of Health (DOH).

Your Committee received testimony in support of this measure from the DOH, Good Beginnings Alliance, Prevent Child Abuse Hawaii, Hawaii Community Foundation, Hawaii Family Support Center-Healthy Start, American Association of Retired Persons, and a private individual. Testimony in opposition was received from the Department of Budget and Finance and Hawaii Nurses' Association. Informational testimony was received from the Department of Human Services, Tax Foundation of Hawaii, and a private individual.

This measure changes the amount allocated for the emergency and budget reserve fund from forty to twenty per cent, and the amount allocated to the DOH from thirty-five to fifty-five per cent. This measure also requires the DOH to expend ten per cent of those moneys received to support early childhood education and care, and ten per cent to support substance abuse treatment services for pregnant women, families, and teenagers.

Your Committee finds that early childhood education and substance abuse treatment services should benefit from a portion of the tobacco settlement moneys by having a dedicated funding source. Many of the today's social and educational problems in Hawaii stem from lack of adequate resources and services for early childhood education and substance abuse. This measure is intended to redress that imbalance. Your Committee believes that the tobacco settlement moneys is an ideal source of funding for these kinds of programs, and that another opportunity like this may not happen again.

Your Committee has amended this measure to:

- (1) Allow the DOH to transfer to the Department of Human Services a portion of the ten per cent of moneys designated for expenditure by the DOH to support early childhood education and care; and
- (2) Make technical, nonsubstantive changes to reflect preferred drafting style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2496, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2496, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2149 Health and Human Services on S.B. No. 2875

The purpose of this measure is to clarify payments from the State to critical access hospitals.

Your Committee received testimony in support of this measure from the Department of Health, Department of Human Services, Healthcare Association of Hawaii, Lanai Community Hospital, Hawaii State Primary Care Association, HGEA-AFSCME, Hawaii Health Systems Corporation, Hawaii Long Term Care Association, Ka'u Rural Health Community Association, Inc., Kona-Kohala Chamber of Commerce, and seventy private individuals. Testimony in opposition was received from one individual.

Critical access hospitals are hospitals included in the federal Rural Plan by the federal Health Care Financing Administration and approved as a critical access hospital by the Department of Health (DOH) in accordance with federal law. The Balanced Budget Act of 1997 (Public Law 105-33) established the Medicare Rural Hospital Flexibility Program (RHFP) to assist states and rural communities in improving access to essential health services through the establishment of limited services hospitals and rural health networks. The program created the critical access hospital as a limited service hospital eligible for Medicare certification and reimbursement. In response to the program, the State has developed a rural health plan to guide the implementation of the RHFP.

This measure is intended to optimize the benefits of the RHFP by changing the methodology for calculating Medicaid reimbursements to critical access hospitals on a cost basis, using Medicare reasonable cost principles.

Your Committee has amended this measure by:

- (1) Including the definition of critical access hospital in statute;
- (2) Clarifying that the State's share of matching funds will be provided through the Hawaii Health Systems Corporation and other designated critical access hospital appropriations, and that if funding is not available, Medicaid reimbursement will revert back to the existing Medicaid payment methodology; and
- (3) Making technical, nonsubstantive changes to reflect preferred drafting style and for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2875, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2875, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2150 Health and Human Services on S.B. No. 2878

The purpose of this measure is to make an emergency appropriation for the adult mental health division.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Attorney General, Board of Health, State Mental Health Planning and Advisory Council, HGEA-AFSCME, Mental Health Association in Hawaii, NAMI Oahu, and a private individual.

This measure is to provide funds to implement additional services and activities at the State Hospital to reach compliance with the requirements of the settlement agreement and subsequent orders in *United States v. State of Hawaii*, Civil Number 91-00137 (DAE). In 1991, the State and the federal government entered into a settlement agreement, but the case remains open pending compliance by the State to the terms of the settlement agreement.

Your Committee has amended this measure on the advice of the DOH by inserting an appropriation amount and making technical, nonsubstantive changes to reflect preferred drafting style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2878, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2878, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2151 Health and Human Services on S.B. No. 3019

The purpose of this measure is to make an appropriation for the Healthy Start program.

Your Committee received testimony in support of this measure from the Department of Health, Department of Education, Hawaii Family Support Services-Healthy Start, Maui Family Support Services, Inc., Prevent Child Abuse Hawaii, American Academy of Pediatrics Hawaii Chapter, Parents and Children Together, Catholic Charities, Family Support Services of West Hawaii, Child and Family Services, Easter Seals, and a private individual.

Healthy Start was developed to identify children at risk at birth, those born into overburdened families with multiple stresses and risk factors, such as domestic violence, substance abuse, mental retardation and mental illness, and single and teen parents without support systems. Families in need of extra support are enrolled in home visiting services on a voluntary basis. Home visitors seek to reduce the stresses that typically precipitate abuse and neglect, foster positive parenting skills and positive parent-child relationships, and strengthen self-sufficiency of parents to provide safe and caring homes for their children. Healthy Start has been a proven success.

A recent study by Survey Marketing Services showed that Healthy Start is considered the most effective of the current child welfare reform efforts in Hawaii and to be the most promising service to reduce child abuse in the future. The Blueprint for Change conducted a cost benefit study which showed prevention of child abuse through the Healthy Start program to have a cost benefit ratio of nearly three-to-one over treatment services. This study considered short-term savings for child protective services, foster care, and children's mental health. Healthy Start is also recognized nationwide as an effective prevention program for children and has been used as a model program by other states in recent years.

Your Committee recognizes that there is much that can and should be done as investments in assuring that Hawaii's children get a safe start in life and arrive in school healthy and ready to learn. Healthy Start is a foundation for these efforts and must be maintained with state funding, with the intention of expansion to all families of infants and children at risk.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3019 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2152 (Joint) Labor and Environment and Economic Development on S.B. No. 2746

The purpose of this bill is make numerous revisions to Hawaii's Pesticide Law.

Testimony in favor of this measure was received from the Department of Agriculture, RESCUE Hawaii, and the American Crop Protection Association. Comments were received from the Environmental Center.

Your Committees find that amendments are necessary to bring Hawaii law in closer conformity with federal law, facilitate the expeditious collection of fines, and expand the use of the revolving fund. Specifically, the changes include: amending the definition of "pest"; adding the definition of "integrated pest management"; allowing the revolving fund to be used for personnel costs and developing integrated pest management strategies; exempting pesticides deregulated by the EPA, and changing penalties from civil to administrative.

Your Committees amended the measure by substituting the "integrated pest management" definition with that contained in the 1996 Food Quality Protection Act in order to reconcile Hawaii's definition with federal law. Your Committees also made technical, nonsubstantive amendments to reflect preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2746, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2746, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Chun Oakland, Fukunaga, Kanno).

SCRep. 2153 Transportation and Intergovernmental Affairs on S.B. No. 2096

The purpose of this measure is to require that when a person is at least sixteen years of age but under eighteen years of age and has been granted a license, the person must have a licensed driver at least twenty-one years of age in the motor vehicle after 11:00 p.m. or before 5:00 a.m., and that all occupants of the motor vehicle during that time must wear seatbelts.

Testimony in support of this measure was received from the Department of Transportation, the Superintendent of Education, Honolulu Police Department, State Farm Insurance, Hawaii Insurers Council, and MADD. The Department of Customer Services of the City and County of Honolulu City had no objection to the measure but offered a proposed amendment. The Judiciary submitted a proposed amendment to the measure, but did not submit substantive comments.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure is similar to graduated licensing efforts in other states and would promote traffic safety among young drivers.

Your Committee has amended this measure by:

- (1) Clarifying when a person whose license was suspended or revoked will be eligible to operate a motor vehicle on the highway again;

- (2) Providing that failure to have an adult in the motor vehicle during the specified times or to have safety belts on while in the motor vehicle will result in suspension of license; and
- (3) Making technical, nonsubstantive amendments to conform the bill to preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2096, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 2096, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (D. Ige, Inouye, Iwase).

SCRep. 2154 (Majority) Transportation and Intergovernmental Affairs on S.B. No. 2143

The purpose of this measure is to authorize the development of a heliport on the Olowalu Sanitary Landfill site to service the West Maui area.

Testimony in support of this measure was received from the Department of Transportation, the Council Chair of the County Council of Maui, the Mayor of the County of Maui, and Landtec, Inc. Comments were received from the Department of Health and the Department of Land and Natural Resources.

Your Committee finds that a heliport in Olowalu will provide another means of emergency access to and from West Maui and will provide emergency medical, fire safety, and passenger service.

Your Committee has amended the measure by stating a concern raised by the Department of Health regarding the continuing effects of an underground fire on potential development at the former Olowalu Sanitary Landfill site.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2143, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Inouye). Excused, 3 (D. Ige, Iwase, Taniguchi).

SCRep. 2155 Transportation and Intergovernmental Affairs on S.B. No. 2189

The purpose of this measure is to increase from forty-five to sixty days, the time within which a lessor of a rental or U-drive motor vehicle has to provide a court with the name and address of a lessee receiving a parking citation or summons.

This measure also deletes the provision that allows the administrative judge to impose an administrative fee of \$5 dollars on the lessor instead of requiring the name and address of the lessee.

Testimony in support of this measure was received from Catrala-Hawaii. The Judiciary offered comments on the impact of the measure, but took no position.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that increasing the time limit from forty-five days to sixty days will allow the lessors more time with which to comply with the law.

Your Committee has amended the measure by reinstating the waiver provision, changing it from discretionary to mandatory, and applying it only if the lessor fails to provide the name and address of the lessee within sixty days following receipt of notification of the summons or citation. Your Committee has also amended the measure by clarifying that the name and address of the lessee required is the one furnished by the lessee to the lessor.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2189, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2189, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (D. Ige, Inouye, Iwase).

SCRep. 2156 Transportation and Intergovernmental Affairs on S.B. No. 2193

The purpose of this measure is to increase penalties for various traffic violations within school zones.

The bill will apply to violations of the law on failure to render aid, over taking a vehicle on the left, overtaking and passing a school bus, or speeding and racing on highways if any of these violations occur within one thousand feet of a school zone.

Testimony in support of this measure was received from the Department of Transportation, a Councilmember of the city council, and an individual.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will send a strong message to motorists that speeding and other traffic violations in school zones are not acceptable and will be penalized accordingly.

Your Committee has amended this measure by providing that the penalty in fines and imprisonment shall be three times those currently provided.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2193, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2193, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (D. Ige, Inouye, Iwase).

SCRep. 2157 Transportation and Intergovernmental Affairs on S.B. No. 2300

The purpose of this measure is to allow the Department of Transportation to enter into cost-containment contracts with private developers for public improvements that cost up to \$2,000,000 without legislative approval and up to \$5,000,000 with legislative approval.

Testimony was received in favor of this measure from the Department of Transportation, Department of Land and Natural Resources, Hawaii State Association of Counties, Maritime Committee of the Chamber of Commerce, Lifteraft & Marine Safety Equipment, Inc., American Hawaii Cruises, Kaahumanu Center, Kona-Kohala Chamber of Commerce, Big Island Business Council, Maui Hotel Association, Hawaii Island Economic Development Board, VIP Foodservice, CSX Lines, and Atlantis Adventures.

Your Committee finds that this measure would attract the private capital necessary for infrastructure improvements to the harbors.

Your Committee has amended the measure by providing that the Department of Land and Natural Resources may also enter into cost-containment contracts. Your Committee has also amended the measure by clarifying subsection (d) to reflect that a contract with a value between \$2,000,000 and \$5,000,000 requires legislative approval.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2300, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (D. Ige, Iwase, Taniguchi).

SCRep. 2158 Transportation and Intergovernmental Affairs on S.B. No. 2308

The purpose of this measure is to enable the counties to submit an itemized claim for reimbursement of general excise taxes passed on by licensees.

Testimony in support of this measure was received from the County of Hawaii Department of Finance, a Council Member of the Hawaii County Council, and the Council Chair of the Maui County Council. Testimony in opposition to this measure was received from the Department of Budget and Finance. The Department of Taxation deferred to the Department of Budget and Finance, and the Tax Foundation submitted comments.

Your Committee finds that this measure recognizes the inequity in having counties pay the passed on general excise tax on their purchases and places an unnecessary burden on the limited resources of the counties.

Your Committee has amended this measure by making a technical, nonsubstantive change.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2308, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2308, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (D. Ige, Iwase, Taniguchi).

SCRep. 2159 Transportation and Intergovernmental Affairs on S.B. No. 2318

The purpose of this measure is to amend the law relating to administrative revocation of driver's licenses to include revocation of all motor vehicle registrations issued to a driver who has been convicted of a previous violation of driving under the influence of intoxicating liquor or habitually driving under the influence of liquor or drugs.

Testimony in support of this measure was received from the Judiciary, Prosecuting Attorney and the Department of Customer Services of the City and County of Honolulu, Honolulu Police Department, and MADD. Testimony was received in opposition from the Department of Transportation who requested that it be deferred because of an administration measure they prefer.

Your Committee finds that section 5 of the federal TEA-21 Restoration Act encourages states to enact repeat intoxicated driver laws. Failure to enact these laws will result in a reduction of federal highway funds. This measure will keep federal aid highway funds secure by establishing stronger repeat intoxicated sanctions, primarily the termination of motor vehicle registration of the intoxicated driver.

Your Committee has amended this measure by clarifying that an administrative revocation means the termination of the registration of all motor vehicles registered to the arrestee. Your Committee has also amended this measure by making technical, nonsubstantive changes for clarity and consistency and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2318, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (D. Ige, Taniguchi).

SCRep. 2160 (Majority) Transportation and Intergovernmental Affairs on S.B. No. 2403

The purpose of this measure is to increase the maximum amount of the additional fee assessed for motor vehicle certificates of registration to be used for the disposal of abandoned and derelict vehicles.

Your Committee received testimony in support of this measure from a Council Member from the County of Maui, the Council Chair from the County of Maui, Department of Public Works from County of Kauai, Kauai County Council, and Hawaii State Association of Counties. Your Committee received testimony from Catrala-Hawaii in support of the measure as long as it does not affect U-drive vehicles. Na Leo Pohai submitted testimony in opposition to the measure.

Your Committee finds that this increase will help defray the high cost of disposition and related activities of abandoned or derelict vehicles. Your Committee notes the increase in disposal fee does not apply to U-drive vehicles.

Your Committee has amended the measure to limit the use of the fee to only defray the cost of disposition and other related activities of abandoned or derelict vehicles.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2403, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2403, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, 1 (Slom). Excused, 2 (D. Ige, Taniguchi).

SCRep. 2161 Transportation and Intergovernmental Affairs on S.B. No. 2504

The purpose of this measure is to increase the monetary penalties for reckless driving, failing to stop for a pedestrian in a crosswalk, and speeding.

The measure also provides for a mandatory license revocation for leaving the scene of an accident, for the third offense of failing to stop for a pedestrian in a crosswalk for accidents involving death, bodily injury, and damage to vehicle or property.

Testimony in support of this measure was received from the Department of Transportation, the Honolulu Police Department, and the Department of the Prosecuting Attorney of the City and County of Honolulu.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will send a strong message to motorists that this type of behavior will not be tolerated and will be penalized accordingly.

Your Committee has amended this measure by deleting the reference in the purpose section regarding the Honolulu police department and the prosecuting attorney being hesitant to prosecute cases of reckless driving that do not involve a pedestrian in a crosswalk.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2504, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (D. Ige, Inouye, Iwase).

SCRep. 2162 (Majority) Transportation and Intergovernmental Affairs on S.B. No. 2686

The purpose of this measure is to impose a fine of not more than \$500 for using a motor vehicle without paying the registration tax and eliminates the requirement of knowingly using a motor vehicle the tax upon which is delinquent before being penalized.

Testimony in support of this measure was received from the Judiciary, and testimony in opposition to the measure was received by a Honolulu resident.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure provides a penalty provision necessary for adjudicating citations.

Your Committee has amended this measure by making a technical, nonsubstantive change.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2686, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, 1 (Slom). Excused, 2 (D. Ige, Inouye).

SCRep. 2163 Transportation and Intergovernmental Affairs on S.B. No. 2760

The purpose of this measure is to limit the State and counties liability in highway litigation.

Testimony in support of this measure was received from the Attorney General, the Department of Transportation, GTE Hawaiian Telephone, and Hawaiian Electric Company, Inc. Testimony in opposition to the measure was received from the Consumer Lawyers of Hawaii.

The testimony received by your Committee indicated that this measure is in response to the decision of the Supreme Court of Hawaii in Taylor v. Rice, et al. v. State of Hawaii, 91 Haw. 60, 71, 979 P.2d 1086, 1097 (1999). In Taylor, the court expanded the State's liability to drivers who do not exercise reasonable care in driving on highways. In doing so, it overruled a long-standing and respected precedent of the same court and placed upon the State duties which are unfair and inappropriate.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will reinstate the long-standing precedent of limiting the State and counties liability in highway cases where drivers do not exercise reasonable care or choose to violate any section of Hawaii's traffic laws.

Your Committee has amended this measure by deleting the section concerning the duty of the State in limited highway cases to those who exercise reasonable care in driving upon them. Your Committee has also amended the measure by adding that the State owes no duty to a person driving under the influence.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2760, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2760, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (D. Ige, Inouye).

SCRep. 2164 Transportation and Intergovernmental Affairs on S.B. No. 2766

The purpose of this measure is to clarify that projects created and established as condominium property regimes are subject to county land use regulatory authority, and to ensure that they conform to provisions of underlying county zoning ordinances and development requirements, and are consistent with the intent of adopted county land use policies and the state land use law.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, the Real Estate Commission, and a citizen. Testimony was received from Hawaii's Thousand Friends in support of the provision requiring the filing of a declaration of compliance with all county zoning, building, and other permit requirements, as a condition to the issuance of a final public report prior to the completion of construction of a project. *

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will clarify that projects created as condominium property regimes are subject to county zoning and development ordinances and rules, and the county authority to adopt supplemental rules to ensure conformance.

Your Committee has amended this measure by deleting the proposed definition of "apartment" because existing Commission rules already define that term, and by renumbering the sections accordingly.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2766, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2766, S.D. 1, and be referred to the Committee on Government Operations and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (D. Ige, Inouye).

SCRep. 2165 Transportation and Intergovernmental Affairs on S.B. No. 2950

The purpose of this measure is to authorize and limit liability for rapid removal of obstructions on state highways and authorizes minor assistance to stranded motorists on state highways.

Testimony in support of this measure was received from the Department of Transportation and the Honolulu Police Department. Testimony in opposition to this measure was received by a citizen.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will help to eliminate potential accidents and highway safety problems.

Your Committee has amended this measure by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2950, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2950, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (D. Ige, Inouye).

SCRep. 2166 Transportation and Intergovernmental Affairs on S.B. No. 3082

The purpose of this measure is to amend the state of mind required for the offense of unauthorized control of a propelled vehicle to include recklessness as an alternative mental state.

Testimony in support of this measure was received from the City and County of Honolulu Prosecuting Attorney, and the Honolulu Police Department.

Your Committee finds that this measure will allow the jury to consider additional evidence to the offense of unauthorized control of a propelled vehicle instead of only considering knowing or intentional conduct.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3082 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2167 Transportation and Intergovernmental Affairs on S.B. No. 3104

The purpose of the measure is to provide for the distribution of monetary assessments for motor vehicle violations to the counties for use to fund salaries of police department personnel.

Testimony in support of this measure was received from the Maui County Council, a member of the Honolulu City Council, and the Advocates for Consumer Rights. Testimony in opposition to this measure was received from the Department of Transportation.

Your Committee recognizes that the counties have the responsibility for the administration and oversight of motor vehicles and their usage in the State, in particular, vehicle registration and enforcing the motor vehicle code.

Your Committee has amended this measure by expanding the use of the monetary assessments from salaries of the police department personnel to appropriations for the police department, including salaries of the police department personnel. Your Committee has also made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3104, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (D. Ige, Iwase, Taniguchi).

SCRep. 2168 (Joint) Water, Land, and Hawaiian Affairs and Economic Development on S.B. No. 2005

The purpose of this measure is to enable the Department of Land and Natural Resources to issue new long term leases to the existing lessees located on Banyan Drive in Hilo, Hawaii.

Testimony in support of the measure was received from the Department of Land and Natural Resources, the Chamber of Commerce of Hawaii, the Hawaii Association of Realtors, the Hawaii Island Economic Development Board, the Hawaii Naniloa Hotel, and a private citizen. The Office of Hawaiian Affairs opposed the passage of the measure.

Your Committees recognize the unique and critical situation facing resort area lessees on Banyan Drive in Hilo, Hawaii. With the majority of the leases expiring in 2015, these lessees are faced with the uncertainty of continued tenancy. Under the current laws, as the end of the lease term nears, the lessees will have fewer incentives to make major investments in improvements to their infrastructure and ensure the long-term maintenance of their facilities. As a result, deterioration of the infrastructure is likely to occur.

Under this measure, Banyan Drive lessees would be exempted from the overall public policy of making public lands available to the highest qualified bidder at auctions. Your Committees believe, however, that in this specific and unique case, an exception to this public policy is justified for the Banyan Drive lessees.

According to the measure, the exception is based on the fact that the State owns virtually the entire Banyan Drive resort area, which represents, approximately eighty per cent of total overnight accommodations in east Hawaii. Banyan Drive is an integrated resort area. All of the existing structures were built as hotels although not all are in hotel use at this time. It is important that the entire Banyan area be maintained as a resort area. Because the State controls so much of the hotel space in east Hawaii, the State has a responsibility to ensure that its actions will not have a harmful impact on the larger community as a whole. Should the State allow the Banyan Drive resort area to deteriorate, including the structures not currently used directly for hotel purposes, if and when the tourism market rebounds, east Hawaii will not be in a position to respond promptly with adequate hotel space. The negative impact would magnify as ancillary industries, dependent on the tourist market, would also suffer. Furthermore, approximately five hundred direct resort jobs would be affected, as well as many other indirect jobs.

In order to protect the State's ability to use the leased lands for other purposes if the need arises, the measure reserves the State's right to do so if the current downturn in visitor activity in the Hilo area turns into a more long-term structural shift in the east Hawaii tourism market.

Your Committees find that the measure would affect fifteen total leases in the Banyan Drive resort area. Of these fifteen leases, there are ten leases covering three resort facilities (Naniloa, Hilo Bay, and Hilo Hawaiian), three leases for each of three apartment/condominium facilities (Country Club, Bayview Banyan, and Reed's Bay), one golf course lease, and one restaurant lease.

Your Committees believe that the measure will enable Banyan Drive lessees to secure long term leases, thereby enhancing their ability to secure capital improvement loans to remain viable.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2005 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Kanno, Kawamoto, Taniguchi).

SCRep. 2169 (Joint) Water, Land, and Hawaiian Affairs and Economic Development on S.B. No. 2741

The purpose of this measure is to provide the Department of Agriculture with an additional two years to complete the State Agricultural Water Use and Development Plan mandated by Act 101, Session Laws of Hawaii 1998 (Act 101).

Testimony in support of the measure was received from the Department of Agriculture, the Commission on Water Resource Management, and the Hawaii Farm Bureau.

Your Committees find that the Department of Agriculture, under Act 101, Session Laws of Hawaii 1998, was charged with the responsibility to develop a State Agricultural Water Use and Development Plan by the beginning of 2000. However, your Committees also find that no additional funds were appropriated to the Department of Agriculture to carry out this additional responsibility.

Currently, the Department of Agriculture is utilizing its existing resources and is working in collaboration with the Commission on Water Resource Management to meet the mandates of Act 101.

Your Committees believe that providing the Department of Agriculture with an additional two years to complete the State Agricultural Water Use and Development Plan is reasonable considering that no additional funds have been made available for this purpose.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2741 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Kanno, Kawamoto, Taniguchi).

SCRep. 2170 Water, Land, and Hawaiian Affairs on S.B. No. 2917

The purpose of this measure is to establish a Water Resource Management Fund for the Commission on Water Resource Management (Commission) to use for water-related activities.

Testimony in support of the measure was received from the Department of Land and Natural Resources and the Honolulu Board of Water Supply. The Office of Hawaiian Affairs submitted comments.

Your Committee finds that since 1994, the Commission on Water Resource Management's budget has been reduced by eighteen percent. While the Special Land and Development Fund accounts for roughly six percent of the Commission's funding, the remaining ninety-three percent of its budget is derived from state general funds. As such, during these fiscally trying times, the Commission's budget has constantly been a target for further cutbacks.

Your Committee believes that a consistent source of funding through the establishment of a Water Resource Management Fund would allow the Commission to fully carry out its responsibilities and to implement monitoring, management, enforcement, and resource protection programs/activities that are necessary to sustain the State's limited water resources.

Your Committee has amended the measure by inserting language that clarifies that the applicable revenues deposited into the Water Resource Management Fund shall be subject to the pro rata revenue requirements of Hawaiian Homes Commission Act of 1920, as amended, and section 5(f) of the Admission Act of 1959, as implemented by Article XII, section 6, of the State Constitution.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2917, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2917, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Nakata).

SCRep. 2171 (Joint) Water, Land, and Hawaiian Affairs and Economic Development on S.B. No. 2984

The purpose of this measure is to authorize the Department of Land and Natural Resources to lease submerged lands for commercial telecommunication uses without the approval of the Legislature.

Testimony in support of the measure was received from GTE Hawaiian Telephone and AT&T. The Department of Land and Natural Resources submitted comments on the measure.

Your Committees find that the measure would provide for the more efficient execution of submerged land lease negotiations when used for commercial telecommunication purposes.

Your Committees have amended the measure by making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2984, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2984, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2172 Water, Land, and Hawaiian Affairs on S.B. No. 3163

The purpose of this measure is to appropriate \$1.5 million for a Hawaiian cultural and education center in Waimanalo, Oahu.

Testimony in support of the measure was received from the Waimanalo Construction Coalition, and five private citizens.

Your Committee finds that the Hawaiian culture must be preserved, protected, and shared with future generations. Your Committee also finds that Hawaii's economy has been in a state of stagnation for nine consecutive years. The impact of this economic stagnation has an acute effect on Hawaii's rural communities, particularly in the Waimanalo community. The high rate of unemployment in Waimanalo and the need for job training and placement of its residents strongly illustrates the demand for employment opportunities in the State of Hawaii.

Your Committee also finds that Hawaii Ola Waimanalo, a non-profit organization, was created to develop a Hawaiian cultural and educational facility in the Waimanalo area. The plan has received strong community support from numerous organizations within Waimanalo. Your Committee believes that the creation of such a facility would not only provide needed education in Hawaiian culture, but would also provide construction jobs and other vocational opportunities as well.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3163 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun, Kanno).

SCRep. 2173 Economic Development on S.B. No. 2482

The purposes of this measure are to:

- (1) Allow biotechnology companies to sell their unused net operating loss carryover and unused tax credits to other qualified biotechnology companies; and
- (2) Extend the capital loss carryforward to fifteen years for biotechnology companies.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism and the Department of Taxation. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that this measure would encourage the biotechnology industry in Hawaii, and is in line with recommendations from the industry, which are outlined in a December, 1999, report entitled "Biotechnology in Hawaii: A Blueprint for Growth." Biotechnology companies in Hawaii, unlike other high technology companies, depend on the natural resources and assets found in the islands, and if successful, are likely to remain in Hawaii.

Your Committee has heard that this measure is based on a successful New Jersey law and believes that Hawaii's fledgling biotechnology industry would benefit from similar provisions. Your Committee has amended this measure:

- (1) To add a definition of "tax credits" to distinguish the credits in this measure from numerous others in Chapter 235, Hawaii Revised Statutes (HRS);
- (2) For the purposes of clarity and to track more closely the language in other sections in chapter 235, HRS, with regards to tax credits; and
- (3) For the purposes of style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2482, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2482, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2174 Economic Development on S.B. No. 2709

The purpose of this measure is to set the tax credit for qualified improvement costs of a qualified resort facility and a qualified general facility at four per cent.

Testimony in favor of this measure was submitted by Department of Business, Economic Development, and Tourism, Department of Taxation, Hawaii Tourism Authority, The Chamber of Commerce of Hawaii, General Contractors Association of Hawaii, Subcontractors Association of Hawaii, Building Industry Association of Hawaii, the Construction Industry Legislative Organization, Inc., Hidano Construction, Inc., Hawaii Associations of REALTORS, Hawaii Hotel Association, Maui Hotel Association, Waikiki Improvement Association, Hilton Hawaiian Village, Outrigger Enterprises, Inc., and Victoria Ward, Limited. The Sierra Club, Hawai'i Chapter submitted testimony in opposition. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that Act 306, Session Laws of Hawaii 1999, established this tax credit, but without a specified percentage. Your Committee has heard from both the visitor and construction industries that this omission has had a detrimental effect on planned improvements, and that in some cases, needed improvements have been put on hold as a result.

Your Committee has also considered three related measures that would address tax incentives for upgrading Hawaii's visitor facilities. S.B. No. 2781, Relating to Taxation, would provide a four per cent tax credit for hotel construction and remodeling for taxable years beginning after December 31, 1998, and before January 1, 2002. S.B. No. 3015, Relating to Commercial and Industrial Improvements, would provide a four per cent tax credit for the cost of construction of new facilities over \$60,000,000, for taxable years beginning after December 31, 2000, and before January 1, 2006. S.B. No. 3018, Relating to Taxation, would provide a graduated exemption from the general excise tax for qualified improvement costs to a qualified resort facility for taxable years beginning after December 31, 1998, and ending December 31, 2004. Your Committee believes there is some merit in each of these measures and that all four bills should receive further consideration, as amended, and forwarded to the Committee on Ways and Means.

Your Committee has amended this measure to change four per cent to twenty per cent.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2709, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2709, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2175 Economic Development on S.B. No. 2748

The purpose of this measure is to authorize the issuance and appropriation of \$3,800,000 in general obligation bonds in FY 1999-2000, to finance the planning, design, construction, and equipping of a new building for the measurements standards and commodities programs of the Department of Agriculture, and to appropriate \$500,000 in general funds in FY 2000-2001 to temporarily relocate the program.

Testimony in favor of this measure was submitted by the Department of Agriculture, the Hawaii Community Development Authority (HCDA), and the Hawaii Farm Bureau.

Your Committee finds that the redevelopment of the Kakaako area by the HCDA will require demolition of the measurements standards building located on Ilalo Street. After exploring a number of options, the measurement standards building will be relocated to a site at the former Kapalama Military Reservation on Sand Island. This move will enable the redevelopment of approximately 200 acres of State land along the Kakaako waterfront.

Your Committee has expressed some concern regarding the relocation to Sand Island, as this may be considered a prime development area of Honolulu. In response to a request, your Committee has received communication from the Department of Transportation that it is also in support of this measure.

Your Committee has amended this measure to change the lapsing date in section 5 from 2001 to 2002, and to make technical, nonsubstantive amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2748, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2748, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2176 Economic Development on S.B. No. 2779

The purpose of this measure is to expand the types of businesses that can participate in the State enterprise zones program and to make nonsubstantive amendments that clarify enterprise zone administrative procedures.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Department of Taxation, the Estate of James Campbell, and Hawaii Agriculture Research Center.

Your Committee finds that certain incentives are available for businesses in an enterprise zone, including a seven-year exemption from the general excise tax, state income tax credits, and reductions in specified county fees and taxes. Your Committee further finds that based on the most recent data available, ninety-five firms in the enterprise zone program have reported the creation of new jobs at a cost to the State of approximately \$1,500 per job in forgone annual tax revenues. This is far less than the federal job creation cost guidelines and the State expects the cost to decrease as the program matures.

Your Committee believes that the addition of certain kinds of call centers and businesses engaged in genetically-engineered medical, agricultural, or maritime biotechnology research and production will provide incentives essential to the further diversification of the State's economic base.

Your Committee has heard a request to broaden the definition of call centers to add manufacturing companies, and has amended the definition accordingly. Your Committee has also made technical amendments to correctly reflect the language in the Hawaii Revised Statutes and preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2779, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2177 Economic Development on S.B. No. 2781

The purpose of this measure is to provide a four per cent tax credit for hotel construction and remodeling for taxable years beginning after December 31, 1998, and before January 1, 2002.

Testimony in favor of this measure was submitted by Department of Business, Economic Development, and Tourism, Department of Taxation, Hawaii Tourism Authority, The Chamber of Commerce of Hawaii, American Resort Development Association of Hawaii, Associated Builders and Contractors, Inc., General Contractors Association of Hawaii, The Pacific Resource Partnership, Waikiki Improvement Association, Hilton Hawaiian Village, Outrigger Enterprises, Inc., Sheraton Princess Kaiulani Hotel, and Retail Merchants of Hawai'i. The Sierra Club, Hawai'i Chapter submitted testimony in opposition.

Your Committee finds that Act 306, Session Laws of Hawaii (SLH) 1999, established a tax credit for improvements to visitor facilities, but without a specified percentage. Your Committee has heard from both the visitor and construction industries that this omission has had a detrimental effect on planned improvements, and that in some cases, needed improvements have been put on hold as a result.

Your Committee has also considered three related measures that would address tax incentives for upgrading Hawaii's visitor facilities. S.B. No. 2709, Relating to Taxation, would amend the statute created by Act 306, SLH 1999, to set the tax credit for qualified improvement costs of a qualified resort facility and a qualified general facility at four per cent. S.B. No. 3015, Relating to Commercial and Industrial Improvements, would provide a four per cent tax credit for the cost of construction of new facilities over \$60,000,000, for taxable years beginning after December 31, 2000, and before January 1, 2006. S.B. No. 3018, Relating to Taxation, would provide a graduated exemption from the general excise tax for qualified improvement costs to a qualified resort facility for taxable years beginning after December 31, 1998, and ending December 31, 2004. Your Committee believes there is some merit in each of these measures and that all four bills should receive further consideration, as amended, and forwarded to the Committee on Ways and Means.

Your Committee has amended this measure to extend the tax credits through December 31, 2006.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2781, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2178 Economic Development on S.B. No. 2910

The purpose of this measure is to make the temporary commercial fisheries special fund permanent.

Testimony in favor of this measure was submitted by the Department of Land and Natural Resources. The Office of Hawaiian Affairs (OHA) submitted testimony in opposition.

Your Committee finds that fees collected from commercial licenses and permits are deposited into this special fund to be used for the management of commercial fishing and its related licensing program.

Your Committee has heard the concerns of OHA regarding ceded lands revenue from submerged lands and their associated resources, twenty per cent of which must be paid to OHA before the funds are deposited into this special fund. However, DLNR has indicated they are in discussions with OHA to provide assurances that this legislation will not affect OHA's ceded lands revenues.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2910 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2179 Economic Development on S.B. No. 2912

The purposes of this measure are to:

- (1) Clarify that the Board of Land and Natural Resources may lease fast and submerged lands within an existing state boating facility, and that permissible uses may include any use that will complement or support the maritime activities of the state boating facility;
- (2) Allow limited commercial vessel activities within the Ala Wai and Keehi small boat harbors; and
- (3) Delete language added to Section 200-9(b), Hawaii Revised Statutes, by Act 266, Session Laws of Hawaii 1999, regarding existing commercial catamaran operators.

Testimony in favor of this measure was submitted by the Department of Land and Natural Resources (DLNR), BOATS/HAWAII, Hawaii Boaters Political Action Association, Activity Owners Association of Hawaii, Waikiki Improvement Association, The Chamber of Commerce of Hawaii Maritime Committee, CSX Lines, HGEA-AFSCME Local 152, AFL-CIO, and Atlantis Adventures. Capt. Andy's, Frogman Charters, and two individuals submitted testimony in favor of portions of the measure. The Office of Hawaiian Affairs, Ala Wai Marina Committee, and twenty individuals submitted testimony in opposition.

Your Committee finds that existing state resources are insufficient to meet the projected costs of needed repair and construction projects at the state small boat harbors, and that alternatives for increasing revenues should be investigated. DLNR is considering a number of revenue enhancement options, including the leasing of small boat harbor properties for development, management, and operation by private firms, allowing limited commercial vessel activity at Ala Wai and Keehi boat harbors, and increasing mooring and other harbor use fees.

Your Committee has heard that the additional revenue from leases and the reduction of development, maintenance, and operating costs, including debt service, will enable DLNR to reexamine the level of revenue that will need to be generated through future rate increases. Your Committee has also heard considerable opposition to any change in the allowable activities at small boat harbors and acknowledges the frustration voiced by many of those presenting testimony. However, your Committee finds the facilities at many of our harbors require substantial improvements, and new sources of revenue must be identified for these improvements.

Your Committee has amended this measure to make technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2912, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2912, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2180 Economic Development on S.B. No. 3005

The purpose of this measure is to appropriate unspecified funds for operating, equipment, and restoration of a microbiologist position in support of the aquaculture disease prevention program.

Testimony in favor of this measure was submitted by the Hawaii Aquaculture Association and Mangrove Tropicals. The Department of Agriculture submitted comments.

Your Committee finds that after many years of struggle, the aquaculture industry has begun to expand both production and new products for market. New technology and products also bring a need for increased assistance in disease prevention, and on a more timely basis than is possible with the current staffing and funding levels for the aquaculture disease prevention program.

Your Committee has heard from the Department of Agriculture that the department is working to address the shortage by establishing the authority to charge fees, developing additional sources of revenue, and establishing a special fund so that income can be channeled to the disease prevention program. While your Committee supports these efforts, members find that the aquaculture industry needs assistance now.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3005 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (M. Ige, Kawamoto).

SCRep. 2181 Economic Development on S.B. No. 3015

The purpose of this measure is to provide a four per cent tax credit for the cost of construction of new facilities over \$60,000,000, for taxable years beginning after December 31, 2000, and before January 1, 2006.

Testimony in favor of this measure was submitted by Department of Business, Economic Development, and Tourism, Department of Taxation, Hawaii Tourism Authority, The Chamber of Commerce of Hawaii, Associated Builders and Contractors, Inc., Construction Industry Legislative Organization, Inc., General Contractors Association of Hawaii, The Pacific Resource Partnership, Waikiki Improvement Association, Hilton Hawaiian Village, Outrigger Enterprises, Inc., Sheraton Princess Kaiulani Hotel, and Retail Merchants of Hawai'i. The Sierra Club, Hawai'i Chapter submitted testimony in opposition. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that Act 306, Session Laws of Hawaii (SLH) 1999, established a tax credit for improvements to visitor facilities, but without a specified percentage. Your Committee has heard from both the visitor and construction industries that this omission has had a detrimental effect on planned improvements, and that in some cases, needed improvements have been put on hold as a result.

Your Committee has also considered three related measures that would address tax incentives for upgrading Hawaii's visitor facilities. S.B. No. 2709, Relating to Taxation, would amend the statute created by Act 306, SLH 1999, to set the tax credit for qualified improvement costs of a qualified resort facility and a qualified general facility at four per cent. S.B. No. 2781, Relating to Taxation, would provide a four per cent tax credit for hotel construction and remodeling for taxable years beginning after December 31, 1998, and before January 1, 2002. S.B. No. 3018, Relating to Taxation, would provide a graduated exemption from the general excise tax for qualified improvement costs to a qualified resort facility for taxable years beginning after December 31, 1998, and ending December 31, 2004. Your Committee believes there is some merit in each of these measures and that all four bills should receive further consideration, as amended, and forwarded to the Committee on Ways and Means.

Your Committee has amended this measure to delete the requirement that new facilities must be over \$60,000,000 to qualify for the tax credit.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3015, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3015, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2182 Economic Development on S.B. No. 3018

The purpose of this measure is to provide a graduated exemption from the general excise tax for qualified improvement costs to a qualified resort facility for taxable years beginning after December 31, 1998, and ending December 31, 2004.

Testimony in favor of this measure was submitted by Department of Business, Economic Development, and Tourism, Department of Taxation, Hawaii Tourism Authority, The Chamber of Commerce of Hawaii, American Resort Development Association of Hawaii, Associated Builders and Contractors, Inc., General Contractors Association of Hawaii, The Pacific Resource Partnership, Waikiki Improvement Association, Hilton Hawaiian Village, Outrigger Enterprises, Inc., Sheraton Princess Kaiulani Hotel, and Retail Merchants of Hawai'i. The Sierra Club, Hawai'i Chapter submitted testimony in opposition.

Your Committee finds that Act 306, Session Laws of Hawaii (SLH) 1999, established a tax credit for improvements to visitor facilities, but without a specified percentage. Your Committee has heard from both the visitor and construction industries that this omission has had a detrimental effect on planned improvements, and that in some cases, needed improvements have been put on hold as a result.

Your Committee has also considered three related measures that would address tax incentives for upgrading Hawaii's visitor facilities. S.B. No. 2709, Relating to Taxation, would amend the statute created by Act 306, SLH 1999, to set the tax credit for qualified improvement costs of a qualified resort facility and a qualified general facility at four per cent. S.B. No. 2781, Relating to Taxation, would provide a four per cent tax credit for hotel construction and remodeling for taxable years beginning after December 31, 1998, and before January 1, 2002. S.B. No. 3015, Relating to Commercial and Industrial Improvements, would provide a four per cent tax credit for the cost of construction of new facilities over \$60,000,000, for taxable years beginning after December 31, 2000, and before January 1, 2006. Your Committee believes there is some merit in each of these measures and that all four bills should receive further consideration, as amended, and forwarded to the Committee on Ways and Means.

Your Committee has amended this measure to:

- (1) Include nonconforming hotels in the definition of "qualified resort facility";
- (2) Clarify that the Act shall apply to gross income or gross receipts received after December 31, 1998; and
- (3) Make a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3018, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2183 (Majority) Economic Development on S.B. No. 3064

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in an unspecified amount to assist Hawaii Food Resource Center in planning and building a multi-function food processing facility on Oahu.

Testimony in favor of this measure was submitted by the Department of Agriculture, the Department of Business, Economic Development, and Tourism, and First Commercial Kitchen.

Your Committee finds that community incubator kitchens offer users a safe and more efficient facility to expand or develop value-added products, and often assist these small entrepreneurs in developing critical marketing skills. Successful programs such as the Honokaa Ohana Kitchen and Hamakua Incubator Kitchen on Hawaii, and the Waioli Poi Factory on Oahu have empowered their communities to take a proactive part in determining their economic futures.

Your Committee further finds that this measure would expand a currently successful operation, enabling the addition of new product lines and providing opportunities for new businesses. Your Committee has also been assured that these community kitchens meet stringent health standards. Your Committee finds that this measure provides strong economic benefits for the people of Hawaii, and contributes to efforts to diversify Hawaii's economy.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3064 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (M. Ige). Excused, none.

SCRep. 2184 Labor and Environment on S.B. No. 2782

The purpose of this measure is to define biological materials and to legally recognize biological materials as personal property.

This measure also provides trade secret protection for biological materials.

Oral testimony in support of the measure was received from the Department of Business, Economic Development and Tourism.

Currently, Hawaii law does not recognize biological materials as personal property. Thus, civil or criminal remedies are not available. This measure recognizes biological materials as personal property and allows owners to pursue legal remedies with respect to biological materials.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2782 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, M. Ige).

SCRep. 2185 Labor and Environment on S.B. No. 2868

The purpose of this measure is to increase the disposal surcharge to 60 cents per ton for all disposal facilities except permitted inert and construction and demolition waste disposal facilities.

Testimony in favor of this measure was received from the Department of Health and the Sierra Club. Testimony in opposition to the measure was received from the City and County of Honolulu Department of Environmental Services. The Tax Foundation of Hawaii submitted comments on the measure.

The current disposal surcharge is 35 cents per ton; the second lowest in the nation. This measure raises the surcharge to 60 cents per ton. In light of the 160 percent increase in permit applications and 1,200 percent increase in complaints, your Committee believes that the increase is necessary to raise additional funds to support permitting, monitoring, enforcement, and alternative waste management.

Your Committee made technical, nonsubstantive changes to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2868, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, M. Ige).

SCRep. 2186 Labor and Environment on S.B. No. 2869

The purpose of this measure is to increase the fines imposed on public water systems violating drinking water requirements.

Testimony in favor of this measure was received from the Sierra Club. Oral testimony in favor of the measure was received from the Department of Health.

Currently, fines are assessed on a daily rate irrespective of the number of violations. This measure calculates the fines for each violation each day. Your Committee believes that the new formula increasing the fines will serve to deter future violations.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2869 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, M. Ige).

SCRep. 2187 Labor and Environment on S.B. No. 2880

The purpose of this measure is to increase the state environmental response tax levied upon petroleum products and to expand the uses of the environmental response revolving fund for environmental protection programs.

Testimony in favor of this measure was received from the Department of Health, Department of Land and Natural Resources, Department of Taxation, Sierra Club, and one individual. Testimony in opposition to the measure was received from the Airlines Committee of Hawaii, Hawaii Fueling Facilities Corporation, Hawaii Transportation Association, Hawaiian Commercial and Sugar Company, Kalaeloa Partners, L.P., Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Tesoro Hawaii Corporation, Kauai Electric and The Gas Company, and the Hawaii Agriculture Research Center. Comments on the measure were received from the Tax Foundation of Hawaii and the Environmental Center. Oral testimony in support of the measure was received from the Hawaii Association of Conservation Districts.

Although originally intended for catastrophic hazardous substance spills, use of the environmental response revolving fund has been expanded to include protection programs. Since state revenues have not been available for protection efforts, your Committee finds it appropriate to increase the environmental response tax and expand the revolving fund's uses. This measure will establish a "polluter pays" principle to directly fund environmental protection activities.

Your Committee amended the measure by changing the tax on each barrel from the proposed 25 cents to 10 cents.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2880, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, M. Ige).

SCRep. 2188 Labor and Environment on S.B. No. 2956

The purpose of this measure is to conform state statutes on the transportation of hazardous materials to federal regulations.

Testimony in support of this measure was received from the Department of Transportation.

Currently, the clause "hazardous waste, hazardous substances, infectious substances, and medical waste" is repeated throughout chapter 286, part XII, Hawaii Revised Statutes. This measure incorporates the clause into the definition of "Hazardous material" and deletes the repetitive clause from the chapter. This measure also amends the scope of "transport" to include storage incidental to transportation and makes housekeeping amendments to federal citations.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2956 and recommends that it pass Second Reading and be referred to the Committee on Transportation and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, M. Ige).

SCRep. 2189 Labor and Environment on S.B. No. 3054

The purpose of this measure is to appropriate funds for projects and activities required to facilitate carbon sequestration.

Testimony in favor of this measure was received from the Department of Land and Natural Resources, Nature Conservancy of Hawaii, Hawaii Forest Industry Association, and Trees for Life.

The burning of fossil fuel produces carbon dioxide in the atmosphere adding to global warming. Forests capture carbon dioxide from the atmosphere through photosynthesis and this absorption of carbon is often referred to as "carbon sequestration". This measure provides funding for research, public information, and marketing of activities and projects that encourage carbon sequestration. Your Committee believes that this measure will help disseminate information, build community support and understanding, identify potential carbon projects, and market projects to potential investors to help reforest both public and private lands.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3054 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, M. Ige).

SCRep. 2190 Ways and Means on S.B. No. 2925

The purpose of this bill is to delete unnecessary fuel tax reporting requirements.

Testimony in support of this bill was received from the Lieutenant Governor, the Department of Taxation, Government Efficiency Teams, Inc., and the Tesoro Hawaii Corporation. Comments were received from the Tax Foundation of Hawaii.

This bill, produced by the Slice Waste and Tape (SWAT) initiative, amends section 243-10, Hawaii Revised Statutes, by deleting the requirement that fuel distributors submit information about the total number of gallons of fuel imported and information about the fuel distributors inventory.

Your Committee finds that reporting requirements which are no longer used by the Department of Taxation are an unnecessary burden on both the Department of Taxation and the fuel distributors operating in the State and should be repealed as provided in this bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2925 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Iwase, Kawamoto, Nakata, Taniguchi, Anderson).

SCRep. 2191 (Majority) Ways and Means on S.B. No. 2941

The purpose of this measure is to propose a constitutional amendment that would extend the time period between the convening of Tax Review Commissions from every five years to every ten years.

Testimony in support of the measure was received from the Department of Taxation. The Tax Foundation provided comments on the measure.

Your Committee finds that Article VII, Section 3, of the State Constitution requires that a Tax Review Commission be convened to review the tax policy of the State. Your Committee also finds that in practical terms, the five-year time period between the convening of Tax Review Commissions is too short to effectively determine the long term fiscal ramifications of the State's tax policy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2941 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, 1 (M. Ige). Excused, 4 (Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2192 Judiciary on S.B. No. 2353

The purpose of this bill is to make the Office of Information Practices (OIP) a permanent agency within the legislature.

Your Committee finds that appropriate public access to government records is an important public right, and the OIP plays a crucial role in ensuring public access to records of all governmental entities. Your Committee further finds that the public perception of OIP's impartiality and its effectiveness will be enhanced by placing OIP as a permanent agency within the legislative branch of government, instead of in the executive branch, where it currently resides.

Testimony in support of this measure was submitted by the Hawaii State Ethics Commission, Common Cause Hawaii, the League of Women Voters of Hawaii, and four individuals. Testimony commenting on this measure was submitted by OIP. Testimony in opposition to this measure was submitted by one individual.

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

- (1) Placing OIP within the Ombudsman's office, instead of attaching it independently to the legislature;
- (2) Adding a provision transferring OIP personnel and equipment to the Ombudsman's office; and
- (3) Making a technical, non-substantive change for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2353, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2353, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2193 (Joint) Judiciary and Health and Human Services on S.B. No. 2484

The purpose of this bill is to clarify the functions of the Medicaid Fraud Unit of the Attorney General, to allow the unit to conduct an elder abuse neglect and prevention program, and to allow the Medicaid Investigations Recovery Fund to provide funds for an elder abuse neglect and prevention program.

Your Committees find that elder abuse is a painful problem of shockingly wide proportions; indeed, it is a figurative decubitus on the body of Hawaii's populace. Your Committees further find that the federal government is presently encouraging state agencies working on medicaid fraud prevention to also address elder abuse and its prevention. It is your Committees' intent to give the Medicaid Fraud Unit the authorization and funding needed to fight elder abuse, without jeopardizing the Unit's ability to continue to seek federal funds.

Testimony in support of this measure was submitted by the Executive Office on Aging, the Policy Advisory Board for Elder Affairs, and one individual. Testimony in support of this measure, with an amendment, was submitted by the Attorney General.

Upon further consideration, your Committees have amended this measure by:

- (1) Correcting a reference to federal law;
- (2) Providing that if use of the special fund for elder abuse programs would jeopardize federal funding, such use is not permitted; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2484, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2484, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 1 (Anderson).

SCRep. 2194 Judiciary on S.B. No. 2522

The purpose of this bill, as received by your Committee, is to amend the powers and duties of the director of the Office of Information Practices (OIP) with respect to the public open meetings law; to amend requirements of the public open meetings law with respect to executive meetings; and to make an appropriation for the OIP.

Your Committee finds that there have been increasing allegations of overuse of executive meetings, which allows closed consultation by members of public bodies during what otherwise would be open meetings. Such overuse may give a public impression that executive meetings are being used to evade the requirements of the open meetings law. Your Committee agrees that it is good policy to require any public body which uses executive meetings to enter the specific reasons for such meetings into its minutes whenever one is held, including a reference to the appropriate paragraph of section 92-5(a), Hawaii Revised Statutes. This

practice will increase public confidence in the integrity of the process and reinforce the commitment of public agencies to the requirements of public open meetings, without unreasonably hindering the public body's efficiency.

Your Committee further finds that OIP already has the authority to establish procedures for filing and responding to complaints filed by any person alleging a violation of the public open meetings law. Your Committee believes that OIP's resources should not be strained further by increasing their statutory duties. However, your Committee does believe that OIP serves a highly important role within the government and should receive the funding it needs to adequately perform its current duties. For this reason, your Committee agrees that an appropriation of funds to OIP is necessary.

Testimony in support of this measure was submitted by OIP, the League of Women Voters of Hawaii, and one individual.

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

- (1) Deleting provisions that would have amended OIP's powers and duties with respect to the public open meetings law;
- (2) Adding a requirement that the specific reasons given for holding an executive meeting be entered into the minutes;
- (3) Clarifying that the summary of an executive meeting should be included in the written minutes of a meeting; and
- (4) Changing the effective date of the measure from upon approval to July 1, 2000.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2522, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2522, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2195 (Joint) Judiciary and Health and Human Services on S.B. No. 2763

The purpose of this bill is to create a tobacco enforcement special fund using a portion of the tobacco settlement moneys, and to authorize the Attorney General to use the tobacco enforcement special fund to ensure compliance with and enforcement of the settlement agreement between the State and tobacco manufacturers, tobacco regulations, and tobacco prevention programs.

Your Committees find that spending the money needed to enforce the tobacco settlement agreement, and to enforce laws related to tobacco generally, will prove a sound investment. Your Committees further find that an active enforcement stance will ensure that the tobacco settlement moneys continue to come into Hawaii, where they can be spent on prevention programs, as a rainy day fund, and for the other purposes specified by law. Your Committees believe it is appropriate to use a small portion of the tobacco settlement moneys to fund this enforcement effort.

Testimony in support of this measure was submitted by the Attorney General and testimony in support, with reservations, was submitted by the Coalition for a Tobacco Free Hawaii.

Upon further consideration, your Committees have amended this measure by:

- (1) Changing the source from which enforcement funds will be diverted (and to which unspent enforcement funds will be returned) from the general, undistributed tobacco settlement moneys to the rainy day fund; and
- (2) Adding to the effective date a proviso that amendments made by the bill to section 36-27, Hawaii Revised Statutes, will not be repealed when that section sunsets; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2763, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2763, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 1 (Anderson).

SCRep. 2196 (Joint) Judiciary and Health and Human Services on S.B. No. 3154

The purpose of this bill, as received by your Committees, is to establish a health care information revolving fund for regulation of health care information.

Your Committees believe that it is important that the Office of Information Practices (OIP) receives an appropriate level of funding to develop rules as mandated by Chapter 323C, Hawaii Revised Statutes, regarding access to health care information practices.

However, your Committees do not consider it equitable nor appropriate to assess fees against the entities affected by that chapter to fund the development of rules. Your Committees further believe that persons and organizations with an interest in the subject matter should be encouraged to assist in the rule drafting process.

Testimony in support of this measure was submitted by OIP. Testimony in opposition to this measure was submitted by the Department of Budget and Finance, the Hawaii Medical Association, Hawaii Medical Service Association, and one medical doctor.

Upon further consideration, your Committees have amended this measure by deleting its contents and inserting provisions that:

- (1) Authorize and require OIP to convene a new task force, which may consist of former task force members or other persons or organizations at OIP's discretion, to assist OIP in drafting rules to implement the health care information privacy law; and
- (2) Make an appropriation of \$80,000 for use by the OIP in developing rules.

As affirmed by the records of votes of the members of your Committees on Judiciary and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3154, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3154, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 1 (Anderson).

SCRep. 2197

Commerce and Consumer Protection on S.B. No. 2345

The purpose of this measure is to encourage the development of renewable energy resources in the State by requiring electric utilities to implement renewables portfolio standards and the Public Utilities Commission (PUC) to establish a renewable energy credits program.

Testimony in support of the measure was submitted by the Department of Business, Economic Development, and Tourism, University of Hawaii at Manoa Environmental Center, Kaua'i Renewable Energy Hui, Renewable Energy Services, Inc., Pacific Region Powerlight Corporation, Pacific Biodiesel, Inc., Puna Geothermal Venture, Sierra Club, Hawai'i Chapter, Life of the Land, Gay and Robinson, Inc., Hawaii Renewable Energy Alliance, and several individuals. The PUC and Hawaiian Electric Company, Inc., submitted testimony in opposition to the measure. The Department of Commerce and Consumer Affairs, Office of Economic Development of the County of Kauai, Kauai Electric, and Ogden Energy Group, Inc., submitted comments.

Your Committee finds that the use of renewable energy offers the State social, economic, and environmental benefits, and that the development of renewable energy resources would lessen the State's dependence on imported fossil fuels. This measure would stimulate the demand for renewable energy generation by establishing a market for renewable energy resources. The production of energy from locally available resources is one of the goals of the State Energy Plan and the implementation of renewables portfolio standards has been identified as the single most effective means of accomplishing that goal.

Your Committee has amended this measure by:

- (1) Revising the definition of "biomass" to include organic residues and to exclude a reference to coal-fired power plants;
- (2) Expanding the definition of "qualified electric utility company" to include utilities with electricity sales in excess of four hundred million kilowatt-hours per year;
- (3) Broadening the definition of "renewable energy" to be consistent with current usage and include waste-to-energy, and deleting a reference to hydropower dams from the definition;
- (4) Specifying minimum renewables portfolio standard percentages and annual percentage point increases;
- (5) Allowing utilities to accumulate renewable energy credits; and
- (6) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2345, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2345, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Inouye).

SCRep. 2198

Commerce and Consumer Protection on S.B. No. 2561

The purpose of this measure is to authorize the Insurance Commissioner (Commissioner) to use a percentage of moneys in the captive insurance administrative fund to promote Hawaii as a captive insurance domicile.

Testimony in support of the measure was submitted by the Department of Commerce and Consumer Affairs, Marsh Management Services, Inc., Hawaii Captive Insurance Council, Becher and Carlson Risk Management, Inc., and Hawaii Captive Insurance Management, Inc.

Since the enactment of Hawaii's captive insurance law in 1986, the State and the private sector have worked together to develop a regulatory framework and supporting infrastructure for the establishment of a captive insurance industry.

Captive insurance companies are risk-financing facilities that insure the risks of a parent or affiliated company, or other specialized risks. They are valued for their flexibility and ability to insure risks at cost-effective rates as well as for their ability to insure risks not normally covered by traditional insurance companies. Hawaii is a leading captive insurance domicile in the Asian-Pacific region and is poised to become a major domicile in the global captive insurance industry.

Your Committee finds that the State may take advantage of these opportunities by promoting its status as a captive insurance domicile and the flexibility and effectiveness of its regulatory scheme. The State will be able to enhance its profile as a captive insurance domicile by dedicating a portion of funds in the captive insurance administration fund for promotional purposes. This serves to further diversify the State's economic base while strengthening its financial services industries.

Your Committee has amended this measure to:

- (1) Require, rather than authorize the Commissioner to make an expenditure of funds for promotional purposes; and
- (2) Provide that moneys in the captive insurance administrative fund be transferred to the insurance regulation fund for disbursement, to be consistent with current procedures governing the administration of the funds.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2561, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2561, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2199

Commerce and Consumer Protection on S.B. No. 3043

The purpose of this measure is to require the State Comptroller (Comptroller) to establish a captive insurance company to insure the general liabilities of the State.

The Department of Accounting and General Services and Becher and Carlson Risk Management, Inc., submitted testimony in support of the measure. The Department of Commerce and Consumer Affairs submitted comments.

Currently, the State pays out of the State Risk Management Revolving Fund almost \$5,000,000 in premiums per year to insure its property and casualty liability risks. Additionally, approximately \$10,000,000 in a revolving fund is used to cover policy deductibles of between \$50,000 and \$3,000,000 per occurrence of loss, and each year millions of dollars in General Fund appropriations are required to replenish this revolving fund.

By establishing a captive insurance company to insure its risks, the State would realize a savings in its insurance costs and retain control over insurance reserves. The establishment of a state-owned captive insurance company would also provide a mechanism for insuring other risks of the State in the future, including those related to the operations of the State's airports and medical facilities, and allow for the centralized management of the State's self-insured risks, including in the area of workers' compensation.

Your Committee has amended the measure by giving the Comptroller the discretion to establish a captive insurance company, rather than mandate that the Comptroller do so.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3043, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3043, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2200

Government Operations and Housing on S.B. No. 2987

The purpose of this measure is to provide for an equitable application of the retainage provisions of the State's public contracts law by disallowing general contractors from withholding more than five percent of a subcontractor's contract price.

Testimony in support of the measure was received from the Building Industry Association, Associated Builders and Contractors, Inc., the Sheet Metal Contractors Association, the Plumbing and Mechanical Contractors Association of Hawaii, the General

Contractors Association of Hawaii, the Subcontractors Association of Hawaii, the Construction Industry Legislative Organization, and the Hawaii Surety Association. The Hawaii Electricians Market Enhancement Program Fund opposed the measure.

Your Committee finds that the measure prohibits general contractors from withholding from their subcontractors, a retention amount greater than that which is being withheld from the general contractor by the contracting public agency; provided that the subcontractor provides evidence of a current performance or is bonded to the satisfaction of the general contractor.

For example, on a \$1 million public contract, a general contractor may perform thirty percent of the work with the general contractor's own employees, the balance of the \$700,000 is then subcontracted. The public agency will withhold five percent of the total amount due for the first fifty percent of the project, or \$25,000. However, the general contractor may withhold ten percent of the total subcontracted amount, or a total of \$70,000 from the general contractor's subcontractors, a difference of \$45,000. The general contractor is then able to use the \$45,000 interest free for the life of the contract at the expense of the subcontractors.

By requiring that the general contractor withhold no more than the same percentage amount than what is being withheld from the general contractor, your Committee believes that the measure addresses the equity issue of treating both the general contractor and the subcontractor in the same manner with regard to retainage requirements.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2987 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Matsunaga, Tanaka).

SCRep. 2201 Labor and Environment on S.B. No. 2990

The purpose of this measure is to encourage the recycling of lead batteries by imposing, at the point of sale, a surcharge waivable only by presenting an old battery for disposal.

Testimony in favor of this measure was received from the Department of Health, Sierra Club, and the Legislative Information Services of Hawaii. Testimony in opposition to the measure was received from the Hawaii Automotive Repair & Gasoline Dealers Association. Comments on the measure were received from the Environmental Center.

Existing law fails to keep lead batteries from being discarded in public places, landfills, and illegal dump sites. This measure imposes a \$10 surcharge on the purchase of a new battery unless an old one is presented for disposal. Your Committee finds that this measure is necessary to encourage the proper disposal of lead batteries.

Your Committee has made technical, nonsubstantive changes to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2990, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2990, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, M. Ige).

SCRep. 2202 Education and Technology on S.B. No. 2130

The purpose of this bill is to amend the Hawaii Constitution to add a member of the armed forces, appointed by the governor, as a nonvoting member of the Board of Education.

Testimony in support of the measure was received from the United States Pacific Command, The Chamber of Commerce of Hawaii, and The Hawaii Business Roundtable, with oral testimony presented by one individual. Testimony in opposition to the measure was submitted by the Board of Education, and oral testimony was presented by one individual.

Your Committee finds that military service members and their families constitute a large presence in Hawaii. Because military service members usually do not change their voter registration each time they move, they are unable to vote in elections for members of the Board of Education. Consequently, military service members have no way to voice their concerns and needs regarding the public school education system in Hawaii.

Your Committee agrees that adding a nonvoting member from the armed forces to the Board of Education will improve the communication and information flow between the public education system and military service members and their families.

Your Committee amended section 2 of the bill to require the governor to select the nonvoting member from a list submitted by the highest ranking senior officer of the armed forces in Hawaii. By adding this language, your Committee's intention is that the nonvoting member candidate may be a civilian or military service member.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2130, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Matsunaga).

SCRep. 2203 Education and Technology on S.B. No. 2334

The purpose of this bill is to exempt from the general excise tax fundraising amounts raised by certain nonprofit groups and purchases made by such groups for public schools.

Testimony in favor of the measure was received from the Department of Education; Parent Teacher Associations for Kapolei Elementary School, Mauka Lani Elementary School, Ewa Elementary School, and Aikahi Elementary School; Hawaii Association of Realtors; Parent Teacher Student Association of James Campbell High School; and Kapolei Elementary School. Testimony in opposition to the measure was received from the Department of Taxation and one individual. Comments on the measure were offered by the Tax Foundation of Hawaii.

Currently, although profits from school-related nonprofit groups that conduct fundraising events are deposited directly to a public school, those profits are subject to the general excise tax of four per cent. Given the cyclical nature of Hawaii's economy and the budget constraints for public schools, profits from these nonprofit groups provide support for extra programs that otherwise would not exist. This measure will provide relief for those nonprofits by exempting their fundraising amounts from the general excise tax, thereby increasing the moneys available to the public schools.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2334 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Matsunaga).

SCRep. 2204 Education and Technology on S.B. No. 2474

The purpose of this bill is to prohibit federal impact aid received by the Department of Education from being returned to the general fund and to allow excess federal impact aid to be spent by the Department of Education for the purposes of the school-based budgeting program, EDN 100.

Testimony in favor of the measure was received from the Department of Education.

Currently, because federal impact aid is deposited into the general fund of the State, such aid acquired for education does not always reach the public schools for which it was intended. This bill helps to retain federal impact aid moneys for education. Although your Committee recognizes the Department of Education's preference of not exclusively appropriating federal impact aid only to EDN 100, we believe that any additional federal impact aid should be spent as closely as possible for EDN 100 programming purposes.

Your Committee amended the measure to eliminate the condition that would allow the legislature to return federal impact aid to the general fund.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2474, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2474, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Matsunaga).

SCRep. 2205 Education and Technology on S.B. No. 2475

The purpose of this bill is to prohibit discrimination in athletics, on the basis of sex, in any public school.

In addition, this bill requires the superintendent of education to develop and implement a strategic plan to ensure equity in sports participation. This bill also requires the establishment of an advisory commission on gender equity in sports to determine compliance with federal law.

Testimony in favor of the measure was received from the Department of Education, Hawaii State Commission on the Status of Women, Hawaii Civil Rights Commission, Hawaii State Teachers Association, and three individuals.

Hawaii does not have state provisions requiring the Department of Education to comply with the federal gender equity provisions of Public Law 92-318, Title IX, of the federal Education Amendments of 1972, which bars sex discrimination in education, including school athletics. Vast disparities between boys and girls athletics are evident in areas such as athletic budgets, coaching staff, athletic

directors, and access to and use of athletic facilities. This bill address these disparities by establishing provisions providing for the framework within which the Department of Education shall provide gender equity in sports for school athletics and comply with Title IX.

Your Committee amended the bill to require a two-year rather than three-year period to implement the recommendations of the Department of Education's strategic plan on gender equity. Your Committee also made technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2475, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2475, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Matsunaga).

SCRep. 2206 Education and Technology on S.B. No. 2832

The purpose of this bill is to set the price of school lunch in proportion to the total cost of operating the school food services program and to allow the Department of Education to adjust the price to maintain this proportion.

Testimony in favor of the measure was submitted by the Department of Education.

The current law allows the Department of Education to increase the school lunch price to a maximum of \$1. By amending the law to reinstate the 1993 formula to set the price of the school lunch in proportion to the cost of the school lunch, the Department of Education can ensure that the moneys received from the sale of school lunches reflect the changing cost of preparing school lunches.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2832 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Matsunaga).

SCRep. 2207 Commerce and Consumer Protection on S.B. No. 2808

The purpose of this measure is to allow the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (DCCA) to employ its own attorneys.

The DCCA, Public Utilities Commission (PUC), Hawaiian Electric Company, Inc., and GTE submitted testimony on the measure.

As part of its mandate to represent and protect the interests of consumers of utility services, the Division of Consumer Advocacy is responsible for analyzing applications filed with the PUC by regulated utilities. These analyses require a thorough understanding of theories supporting utility regulation, including those grounded in accounting, engineering, finance, economics, and statistics. Additionally, issues raised in PUC dockets are interrelated and docket proceedings span a number of years. Therefore, the division will benefit from legal counsel who have an understanding of the underlying theories of utility regulation and an institutional knowledge of the issues and their interrelationships.

Currently, the division is provided legal counsel through the Office of the Attorney General. However, a high turnover of deputy attorneys general assigned to the division over the years has made it difficult for the division to retain legal counsel with an understanding of the technical and complex issues involved in utility regulation. This measure will enable the division to hire its own attorneys and to develop the necessary expertise and experience to better protect consumers' interests.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2808 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Slom).

SCRep. 2208 Commerce and Consumer Protection on S.B. No. 2828

The purpose of this measure is to make possible post-hurricane issuance of revenue bonds to pay claims made under the Hawaii Hurricane Relief Fund.

Testimony on this measure was submitted by the Hawaii Hurricane Relief Fund, the Department of Budget and Finance, and the Hawaii Association of Realtors.

Your Committee finds that current law contains an impediment to pledging assessments needed for post-hurricane revenue bonds, as well as creating uncertainty regarding the total amount of bonds that may be issued. With the advice of bond counsel, this measure will address these impediments to settling covered claims.

Your Committee has amended this measure to make technical amendments for the purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2828, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2828, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Slom).

SCRep. 2209 (Joint) Commerce and Consumer Protection and Education and Technology on S.B. No. 3070

The purpose of this measure is to create the offenses of cyber-terrorism and cyber-terrorism of a law enforcement officer.

The Department of Public Safety and the Honolulu Police Department submitted testimony in support of the measure.

Your Committees find that there is increasing misuse of the Internet to harass, threaten, and terrorize individuals. These acts of terrorism include the posting of personal information and photographs of individuals on the Internet and even soliciting the assassination of law enforcement officers. Victims of harassment committed through the Internet have found prosecution under existing harassment laws to be difficult and frustrating, and have also experienced difficulty in getting Internet service providers (ISPs) to remove personal information posted without their authorization.

This measure addresses the inadequacy in the current law by establishing the offenses of cyber-terrorism and cyber-terrorism of a law enforcement officer, with severer penalties for commission of the latter offense. Your Committees finds that greater penalties for acts against law enforcement officers are justified because of the officers' exposure to greater harm. In addition to making certain acts committed by individuals using the Internet illegal, the measure also prohibits certain acts by ISPs, including assisting in the construction of a website that allows an individual's personal information to be viewed on the Internet and refusing to remove an individual's personal information after three warnings.

Your Committees have amended this measure by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3070, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3070, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Hanabusa, Matsunaga, Matsuura).

SCRep. 2210 Transportation and Intergovernmental Affairs on S.B. No. 2093

The purpose of this measure is to require the Comptroller, at the request of a deceased Filipino veteran's survivor or an interested party, to make payment directly to a mortuary or crematory for providing funeral and burial services.

The measure also provides for 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.

Testimony in support of this measure was received from the Department of Accounting and General Services, the Office of Veterans Services, and three members of the World War II Filipino American Veterans, Hawaii Chapter.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure will correct the injustice to World War II Filipino veterans by making payment directly to a mortuary or crematory for funeral and burial services and for transporting the veteran's remains to the Philippines.

Your Committee has amended this measure by designating the Office of Veteran Services as the entity to receive, review, and approve requests for funeral and burial services, and transportation costs, and limiting the amount to \$2,500 per person.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2093, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2093, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (D. Ige, Taniguchi, Slom).

SCRep. 2211 (Joint) Transportation and Intergovernmental Affairs, Water, Land, and Hawaiian Affairs and Economic Development on S.B. No. 2299

The purpose of the measure is to exclude Piers 1 and 2 at Fort Armstrong from the Kakaako Community Development District.

This measure, as introduced, also proposed to place small boat harbors at Lahaina, Maui, and Kailua-Kona, Hawaii under the Department of Transportation.

Testimony in support of the measure was received from the Mayor of the County of Maui, Maui County Council, and Maritime Committee of the Chamber of Commerce. Testimony in opposition was received from the Department of Transportation, Department of Land and Natural Resources, Hawaii Community Development Authority, Hawaii Boaters Political Action Association, and a citizen.

Your Committees find that the designation of Lahaina Boat Harbor and Kailua-Kona Wharf as commercial harbors would result in the administration of boating and recreation operations as a commercial harbor, with no regard to the rights and welfare of the primary users of these boating facilities.

Your Committees have amended the measure by deleting the proposed amendments designating harbors and facilities at Lahaina and Kailua-Kona as commercial harbors under the jurisdiction of the Department of Transportation.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Water, Land, and Hawaiian Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2299, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2299, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Noes, none. Excused, 4 (D. Ige, Kanno, Nakata, Taniguchi).

SCRep. 2212 (Joint) Transportation and Intergovernmental Affairs and Economic Development on S.B. No. 2303

The purpose of this measure is to transfer certain Public Service Company tax revenue to the harbor special fund for the improvement of cruise ship facilities.

Testimony in support of this measure was received from the Department of Transportation, Mayor of Maui County, a member of the Maui County Council, County of Hawaii, Hawaii State Association of Counties, Hawaii Tourism Authority, Maritime Committee of the Chamber of Commerce, Maui Divers of Hawaii, Kona Historical Society, Daughters of Hawaii, Liferaft & Marine Safety Equipment, Inc., Hawaii Island Economic Development Board, Kaahumanu Center, American Hawaii Cruises, Big Island Business Council, Kona-Kohala Chamber of Commerce, Charleys Taxi & Limousine, CSX Lines, Hawaii Attractions Association, Maui Hotel Association, Hawaii Boaters Political Action Association, VIP Foodservice, Big Island Visitors Bureau, Atlantis Adventures, Waldron Steamship Co., Ltd., Kahua Na'au A'o ma Pu'uhonua o Honaunau NHP, Inc., Matson Navigation Company, and a citizen. Testimony in opposition to the measure was received from the Department of Budget and Finance and comments were received from the Tax Foundation.

Your Committees find that this measure will provide a mechanism to provide the necessary funds to improve the State's passenger cruise facilities for the next nine years.

Your Committees have amended the measure by clarifying that those funds that are not deposited into the harbor special fund shall be deposited into the general fund, changing the date of vessels placed in service from December 31, 2000, to December 1, 2000, and providing that only harbor special funds derived from the public service company tax paid by cruise ships may be used for improving cruise ship facilities. Your Committees also have made technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2303, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2303, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 2 (D. Ige, Taniguchi).

SCRep. 2213 Transportation and Intergovernmental Affairs on S.B. No. 2634

The purpose of this measure is to define "law enforcement officer", and replace references to "peace officer" with "law enforcement officer" in various penal code provisions.

Testimony in support of the measure was received from the Prosecuting Attorney of the City and County of Honolulu and the Honolulu Police Department.

Your Committee finds that this measure will make the Penal Code more consistent by replacing the undefined term "peace officer" with the term "law enforcement officer" which is defined.

Your Committee has amended the measure by making a conforming amendment to section 711-1102, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2634, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2634, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2214 Transportation and Intergovernmental Affairs on S.B. No. 3073

The purpose of this measure is to add the habitual driving offense to the implied consent law, to define "preliminary alcohol screening device", and clarify that it is not a substitute for a test under the implied consent law.

Testimony was received in support of this measure from the Judiciary, Department of Transportation, Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, and MADD.

Your Committee finds that the use of the preliminary alcohol screen will significantly assist the police in identifying alcohol impaired drivers as well as those drivers who are not alcohol impaired.

Your Committee has amended the measure by clarifying that a preliminary alcohol screen shall only be used in determining probable cause for the arrest, and not as a substitute for the breath, blood, or urine test required by the implied consent statutes.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3073, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3073, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2215 Transportation and Intergovernmental Affairs on S.B. No. 3105

The purpose of this measure is to create the offense of assault against a law enforcement officer in the first degree as a class C felony.

The measure also renames assault against a police officer as assault against a law enforcement officer in the second degree, and reduces the criminal state of mind requirement for that offense from "intentionally, knowingly, or recklessly" to only "recklessly".

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Prosecuting Attorney of the City and County of Honolulu, and the Honolulu Police Department.

Your Committee finds this measure will bring law enforcement officers with the same protection given correctional and educational workers who are engaged in the performance of their duties.

Your Committee has amended the measure by inserting language referring to the definition of law enforcement officer as defined under the chapter relating to offenses against public administration.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3105, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2216 Transportation and Intergovernmental Affairs on S.B. No. 3115

The purpose of this measure is to create an additional penalty of \$100 for convictions and adjudications to be used by law enforcement agencies to enhance technologies used to detect persons driving under the influence of intoxicating liquor and persons under 21 driving after consuming a measurable amount of alcohol.

Testimony in support of this measure was received from the Judiciary, Department of Transportation, Prosecuting Attorney for the City and County of Honolulu, and the Honolulu Police Department.

Your Committee finds that this fine will help arresting agencies to purchase law enforcement equipment to prevent alcohol related driving. Your Committee finds that there is a logical nexus in requiring alcohol impaired drivers to financially assist in providing the needed technology and equipment as part of their sentence.

Your Committee has amended this measure by adding the proposed language to provisions concerning habitually driving under the influence of intoxicating liquor or drug. Your Committee has further amended the measure by replacing references to "court clerk" with "clerk of the court" to conform with other statutory provisions and has inserted the word "adjudicated" in place of "convicted" in section 291-4.3, Hawaii Revised Statutes, as juveniles are adjudicated, not convicted of offenses. Finally, your Committee has made technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3115, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2217 Transportation and Intergovernmental Affairs on S.B. No. 3127

The purpose of this measure is to require all tow trucks to register with the Director of Finance to ensure that they meet the same standards for insurance and registration as commercial fleet vehicles.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and Hawaii State Towing Association. Testimony in opposition was received from the Honolulu Department of Customer Service.

The intent of this measure is to protect the public from uninsured or underinsured tow vehicles. Testimony was presented to the effect that tow vehicles are being used as personal vehicles rather than strictly for towing. A distinguished licensed plate or decal and the display of the name, trademark, or logo of the company would serve to alert the public as to whether the tow truck has the requisite insurance and whether it is a legitimate operation.

Your Committee has amended this measure by inserting a definition of "commercial tow truck".

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3127, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 2218 Transportation and Intergovernmental Affairs on S.B. No. 3158

The purpose of this measure is to appropriate funds to address the traffic impact caused by automobile congestion in neighborhoods and to install traffic calming measures.

Testimony in support of the measure was received from a Nuuanu resident. Testimony was received from the Department of Transportation in support of the intent but expressing concern regarding the sources of funding.

Your Committee finds that the neighborhoods of Kalihi, Nuuanu, Kaimuki, and Moiliili-McCully suffer from inbound and outbound traffic congestion, and that traffic calming measures such as trees, landscaping, barriers, additional signs, roundabouts, and illuminated pedestrian crossings are needed.

Your Committee has amended this measure by deleting the dollar amounts and leaving them blank.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3158, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 2219 Government Operations and Housing on S.B. No. 2234

The purpose of this measure is to provide for the procurement of professional services from qualified architects, engineers, and professionals in order to promote the growth of small and medium sized businesses in Hawaii.

To accomplish its purpose, this measure requires invitations soliciting resumes and statements of qualifications to be sent to all licensed professionals appropriate for a particular project, and limits each candidate on the list of qualified persons to two contracts a year.

Testimony in opposition to this measure was received from the Department of Accounting and General Services, the State Procurement Office, the American Institute of Architects, and Fewell Geotechnical Engineering, Ltd. Comments were received from the Consulting Engineers Council of Hawaii.

Your Committee has amended this measure by removing the proposed provisions and adding instead a provision that excludes professional services relating to construction from the requirements under section 103D-304, Hawaii Revised Statutes, and subjects them to the competitive sealed proposal provisions under section 103D-303, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2234, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2234, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Matsunaga, Tanaka, Anderson).

SCRep. 2220 Government Operations and Housing on S.B. No. 2527

The purpose of this measure is to clarify condominium laws by requiring a board of directors of a condominium association that solicits proxies using association funds to comply with the thirty day notice requirement set forth law, and that a copy, facsimile telecommunication, or other reliable reproduction of a proxy may be used in lieu of the original.

Testimony in support of this measure was received from Hawaii Independent Condominium and Cooperative Owners. Testimony in opposition to this measure was received from an individual. Comments on this measure were received from the Hawaii Chapter of the Community Associations Institute.

Your Committee finds that fair play is an essential goal for proxy distributions and condominium law and has accordingly amended this measure to add provisions to clarify the proxy distribution procedures for a condominium association.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2527, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2527, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Sakamoto, Tanaka).

SCRep. 2221 Government Operations and Housing on S.B. No. 2598

The purpose of this measure is to authorize the issuance of general obligation bonds and to appropriate funds to the rental housing trust fund to encourage the development and availability of low income rental housing throughout the State.

Testimony in support of this measure was received from the Governor's Office, the Housing and Community Development Corporation of Hawaii, the Affordable Housing and Homeless Alliance, Hawaii Housing Development Corporation, American Friends Service Committee, Catholic Charities, and AARP.

Your Committee has amended this measure to:

- (1) Provide that the funds appropriated shall be used to fund projects which receive not more than fifty per cent of the total investment in the project from government funding, including rental housing trust funds and low-income housing tax credits;
- (2) Add restrictions on consulting fees for architectural and engineering services as well as provide requirements for each project proposal; and
- (3) Require the Housing and Development Corporation of Hawaii as a mortgage lender under the Hula Mae lending program to provide refinancing for state homeowners.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2598, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Sakamoto, Tanaka).

SCRep. 2222 Government Operations and Housing on S.B. No. 3160

The purpose of this measure is to streamline owner-occupancy sales requirements for condominiums set forth in part VI of chapter 514A by giving priority to owner-occupants for sales of residential condominium apartments without hampering a developer's need for flexibility in the ever-changing real estate market.

Comments and proposed amendments to this measure were received from the Land Use Research foundation of Hawaii, Gentry Homes, Ltd., and the Real Estate Commission.

Your Committee has amended this measure to reduce the time period during which at least fifty per cent of the apartments being sold shall be offered only to owner-occupants from one hundred eighty days to thirty days. Your Committee has also amended this measure to require that the minimum price of the unit for sale be set forth in the advertisements or publications required under section 514A-102, Hawaii Revised Statutes. Your Committee has also amended this measure to provide owner-occupants with an extension of the thirty-day time period requirement between the date of the announcement of sale and the signing of the agreement of sale to accommodate any delays in obtaining financing. Your Committee has further amended this measure to make technical amendments.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3160, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Sakamoto, Tanaka).

SCRep. 2223

Judiciary on S.B. No. 2435

The purpose of this bill is to mandate a substance abuse assessment and treatment program for all inmates in correctional centers and facilities, who are alcohol or drug dependent, or who are otherwise in need of substance abuse treatment and monitoring. The bill also establishes an interagency coordinating body to oversee this mandated treatment program.

Your Committee finds that the concept of an interagency coordinating body is beneficial to the efficient use of resources in the rehabilitation and supervision of the criminal justice client. Policies that affect the care of these drug offenders can be coordinated for the best results on behalf of the client and program resources. Your Committee further finds that this coordinating body can develop needed programs, organize memorandums of agreement, assess information, collectively set priorities, and seek funds for treatment services.

Testimony in support of the intent of this measure was submitted by the Judiciary, the Department of Public Safety, the Hawaii Paroling Authority, the Department of the Prosecuting Attorney of the City and County of Honolulu, TJ Mahoney & Associates, the American Civil Liberties Union of Hawaii, and the Community Alliance on Prisons. The Office of the Public Defender submitted testimony in support of the intent but voiced many reservations with the bill.

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

- (1) Deleting those portions of section 2 of the bill which mandates that the court sentence certain first time C felony drug offenders to probation and further provides that if the person fails to comply with the requirements of their probation, their probation may be revoked;
- (2) Deleting section 11 of the bill which provides an appropriation of funds for substance abuse treatment programs for convicted felons on probation;
- (3) Adding clarifying amendments to chapter 92F, Hawaii Revised Statutes; and
- (4) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2435, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2435, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2224

Ways and Means on S.B. No. 2938

The purpose of this measure is to conform Hawaii's income tax law with the changes to the Internal Revenue Code (IRC).

Testimony in favor of this measure was submitted by the Department of Taxation. The Tax Foundation submitted comments.

Your Committee finds that adoption of the amendments to the IRC sections for State income tax purposes assures continued State conformity with federal income tax law and minimizes taxpayers' burdens in complying with Hawaii's income tax law.

Your Committee has amended this measure to make technical changes to reflect current statutory language and preferred drafting style. Your Committee notes that one of the technical changes is to split section 235-2.4, Hawaii Revised Statutes (HRS), into two sections, 235-2.4 and 235-2.45. Section 235-2.4, HRS, is often amended, has become unwieldy, and the preferred drafting style requires that the entire section be set out for any amendment. As a precedent, Act 19, Session Laws of Hawaii 1985, performed a similar split.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2938, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2938, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Iwase, Kawamoto, Nakata, Taniguchi, Anderson).

SCRep. 2225

Ways and Means on S.B. No. 2940

The purpose of this measure is to establish reasonable and consistent fees for financial institutions for conducting research and for reproducing records in response to investigative subpoenas issued by the Department of Taxation.

Testimony in support of this measure was received from the Department of Taxation. Testimony in opposition to this measure was received from the Hawaii League of Savings Institutions, and the Hawaii Bankers Association. Comments on this measure were received from the Tax Foundation of Hawaii.

Your Committee finds that currently financial institutions can charge without limit for costs related to the reproduction of records in response to a subpoena issued by the Department of Taxation. This measure establishes fees at \$15 per hour for research time, and 50 cents per page for reproduction of documents.

Your Committee has amended the measure to allow the Department of Taxation to determine the appropriate fee amounts after December 31, 2001, by rule.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2940, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2940, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (M. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2226

Ways and Means on S.B. No. 2942

The purpose of this measure is to change the dates on which the Council on Revenues must report its estimates of total state personal income to the Director of Finance, the Governor, the Chief Justice, and the Legislature from July 20 and October 20, to August 5 and November 5, respectively. This measure also makes corresponding changes to the dates on which the Director of Finance must determine estimates of the state growth and expenditure ceiling from August 1 and November 1, to August 15 and November 15, respectively.

Testimony in support of this bill was received from the Department of Taxation, and the Council on Revenues. Comments were received from the Tax Foundation of Hawaii.

Your Committee finds that changing the reporting dates of the Council on Revenues for total state personal income will accommodate the estimates of the United States Bureau of Economic Analysis which would result in more accurate estimates of total state personal income and the state growth and expenditure ceiling.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2942 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2227

Government Operations and Housing on S.B. No. 2386

The purpose of this measure is to provide funding to renovate state-owned public housing.

The measure accomplishes this by authorizing the issuance of \$20,000,000 in general obligation bonds and appropriating the same amount to fund the renovation projects.

Testimony in support of the measure was received from the Governor, the Housing and Community Development Corporation of Hawaii, the American Friends Service Committee, the Pacific and Asian American Center for Theology and Strategies, the Affordable Housing and Homeless Alliance, and the Palolo Tenants Association.

Your Committee finds that state-owned public housing is aging and has deteriorated due to lack of maintenance. As a result, the general condition of state-owned public housing is below acceptable standards. A number of housing units stand vacant because they do not meet minimum housing quality standards. Your Committee also finds that many state-owned housing projects do not meet the federal Americans With Disabilities Act (ADA) guidelines and need to be brought into compliance.

In light of these findings, your Committee has amended the measure by:

- (1) Increasing the general obligation bond issuance and appropriation amount from \$20,000,000 to \$43,000,000; and
- (2) Earmarking \$20,000,000 to bring state-owned public housing projects into compliance with ADA guidelines.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2386, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2386, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Sakamoto, Tanaka).

SCRep. 2228 Government Operations and Housing on S.B. No. 2451

The purpose of this measure is to protect the educational rights of individuals with disabilities.

This measure requires public contracts with publishers and manufacturers of instructional materials to include a provision requiring provision of instructional materials in electronic format if the material is made available to any other state or upon request by the Department of Education or the University of Hawaii.

Testimony in support of this measure was received from the Department of Education, Easter Seals, and the Assistive Technology Resource Center of Hawaii. Testimony in opposition of this measure was received from the University of Hawaii. Recommendations and comments were received from the Disability and Communication Access Board.

Your Committee agrees with the testimony of the University of Hawaii and has amended this measure to apply only to the Department of Education in order to allow the University additional time to consult with local publishers and study the progress of the California state educational system with respect to similar legislation.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2451, S.D. 1, and be referred to the Committee on Education and Technology.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Matsunaga, Tanaka, Anderson).

SCRep. 2229 Government Operations and Housing on S.B. No. 2521

The purpose of this measure is to increase public awareness of State professional service contracts of \$250,000 or more by establishing disclosure requirements for purchasing agencies.

This measure requires that within a specified time, the purchasing agency shall publish the names of at a maximum, the top five contenders, the name of the firm or individual awarded the contract, the principal officers of the firm, and any relationship between the principals and the official making the award. This measure also specifies that the purchasing agency shall publish an annual report of all professional service contracts listing the name of the contracting agency, and the amount and type of each contract awarded.

In its testimony, the Department of Accounting and General Services supported the intent of this measure and recommended that the publishing requirement be modified to allow the purchasing agency to post the information on the agency's bulletin board and on the Internet. Testimony in opposition of this measure was received from the State Procurement Office.

Your Committee finds that the information made available as a result of this measure is important public information and will contribute to a more knowledgeable citizenry. Your Committee has heard the recommendations as to the form of delivery of the information and has amended this measure to delete the references to publish and publication and to make this information available by posting and on the Internet.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2521, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2521, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Chun, Hanabusa, Levin, Matsuura).

SCRep. 2230

Health and Human Services on S.B. No. 2485

The purpose of this measure is to make an appropriation for end-of-life care education of physicians.

Your Committee received testimony in support of this measure from the Executive Office on Aging, Hawaii Nurses' Association, Hawaii Catholic Conference, and Hawaii Medical Association.

The American Medical Association has developed the EPEC Project, "Education of Physicians on End-of-Life Care". The Hawaii Nurses' Association described the project as being "a wonderful program." EPEC is designed to help physicians take care of their responsibility as physicians to develop quality end-of-life care. EPEC will equip physicians with a core of base knowledge and skills to improve competence and confidence, strengthen physician-patient relationships, and enhance personal satisfaction with end-of-life care. The Executive Office on Aging will provide that education with the funding under this measure.

The end of a person's life is one of the most important times in life. Physicians need to be competent in that care. The ultimate goal is to relieve suffering and improve the quality of life for patients going through end-of-life care and those who live with them.

Your Committee agrees with the testimony of the Hawaii Nurses' Association that other avenues of funding should be pursued, such as grants and the coordination of funding efforts with professional organizations, health care institutions, and providers in hospice care and long-term care.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2485 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 2231

Health and Human Services on S.B. No. 2579

The purpose of this measure is to create a special needs housing special fund.

Your Committee received testimony in support of this measure from the Department of Health, Department of Business, Economic Development, and Tourism, Honolulu Department of Community Services, Mental Health Association in Hawaii, Hawaii Psychiatric Medical Association, Safe Haven, Affordable Housing and Homeless Alliance, Institute for Human Services, Inc., Hawaii Substance Abuse Coalition, NAMI Oahu, and three private individuals.

The special needs housing special fund would be used to provide supportive housing for persons with mental illness and substance abuse conditions. The fund would be administered by the Housing and Community Development of Hawaii.

The intent of this measure is to provide supportive housing which comprehensively addresses mental illness and substance abuse in the homeless population.

Your Committee finds that current facilities and programs that provide special needs housing for persons with mental illness and substance abuse addictions have neither the funds nor the capacity to offer services to all those in need. A conservative estimate based on the 1999 Homeless Needs Assessment Study suggests that between five hundred fifty and eight hundred mentally ill homeless persons are in need of affordable housing. Given the present waiting lists for Honolulu's Safe Haven, a facility that provides housing and rehabilitation services to the homeless, as many as two additional Safe Haven facilities are needed on the island of Oahu alone to address the homeless problem of those with mental illness.

Your Committee further finds that state and county governments suffer unnecessary financial burdens when mainstream public support systems, such as prisons, hospitals, and emergency rooms, become the primary mechanism for treating acutely and chronically ill homeless persons. Studies show that these ad hoc approaches to the mentally ill and substance abusing homeless population exceed the cost of outright treatment by tens of thousands of dollars per capita per year. Ad hoc approaches that fail to comprehensively address mental illness, substance abuse, and homelessness will most likely prove unsustainable.

Your Committee further finds that combining housing services with mental health and substance abuse treatment is necessary to provide mentally ill homeless persons with the support needed to maintain housing and to ensure that homeless persons returning to more independent housing are able to adjust to their new demands.

Your Committee has amended this measure by:

- (1) Changing the expending agency from the Department of Business, Economic Development, and Tourism, to the Housing and Community Development Corporation as the appropriate expending agency; and
- (2) Making technical, nonsubstantive changes to reflect preferred drafting style and clarity.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2579, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 2232 (Joint) Health and Human Services and Government Operations and Housing on S.B. No. 2856

The purpose of this measure is to require the Department of Human Services (DHS) to record in the Bureau of Conveyances agreements or liens with public assistance recipients.

Your Committees received testimony in support of this measure from the Department of Human Services.

The DHS is required under current law to require that any person applying for or receiving assistance under DHS programs enter into an agreement with the DHS to repay the amount of assistance benefits if the person owns real property which is not the person's home. This measure requires that either the agreement or a lien to the same effect be filed in the Bureau of Conveyances to protect the State's interest. This measure also requires the DHS to include in its annual report to the legislature, a list of agreements and their values held by the DHS on real property.

Your Committees have amended this measure by making technical, nonsubstantive changes to reflect preferred drafting style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2856, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2856, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Hanabusa, Matsunaga, Tanaka, Anderson).

SCRep. 2233 Health and Human Services on S.B. No. 2877

The purpose of this measure is to make emergency appropriations of \$17,735,924, out of the general fund, and \$378,646, out of the child and adolescent mental health special fund, for services to emotionally disturbed children and adolescents.

Your Committee received testimony in support of this measure from the Department of Health, Attorney General, Department of Education, State Mental Health Planning and Advisory Council, Easter Seals, HGEA-AFSCME, and Mental Health Association in Hawaii.

This measure is to fund services required under the Felix v. Cayetano case, now pending in the United States District Court. The expenditures are necessary for the State to comply with court-ordered mandates to bring the State up to constitutionally acceptable standards for the provision of services to emotionally disturbed children and adolescents.

According to testimony of the DOH, unanticipated increases in the cost to serve children and adolescents who are severely emotionally disturbed, and obligations associated with the consent decree in Felix v. Cayetano will increase the expenditures of the child and adolescent mental health division beyond amounts authorized for fiscal year 1999-2000.

Although the testimony of the DOH has outlined the proposed expenditure of funds from the appropriation under this measure, your Committee has requested the DOH to provide an itemization of the proposed expenditures which the DOH has agreed to do.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2877 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2234 Health and Human Services on S.B. No. 2974

The purpose of this measure is to require parity of mental health insurance coverage for substance abuse services.

Your Committee received testimony in support of this measure from the Department of Health, Affordable Housing and Homeless Alliance, Advisory Commission on Drug Abuse and Controlled Substances, Hawaii Association of Alcohol and Drug Abuse Counselors, Community Alliance on Prisons, Equal Insurance Coalition, Hawaii Psychological Association, Hawaii Substance Abuse Coalition, Mental Health Association in Hawaii, NAMI Hawaii, Office of National Drug Control Policy, and a private individual. Testimony in opposition was received from Kaiser Permanente and the Hawaii Medical Service Association.

This measure is intended to separate parity for substance abuse services from parity for serious mental illness benefits. Substance abuse services include treatment for alcohol and drug dependence. Your Committee is aware of the difficulty of the parity issue and wishes to simplify the matter by segregating parity between mental illness and substance abuse. The parity requirements in this measure also will apply to QUEST medical plans since the exemption for QUEST until July 1, 2002, has been removed.

Your Committee finds that providing equal access to substance abuse treatment is a cost-effective approach to treating substance abuse. Addiction should be treated like other diseases. Discriminatory caps, limited treatment stays, and other coverage restrictions limit access to services and worsen the problem for the individual and society. Your Committee further finds that addiction is a disease that requires treatment like any other disease.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2974 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 2235 Health and Human Services on S.B. No. 3016

The purpose of this measure is to make an appropriation for Molokai General Hospital.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, two Maui County Councilmen, Molokai General Hospital, Hawaii State Primary Care Association, Kilohana Elementary School, NA PU'UWAI, Papa Ola Lokahi, and Queen's Health Systems.

Molokai General Hospital is the only hospital on the island of Molokai, and serves a population of approximately 6,700 residents. Although Molokai General Hospital is not a state hospital, it receives a monthly subsidy from the State as a community hospital, and also receives aid from the county of Maui and federal grants and contracts. Molokai General Hospital receives most of its financial and management support from being a subsidiary of Queen's Health Systems. However, because of the Queen's Health Systems' recent decrease in revenues and their decision to downsize, Molokai General Hospital's financial support has been severely affected. Thus, Molokai General Hospital must rely on increased financial support from the State, the county of Maui, and federal grants.

According to testimony of Molokai General Hospital, it has experienced annual budget deficits and reduced reimbursements from Medicare and Medicaid. The hospital's parent company, the Queen's Health System, can no longer extend the same level of financial support. According to testimony of the Queen's Health System, it is committed to continuing its support of the hospital, but if current trends continue, it may not be able to maintain its support at the levels it has in the past.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3016 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 2236 Economic Development on S.B. No. 2006

The purpose of this measure is to extend the sunset date of the convention center authority to 2001.

Testimony in favor of this measure was submitted by the Hawaii Hotel Association, Maui Hotel Association, four members of the Convention Center Authority Board, and one other individual. The Department of Business, Economic Development, and Tourism, Ala Moana Residents Advisory Council, Waikiki Area Action Association, Neighbors of the Ala Wai, Summer Place AOA, Yacht Harbor Towers, and three individuals submitted testimony in opposition.

Your Committee finds that Act 98, Session Laws of Hawaii (SLH) 1999, extended the sunset date of the convention center authority for one additional year in order to give the authority additional time to complete its work before the intended consolidation of the convention center authority and the Hawaii tourism authority.

Your Committee has heard both proponents and opponents to this proposed consolidation and recognizes that there is merit to both options. However, your Committee believes there remain issues that can best be addressed by the convention center authority and has amended this measure to extend the sunset date for two additional years, until 2002.

In doing so, however, your Committee wishes to express very grave concerns about the ineffectiveness of the marketing program for the center. Despite considerable expenditures, the center still appears to be missing market opportunities, and as a result, is far from meeting its target goals for both major and lesser events. Your Committee believes this could well be considered one of the "various outstanding problems" included in the management audit of the convention center authority, established in Act 98, SLH 1999.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2006, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2006, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2237 (Joint/Majority) Economic Development and Transportation and Intergovernmental Affairs on S.B. No. 2134

The purpose of this measure is to discount the animal quarantine fees for active duty military personnel.

Testimony in favor of this measure was submitted by the Navy League of the United States, the Air Force Association-Hawaii, Hickam Air Force Base Enlisted Personnel, The Chamber of Commerce of Hawaii, Hawaii Business Roundtable, Hawaiian Humane Society, and one individual. Oral testimony in support was submitted by one individual. The Department of Agriculture and one individual submitted testimony in opposition.

Your Committees find that the State's animal quarantine requirements continue to generate controversy. Although the number of days required for quarantine has been reduced if specific requirements are met, the fees have risen substantially. Your Committees have heard that the higher fees place a substantial financial burden on military personnel, particularly those in the lower ranks. In addition, many of these personnel are transferred on short notice and do not have time to meet the vaccination and waiting period requirements necessary to qualify for the shorter and less costly thirty-day quarantine period.

Your Committees understand the concerns expressed that the current fee structure affects civilian, as well as military personnel, and believe this is an issue for further discussion. However, your Committees find this measure will provide some financial relief for military personnel while other options continue to be explored.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2134 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (M. Ige). Excused, 2 (D. Ige, Taniguchi).

SCRep. 2238 (Majority) Economic Development on S.B. No. 2164

The purpose of this measure is to require the Department of Agriculture to compile statistics on certified organic agriculture.

Testimony in favor of this measure was submitted by the Big Island Farm Bureau, Hamakua County Farm Bureau, Hawaii Organic Farmers Association, and Big Island Sustainable Communities Association. The Department of Agriculture submitted testimony in opposition.

Your Committee finds that statistics play a key role in the ability to monitor the current status and potential growth of the agricultural sector. In the case of organic agriculture, the production and processing techniques are distinct and separate from other forms of agriculture, and require a separate set of statistics.

Your Committee has heard the concerns of the Department of Agriculture regarding the importance of uniform standards as a base for defining organic agriculture, if the resulting statistics and data gathered are to be useful for both the industry and consumers. As the result of these and other concerns, and after further discussion, the department has proposed an alternative means to provide assistance to the organic agriculture industry in Hawaii.

Your Committee has amended this measure accordingly, by deleting its contents, and inserting language to establish a new part on organically produced agricultural products, which:

- (1) Sets out definitions;
- (2) Authorizes the department to adopt rules subject to chapter 91, Hawaii Revised Statutes;
- (3) Establishes criteria for accreditation of certifying agents;
- (4) Specifies labeling exceptions; and
- (5) Establishes administrative penalties of not more than \$1,000 for each separate offense under the new part.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2164, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2164, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, 1 (M. Ige). Excused, none.

SCRep. 2239 (Joint) Economic Development and Commerce and Consumer Protection on S.B. No. 2166

The purpose of this measure is to authorize the sale of wind farm generated electricity sold to a public utility to qualify for state enterprise zone benefits.

Testimony in favor of this measure was submitted by the Department of Planning, Economic Development, and Tourism, the Environmental Center, University of Hawaii at Manoa, Apollo Energy Corporation, Hawaii Renewable Energy Alliance, Zond Pacific, Inc., the Sierra Club, Hawaii Chapter, and two individuals.

Your Committees find that this measure would offer tax and other incentives for wind energy producers who meet certain criteria. Your Committees have heard that wind energy is the most cost effective renewable energy resource for generation of electrical energy and that Hawaii has excellent wind energy resources. In addition to supporting this alternative energy resource, this measure would also encourage job creation in the energy industry in Hawaii.

As affirmed by the records of votes of the members of your Committees on Economic Development and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2166 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Bunda, Kawamoto, Matsuura).

SCRep. 2240 (Joint) Economic Development and Education and Technology on S.B. No. 2409

The purpose of this measure is to exempt certain activities of call centers from taxation.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism, Department of Taxation, High Technology Development Corporation, Hawai'i Technology Trade Association, and The Chamber of Commerce of Hawaii. The Tax Foundation of Hawaii submitted comments.

Your Committees find that today's technically advanced products and services require highly trained customer support personnel. Call centers, which use sophisticated call routing and wideband high speed data lines, provide these support services with computer-aided design and other engineering technologies. Call center operations offer an excellent opportunity for Hawaii in the ever expanding customer service market, while Hawaii provides a central location for companies doing business in the United States and Pacific Rim countries.

Your Committees have amended this measure to:

- (1) Amend the definition of "call centers" by adding manufacturing companies and excluding telemarketing or sales, to follow more closely the definition in S.B. No. 2779, S.D. 1, "Relating to State Enterprise Zones," recently approved by the Committee on Economic Development;
- (2) Clarify the effective date for the application of gross income received by a public service company; and
- (3) Make technical, nonsubstantive corrections.

As affirmed by the records of votes of the members of your Committees on Economic Development and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2409, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2409, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2241 Economic Development on S.B. No. 2712

The purpose of this measure is to limit the harvest and trade of shark fins, unless the fins were taken from a shark landed whole in the State; and to subject violators to forfeiture of fins, commercial marine license, and fishing equipment as well as an administrative fine of \$15,000.

Testimony in favor of this measure was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Kaho'olawe Island Reserve Commission, Hawaii Fishermen's Foundation, Hawaii Audubon Society, Sierra Club, Hawai'i Chapter, EnviroWatch, Inc., Environmental Defense, Annette's Adventures, and one hundred individuals. BOATS/HAWAII, Hawaii Boaters Political Action Association, Hawaii State Pilots, Hawaii Stevedores, Inc., Aala Ship Service, American Customs Brokerage Co., Inc., Honolulu Agency, Inc., Mid-Pacific Ship Agent, Ltd., Norko Marine Agency, Inc., Oceanic Global Trading, Finest Kind Marine Distributors, Inc., HSI Electric, Dance America, USA, and two individuals submitted testimony in opposition. The Western

Pacific Regional Fishery Management Council, the Environmental Center, University of Hawai'i at Manoa, Bostim, Inc., Diamond Bay Specialty Seafoods-Hawaii, and one individual submitted comments.

Your Committee acknowledges the controversial nature of the issues addressed in this measure, and the deep commitment of all those who testified both for and against the bill. Much of the available information on the impact of shark fishing is somewhat contradictory, and there are jurisdictional issues involving international, U.S., and state-controlled waters as well.

Your Committee has considered a number of changes to the measure and is well aware that the bill as amended by this Committee will continue to be controversial. However, your Committee has addressed some of the most critical issues by amending this measure to:

- (1) Add the words "raw or dried" to the definition of "shark fin" to clarify that it does not include processed fins;
- (2) Amend the definition of "whole" to allow for the gutting and cleaning of a shark carcass;
- (3) Insert the word "seizure" before forfeiture with regards to violations;
- (4) Correct a statute reference;
- (5) Amend the definition of "harvest" to indicate it refers to marine life, which is already defined in the section;
- (6) Exempt vessels that do not off load cargo in the State or its territorial waters; and
- (7) Make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2712, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2712, S.D. 1, and be referred to the Committee on Water, Land, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2242 (Joint) Economic Development and Education and Technology on S.B. No. 2738

The purpose of this measure is to create tax credits for new economy skills training for the costs of training, retraining, and related job creation costs.

Testimony in favor of this measure was submitted by the Governor's Special Advisor on Technology Development, Department of Taxation, High Technology Development Corporation, and Hawai'i Technology Trade Association. The Tax Foundation of Hawaii submitted comments.

Your Committees find that if Hawaii is to compete successfully in the new economy, it must build a technically skilled workforce. This includes encouraging young people to pursue technology fields, persuading skilled workers who have left Hawaii to return, and training the existing workforce in new skills. Your Committees believe this measure will help offset what is often costly training in terms of both dollars and time invested.

As affirmed by the records of votes of the members of your Committees on Economic Development and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2738 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (M. Ige, Matsunaga, Tam).

SCRep. 2243 (Majority) Economic Development on S.B. No. 2745

The purposes of this measure are to:

- (1) Allow the Department of Agriculture to establish and assess fees for aquatic animal and plant health diagnostic services and other expert services related to aquaculture;
- (2) Establish the aquaculture development special fund to be used for aquatic disease management programs, including state match of federal funds, and for research and development; and
- (3) Appropriate \$30,000 out of the fund for fiscal year 2000-2001 for the purposes of the fund.

Testimony in favor of this measure was submitted by the Department of Agriculture, Hawaii Aquaculture Association, Aquatic Farms, and Mangrove Tropicals, Inc.

Your Committee finds that the state budget for aquaculture development has declined in recent years, particularly in the critical service area of aquatic animal health management. At the same time, the workload in disease management has increased dramatically with more species and farms competing for limited resources.

Your Committee has expressed concerns that the fees proposed in this measure may harm the smaller businesses, but has been assured by the department that this is not the intent. The program intends to charge fees for selected health management services, and with deposit of these fees and other revenues into the special fund, will be able to directly benefit the industry.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2745 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Slom). Excused, none.

SCRep. 2244 (Majority) Economic Development on S.B. No. 2913

The purpose of this measure is to remove language constituting unlawful delegation of legislative authority, which in effect gives the Kaneohe Bay Regional Council rule-making authority, to allow the Department of Land and Natural Resources (DLNR) more flexibility in implementing the Kaneohe Bay Master Plan recommendations, and to repeal the Kaneohe Bay Regional Council upon the adoption of rules based on recommendations of the Kaneohe Bay Master Plan.

Testimony in favor of this measure was submitted by the Department of Land and Natural Resources, BOATS/HAWAII, Kaneohe Bay Association of Mariners, Windward Watersports Center, Kaneohe Bay Cruises, Inc., Hawaii Island Jet Sport Association, and two individuals. The Office of Hawaiian Affairs, the Kahalu'u Neighborhood Board No. 29, and two individuals submitted testimony in opposition. The Environmental Center, University of Hawai'i at Manoa submitted comments.

Your Committee finds that Kaneohe Bay is a resource of great importance to the State and that the efforts to resolve the conflicts over activities in Kaneohe Bay continue to generate controversy. In addition, current legislation governing activities in Kaneohe Bay is confusing, and has made it difficult for DLNR to incorporate the applicable recommendations of the Kaneohe Bay Master Plan in revising existing rules because of unintended adverse effects on navigation safety and resource protection.

Your Committee has heard the frustrations and concerns from many of the parties involved and acknowledges the complexities of governing activities in Kaneohe Bay. Your Committee believes this measure contributes to resolution of these issues.

Your Committee has amended this measure to limit replacement commercial vessels to an overall length of one hundred feet and to clarify that repeal of chapter 200D, Hawaii Revised Statutes, shall take effect upon the effective date of adoption of rules.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2913, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2913, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Inouye). Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2245 Economic Development on S.B. No. 2918

The purpose of this measure is to increase resident and nonresident hunting license fees, require applicants for license to disclose if they are prohibited from using firearms for hunting, and to authorize the Department of Land and Natural Resources to establish hunting license application and issuance procedures and fees through administrative rules, rather than by statute.

Testimony in favor of this measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that Hawaii's hunting license fees and charges are the lowest of all the western states. Currently, these fees generate approximately \$180,000 per year in revenue that is deposited into the wildlife revolving fund. The funds are used for ground improvements for the hunting program, such as leasing of lands for hunting, improving game bird habitat, controlling predators, hunter education and information, and other hunter services. The proposed increases would raise an additional \$200,000 per year.

Your Committee has heard that the Hawaii Hunting Advisory Council has reviewed this measure and has concerns regarding increased fees for residents, and that the Council opposes creating two separate licenses for resident hunters. Your Committee has amended this measure accordingly to:

- (1) Keep the resident hunting license fee at \$10 and delete the references to separate game mammal and game bird licenses for residents;
- (2) Raise the nonresident license fees to \$215 for a combination license, \$160 for a game mammal license, and \$105 for game bird license;

- (3) Clarify that section 183D-22, Hawaii Revised Statutes, is repealed in the form in which it reads on the date of the repeal;
- (4) Clarify that the enactment of sections 1 and 4 of the bill shall take effect upon the effective date of administrative rules; and
- (5) Make technical amendments.

Your Committee notes that repeal of statutes based on the adoption of rules at an unspecified future date may give rise to some confusion as to what language is subject to repeal and for parties not following rule activity, when it is repealed. While the preferred drafting style sets out sections to be repealed, the Committee has not done so in this amended measure because there is no way to ascertain what form the section may be in at the repeal date.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2918, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2918, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2246 Economic Development on S.B. No. 3007

The purpose of this measure is to authorize the Department of Agriculture to conduct a survey and sampling of swine farms to determine the incidence of porcine respiratory and reproductive syndrome (PRRS) and to establish procedures to certify swine herds without the disease.

Testimony in favor of this measure was submitted by the Department of Agriculture, the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa, Hawaii Farm Bureau, Hawaii Pork Industry Association, Hawaii Egg Producers Cooperative, and one individual. The Office of Information Practices submitted comments.

Your Committee finds that surveys similar to the one in this measure have found that forty to fifty per cent of swine herds in the United States have been exposed to the PRRS virus. It is estimated that for herds acutely infected, producers lose between \$50 and \$250 per sow. Your Committee has heard that pig-to-pig transmission is the most critical means of virus spread and movement of pigs between herds affords significant risk. The proposed survey would sample approximately 4,200 swine from 261 herds statewide, and the certification established in this measure would have a positive long-term economic benefit for Hawaii's pork industry.

Your Committee has amended this measure to make the survey mandatory, and to clarify the release of data collected as a result.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3007, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2247 Economic Development on S.B. No. 3032

The purpose of this measure is to establish a center for Asian-Pacific infrastructure development within the Department of Business, Economic Development, and Tourism.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism, Pacific International Center for High Technology Research, Consulting Engineers Council of Hawaii, Lyon Associates, Inc., and Salomon Smith Barney.

Your Committee finds that Asian-Pacific region economies are now emerging from their recent economic difficulties, and the World Bank estimates the region will need about \$1.5 trillion in new infrastructure in the next three to five years. Approximately ten to fifteen per cent of this demand is for soft infrastructure, such as planning, design, and engineering services, areas where Hawaii firms have considerable expertise.

Your Committee notes that the 1999 legislature provided an incentive for these firms with an exemption for export of services from the general excise tax. This measure would take the next step and provide these companies with links to specific business opportunities in the Asian-Pacific region.

Your Committee is supportive of this measure, which will capitalize on Hawaii's links to the region. Your Committee has amended this measure to clearly authorize the Director of Business, Economic Development, and Tourism to establish the center within the department, and to make technical amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3032, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3032, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2248 Economic Development on S.B. No. 3058

The purpose of this measure is to appropriate funds to encourage and support community-based physical improvements that are the result of comprehensive region planning initiatives.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Office of Hawaiian Affairs, Hawai'i Alliance for Community-Based Economic Development, Hawai'i Small Business Development Center Network, Hilo Hamakua Community Development Corporation, Hamakua District Development Council, Empower O'ahu, and Pacific Business Insights, Inc.

Your Committee finds that communities throughout Hawaii have been building their capacity as economic development practitioners as a means of contributing to the State's revitalization efforts. In the past three years, community-based organizations receiving support from this program have helped to create 331 jobs and create or sustain 650 businesses.

Your Committee is supportive of this program of community-based initiatives and decision making. Your Committee has amended this measure to make technical amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3058, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3058, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2249 Economic Development on S.B. No. 3080

The purpose of this measure is to require promoters of major commercial events to inform the county police chief not less than twenty days prior to the event, or as soon as possible if the event is scheduled less than twenty days prior.

Testimony in favor of this measure was submitted by Honolulu Police Department. The University of Hawai'i at Manoa submitted comments.

Your Committee finds that major commercial events such as concerts, music festivals, carnivals, and others can attract thousands of people and have a profound impact on the surrounding community. These events may cause disruption of normal traffic patterns and interfere with the delivery of emergency services.

Your Committee has heard that while many promoters do notify the respective police department of scheduled events, this measure would ensure notification and allow the police to plan and prepare adequately for these events.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3080 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2250 Economic Development on S.B. No. 3194

The purpose of this measure is to declare farming operations consistent with generally accepted agricultural practices on agriculture zoned land and farming operations established prior to surrounding nonfarming operations on lands zoned other than agriculture, to be presumed reasonable and not a nuisance unless the activity has a substantial adverse effect on the public health and safety.

Testimony in favor of this measure was submitted by the Department of Agriculture, Hawaii Farm Bureau, Big Island Farm Bureau, Maui County Farm Bureau, Hawaii Agriculture Research Center, Hawaii's Thousand Friends, Life of the Land, and one individual.

Your Committee finds that it is prudent to review laws such as the Right to Farm Act, first approved in 1982, and update these laws in response to changing conditions. This measure addresses increased expansion of nonagricultural developments in traditional agricultural areas. Your Committee has heard considerable discussion on the difficulties of maintaining successful farming operations in Hawaii, and the growing conflicts between farmers and their increasingly urbanized neighbors.

Your Committee has also heard a number of concerns regarding this measure as drafted, particularly with regards to defining terms used and with the proposed language concerning farms existing prior to surrounding development of nonfarm uses. Your Committee,

therefore, has amended this measure to add a definition for "generally accepted agricultural and management practices" and to clarify that farming operations conducted consistent with generally accepted agricultural and management practices shall not constitute a nuisance.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3194, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2251 Economic Development on S.B. No. 3199

The purpose of this measure is to provide for the regulation of microbial products and unlisted microorganisms by the Department of Agriculture under the plant and non-domestic animal quarantine law.

Testimony in favor of the intent of this measure was submitted by the Department of Agriculture, the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa, and Hawaii Agriculture Research Center.

Your Committee finds that there is an urgent need to update and streamline the procedures for importation and regulation of microbial products and microorganisms, as well as all organisms used in research and development. Your Committee has heard that without additional flexibility in the law, biotechnology will not succeed in Hawaii, despite its promise for great economic benefit to the State.

Your Committee understands that since the introduction of this measure, the department has been working with industry and university representatives to present an alternative means of addressing the issue, and with their concurrence, your Committee has amended this measure by deleting and replacing its contents with provisions as follows:

- (1) Creates six new sections for microorganisms, plants, and animals, to clarify the differing requirements appropriate to each category;
- (2) Authorizes the department to determine in an expeditious manner whether an unlisted microorganism may be imported;
- (3) Authorizes the department to establish a list of select human pathogens that do not require an import permit, but do require labeling and inspection;
- (4) Authorizes the department to issue an emergency permit through an expedited review process;
- (5) Authorizes the department to require registration of certain microbial products;
- (6) Establishes a permit revolving fund;
- (7) Adds definitions of "microbial product" and "unlisted microorganism";
- (8) Deletes the requirement for a list of prohibited microorganisms and plants in current law;
- (9) Authorizes the department to assess fees for registration; and
- (10) Extends the time for publication of an interim rule from ten to twelve days to accommodate advance notice requirements.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3199, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3199, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2252 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on S.B. No. 2584

The purpose of this measure is to transfer the responsibility to develop the Kalaeloa Community Development District from the Barbers Point Naval Air Station Redevelopment Commission to the Hawaii Community Development Commission.

The measure also designates the Kalaeloa Community Development District as an enterprise zone and returns the planning and zoning authority over the Kakaako Development District from the Hawaii Community Development District to the City and County of Honolulu.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, the City and County of Honolulu's Department of Planning and Permitting, the McCully/Moiliili Neighborhood Board, Ahahui Siwila Hawaii O Kapolei, and a private citizen.

Testimony in opposition to the measure was received from the Hawaii Community Development Authority, the Barbers Point Naval Air Station Redevelopment Commission, Kamehameha Schools/Bishop Estate, Victoria Ward, Limited, the Hawaii Electricians Market Enhancement Program Fund, and the Kakaako Improvement Association. A private citizen submitted comments on the measure.

Your Committees find that much of the testimony indicated concern over the return of the planning and zoning authority over the Kakaako Development District to the City and County of Honolulu. However, many testifiers were in agreement that the Hawaii Community Development Authority should take control over the redevelopment of the Kalaeloa Community Development District.

In light of these findings, your Committees have amended the measure by:

- (1) Deleting the portions of the bill that return the planning and zoning authority over the Kakaako Development District from the Hawaii Community Development District to the City and County of Honolulu;
- (2) Inserting provisions that encourage the Hawaii Community Development Authority to restore Hawaiian names, terms, and phrases in the Kalaeloa Community Development District when feasible;
- (3) Deleting the bond amount specified for the Hawaii Community Development Authority to use to redevelop the Kalaeloa Community Development District; and
- (4) Adding an appropriation for an unspecified amount to assist the Hawaii Community Development Authority in offsetting costs associated with assuming the responsibilities of the Barbers Point Naval Air Station Redevelopment Commission.

Your Committees strongly encourage the Hawaii Community Development Authority to solicit public input in its decisionmaking process and strive to make all of its meetings open and accessible to the public. Your Committees, while understanding that a portion of the lands in the Kalaeloa Redevelopment District are still subject to federal control, would also like to recommend that the Hawaii Community Development Authority restore Hawaiian names, terms, and phrases, to the extent feasible, within the Kalaeloa area.

Your Committees would like to emphasize that the measure in its amended form is still subject to change and that further deliberation on this important issue is needed. To this end, your Committees believe that the measure has merit and should continue on in the legislative process.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2584, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2584, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 4 (Bunda, Chun, D. Ige, Tanaka).

SCRep. 2253 (Joint) Water, Land, and Hawaiian Affairs and Education and Technology on S.B. No. 2722

The purpose of this measure is to fully implement a Hawaiian language immersion program within the Department of Education.

Testimony in support of the measure was received from the Department of Education, Na Leo Kako'o O Oahu, and two private citizens.

Your Committees find that the full implementation of the Department of Education's Hawaiian Language Immersion Program will provide greater curricular access to students interested in participating in the immersion program.

Your Committees have amended the measure by:

- (1) Removing the specific requirement that each student enrolled in the program must have at least one hour of English language class everyday;
- (2) Allowing the Department of Education to use its discretion in whether to preferentially admit students who come from a fluent Hawaiian speaking family;
- (3) Stating that any institution of higher learning, rather than just the University of Hawaii, that has a teacher preparation program shall work collaboratively with the Department of Education to ensure that the educational staff of the Hawaiian Language Immersion Program is proficient in the Hawaiian language and possesses necessary teaching skills;

- (4) Providing the Superintendent of Education with the flexibility to determine whether or not to establish a Hawaiian Language Immersion Program in a school where there is sufficient interest or to provide transportation for the interested students to attend a nearby Hawaiian Language Immersion Program;
- (5) Providing the Department of Education with the ability to establish charter schools and lab schools, in addition to the power to establish Hawaiian Language Schools already proposed in the measure as received by your Committees;
- (6) Specifying that the appropriation for the establishment of Hawaiian Language Immersion Schools are in accordance with the Operational and Financial Plan for the Hawaiian Language Immersion Program as recommended under H.C.R. No. 281 (1998);
- (7) Deleting the appropriation for fiscal year 2000-2002; and
- (8) Making numerous technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2722, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2722, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 4 (Chumbley, Chun, Kanno, Tam).

SCRep. 2254 (Joint) Water, Land, and Hawaiian Affairs and Labor and Environment on S.B. No. 2845

The purpose of this measure is to transfer the responsibility of authorizing Department of Hawaiian Home Lands' employment contracts that retain the services of contracted employees beyond the statutory limit of six years from the Governor to the Chairperson of the Hawaiian Homes Commission.

Testimony in support of the measure was received from the Department of Hawaiian Home Lands and the State Council on Hawaiian Homestead Associations.

Your Committees find that transferring the authority to approve employment contract extensions for persons whose expertise are deemed vital to the success of the Department of Hawaiian Home Lands makes good managerial sense. Implementation of this measure would expedite the contract negotiation and employment processes of the Department of Hawaiian Home Lands.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2845 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 2 (Chun, Fukunaga).

SCRep. 2255 (Joint) Water, Land, and Hawaiian Affairs and Education and Technology on S.B. No. 3157

The purpose of this measure is to establish a Hawaii International Cultural Center.

The measure accomplishes this purpose by authorizing the Hawaii Community Development Authority to lease eight acres of land to the Hawaiian Chinese Multicultural Museum and Archives for a \$1 a year for forty years. The bill also authorizes the issuance of \$20,000,000 in general obligation bonds and appropriates that amount to construct the center.

Testimony in support of the measure was received from a private citizen. The Department of Budget and Finance and the Hawaii Community Development Authority submitted comments.

Your Committees find that nearly half of all visitors to the islands come to Hawaii to experience its diverse cultures, and the bonding of its multiethnic community. Your Committees also find that in order to unify and solidify this bond, it is important to create a gathering place for discussion, mutual cooperation and understanding, and exhibitions that document the individual ethnic groups' history, culture, and heritage for the sake of present and future generations. Your Committees believe that the measure will help accomplish this goal of unity and understanding.

Your Committees have amended the measure by making the Department of Land and Natural Resources, rather than the Hawaii Community Development Authority, the leasing and expending agency and by deleting the specific general obligation bond and appropriation amount.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3157, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3157, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 4 (Chumbley, Chun, Kanno, Tam).

SCRep. 2256

Commerce and Consumer Protection on S.B. No. 2284

The purpose of this measure is to establish an intervenor program to assist consumers in proceedings before the Public Utilities Commission (PUC) and to appropriate funds to the PUC for the creation and maintenance of an Internet website.

Testimony on this measure was received from the PUC, Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Hawaiian Electric Company, Inc., AT&T, Kauai Electric, The Gas Company, GTE, Life of the Land, and Na Lei Pohai.

The establishment of an intervenor program would allow parties other than the utilities and the Consumer Advocate to present information and positions on issues affecting the interests of utility consumers, and enable the PUC to engage in more reasoned and informed decisionmaking. The PUC already allows interested parties to intervene in the Integrated Resource Planning (IRP) process, and an intervenor program could provide support for the activities of intervenors in the IRP process and on other utility issues.

Your Committee finds the creation of a PUC website would allow the PUC to disseminate information about its activities to the public in a timely, efficient, and cost-effective manner.

Upon further consideration, your Committee finds that a measure passed by your Committee last session that establishes an intervenors fund remains a viable vehicle for the establishment of an intervenor program. Accordingly, your Committee has amended this measure by deleting language establishing an intervenor program. Additionally, your Committee has amended the measure to appropriate funds for a PUC website out of the PUC special fund, rather than the general fund.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2284, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2284, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Matsuura).

SCRep. 2257

(Majority) Commerce and Consumer Protection on S.B. No. 2321

The purpose of this bill is provide the Insurance Commissioner (Commissioner) with the authority to regulate medical insurance rates.

The business of insurance is primarily regulated by the State. The Commissioner is charged with the duty of overseeing the solvency of health insurers and related market practices. Across the nation, health insurers have seen their share of failures and market problems, and it is the intent of your Committee to provide the Commissioner with regulatory tools to prevent insolvencies and to promote competition in the health insurance market.

Insurance regulatory activities can be divided into two broad categories, solvency regulation and market regulation. Solvency regulation seeks to protect consumers against the risk that an insurer will not be able to meet its financial obligations. Market regulation attempts to ensure fair and reasonable premiums and products. Although separate, the two forms of regulation are inextricably related. Although rate regulation seems to fall within the category of market regulation, rate regulation will ultimately affect an insurer's financial performance and thus, impact solvency. Your Committee agrees with the Commissioner, rate regulation is related to solvency regulation.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2321 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 3. Noes, 2 (Bunda, Slom). Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2258

Commerce and Consumer Protection on S.B. No. 2731

The purpose of this bill is to amend Section 431:7-203, Hawaii Revised Statutes, so that excess taxes, fees, or charges will be payable out of general funds instead of the insurance regulation funds of this State.

Currently, premium taxes are deposited in the State's general fund and not in the insurance regulation fund. This amendment ensures, then, that the appropriate fund is properly debited when premium tax refunds are made under this section.

This bill, however, unintentionally mandates that a fee or other charge in excess should also be paid out of the State's general fund. These refunds should more appropriately be paid out of the insurance regulation fund, and your Committee has accordingly amended the bill to make this correction.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2731, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2731, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2259 Commerce and Consumer Protection on S.B. No. 2809

The purpose of this measure is to clarify the responsibilities of the Consumer Advocate and the Public Utilities Commission (PUC) regarding the handling of consumer complaints and inquiries relating to public utilities.

Testimony on the measure was received from the PUC, Department of Commerce and Consumer Affairs--Consumer Advocate, Hawaiian Electric Company, Inc., GTE, and Life of the Land.

This measure requires the PUC to share the responsibility for receiving consumer complaints and inquiries about public utilities with the Consumer Advocate. It is intended to address the problem of public confusion regarding the proper agency for receiving complaints, and supports ongoing efforts between the Consumer Advocate, the PUC, and the Office of Consumer Protection to coordinate responsibilities for handling consumer complaints.

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

- (1) Require that the Consumer Advocate assist utility customers in the handling of consumer complaints before the PUC, concurrent with the PUC's general powers; and
- (2) Make the PUC the central clearinghouse for consumer complaints and inquiries.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2809, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2809, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Hanabusa).

SCRep. 2260 Commerce and Consumer Protection on S.B. No. 2813

The purpose of this measure is to clarify various provisions of the insurance code, establish a general notice requirement for policy cancellations and nonrenewals, and increase certain financial requirements and penalties for insurance licensees.

Testimony on the measure was received from the Insurance Division of the Department of Commerce and Consumer Affairs, Hawaii Insurers Council, American Council of Life Insurers, and the Hawaii State Association of Insurance and Financial Advisors.

This measure makes clarifications throughout the insurance code with respect to terminology, the requirement of an appointment from an insurer to solicit or place policies, record sharing and retention, the Insurance Commissioner's authority to contract for professional services, payment of tax refunds out of the general fund, requirements for persons adjusting losses in the State during a catastrophe, premium rates, and the laws applicable to fraternal benefit societies. Additionally, the measure establishes a thirty-day notice requirement for policy cancellations and nonrenewals, increases minimum irrevocable trust fund requirements for alien insurers, increases penalties and fines, and requires escheated funds to be deposited into the general fund, rather than the insurance regulation fund.

Your Committee has amended this measure by:

- (1) Reducing the notice requirement for policy cancellations from thirty days to ten days; and
- (2) Making technical, nonsubstantive amendments to correct spelling and statutory references, and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2813, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2813, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Slom).

SCRep. 2261 Commerce and Consumer Protection on S.B. No. 2815

The purpose of this bill is to require persons convicted of felony offenses to obtain the Insurance Commissioner's written consent before engaging in the business of insurance in this State.

The Insurance Commissioner submitted testimony in support of the measure.

Currently, state statutes do not authorize the Insurance Commissioner to prevent a person who is convicted of a felony from engaging in the business of insurance in this State.

At the same time, federal law (18 U.S.C. 1033) requires an individual convicted of a felony to seek the consent of the Insurance Commissioner to engage in the business of insurance.

This bill amends the Insurance Code to correspond to the federal law.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2815 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2262 (Joint) Commerce and Consumer Protection and Judiciary on S.B. No. 3179

The purpose of this measure is to prohibit the importation, distribution, and sale of cigarettes intended for export or use outside the United States.

Legislative Information Services of Hawaii submitted testimony on the measure.

Your Committees find that cigarettes intended for foreign export or sale are being imported and sold in the State at below the cost of cigarettes legally in the market and that cigarette and tobacco taxes are not being paid on these transactions. This measure would help to stem the loss of tobacco tax revenues to the State by prohibiting the sale of export cigarettes, authorizing the forfeiture of illegally sold cigarettes, and establishing civil and criminal penalties for violations of the prohibition.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3179 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Noes, none. Excused, 2 (Bunda, Slom).

SCRep. 2263 Transportation and Intergovernmental Affairs on S.B. No. 2072

The purpose of this measure is to make an appropriation to develop protocols and training for paramedics in treating domestic violence victims.

Your Committee received testimony in support of this measure from the Emergency Services Department of the City and County of Honolulu, University of Hawaii, Hawaii State Commission on the Status of Women, Hawaii Catholic Conference, and Domestic Violence Clearinghouse Legal Hotline. Testimony in support of the intent of the measure was received from the Department of Health.

Your Committee finds that the University of Hawaii, through its Kapiolani Community College, EMS Training Centers on Oahu, Maui, Kauai, and Hawaii, provides continuing medical education for Hawaii's paramedics who staff ambulances statewide. Your Committee further finds that any new funding for developing and enhancing the paramedic curriculum should remain with the University of Hawaii, with the funds administered through the Department of Health.

Your Committee has amended this measure by appropriating the funding to the Department of Health instead of the individual counties.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2072, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2072, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2264 (Joint/Majority) Transportation and Intergovernmental Affairs and Water, Land, and Hawaiian Affairs on S.B. No. 2301

The purpose of this measure is to establish a definition for maritime lands.

Testimony in support of this measure was received from the Department of Transportation (DOT), Maritime Committee of the Chamber of Commerce, and CSX Lines. Testimony in opposition to this measure was received from the Department of Land and Natural Resources.

Your Committees find that the definition establishes a criterion for current and future land use decisions regarding lands required for harbor activity in Hawaii. By defining maritime lands in this manner, more lands will be available for harbor related activities that are dependent on being adjacent to water.

Your Committees have amended the measure by clarifying that maritime land is land required for commercial and industrial activities that are dependent on being adjacent to the harbor, and that the DOT has the authority to use, permit, regulate, and make charges on maritime lands. Your Committees have also amended the measure by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Water, Land, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2301, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. 2301, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, 2 (Chun, Inouye). Excused, 5 (D. Ige, Iwase, Kanno, Taniguchi, Anderson).

SCRep. 2265 Transportation and Intergovernmental Affairs on S.B. No. 2991

The purpose of this measure is to direct the Director of Transportation to establish new design guidelines to govern new construction, reconstruction, resurfacing, restoration, or rehabilitation of bridges, principal and minor arterial roads, collector and local roads, and streets in Hawaii.

Your Committee received testimony in support of this measure from the Department of Transportation, Na Leo Pohai, Life of the Land, Hawaii's Thousand Friends, Alliance for the Heritage of East Maui, Hanalei Roads Committee, Pulama Iā Kona Heritage Preservation Council, North Hilo Community Association, and an individual.

Your Committee finds that this measure will establish new guidelines that will give the state and counties more flexibility to repair, rather than destroy historic bridges and to maintain historic roadways.

Your Committee has amended the measure by replacing the language "design standards" with "design guidelines" to provide more flexibility in the design of streets and highways, and has changed the effective date of this measure by placing a completion date of June 30, 2003.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2991, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2991, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 2266 Transportation and Intergovernmental Affairs on S.B. No. 3201

The purpose of this measure is to establish a scenic highways system program to identify, designate, plan for, and assist in the protection of scenic highways within the State.

Testimony in support of this measure was received from the Department of Transportation, Annette's Adventures, and Hawaii's Thousand Friends.

Your Committee finds that this measure will enhance the Department of Transportation's ability to identify, and make a plan to protect the scenic highways in the State.

Your Committee has amended this measure by referring to the program as a "scenic byways system," instead of "scenic highway system," which includes highway corridors with exceptional scenic, recreational, natural, cultural, historical, or archaeological qualities. Your Committee finds that a scenic byways system is already in development by the Department of Transportation.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3201, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 2267 Government Operations and Housing on S.B. No. 2104

The purpose of this measure is to provide home mortgage refinancing for low income households by requiring financial institutions to refinance mortgage loans if the current market interest rate falls at least one and one-half percent below the existing mortgage rate for a mortgagor.

Oral testimony in support of this measure was received from an individual. Testimony in opposition of the measure was received from the Department of Commerce and Consumer Affairs, the Mortgage Bankers Association of Hawaii, Aina Mortgage, and Hawaii Bankers Association.

Your Committee finds that although automatic refinancing of home mortgage loans may help more homeowners obtain refinancing, this measure may lead to problems such as inconsistent results as it would apply only to state chartered financial institutions and not federally chartered institutions. The problem is compounded as any financial institution wishing to insure its depositors accounts by the Federal Deposit Insurance Corporation must be federally chartered. Therefore, the majority of banks would not be subject to this measure.

Your Committee agrees that consumers must be protected as extensively as possible when dealing with financial institutions and has amended this measure to:

- (1) Remove the automatic refinancing requirement for financial institutions;
- (2) Require all financial institutions to either develop and implement a work out plan to allow mortgagors who incur financial difficulties to maintain a current status for their mortgage loans or implement the work out plan developed by the Department of Commerce and Consumer Protection (DCCA), the Office of Consumer Protection, and the Commissioner of Financial Institutions; and
- (3) Require the Department of Commerce and Consumer Protection, the Office of Consumer Protection, and the Commissioner of Financial Institutions to collectively develop an alternative work out plan for institutions that fail to implement one.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2104, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Chun, Hanabusa, Levin, Matsuura).

SCRep. 2268 Government Operations and Housing on S.B. No. 2576

The purpose of this measure is to conform state law with federal law which requires tenant representation on a public housing agency board by establishing a statewide tenant advisory board, and from this board select representatives to sit on the board of the Housing and Community Development Corporation of Hawaii.

Testimony in support of this measure was received from American Friends Service Committee, Catholic Charities, and the Affordable Housing and Homeless Alliance. Testimony in opposition to this measure was received from the Governor's Office and the Housing and Community Development Corporation of Hawaii. Comments were received from Island Tenants On the Rise, Kalihi Valley Homes, and ten individuals.

Your Committee agrees that a tenant advisory board needs to be established but increased tenant representation is required to adequately address the concerns of the tenants. In addition to increasing tenant representation, your Committee has amended this measure to clarify the tenant representation requirements and voting procedures for the tenant advisory board.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2576, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2576, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Sakamoto, Tanaka).

SCRep. 2269 (Majority) Government Operations and Housing on S.B. No. 3159

The purpose of this measure is to address the inequity between the rights of tenants protected by the landlord-tenant code and the rights of tenants subject to the rules of the Housing and Community Development Corporation of Hawaii (HCDCH). This measure amends section 521-7, Hawaii Revised Statutes, to apply the landlord-tenant code to the HCDCH and homeless facilities falling under its jurisdiction.

Testimony in support of this measure was received from an individual. In its testimony, the Legal Aid Society supported the measure provided that the HCDCH retains its authority to evict its own tenants under its own internal eviction process.

Testimony in opposition to this measure was received from the HCDCH, the Institute for Human Services, Homeless Solutions, Gregory House Programs, and Catholic Charities Community and Immigrant Services.

Your Committee finds that the current administrative process of the HCDCH for lease terminations or evictions in public housing was found to satisfy the requirements of due process by the United States Department of Housing and Urban Development. Your Committee also finds that under current law, HCDCH homeless housing projects are able to evict persons committing serious rule violations.

Your Committee has amended this measure to eliminate the application of the landlord-tenant code regarding lease terminations and evictions.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3159, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Sakamoto). Excused, 4 (Chun, Hanabusa, Levin, Matsuura).

SCRep. 2270 (Majority) Labor and Environment on S.B. No. 2310

The purpose of this measure is to ensure that employees who are unemployed due to a labor dispute shall not be disqualified for unemployment benefits if the parties have reached an impasse and, prior to a work stoppage, an offer is made to submit the dispute to binding arbitration.

Testimony in favor of this measure was received from the ILWU Local 142 and 505 members of Unity House. Testimony in opposition to this measure was received from the Department of Labor and Industrial Relations, the Chamber of Commerce of Hawaii, Construction Industry Legislative Organization, Inc., and the General Contractors Association of Hawaii.

Your Committee finds that the measure promotes the use of alternative dispute resolution processes by allowing employees involved in a labor dispute to receive unemployment insurance benefits if their union has offered to submit to binding arbitration and the employer refuses to accept the offer.

Your Committee believes that the measure provides for the expedient and fair resolution to labor disputes and ensures the minimization of work stoppages and disruption of services. The measure also concomitantly protects employees embroiled in a labor dispute from suffering the severe economic impact that strikes so often impose.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2310 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, 1 (Slom). Excused, 1 (Fukunaga).

SCRep. 2271 (Joint) Labor and Environment and Education and Technology on S.B. No. 2652

The purpose of this measure is to continue the development of a school-to-work system in Hawaii, including the mechanism for governance, management, and distribution of federal and state resources.

Testimony in favor of the measure was received from the Department of Education, University of Hawaii, Hawaii School-to-Work, and the Chamber of Commerce of Hawaii.

The School-to-Work program has afforded many students in the secondary school system exposure to various careers and the opportunity to explore and gain work experience at business sites. This measure transfers the administration of this program to the University of Hawaii, amends the composition of the council, authorizes the council to contract out administrative functions, authorizes the receipt of federal, state, and private resources, and appropriates funds to carry out the council's responsibilities. Your Committees are in agreement that this measure is necessary to continue and realize the full potential of the program.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2652 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, M. Ige, Kanno, Matsunaga, Tam).

SCRep. 2272 Commerce and Consumer Protection on S.B. No. 2312

The purpose of this measure is to appropriate moneys to fund the Hoisting Machine Operators' Certification Revolving Fund.

The Department of Labor and Industrial Relations submitted testimony in support of the measure.

The Hoisting Machine Operators' Certification Revolving Fund was established by the 1998 Legislature to support the activities of the Hoisting Machine Operators Advisory Board, including the hiring of an executive director, preparing and disseminating public information on hoisting machine operators' certification and training, and preparing annual reports for the Legislature on certification program activities and accomplishments. The funds appropriated by this measure will enable the Board to execute its duties.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2312 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Slom).

SCRep. 2273 Commerce and Consumer Protection on S.B. No. 2369

The purpose of this measure is to allow a contributory member of the Employees' Retirement System to make a one-time withdrawal of contributions in case of financial hardship.

Testimony in support of the measure was received from the United Public Workers and a private citizen. The Honolulu Police Department testified in opposition to the measure. The Employees' Retirement System submitted comments.

Your Committee finds that no other public pension fund in the nation provides for the withdrawal of employee contributions while the employee is still in active service. However, your Committee is also keenly aware of the tough economic times facing many families across the State. To this end, providing public employees who are contributory members of the Employees' Retirement System with a means by which to leverage their pension contributions in the near term is a compassionate and prudent concept.

Understanding the concerns of the Employees' Retirement System and the Honolulu Police Department, your Committee still believes that a reasonable solution can be formulated. In light of this understanding and in its earnest desire to find a workable solution to this issue, your Committee recommends that the measure continue to move within the legislative process to foster further discussion and to provide a vehicle by which this matter can be resolved.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2369 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Matsuura).

SCRep. 2274 Commerce and Consumer Protection on S.B. No. 2467

The purpose of this measure is to authorize and establish procedures for the administrative forfeiture of materials, tools, and other property owned by an unlicensed contractor.

Testimony in support of the measure was submitted by the Department of Commerce and Consumer Affairs (DCCA), General Contractors Association of Hawaii, Subcontractors Association of Hawaii, Consumer Lawyers of Hawaii, Willocks Construction Corporation, Building Industry Association, Construction Industry Legislative Organization, and Hidano Construction, Inc. The Small Business Regulatory Review Board Sub-Committee submitted comments on the measure.

State law imposes educational, experiential, examination, character, bonding, fee, and insurance requirements on persons seeking a contractor's license. Licensed contractors are also required to comply with contracting laws and regulations, participate in the contractors recovery fund, and pay taxes on income received from contracting.

Consumers who engage the services of an unlicensed contractor have no assurance that the unlicensed individual has the necessary competence, skills, integrity, or is sufficiently financed to complete a job that complies with industry and health and safety standards. Unlicensed contractors not only pose a threat to the health and safety of the general public, but also unfairly compete against licensed contractors who incur greater operating and business costs than unlicensed contractors by virtue of their compliance with the requirements of the law.

Your Committee finds that the administrative forfeiture procedures established by this measure will strengthen and enhance DCCA's abilities to enforce the licensing laws and provide a deterrent to unlicensed activities. Your Committee further finds that authorizing the recovery by a consumer of moneys paid to an unlicensed contractor and clarifying that unlicensed contracting violates the State's unfair and deceptive practices law would establish additional disincentives to engage in unlicensed activity. Accordingly, your Committee has amended this measure by:

- (1) Requiring that unlicensed contractors reimburse or return any money paid or consideration given to the person for whom work was contracted;
- (2) Clarifying that the failure to obtain a contractor's license prior to entering into a contract to engage in contracting constitutes an unfair and deceptive practice under chapter 480, Hawaii Revised Statutes;
- (3) Providing that this measure shall apply to all pending court actions; and
- (4) Making technical, nonsubstantive amendments to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2467, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Slom).

SCRep. 2275 Commerce and Consumer Protection on S.B. No. 2787

The purpose of this measure is to simplify and facilitate the administration and processing of pension benefits.

Specifically, the measure:

- (1) Amends the service-connected accidental death benefit filing procedure by placing a two-year time limit for claimants to file for such benefits; and
- (2) Allows the Employees' Retirement System to exclude interest on deficiency payments made by contributory plan members.

The Employees' Retirement System submitted comments on the measure which stated that if enacted, the measure would not result in a significant increase in employer contributions.

Your Committee finds that placing a two-year time limit to file for service-related accidental death benefits is consistent with the time limit imposed on service-connected disability retirement benefit filings.

Your Committee also finds that with regard to deficiency payments, a deficiency occurs when a contributory member's retirement contribution fails to equal the full amount required by law. Under existing law, interest is calculated and assessed against the deficient amount that the member must pay in order to obtain full retirement benefit credit. Since the existence of the deficiency is usually not the member's fault, your Committee believes that it is unfair to require the member to pay the interest.

Your Committee has amended the measure by making technical, nonsubstantive amendments to conform the measure to recommended drafting procedures.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2787, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2787, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Inouye, Matsuura).

SCRep. 2276 Commerce and Consumer Protection on S.B. No. 2807

The purpose of this measure is to:

- (1) Recognize the confidentiality of portions of escrow depository company applications and records;
- (2) Revise procedures to voluntarily terminate escrow depository operations;
- (3) Add a definition of "division" to refer to the division of financial institutions; and
- (4) Allow the Commissioner of Financial Institutions to establish certain fees by rule and to waive fees for good cause.

Testimony on this measure was submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure will provide additional protection for consumers, as well as give the Commissioner flexibility in the matter of fees. Your Committee has made technical, nonsubstantive amendments for the purposes of style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2807, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2807, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Slom).

SCRep. 2277 Commerce and Consumer Protection on S.B. No. 3002

The purpose of this measure is to allow a surviving spouse or reciprocal beneficiary of a deceased police officer, firefighter, deputy sheriff, or public safety officer to retain the pension and other retirement benefits obtained from the former spouse's or reciprocal beneficiary's employment if the surviving spouse or reciprocal beneficiary remarries or enters into a new reciprocal beneficiary relationship.

Testimony in support of the measure was received from the Maui County Police Department, the Concerns of Police Survivors (COPS), Hawaii Chapter, and eight private citizens. The Employees' Retirement System provided comments on the measure.

Your Committee finds that the measure would remove the "penalty" of losing pension and other retirement benefits if the surviving spouse or reciprocal beneficiary of a deceased police officer, firefighter, deputy sheriff, or public safety officer remarries or enters into a subsequent reciprocal beneficiary relationship.

Your Committee has amended the measure by:

- (1) Amending section 2 to clarify that the benefits provided for under this measure shall be free from the restrictions imposed by section 88-1, Hawaii Revised Statutes, for both contributory and noncontributory members of the Employees' Retirement System;
- (2) Broadening the effect of the measure to provide the opportunity to receive pension and other retirement benefits to the surviving spouses or reciprocal beneficiaries of all deceased members of the Employees' Retirement System;
- (3) Clarifying that the benefits will continue only on the election to continue benefits by the surviving spouse or reciprocal beneficiary; and
- (4) Making a technical, nonsubstantive amendment for clarity and to accurately reflect existing statutory language.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3002, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Inouye, Matsuura).

SCRep. 2278 Judiciary on S.B. No. 2074

The purpose of this measure, as received by your Committee, is to ensure that female adult and juvenile offenders are provided with a range and quality of programs and services that are substantially equivalent to the programming offered to male offenders.

Your Committee finds that there are approximately 84,000 women incarcerated in jails and prisons, representing six percent of the nationwide prison population. Your Committee further finds that although the number of incarcerated women has always been significantly lower when compared to that of incarcerated men, women are being jailed at a much faster rate. Between 1980 and 1998, the incarceration rate for women jumped 516 percent. Your Committee recognizes that Hawaii's incarceration rate has mirrored this national trend. In 1972, Hawaii had only one woman in prison. As of January 2000, there were approximately 398 women housed within our correctional facilities, with an additional 83 women housed at the Oklahoma Correctional Facility.

Your Committee notes that although the rate of incarceration for female offenders has increased dramatically, the range and quality of programming offered to female offenders has not. Currently, male inmates have more community placement options, more transitional housing programs, and more job lines and training opportunities. Your Committee believes that due to the unique needs of female offenders, more gender-responsive services and programs are necessary. Parity in programming will also provide them with enhanced educational, social, vocational, and parenting skills which will assist them in making a more successful reintegration into the community.

Testimony in support of this measure was submitted by the Department of Public Safety, the Office of Youth Services, the Hawaii State Commission on the Status of Women, the Community Alliance on Prisons, Government Efficiency Teams, Inc., Honolulu Information Service, the Sex Abuse Treatment Center, seventeen women from TJ Mahoney & Associates, and a professor from the University of Hawaii at Manoa.

Upon further consideration, your Committee has amended this measure by deleting its contents and establishing in session law a task force on parity for female offenders. More specifically, your Committee has amended this bill by:

- (1) Designating that the task force shall be administratively attached to the department of public safety;
- (2) Providing that the task force shall review all programs currently offered to female offenders, identify inadequacies with the current system, and develop a plan to increase interagency cooperation to address the needs unique to female offenders;
- (3) Providing that the task force shall be comprised of no more than twenty members who shall be appointed by the director of public safety and who shall serve without compensation;
- (4) Requiring that the task force submit its findings and recommendations to the legislature no later than twenty days prior to the convening of the 2001 Regular Session; and
- (5) Appropriating \$30,000 from the general fund, for fiscal year 2000-2001, to be expended by the Department of Public Safety to increase the availability of gender appropriate programming in the criminal justice system.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2074, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2074, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2279 Judiciary on S.B. No. 2082

The purpose of this bill is to provide additional funding to the judiciary to establish a dedicated domestic violence court and related services for victims and their families.

Your Committee finds that in recent years, the judiciary has been committed to maintaining domestic violence as one of its priorities. The judiciary has devoted resources and initiated procedures which have resulted in improved court practices that assist domestic violence victims and their families. Although the judiciary, especially the family courts, have been very responsive to the problem of domestic violence, these activities and services need to be sustained and enhanced. Your Committee further finds that victims would be greatly assisted by the improved expeditious judicial handling of domestic violence cases that a dedicated domestic violence court would provide.

Testimony in support of this measure was submitted by the Honolulu Police Department, the Domestic Violence Clearinghouse and Legal Hotline, the Hawaii State Coalition Against Domestic Violence, and Child and Family Service. Testimony in opposition to this measure was submitted by one individual. The Judiciary submitted testimony in support of the intent but voiced some concerns.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2082 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2280 Judiciary on S.B. No. 2220

The purpose of this bill is to allow the director of public safety, with the approval of the governor, to enter into an agreement with a county to use inmate labor from a community correctional center to remove nuisance seaweed from the shoreline and nearshore waters of the State.

Your Committee finds that there is an urgent need to remove nuisance seaweed from the shoreline and nearshore waters of Maui. Your Committee further finds that inmate labor has been used on the island of Maui for various public projects since 1848. While inmate labor is beneficial to the State, these public projects also provide inmates with useful training and work experience that may assist their transition into the workforce once they are released from prison.

Testimony in support of the intent of this measure was submitted by the Department of Public Safety, the Department of Land and Natural Resources, and the Community Alliance on Prisons.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2220 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2281 Judiciary on S.B. No. 2115

The purpose of this bill is to create a False Claims Act under which the government, or a qui tam plaintiff on behalf of the government, may prosecute persons who bring false claims against the government.

Your Committee finds that the federal version of the proposed False Claims Act has a long and successful history. Private plaintiffs, encouraged by the prospect of monetary reward, may be compelled to uncover and prosecute false claims when the government lacks resources to investigate. Your Committee believes that this measure will help deter false claims against the State and county governments, and will help increase the State's and counties' ability to recover damages from persons who present false claims.

Testimony in support of this measure was submitted by Local Union 1186, the Building and Construction Trades Council, and one individual. Testimony in support of this measure, with reservations, was submitted by the Attorney General.

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

- (1) Expanding the scope of false claim actions by removing the prohibition on such actions when other remedies are available, with the exception of claims made under chapter 231 relating to tax evasion and fraud;
- (2) Clarifying that if a second person brings a false claims action based on the same facts underlying a pending false claims action, the second person's action shall be dismissed by the court;
- (3) Clarifying that information known only to a government official who is the defendant in a false claims action shall not be considered to be "known to the state or political subdivision," so that a private plaintiff can still bring an action in that circumstance;
- (4) Deleting a section of the proposed law providing whistleblower remedies, as the existing Whistleblower Law would already provide remedies to a whistleblower under the proposed law;
- (5) Deleting a provision for retroactive claims under the proposed law; and
- (6) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2115, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 2282 Judiciary on S.B. No. 2295

The purpose of this bill is to appropriate funds necessary for Hawaii's contribution to the costs of the National Conference of Commissioners on Uniform State Laws (NCCUSL) for fiscal year 2000-2001, and for the costs of sending Hawaii's delegation, the members of the state Commission to Promote Uniform Legislation, to the NCCUSL 2000 annual meeting.

Your Committee received testimony in favor of this measure from the state Commission to Promote Uniform Legislation.

Your Committee finds that the NCCUSL performs an invaluable public service to Hawaii and all other state governments by working to improve state law. As a unique state service organization that first convened in 1892, the NCCUSL was created to consider state law and to determine those areas of the law in which uniformity is important. The NCCUSL has been responsible for developing a number of uniform laws, including the Uniform Commercial Code, the Uniform Partnership Act, and the Model State Administrative Procedure Act. Hawaii has enacted over one hundred of these uniform acts, amendments to uniform acts, and revised uniform acts.

The NCCUSL, however, depends on state appropriations for its continued operation. Your Committee agrees with the intent of this bill, and finds that Hawaii's contribution to the costs of the NCCUSL represents an extremely cost-effective investment for the work performed.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2295 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 2283 Judiciary on S.B. No. 2425

The purpose of this bill is to set compensation for court appointed counsel at the same level as that paid in Federal District Court.

Your Committee finds that current compensation levels for court appointed counsel have not been changed since 1987. Your Committee further finds that current compensation levels are not adequate to fairly recompense court appointed attorneys for their time. Your Committee believes that linking state compensation levels to federal compensation levels for court appointed counsel in Hawaii will help prevent a situation in which a deserved hike in state compensation levels is overlooked year after year.

Testimony in support of this measure was submitted by the Judiciary and the Department of Budget and Finance.

Upon further consideration, your Committee has amended this measure by specifying that the federal court-appointed counsel compensation level referred to is that of the District Court for the District of Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2425, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2425, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 2284 Judiciary on S.B. No. 2428

The purpose of this bill is to appropriate \$500,000 to be expended by the Family Court to implement a rehabilitation program for members of youth gangs based on the Redirectional Method implemented by Adult Friends for Youth.

Your Committee finds that youth gang involvement is an issue of continuing concern in our community. Over ninety youth gangs have been identified by name and place on Oahu, with an estimated membership of 1,500 youths. The problem of gangs, however, is not limited solely to Oahu.

Your Committee further finds that many gang members often feel that they do not have a place in the social, economic, and educational mainstream, and, therefore, feel alienated from it. Youth who turn to gangs believe that they will not live long enough to graduate, so there is no point in attending school. While many hope for something better, they are uncertain about what to do to improve their lives.

Your Committee believes that the Redirectional Method, published in *Toward a Gang Solution: The Redirectional Method*, may help to rehabilitate and integrate members of youth gangs into the mainstream culture, thus significantly reducing youth gangs in Hawaii and the destructive and criminal behaviors with which they are associated. The Redirectional Method has been applied in Kalihi, Oahu, with successful results, including a significant increase in high school graduation rates of gang members, a reduction in alcohol and drug use, and an increase in the number of youths that go on to higher education or become successfully employed.

Testimony in support of this measure was submitted by the Office of Youth Services. The Judiciary submitted comments on the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2428, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

SCRep. 2285 (Joint/Majority) Judiciary and Health and Human Services on S.B. No. 2434

The purpose of this bill, as received by your Committees, is to establish a substance abuse policy council within the Office of the Governor to develop statewide policy regarding education, prevention, and treatment programs.

Your Committees find that substance abuse is Hawaii's most pressing public health problem. Department of Health studies show that approximately 82,000 adults and over 16,000 students (grades 6 through 12) are in need of substance abuse treatment. Studies also indicate that 90 percent of child welfare service clients and over 80 percent of the criminal justice population are also in need of substance abuse treatment. Your Committees further find that people in need of substance abuse treatment have been on treatment waiting lists for as long as ten years, with an average of 150 to 300 adult and adolescent clients per day waiting to get into treatment. In addition, your Committees realize that state funding for community-based substance abuse treatment has declined in recent years.

Your Committees recognize that there exists no effective statewide drug control policy or interagency collaborative effort. The individual efforts of the several state agencies to address substance abuse are fragmented and are not sufficiently addressing this growing social disease. In order to address this fragmentation, your Committees believe that there is an urgent need to establish a substance abuse multi-agency council to assist with the development of a statewide integrated substance abuse treatment and prevention policy.

Testimony in support of this measure was submitted by the Department of Public Safety, the Hawaii Paroling Authority, the Office of Youth Services, the American Civil Liberties Union of Hawaii, Community Alliance on Prisons, Drug Policy Forum of Hawaii, Hawaii Substance Abuse Coalition, TJ Mahoney & Associates, and a concerned individual. Testimony in opposition to this measure

was submitted by the Legislative Center, the Distilled Spirits Council of the United States, Retail Liquor Dealers, Volcano Winery, the Wine Institute, Hawaii Liquor Wholesalers Association, and Brown & Williamson Tobacco Corporation.

The Department of Health and Out of Prison Services submitted testimony in support of the intent of the bill but had concerns about creating a new legislatively mandated substance abuse policy council and attaching it to the Office of the Governor, without the necessary accountability that goes along with the responsibilities assigned to existing departments and agencies.

The Department of the Prosecuting Attorney of the City and County of Honolulu and the Office of the Public Defender submitted comments regarding the proposed use of the drug demand reduction assessment funds. The Judiciary and the Department of Accounting and General Services voiced concerns over various provisions within the bill.

Upon further consideration, your Committees have amended this measure by:

- (1) Deleting the substance abuse policy council within the governor's office and creating instead a substance abuse multi-agency coordinating council to be administratively attached to the department of health;
- (2) Revising the duties and responsibilities of the substance abuse multi-agency coordinating council to reflect its new purpose;
- (3) Providing for an unspecified increase in the tobacco and alcohol tax, with ten percent of such revenues earmarked for substance abuse treatment programs;
- (4) Providing that twenty-five percent of the tobacco settlement moneys appropriated into the emergency and budget reserve fund under section 328L-3 shall be earmarked for the substance abuse programs revolving fund;
- (5) Inserting the contents of S.B. 2936, relating to integrated case management and substance abuse treatment continuum; and
- (6) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2434, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2434, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, 1 (Tanaka). Excused, 1 (Anderson).

SCRep. 2286 Judiciary on S.B. No. 2536

The purpose of this measure is to repeal the Revised Uniform Principal and Income Act (Chapter 557, Hawaii Revised Statutes), and establish in its place a new uniform principal and income act.

Your Committee finds that Hawaii's present Uniform Principal and Income Act, which dates from 1973, does not sufficiently accommodate modern methods of investment. In particular, the present law does not allow a trustee to invest trust funds in ways that produce high capital gains but low or no income, such as growth-oriented stocks, because the trustee cannot then use a portion of the capital gains to pay income beneficiaries. This bill would bring our law into line with other states that have updated their laws in this area, and would allow trustees the flexibility to invest trust funds for maximum total return, while remaining fair to both income and remainder beneficiaries.

Testimony in support of this measure was submitted by Hawaii's Commission to Promote Uniform Legislation, the Hawaii Bankers Association, Pacific Century Trust, and the Hawaii Society of Certified Public Accountants.

Upon further consideration, your Committee has amended this measure by making technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2536, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2536, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2287 Judiciary on S.B. No. 2751

The purpose of this bill is to appropriate funds from the general revenues of the State of Hawaii to satisfy claims for legislative relief, judgments against the State, settlements, and miscellaneous claims.

Your Committee received testimony from the Attorney General who explained that the bill included twenty-one claims payable from the general fund totalling \$1,320,613.21 and two claims payable from the state highway fund totalling \$1,819,751.10.

Your Committee has amended the bill by:

- (1) Correcting the total amount appropriated in Bartlett v. State of Hawaii. The correct amount is \$57,787.95; and
- (2) Adding the following four new claimants and settlements/judgments:
 - (A) Murphy Construction Co. v. State of Hawaii, \$300,000.00;
 - (B) Naeole v. D'Enbeau, et al., \$64,055.77;
 - (C) Reyes v. Kaneshiro, et al., \$47,500.00; and
 - (D) Mae Nagaue, \$426.97.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2751, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2288 Judiciary on S.B. No. 2755

The purpose of this bill is to make an emergency appropriation for the asbestos property damage litigation, presently set for trial in June 2000.

In 1993, the State commenced litigation against four former manufacturers for asbestos contained in hundreds of state buildings. The case is complicated, protracted, and very costly, as it has been vigorously defended by the manufacturers. As a number of companies manufactured similar products during the same time period, the proof of product identification is very technical and based primarily on the results of electron microscopy performed by expert scientists. The State has had to engage numerous qualified experts and consultants on an hourly fee basis. The Department of the Attorney General testified in favor of this bill.

This case has been a major and prolonged undertaking for the State, and is slated to go to trial in June 2000. Your Committee finds that the requested emergency appropriation will allow the State to pay its experts and consultants for the intensive trial preparation and to present its proof and rebut the defendants' testimony at trial.

Your Committee has amended the bill by adding a provision regarding the exceeding of the general fund expenditure and by making technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2755, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2755, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2289 Judiciary on S.B. No. 2759

The purpose of this bill is to change the expiration date of state identification cards to coincide with cardholders' birthdays, and to provide an option for elderly cardholders to renew by mail.

Your Committee finds that having state identification cards expire all at once creates severe administrative problems. The cardholders, whose cards all expired at the end of 1999, came in en masse to renew the cards during the last two weeks of December, resulting in enormous lines and delays. Your Committee believes that use of a cardholder's birthday as the expiration date will ensure that future card renewals will be more evenly spread out through the year. Your Committee further finds that the requirement that all cardholders come in person to renew their cards presents particular problems for some elderly cardholders. Your Committee believes that allowing cardholders over sixty-five years old to renew their cards by mail will make the process easier for the cardholders and the State, without seriously impairing the accuracy of the information and photograph on the card.

Testimony in support of this measure was submitted by the Attorney General and the Policy Advisory Board for Elder Affairs.

Upon further consideration, your Committee has amended this measure by changing the new expiration date to the cardholder's first birthday after the printed expiration date, rather than the cardholder's last birthday before the printed expiration date, to provide adequate notice to cardholders when they are first seeking renewals.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2759, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2759, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 2290

Judiciary on S.B. No. 3177

The purpose of this bill, as received by your Committee, is to allow merit pay raises for judges, and to require the Judicial Selection Commission to study and report on how best to establish a merit pay system for judges.

Your Committee finds that the issue of judicial evaluations, and the prospect of judicial merit pay, has provoked much discussion and concern regarding the possibility that judicial independence could be eroded. Your Committee further finds that the present judiciary administration has reported on recent efforts to establish a Judicial Evaluation Committee and your Committee is encouraged by these actions. However, your Committee believes that these efforts could be enhanced by continuing discussions with other parties interested in pursuing excellence in the Judiciary.

Your Committee acknowledges that allowing for judicial merit pay raises to begin this year would be premature. The limited amount of data previously available as a basis for judicial evaluations raised justified concerns about the possibility that a negative evaluation of a judge submitted by a single, vengeful attorney would be given undue weight by the evaluators. However, recent improvements in the process for collecting attorney evaluations of judges have resulted in much higher numbers of evaluations. Thus, more meaningful data would now be available to the evaluating body for use in judicial evaluations. Your Committee believes that given this improvement in the available data, and given time for thoughtful consideration and discussion, judicial merit pay raises could and should be implemented.

Testimony commenting on this measure was submitted by the Hawaii State Bar Association. Testimony in opposition to this measure was submitted by the Judiciary, the Judicial Selection Commission, and a past president of the Hawaii State Bar Association.

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

- (1) Deleting statutory amendments that provided authority for merit pay raises;
- (2) Deleting the appropriation for merit pay raises;
- (3) Requesting that the study of judicial merit pay be conducted by the Judiciary, in cooperation with the Judicial Selection Commission, the Judicial Salary Commission, and the Hawaii State Bar Association, to determine the most appropriate method by which a system of merit pay may be implemented, a timetable for implementation, and recommendations for the use of judicial evaluations;
- (4) Deleting a reference to the Judicial Selection Commission as the body conducting judicial performance evaluations; and
- (5) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3177, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3177, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 2291

(Majority) Education and Technology on S.B. No. 2094

The purpose of this measure is to establish a special fund for Department of Education repair and maintenance projects. The measure reduces the works of the art special fund's transfer from one percent of new capital improvements to one-half percent and provides for the transfer of this one-half percent to the repair and maintenance special fund.

Testimony in support of the measure was received from the Department of Education, Department of Accounting and General Services, Department of Budget and Finance, and HSTA. Testimony in opposition to the measure was received from the State Foundation of Culture and the Arts.

Your Committee finds that moneys for repair and maintenance costs have been provided on a funds available basis, which has resulted in a backlog of projects amounting to \$240 million. A large number of public schools occupy buildings that are over 60 years old, with some buildings approaching 90 years in age. This measure will provide a continuous source of funding that will address the current backlog and prevent future catastrophic and dangerous conditions.

Your Committee amended the measure to allow the special fund to also be used for school beautification. A technical, nonsubstantive amendment was made for clarity.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2094, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2094, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 2 (Matsunaga, Tam).

SCRep. 2292 Education and Technology on S.B. No. 2129

The purpose of this measure is to appropriate moneys to provide for one full-time permanent school fiscal officer at each public school complex.

Testimony in support of the measure was received from the Department of Education, Waipahu High School, Pearl City High School, and HGEA-AFSCME.

Your Committee finds that Act 295, Session Laws of Hawaii 1992, restructured the public school system by allowing public schools more fiscal autonomy and accountability for financial administration and provided for other fiscal reforms.

Your Committee agrees that fiscal officers at each school complex are critical to ensure accountability and for continued success of the restructuring efforts. Having a school fiscal officer with expertise would enable the principals and vice principals to focus their time and efforts in the areas of instruction, curriculum, discipline, school improvement, and other student needs.

Your Committee amended the measure to require that fiscal officers hold a business degree.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2129, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Tam).

SCRep. 2293 Education and Technology on S.B. No. 2138

The purpose of this measure is to require all newly constructed public school buildings and existing public school buildings undergoing roof repair to install insulation with a minimum heat transfer resistance value of R-19.

Alternatively, the measure allows these facilities to conform to the provisions of the Hawaii Model Energy Code regarding roof heat gain during their construction or repair.

Testimony in support of the measure was received from the Department of Education, Department of Accounting and General Services, American Institute of Architects, and Hawaii Roofing Contractors Association.

Your Committee finds that existing public school complexes that do not have R-19 type of insulation experience an increase in temperature of eight degrees or more on hot days than buildings with such insulation. Air conditioning systems that have been installed to manage the temperatures in these buildings often triple the cost of electricity and are costly to maintain.

Your Committee amended the measure by applying it to re-roofing of existing buildings since your Committee believes that the indoor environment of these facilities will improve and maintenance and electricity costs incurred by using air conditioners will be reduced. Your Committee also amended the measure to include an additional requirement that services of qualified and licensed individuals be utilized to design or review the roof assembly to meet the requirements of this measure.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2138, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2138, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Tam).

SCRep. 2294 Education and Technology on S.B. No. 2219

The purpose of this measure is to exempt the acquisition of school facilities by lease, lease-purchase, or other transactions from the law relating to the management of financing agreements.

In addition, this measure requires the Department of Education to enter into a lease agreement with the Maui Research and Technology Park or the Haleakala Ranch Company, or both, for the acquisition of Kihei charter public high school.

Testimony in support of the measure was received from South Maui Learning Ohana and one individual. Oral testimony was provided by one individual. Testimony in opposition to the measure was received from the Department of Education, Department of Budget and Finance, and one individual.

Your Committee finds that new century charter schools provide a basis for community-based development of public schools. A significant obstacle to establishing new century charter schools is the cost of obtaining facilities for the schools. Although chapter 37D, Hawaii Revised Statutes, allows the Department of Education to enter into transactions for the acquisition of public school facilities, no request submitted under this provision has made it through the current approval process.

Your Committee agrees that to facilitate the development of new century charter schools, a more expeditious process is needed to allow the Department of Education to enter into contracts, leases, lease-purchase agreements, or other transactions necessary for the acquisition of public school facilities.

However, to address the concerns of the Department of Budget and Finance that bond rating agencies consider such transactions to be "off-the-books" and to ensure that such transactions are appropriately identified and monitored as financial liabilities of the State, your Committee amended the measure to require the Department of Education to notify the Director of Finance of any transactions it enters into for the acquisition of public school facilities. Additionally, the reference to Maui Research and Technology Park and Haleakala Ranch Company was deleted.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2219, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2219, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Tam).

SCRep. 2295 (Joint) Education and Technology and Labor and Environment on S.B. No. 2380

The purpose of this measure is to require teachers that receive their normal annual increment or longevity increase for a year of satisfactory service in any fiscal year that an increase in the appropriate salary schedule is effected, except as otherwise provided by law.

Testimony in support of the measure was received from the Department of Education and the Hawaii State Teachers Association.

Your Committees find that the last incremental and longevity pay raises for teachers was in the 1976-77 school year. The salary structure was replaced by negotiated pay raises and a step movement. Currently, changes in teacher compensation are governed under the collective bargaining provisions of section 89-9(d), Hawaii Revised Statutes, which provides that the number of incremental and longevity steps, amount of wages to be paid in each range and step, and movement between steps within the salary range be negotiated. This structure is detrimental to Hawaii's ability to attract new, as well as experienced, teachers in order to address the teacher shortage in this State.

Your Committees have amended the measure by:

- (1) Making the provision of the normal annual increment or longevity increase subject to negotiation;
- (2) Allowing for the possibility of a teacher receiving both the normal annual increment or longevity increase; and
- (3) Deleting section 2 of the measure, which amended section 89-9, Hawaii Revised Statutes, relating to the scope of negotiations in collective bargaining for public employees.

Your Committees believe that the amended measure will provide an economic incentive for current and prospective teachers to excel in their vocations.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2380, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2380, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, M. Ige, Kanno, Matsunaga, Tam).

SCRep. 2296 Education and Technology on S.B. No. 2458

The purpose of this measure is to appropriate funds to establish a Safety Risk Management Alliance Pilot Program.

Testimony in support of the measure was received from the Department of Education and Hawaii State Teachers Association.

Your Committee finds that in the 1995 Hawaii Youth Risk Behavior Survey Report, nearly 100 out of 1,244 students surveyed in 22 public high schools statewide carried a weapon on school property. At the 1997 Student Governance Summit almost all delegates supported higher qualifications and more training for school security attendants. For the past twenty-three years the Hawaii State Student Conference has recommended that schools address security problems.

The Department of Education has initiated the Safety Risk Management Alliance as pilot programs for high schools in the Honolulu, leeward, and windward districts, which is modeled after the central district's federally funded safety program. A school safety manager is required for each pilot program, which requires each participating high school to have a professional security officer who acts as a school safety manager and is on campus to be directly in charge of security attendants.

Your Committee agrees that a safety risk management alliance program is necessary to address the problem of crime on public high school campuses throughout Hawaii.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2458 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2297 Education and Technology on S.B. No. 2465

The purpose of this measure is to repeal the promoting of pornography for minors exemption for public library staff.

Testimony in support of the measure was received from Hawaii Family Forum and Hawaii Catholic Conference. Testimony in opposition to the measure was received from the Hawaii State Public Library System, Hawai'i Library Association, Information Services, and one individual, and oral testimony from two individuals.

Your Committee finds that under the Hawaii penal code, Hawaii State Public Library employees are exempt from criminal prosecution if they are found to have promoted pornography for minors.

The Hawai'i Library Association raised concern that this measure would put librarians in the role of censor, thereby creating a chilling effect on the primary mission of libraries which is to provide free access to information.

Your Committee finds that while the Hawaii State Public Library System testified that it has an acceptable computer use policy, that policy does not specifically address access to pornography on the Internet by minors. Accordingly, your Committee requests that the HSPL develop of a such a policy.

To address the concern raised by the Hawai'i Library Association, your Committee has amended the measure to narrow the exemption to apply only to library employees acting within the scope of their employment.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2465, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2465, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Matsunaga).

SCRep. 2298 Education and Technology on S.B. No. 2466

The purpose of this bill is to limit minors' access to online pornography in public schools and public libraries.

Testimony in support of the measure was received from the Department of Education, Honolulu Police Department, Hawaii Family Forum, Hawaii Catholic Conference, and one individual. Testimony in opposition to the measure was received from Hawaii State Public Library, Hawai'i Library Association, and two individuals.

Your Committee finds that under the current law, there are no provisions to control or prevent minors from accessing pornographic materials on the Internet while at a public school or public library. For example, the latter does not have a written policy in effect that prohibits minors from accessing pornography. There is a grave concern that minors not be exposed to such material in public settings.

Your Committee agrees that provisions concerning computer access by minors should be added to the chapters in the Hawaii Revised Statutes that apply to public schools and public libraries and that resulting policies and guidelines should be prominently displayed at computers in public libraries and public schools.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2466 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Matsunaga).

SCRep. 2299 Education and Technology on S.B. No. 2572

The purpose of this measure is to expand and strengthen its revenue base by authorizing the deposit of revenues generated from University real property into the facilities use revolving fund.

Testimony in support of this measure was received from the University of Hawaii. Testimony in opposition to this measure was received from the Office of Hawaiian Affairs.

Your Committee finds that the University intends to use its assets, including real property, to expand entrepreneurial activities and thereby generate increased revenues. This measure will provide the necessary fiscal vehicle to facilitate this effort.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2572 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2300 Education and Technology on S.B. No. 2574

The purpose of this measure is to authorize the community colleges of the University of Hawaii to deposit their special fund revenues into the community college system's special funds.

Testimony in support of the measure was received from the University of Hawaii.

Your Committee finds that the community colleges are moving toward a comprehensive, holistic approach in formulating their budget to maximize the efficient use of all available funds. In order to achieve this goal, the community colleges require more flexibility to manage their resources and operations. Your Committee agrees that consolidating the depositing and disbursement of moneys in the community colleges' various special funds into two basic special funds, the Tuition and Fees Special Fund and the Community Colleges Special Fund, would make their fiscal operation more efficient.

Your Committee has amended the measure by making technical, nonsubstantive amendments recommended by the University of Hawaii for the purpose of clarity to insure that the measure's intent is achieved.

Your Committee believes that the amended measure provides the community colleges with adequate fiscal latitude to utilize moneys at their disposal in a more comprehensive and efficient manner.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2574, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2574, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2301 Education and Technology on S.B. No. 2796

The purpose of this measure is to make technical amendments to the Hawaii College Savings Program (Program).

Your Committee received testimony in support of this measure from the Department of Taxation (DOTAX), Department of Budget and Finance, and University of Hawaii.

The Program was established by Act 81, Session Laws of Hawaii 1999, to enable families to benefit from tax incentives provided for qualified State tuition programs under the Internal Revenue Code. Under this program, money can be placed in a savings account for the purpose of meeting college expenses of a designated beneficiary. The tax benefit is that earnings in these accounts are not subject to either federal or state taxes until withdrawal for education expenses. When withdrawn, the income tax rate of the student applies, which is normally lower than the parents' tax rate.

The Department of Budget and Finance found certain unclear provisions in Act 81 while in the process of implementing it. This measure is intended to clarify those provisions.

Your Committee has amended this measure on the recommendation of DOTAX by:

- (1) Repealing the requirement that the account owner pay any unpaid penalty directly to the Program;
- (2) Clarifying a citation to the Internal Revenue Code; and

- (3) Making technical, nonsubstantive changes to reflect clarity and statutory language.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2796, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2796, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2302 (Joint) Education and Technology and Economic Development on S.B. No. 2800

The purpose of this measure is to repeal chapter 206P, Hawaii Revised Statutes, which established the Hawaii Information Network Corporation.

Testimony in support of the measure was received from the Department of Budget and Finance.

Your Committees find that the purpose of chapter 206P, known as the Hawaii Telecommunications and Information Act, was to encourage the development and growth of the information industry in Hawaii in accordance with sound business principles and practices.

Your Committees agree that because the Hawaii Information Network Corporation was officially closed on July 1, 1995, and there are no plans to resurrect or fund the organization, chapter 206P is no longer necessary.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2800 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (M. Ige, Matsunaga, Tam).

SCRep. 2303 Education and Technology on S.B. No. 2835

The purpose of this measure is to permit the Department of Education to retain and expend federal indirect overhead reimbursements for discretionary grants.

In addition, the measure establishes a federal grants search and application special fund for such reimbursements. The measure also allows the Superintendent of Education to approve expenditures in excess of the amount appropriated from a trust fund.

Testimony in support of the measure was received from the Department of Education, Department of Budget and Finance, and The Hawaii Business Roundtable.

The Department of Education testified that they perceive no real incentive to actively pursue federal or private funding for education as additional moneys are used to offset what is received from the State. This measure attempts to remedy that situation by providing the Department of Education with increased and clarified authority over its federal and trust funds and with a means to search for and keep such funds.

Your Committee amended the measure by changing the federal grants search and application special fund to a revolving fund. In addition, the requirement for reports to be submitted to the legislature twenty-days prior to convening was eliminated to provide the Department of Education flexibility in when to complete the report. Technical, nonsubstantive changes were made for clarity.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2835, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2835, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Matsunaga).

SCRep. 2304 Education and Technology on S.B. No. 2838

The purpose of this bill is to establish a mechanism for oversight of the Internet portal manager.

In addition, this bill authorizes the setting of charges for value added electronic services that will be collected by the portal manager.

Testimony in support of the measure was received from the Governor's Special Advisor on Technology Development, Hawaii State Public Library, Department of Accounting and General Services, Office of Information Practices, and oral testimony from the Department of Commerce and Consumer Affairs.

Your Committee finds that the State has a contract with a vendor to establish, develop, operate, maintain, and expand an Internet portal to increase electronic access and commerce among Hawaii residents, businesses, and government entities.

Your Committee agrees that creating the Access Hawaii Committee as an oversight mechanism for the Internet portal and allowing the portal manager to add a separate charge for use of the portal for some services are necessary to ensure proper use of the Internet portal.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2838 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Matsunaga).

SCRep. 2305 Education and Technology on S.B. No. 2907

The purpose of this measure is to clarify that the operation of the literacy and lifelong learning program is performed by the public libraries in the State and to repeal the sections on public-private partners for the literacy trust fund and the advisory alliance for literacy and lifelong learning.

Testimony in support of the measure was received from the Hawaii State Public Library System.

Your Committee finds that the Hawaii State Public Library System has subsumed literacy programs into a central office of the Library Development Services. Accordingly, duties of the state librarian, as provided in section 312-8, Hawaii Revised Statutes, should be amended to reflect this change. Additionally, sections 312-9 and 312-10, Hawaii Revised Statutes, should be repealed because they are no longer necessary.

Your Committee has amended the measure by repealing section 312-8(a)(5), Hawaii Revised Statutes, as no longer necessary since it refers to section 312-9, Hawaii Revised Statutes, which the measure repeals.

Your Committee also made technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2907, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2907, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Matsunaga).

SCRep. 2306 Education and Technology on S.B. No. 2961

The purpose of this measure is to appropriate funds for the payment of judgments against, and settlements entered into by, the University of Hawaii for the satisfaction of claims against the University of Hawaii, its officers, or employees.

Testimony in support of the measure was submitted from the University of Hawaii.

Your Committee finds that there is sufficient justification for the payment of the settlements and miscellaneous claim submitted in the proposed measure.

Your Committee has amended the measure to include moneys for a settlement agreed upon between the University of Hawaii, the Department of Health, and the Environmental Protection Agency after the measure's introduction. The settlement reached between the parties involves the improper storage and disposal of hazardous materials by the University. The additional amount appropriated is \$505,000 as a cash payment, which includes a good faith credit in recognition of the University's cooperation with the Department of Health and the Environmental Protection Agency, and \$800,000 to pay for waste minimization and pollution prevention.

Your Committee has also amended the measure to specify that the funds appropriated be directed to the University's Systemwide Programs (UOH 900) for expenditure.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2961, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2961, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2307 Education and Technology on S.B. No. 2963

The purpose of this measure is to clarify that any administrative costs incurred by the University of Hawaii in managing special and revolving funds of the University are part of the costs that supports the beneficiaries of the special or revolving funds.

Testimony in support of the measure was received from the University of Hawaii.

Your Committee finds that the measure clarifies that when the University is determining the amount of fees or charges for the services it provides, that determination should take into consideration the costs of administering the special or revolving fund.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2963 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2308 (Joint) Education and Technology and Labor and Environment on S.B. No. 2964

The purpose of this measure is to grant the University of Hawaii greater independence in developing responsive and effective classification and compensation plans.

This measure repeals the statutory requirement that the University conform to a classification plan set forth in chapter 77, Hawaii Revised Statutes, and provides that the University of Hawaii shall adopt a classification system incorporating factors such as the scope and subject matter of the work, responsibility, and qualification requirements.

Testimony in support of this measure was received from the University of Hawaii. Testimony in opposition to this measure was received from the Department of Human Resources Development of the State of Hawaii. Comments recommending further dialogue with respect to this measure were received from the Hawaii Government Employees Association.

Your Committees find that under current law, the University of Hawaii is required to adopt a classification schedule conforming as nearly as may be practical to the schedules set forth in chapter 77, Hawaii Revised Statutes. Your Committees also find that under current law, chapter 77, applies to all classes of positions established under chapter 76, Hawaii Revised Statutes.

Your Committees also find that the University of Hawaii is unable, under chapter 77, to establish a sound system that will attract and retain competent persons for government services, establish and maintain a high level of efficiency of employees, and adequately compensate them because all employees appointed by the Board of Regents are exempt from chapter 76 and accordingly, chapter 77. The result is that chapter 77 does not apply to all University employees even though the University is required to conform with chapter 77.

Your Committees find further that although this measure is included in the omnibus, Public Employment Reform bill, because of its importance, this measure must be given every opportunity to pass out of committee and become law.

As affirmed by the records of votes of the members of your Committee on Education and Technology and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2964 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, M. Ige, Kanno, Matsunaga, Tam).

SCRep. 2309 Education and Technology on S.B. No. 2996

The purpose of this measure is to allow limited accessibility, of confidential Family court records relating to juveniles, to school officials and persons involved in the treatment and supervision of minors in the areas of child abuse and law enforcement.

In addition, the measure requires written notification from a court to appropriate school officials when a minor has committed any felony or misdemeanor involving curfew, gambling, alcohol, drugs, tobacco products, carrying of weapons, a sexual offense found in part V of chapter 707, Hawaii Revised Statutes, assault or battery, larceny, vandalism, or graffiti.

Testimony in support of the measure was received from the Department of Education, Department of the Prosecuting Attorney of the City and County of Honolulu, HSTA, and Kailua High School. Testimony in opposition to the measure was received from the ACLU-Hawaii. Comments on the measure were received from the Family Court of the First Circuit, Department of Human Services, and Attorney General.

Your Committee finds that public schools face the task of balancing student educational needs with issues of school safety. However, there is a gap in information between the Judiciary and public schools which hinders their efforts.

Your Committee agrees that allowing limited access to court records for serious criminal offenses would allow school administrators to provide more appropriate services to adjudicated students, who may require careful planning and close supervision to

help them transition into the school and to succeed in their education. This measure would also allow school officials to provide appropriate school safety.

The measure was amended as follows:

- (1) Deleting all references to the district superintendent and designee so that only staff who need the information have access to it; and
- (2) Placing the proposed additions under chapter 571, Hawaii Revised Statutes, which is the more appropriate chapter since it addresses all family court proceedings, including the child abuse proceedings under chapter 587.

Technical, nonsubstantive amendments were made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2996, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2996, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2310 (Joint) Education and Technology and Economic Development on S.B. No. 2999

The purpose of this measure is to appropriate moneys to expand science and technology-based economic development in Hawaii by increasing revenues and quality job opportunities through the High Technology Development Corporation.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism, High Technology Development Corporation, Orincon Hawaii Inc., Pacific Business Insights, Inc., Aquatic Farms Ltd., Hawaii Biotechnology Group, Inc., and one individual.

Your Committees find that the State has received more than \$27.3 million in small business innovation research matching federal funds by successfully leveraging \$2.3 million in state funding. Over \$1 billion is currently available to fund new small business innovation research programs.

Your Committees agree that the appropriation from this measure will help to secure continued federal support for advancing technology-based growth in Hawaii, while allowing meaningful amounts to be awarded to a larger number of applicants.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2999 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2311 (Joint) Education and Technology and Economic Development on S.B. No. 3036

The purpose of this measure is to provide a general excise tax exemption to qualified high technology businesses for machinery and equipment purchases.

In addition, this measure allows such businesses to sell their unused net operating loss carryover and unused tax credits to other qualified high technology businesses. It also extends the five-year capital loss carry forward period to an unknown time period.

Testimony in support of the measure was received from the Department of Taxation, Department of Business, Economic Development, and Tourism, and Hawai'i Technology Trade Association. Comments on the measure were received from the Tax Foundation of Hawaii.

Your Committees find that emerging high technology companies initially face significant impediments to their success. Unlike more mature, profitable companies, emerging high technology companies are unable to use tax benefits as their research is conducted. Such companies also incur sizeable, initial capital costs and need a steady source of capital until they can make a profit.

Your Committees agree that allowing high technology businesses to sell their unused net operating loss carryover and unused tax credits and providing them with an exemption from the general excise tax for machinery and equipment purchases will encourage the growth of new and existing high technology companies.

The measure was amended as follows:

- (1) Specifying in section 1 which tax credits can be sold for any taxable year;

- (2) Providing a definition of tax credits that may be sold as the capital goods excise tax credit and the credit for increasing research activities. In addition, the definition of high technology business in section 1 was amended to provide an unstated employee limit in order to limit this provision to start up companies;
- (3) Requiring that the income received from the sale of the credits or losses is income for purposes of the net income tax; and
- (4) Making technical, nonsubstantive amendments for clarity.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3036, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3036, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2312 Education and Technology on S.B. No. 3038

The purpose of this measure is to expand the Department of Education's zero tolerance policy to include not only possession but also the sale, consumption, or use of a dangerous weapon, switchblade knife, intoxicating liquor, or illicit drugs.

Testimony in support of the measure was received from the Department of Education, Attorney General, and Hawaii State Teachers Association.

This measure also amends the policy to make it effective during school hours, on school premises, and during department-supervised activities, on or off school property.

Your Committee believes that it is critical that school campuses are safe for students and staff, and that school-sponsored activities take place in safe environments.

Your Committee finds that the rapid increase in the number of disruptive students in our public schools has a detrimental effect on those students seeking a quality education. To ensure that public schools remain a safe, conducive place for learning, the problems of student discipline that arise from substance abuse, including consumption of alcohol, on public school campuses need to be addressed.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3038 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2313 Education and Technology on S.B. No. 3079

The purpose of this measure is to enhance school safety by repealing the pre-arrest requirement that school authorities and police officers warn or request a person to leave the premises of a school if the person enters or remains unlawfully in or upon the school premises.

Additionally, the measure makes criminal trespass applicable to all academic and noncollege schools established and maintained by the Department of Education as defined in section 302A-101, Hawaii Revised Statutes.

Testimony in support of the measure was received from the Department of Education and the Honolulu Police Department.

Your Committee finds that prior to arresting a person on school premises for criminal trespass in the first degree, school authorities or the police must warn or request the person to leave the premises. Only after the warning is given and if the trespasser refuses to leave, can the authorities arrest the person for criminal trespass.

Your Committee believes that the measure will act as a strong deterrent against criminal trespassers on school grounds and will result in safer school campuses. However, this does not require the Department of Education to make it a policy to find people in violation during school hours.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3079 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2314 (Majority) Education and Technology on S.B. No. 3132

The purpose of this bill is to establish an information technology initiative special fund.

In addition, this bill requires that percentages of the budgets from the State, Department of Education, and University of Hawaii be allocated to fund technology in state government and increases the amount to a level of unspecified percentages by 2005. This bill also requires state agencies to make budgets and reports available online.

Testimony in support of the measure was received from the Governor's Special Advisor on Technology Development, Department of Accounting and General Services, Hawaii Public Library, University of Hawaii, and High Technology Development Corporation. Testimony in opposition to the measure was received from the Department of Budget and Finance.

Your Committee finds that Hawaii was one of the pioneers in legislative access through electronic technology. However, in recent years, general funding for information technology has declined substantially. Consequently, effective government services for the development of digital infrastructures have been impacted.

Your Committee agrees that funds for an information technology initiative special fund to enable state agencies to provide services or make information available online in order to improve delivery of these services are needed.

Your Committee amended the measure by deleting the paragraph in section 3 that required an allocation based on the University of Hawaii budget.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3132, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, 1 (Slom). Excused, 1 (Matsunaga).

SCRep. 2315 Education and Technology on S.B. No. 3140

The purpose of this bill is to allow state agency heads to purchase computer and communication systems with proceeds from the sale of general obligation bonds.

Testimony in support of the measure was received from the Governor's Special Advisor on Technology Development, Department of Accounting and General Services, and High Technology Development Corporation. Testimony in opposition to the measure was received from the Department of Budget and Finance.

Your Committee finds that given current technology, government can be made more efficient and customer-oriented by providing additional resources to invest in information technology for public services.

Your Committee agrees that heads of state agencies who are primarily responsible for a functional area should be able to purchase computer and communication systems for public safety technology, electronic government, and education technology.

Your Committee amended the measure to allow for the maturity of the general obligation bonds up to twenty-five years.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3140, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Matsunaga).

SCRep. 2316 (Joint) Education and Technology and Labor and Environment on S.B. No. 3141

The purpose of this measure is to provide the University of Hawaii with complete ministerial autonomy.

The measure accomplishes this by making the University of Hawaii's status comparable to that of the Judiciary. The measure also makes all University of Hawaii employees subject to the University's personnel system and removes all University employees from civil service. Finally, the measure eliminates the Director of Finance and Governor from the University's budgetary process.

Testimony in support of the measure was received from the Hawaii Business Roundtable and the Hawaii Government Employees Association.

Your Committees find that a strong university system can be a significant contributor to a robust economy, providing both quality higher education and dollars for the surrounding communities. Your Committees also find that in other jurisdictions, universities that contribute in a significant degree to the community's economic well being possess broad authority to respond to changing opportunities.

In recent years, the University of Hawaii has been granted increasing fiscal autonomy from the executive branch. Last year, the Legislature passed a broad-based measure that gave the University increased authority to manage its assets, personnel, and programs. Although the University did receive increased autonomy, the University of Hawaii needs complete autonomy from the executive branch to maximize its potential to grow as a world-class institution and contribute to the State's economic revitalization.

Your Committees understand that the portion of the measure that deals with the removal of University of Hawaii employees from the civil service system is, to a certain extent, addressed in the Administration's omnibus civil service reform bill, and as such, may seem redundant. However, your Committees believe that the issue has merit and has therefore left the personnel provisions intact so that further discussion on the matter may progress.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3141 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, M. Ige, Kanno, Matsunaga, Tam).

SCRep. 2317 Education and Technology on S.B. No. 2042

The purpose of this measure is to provide protection from suit to any school that discloses school records regarding a student's dangerous conduct affecting others.

Testimony in support of the measure was received from the Department of Education, HSTA, Hawaii Association of Independent Schools, and one individual.

Your Committee finds that school safety is crucial. Schools face the delicate task of balancing actions for school safety with the legal right to an education possessed by all students. Currently, public and private schools are often reluctant to share information about potentially dangerous students with the student's new school due to fear of a lawsuit. Additionally, school officials do not have access to student information that would help them address students with academic and personal problems. This measure will assist schools in communicating freely about potentially dangerous students and in taking action to assure school safety.

The measure was amended to provide absolute immunity from liability and lawsuits for both the schools and school officials.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2042, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2042, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2318 Commerce and Consumer Protection on S.B. No. 2437

The purpose of this measure is to clarify that a private person may bring an unfair method of competition action.

Testimony on this measure was presented by the Consumer Lawyers of Hawaii.

Your Committee finds that in the State of Hawaii, the primary vehicle for ensuring that consumers are not subjected to fraudulent practices is through chapter 480, Hawaii Revised Statutes, which provides a cause of action for unfair methods of competition and unfair and deceptive trade practices.

Your Committee also finds that while it is clear that a consumer may bring direct causes of action for unfair and deceptive practices, it is unclear under existing law as to whether a consumer may similarly bring a claim for an unfair method of competition.

Your Committee has amended the measure by adding two new sections which amend sections 480-13 and 480-14, Hawaii Revised Statutes, to enable indirect purchasers to bring an action for unfair method of competition. A technical, nonsubstantive amendment was also made.

Your Committee believes that the amended measure will clarify that consumers, whether they are direct or indirect victims of unfair competition, are able to file claims in court for these causes of action.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2437, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2437, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Slom).

SCRep. 2319 Judiciary on S.B. No. 2669

The purpose of this bill is to appropriate money for the Office of Elections to hire and compensate staff.

Your Committee finds that the Office of Elections, which is primarily responsible for the administration of Hawaii's elections, performs many functions crucial to our democracy. Your Committee further finds that to effectively meet their responsibilities, the Office of Elections must have additional funds to hire and retain competent and experienced staff.

Testimony in support of this measure was submitted by the Office of Elections and the League of Women Voters.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2669 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 2320 Judiciary on S.B. No. 2764

The purpose of this bill is to establish a reporting requirement for tobacco product manufacturers as to their sales.

Your Committee finds that, under the terms of legislation passed last year in accordance with Hawaii's settlement with certain tobacco manufacturers, the tobacco manufacturers who did not participate in the settlement are required to deposit into escrow funds based on the level of their Hawaii sales. To ensure that the non-settling manufacturers deposit the correct amount into escrow, the State needs a mechanism to verify the amount of tobacco products sold by them in Hawaii. This bill provides such a mechanism. Your Committee does not intend to require tobacco manufacturers who did participate in the settlement to report their sales under this proposed law.

Testimony in support of this measure was submitted by the Attorney General. Testimony in support of the intent of this measure, with a requested amendment, was submitted by a tobacco manufacturer.

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

- (1) Adding an exception to the reporting requirement for those tobacco manufacturers who participated in the settlement agreement, to relieve them of what would become double reporting requirements; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2764, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2764, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 2321 (Joint) Judiciary and Health and Human Services on S.B. No. 2934

The purpose of this bill is to enable the State to recruit qualified personnel to provide for the health care needs of inmates in correctional facilities and to maintain health standards within correctional facilities at a level consistent with that found in a community.

To achieve this goal, this bill creates a correctional health care program within the Department of Public Safety and exempts the new administrator position from the requirements of civil service laws. Physicians in the program are also exempted from the civil service laws. The exemptions are granted in order to attract qualified personnel who demand greater compensation than permitted under civil service laws.

Your Committees find that physicians providing health care in correctional facilities are faced with unique challenges that are absent in a normal community setting. In order to be able to recruit a health care program administrator and physicians who have the expertise to serve in a correctional health care system, compensation greater than that provided by the civil service scale is necessary. Your Committees believe that this bill, by creating permanent exempt positions, will accomplish this goal.

Your Committees received testimony in strong support of this bill from the Department of Public Safety and the Hawaii Medical Association. The Department testified that funding is not an issue and that it anticipates future cost savings due to a decreased number of out-of-facility referrals to offset the increase in physician salaries.

As affirmed by the records of votes of the members of your Committees on Judiciary and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2934 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 1 (Levin).

SCRep. 2322 Transportation and Intergovernmental Affairs on S.B. No. 1390

The purpose of this measure is to establish the offense of aggressive driving.

Testimony in support of this measure was received from the Honolulu Police Department and the Hawaii County Police Department.

Your Committee finds that the State is in need of a law to address aggressive driving with significant penalties, and this measure will create an intermediate penalty between a traffic infraction and reckless driving.

Your Committee has amended this measure by restating the language regarding a person engaging in aggressive driving while operating a vehicle for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1390, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1390, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2323 Transportation and Intergovernmental Affairs on S.B. No. 2044

The purpose of this measure is to allow for police seizure of firearms and ammunition owned by a person who has been arrested for committing a crime of violence or domestic abuse.

Testimony in favor of this measure was submitted by the Honolulu Police Department, Honolulu Prosecuting Attorney, and Domestic Violence Clearinghouse and Legal Hotline. One individual submitted comments.

Your Committee finds that this measure will provide a stronger measure of safety for victims of violence who may be at risk of further violence, by allowing police to seize firearms and ammunition upon arrest.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2044 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (D. Ige, Slom).

SCRep. 2324 Transportation and Intergovernmental Affairs on S.B. No. 2311

The purpose of this measure is to require minors to wear seatbelts in the backseat of a vehicle.

Testimony in support of this measure was received from the Department of Health, Department of Transportation, Honolulu Police Department, Hawaii Nurses Association, Keiki Injury Prevention Coalition (KIPC), Hawaii Insurers Council, MADD, and an individual.

Your Committee received moving testimony from the father of Tanya Shirai, who was killed in an automobile accident while not wearing a seatbelt in August of 1997. She was seventeen years old and attended St. Andrew's Priory. She and her friends were on their way to a Cecilio and Kapono concert. Two boys in the front seat were wearing seatbelts, while Tanya and her friend were in the backseat without seatbelts. The vehicle rolled, and Tanya and her friend were ejected. The boys received minor injuries, and Tanya's friend survived, but with permanent and severe injuries. Tanya died from multiple head and body injuries.

Upon consideration of all pertinent issues and testimony presented, your Committee finds that this measure is necessary to help prevent injuries and keep Hawaii's citizens safe.

Your Committee has amended this measure by naming the Act the "Tanya Act," in memory of Tanya Shirai, and requiring all passengers in a motor vehicle to wear a seat belt assembly.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2311, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2311, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (D. Ige, Inouye, Iwase).

SCRep. 2325**Transportation and Intergovernmental Affairs on S.B. No. 2707**

The purpose of this measure is to incorporate zero tolerance intoxicating liquor provisions for persons under 21 into the administrative driver's license revocation process.

Testimony in support of this measure was received from the Department of Transportation, Honolulu Police Department, MADD, and Youth In Action MADD. The Judiciary supports the intent of the measure but offered proposed amendments.

Your Committee finds that this measure will send a strong message to under age drivers that regardless of the amount of alcohol they have consumed, they will have their driver's license revoked for drinking and driving.

Your Committee has made technical, nonsubstantive amendments to this measure to reflect proper drafting style.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2707, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2707, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (D. Ige, Taniguchi).

SCRep. 2326**Transportation and Intergovernmental Affairs on S.B. No. 2951**

The purpose of this measure is to ensure that Hawaii courts accept police use of computer analysis of conventional and electronic photographs to measure distances and dimensions of physical evidence at the scene of traffic accidents.

Testimony in support of the measure was received from the Department of Transportation, University of Hawaii, and Institute of Transportation Engineers. Testimony in opposition to the measure was received from the Honolulu Police Department, and the Judiciary recommended the measure be deferred.

Your Committee recognizes the concerns of the Judiciary regarding evidentiary analysis and the lack of opportunity to study the matter, as well as the Police Department's concern that use of computer analysis would allow the use of evidence not taken from the scene of the accident. However, your Committee finds that this measure will offer an alternative to be used by both the Judiciary and the Police Department and supports the measure.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2951, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (D. Ige, Slom).

SCRep. 2327**Transportation and Intergovernmental Affairs on S.B. No. 2966**

The purpose of this measure is to appropriate funds to match federal moneys for a feasibility study to determine alternate traffic solutions to service the West Maui area.

Testimony was received in support of the measure from the Department of Transportation, Mayor of the County of Maui, Chair of Maui County Council, West Maui Taxpayers Association, Kapalua Land Company, Ltd., Maui Land & Pineapple Company, Inc., Hawaii Operating Engineers Industry Stabilization Fund, Maui Hotel Association, and a citizen.

Your Committee finds that because of the isolated nature of West Maui, it is particularly vulnerable to major traffic accidents and fires which have closed the highway for extended periods of time. This measure will appropriate funds to match federal funds for a feasibility study to determine alternative traffic solutions.

Your Committee has amended the measure to correctly reflect in the purpose section that the project will be eligible for federal matching funds if state funds are appropriated and to be more specific in identifying the areas to be studied.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2966, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2966, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (D. Ige, Iwase, Taniguchi).

SCRep. 2328**Transportation and Intergovernmental Affairs on S.B. No. 3051**

The purpose of this measure is to clarify the ability of producers of locally made Hawaiian wines, spirits, and champagnes to export them.

Testimony in support of this measure was received from the Volcano Winery.

Your Committee finds that this measure will allow the export of locally made wines, spirits, and champagnes, which will increase the local businesses producing these items.

Your Committee has amended this measure by changing the word "mailed" to "shipped", because it is against federal law to mail alcohol, but shipping alcohol through businesses such as Federal Express or UPS would be allowed.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3051, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3051, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2329 Transportation and Intergovernmental Affairs on S.B. No. 3052

The purpose of the measure is to appropriate funds for a World War II memorial honoring the "Torpedo Gang" of World War II.

Testimony in support of the measure was received from the Office of Veteran Services, and the Hawaiian Chinese Multicultural Museum & Archives. The Board of Land and Natural Resources supports the intent but does not support the measure as it would result in reducing current priorities in their budget.

Your Committee finds that this measure would help to commemorate this little remembered tragedy, which occurred in Hawaiian waters shortly after the bombing of Pearl Harbor.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3052 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2330 Transportation and Intergovernmental Affairs on S.B. No. 3101

The purpose of the measure is to eliminate the requirement of obtaining a business license from the county to operate lodging or tenement houses, hotels, and boardinghouses, and repeals the \$10 annual license fee.

Your Committee received testimony in support of this measure from the City and County of Honolulu.

Your Committee finds that lodging or tenement houses, hotels, and boardinghouses, are regulated by both the State Health Department and county departments regulating building and zoning codes. Therefore, requiring a county business license in addition to these other regulatory processes is an unreasonable government regulation on such businesses.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3101 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2331 Transportation and Intergovernmental Affairs on S.B. No. 3117

The purpose of the measure is to allow police officers to inspect unlicensed motor vehicle repair dealers for the purpose of establishing rightful title or registration of vehicles or identifiable vehicle components, in order to determine rightful ownership or possession.

Testimony in support of the measure was received from the Honolulu Police Department. Testimony in opposition was received from Hawaii Automotive Repair & Gasoline Dealers Association.

Your Committee finds that under current law, auto theft investigators of a county police department are allowed to inspect the premises of any licensed motor vehicle repair shop to ensure compliance with existing laws and regulations. This measure would give investigators the authority to inspect the premises of any motor vehicle shop which should be licensed according to state law.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3117 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (D. Ige, Slom).

SCRep. 2332 Transportation and Intergovernmental Affairs on S.B. No. 3166

The purpose of the measure is to appropriate funds for improving the roads at the intersection of King and Middle streets to ease the traffic congestion.

Testimony in support of the measure was received from the Department of Transportation, Department of Transportation Services of the City and County of Honolulu, and a citizen.

Your Committee finds that this area is one of the most congested in the State and supports the measure. Your Committee agrees with the Department of Transportation that a planning study for an overall master improvement plan be done.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3166 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2333 Judiciary on S.B. No. 2144

The purpose of this bill is to:

- (1) Clarify the level of public funds available for candidates for certain state and county offices;
- (2) Add a candidate's web page and e-mail address to the name and address information on a candidate committee's organizational report;
- (3) Remove the listing of ballot issue, which is redundant with other requirements for noncandidate committees, from the information required as part of an organizational report;
- (4) Increase from five days to ten days the deadline for filing an organizational report after filing for office;
- (5) Require candidates who cease to be candidates to return contributions to donors within four years; and
- (6) Provide that after the death of a candidate residual contributions escheat to the Hawaii election campaign fund.

Your Committee finds that the proposed measure will facilitate more efficient administration of campaign finance laws while also ensuring strict compliance by those affected. Your Committee further finds that requiring candidates to eventually run for office or repay their contributors will help prevent abuse of the campaign contribution system.

Testimony in support of this measure was submitted by the Campaign Spending Commission, Common Cause Hawaii, and the League of Women Voters.

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

- (1) Making further amendments to section 11-218, Hawaii Revised Statutes, regarding public funding of candidates, to clarify the proposed reductions in public funding available for certain offices;
- (2) Clarifying that a candidate need only list an e-mail address and webpage on the organizational report if the candidate actually has an e-mail address or a webpage; and
- (3) Making technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2144, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2334 Judiciary on S.B. No. 2581

The purpose of this bill is to make an appropriation for the Elections Appointment and Review Panel.

Your Committee finds that the Elections Appointment and Review Panel was given significant additional duties by Act 141, Session Laws of Hawaii 1999, but was not given any additional funding to carry out these duties. Specifically, the Panel is now required to establish performance standards for the operation of elections and the chief election officer; to review the operation of elections and performance of the chief election officer under those standards and conduct biennial evaluations; to make recommendations to the chief election officer and the legislature based on those evaluations; and to establish policies for administration of an election observer program. Previously, the Panel was only responsible for selecting and appointing the chief election officer.

Your Committee notes that the Panel members serve without pay, and have very limited staff. Your Committee believes that the Panel should receive the additional funding it needs to carry out its increased responsibilities. However, your Committee does have concerns about the Panel's plan to spend \$5,000 on unspecified public relations. Your Committee believes that the funds should be spent in an appropriate way to carry out the additional duties of the Panel, and for this reason your Committee has requested further details from the Panel as to why it requires \$5,000 for public relations.

Testimony in support of this measure was submitted by the Elections Appointment and Review Panel and by the Attorney General.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2581 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 2335

(Joint) Judiciary and Health and Human Services on S.B. No. 2654

The purpose of this bill, as received by your Committees, is to create a traumatic brain injury trust fund and trust fund commission, and to fund the trust fund by assessing an additional fine of 10 percent of the basic fine for traffic code and motor vehicle violations.

Your Committees find that those who suffer traumatic brain injuries often lack the financial resources to properly treat the injuries. Your Committees further find that the physical, cognitive, and behavioral effects of brain injury make it likely that a person who has suffered a brain injury will face challenges in re-entering the community. Hawaii does not presently have a system to provide, manage, and monitor services for persons who have suffered brain injuries. Similarly, support programs for the families of those who have suffered brain injuries are largely unavailable.

Your Committees believe that a state program to defray the medical costs of brain injury sufferers, and to ease their reintegration into the community, will help both the injured and their families, and the community at large. However, your Committees do not believe that funding this program through additional traffic fines is appropriate. Traffic fines are at a high level at present, and traffic fines and court administrative charges were recently increased. Further, your Committees find that an additional fine of ten percent of the standard fine would cause administrative difficulties for the district courts, which would have to calculate these fines on a case-by-case basis.

Testimony in support of this measure was submitted by the Department of Education, the Brain Injury Association of Hawaii and four members of its legislative committee, and one individual. The Office of Information Practices submitted comments regarding this measure. Testimony in opposition to the traffic fine portion of this bill was submitted by the Judiciary, which took no position regarding the remainder of the bill.

Upon further consideration, your Committees have amended this measure by:

- (1) Deleting language relating to when an executive session may be held, as the open public meetings law already provides when executive sessions may be held for all boards and commissions;
- (2) Deleting the provisions creating an additional fine to be added to the existing fines for traffic and motor vehicle offenses;
- (3) Adding an appropriation from the state's general fund, to finance the brain injury trust fund;
- (4) Deleting provisions that would have repealed and re-enacted the currently existing traumatic brain injury advisory board, and instead simply amending the current advisory board statute to conform it; and
- (5) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2654, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2654, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 1 (Levin).

SCRep. 2336 Judiciary on S.B. No. 2671

The purpose of this measure is to make an unspecified appropriation for the office of elections to use for voter education.

Your Committee finds that since 1998, there have been changes to the voting system and technology to be used at the polling place and to the form of the election ballots themselves. Your Committee further finds that this measure will improve the efficiency and quality of the next election, by familiarizing voters with the new system and ballot before the next election day.

Testimony in support of this measure was submitted by the Office of Elections and the League of Women Voters.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2671 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2337 Judiciary on S.B. No. 2675

The purpose of this bill is to raise the maximum salary of the executive director of the State Ethics Commission to that of a department head.

Your Committee finds that the executive director of the Commission is the only staff member whose salary is set by statute. Your Committee further finds that as a result of collective bargaining increases provided to other staff members, the salary of the associate director of the Commission now exceeds that of its executive director. Your Committee acknowledges that this disparity is unfair, and could pose management problems within the Commission staff.

Testimony in support of this measure was submitted by the Commission and by the League of Women Voters.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2675 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2338 Government Operations and Housing on S.B. No. 2988

The purpose of this measure is to impose penalties against contractors who improperly withhold payment from their subcontractors.

This measure in particular, specifies a penalty of one and one half per cent per month on outstanding amounts due to the subcontractor be imposed on the general contractor when the subcontractor has provided evidence of a trust fund contribution bond, a surety performance and payment bond, or a bond acceptable to the contractor.

Testimony in support of this measure was received from the Building Industry Association, Associated Builders and Contractors, Inc., the Sheet Metal Contractors Association, the Plumbing and Mechanical Contractors Association of Hawaii, the General Contractors Association of Hawaii, the Subcontractors Association of Hawaii, and the Construction Industry Legislative Organization.

Testimony in opposition to this measure was received from the Hawaii Electricians Market Enhancement Program Fund. Recommendations and comments were received from the Department of Accounting and General Services, the State Procurement Office, and the Hawaii Surety Association.

Your Committee finds that this measure makes significant progress toward addressing subcontractors' concerns regarding prompt payment, and the general contractors' concerns regarding liability for union trust fund benefits payments. Your Committee is supportive of this measure, which is the product of many months of discussion and negotiation among representatives of the many construction industry organizations.

Your Committee has amended this measure to:

1. Delete the provisions allowing a subcontractor to provide evidence of a current trust fund contribution bond or a performance and payment bond for penalties to be assessed against a contractor delinquent in payments to the subcontractor; and
2. Clarify that a subcontractor shall be required to post a bond acceptable under prevailing industry practice for penalties to be assessed against a delinquent contractor.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2988, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2988, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Matsunaga, Tanaka).

SCRep. 2339 Government Operations and Housing on S.B. No. 3125

The purpose of this measure is to restore efficient, timely public notification and access to government information by exempting the counties from the publication of notice requirements required under Act 2, Session Laws of Hawaii 1998, and Act 160, Session Laws of Hawaii 1999.

Testimony in support of this measure was received from the City Council of Honolulu, the Office of the Mayor of Maui, a member of the County Council of Maui, the Department of Finance of the County of Hawaii, the Office of the County Clerk of the County of Hawaii, and the Hawaii Newspaper Agency.

Testimony in opposition to this measure was received from the Department of Accounting and General Services, Common Cause Hawaii, the Sierra Club, and RFD Publications.

Your Committee has amended this measure to require that the Comptroller address requests or grievances from the counties relating to the publication of notice requirements set forth in section 1-28.5, Hawaii Revised Statutes, and if appropriate, waive some of the requirements.

Your Committee intends that this measure be used as a vehicle to continue to study and address the counties' concerns through public hearings held in the counties, in order to provide greater opportunities for the counties to voice any concerns.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3125, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Matsunaga, Tanaka, Anderson).

SCRep. 2340 (Joint) Judiciary and Education and Technology on S.B. No. 3047

The purpose of this bill, as received by your Committees, is to allow detailed information about criminal sex offenders to be more accessible by placing the information on the Internet. This bill further provides that such information shall be prohibited from use for the purposes of insurance, loans, credit, housing and accommodations, or benefits, privileges, or services provided by any business establishment, and makes violation of these prohibited usages a misdemeanor.

Your Committees find that the information collected from convicted sex offenders and presently made available at the Hawaii Criminal Justice Data Center and the various county police stations can only be accessed during the hours of operations of these entities. While this can meet the needs of those for whom the available locations and hours are convenient, many members of the public are excluded from access to this critical information due to work schedules or excessive distance from the currently available locations. Your Committees believe that the use of the Internet is a viable option to increase the public's access to this information.

However, your Committees agree that creation of a new section in the Hawaii Revised Statutes is not necessary in order to mandate that detailed information about criminal sex offenders be made available on the Internet. Your Committees note that when chapter 846E, Hawaii Revised Statutes, was originally enacted in 1997, the Legislature anticipated that the Internet would be an appropriate means for making relevant information about convicted sex offenders available and included the existing permissive language in section 846E-3(d). (See Standing Committee Report No. 1125, on H.B. 108, 1997.)

Many testifiers voiced their concerns that immunity from civil liability be included as a requisite precondition of requiring Internet access. While your Committees understand the testifiers' concerns, your Committees believe that the good faith immunity provided in section 846E-8, Hawaii Revised Statutes, is more than adequate to address their needs.

Your Committees have held multiple discussions with the Hawaii Criminal Data Center (HCDC) and recognize that they have been actively researching the use of the Internet for the public dissemination of sex offender information. However, the HCDC has been hampered in their progress because of a lack of resources. Therefore, it is your Committees intent that the HCDC be given the additional resources necessary for the implementation of this mandate.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu, the Hawaii Psychiatric Medical Association, and a concerned parent. Testimony in opposition to this measure was submitted by the Department of the Attorney General and the Office of the Public Defender.

Upon further consideration, your Committees have amended this measure by:

- (1) Deleting the provisions of section 2 as unnecessary and redundant language;
- (2) Adding a new section 2 which makes clarifying amendments to section 846E-3 and mandates that detailed information about criminal sex offenders be made available on the Internet;
- (3) Deleting the provisions that grant the authorized state agency immunity from civil liability;
- (4) Providing that \$100,000 be appropriated out of the general fund, for fiscal year 2000-2001, to be expended for the purposes of this Act;
- (5) Clarifying that the effective date for section 2 is January 1, 2001; and
- (6) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3047, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3047, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 2 (Bunda, Slom).

SCRep. 2341 Labor and Environment on S.B. No. 2879

The purpose of this measure is to establish a program to regulate the disposal of used motor vehicle tires.

Testimony in favor of the measure was received from the Department of Health (DOH). Testimony in opposition to the measure was received from Hawaii Automotive Repair & Gasoline Dealers Association. Oral testimony was received from two individuals.

Currently, the DOH does not have the means to ensure that generators or transporters are properly disposing of tires. This measure provides a means by:

- (1) Requiring all facilities that accept, collect, or transport used tires to maintain records for three years on the entity from whom the tires were received;
- (2) Establishing a motor vehicle tire surcharge of \$1 on each new tire sold to fund tire management, collection, disposal, recycling, marketing and reuse, as well as illegal dumping prevention programs; and
- (3) Establishing penalties for violations.

Your Committee amended the measure to impose the \$1 surcharge on all imported tires, including those attached to motor vehicles imported to the State. Your Committee also made technical, nonsubstantive amendments to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2879, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, M. Ige).

SCRep. 2342 Labor and Environment on S.B. No. 2061

The purpose of this measure is to promote fair pay by requiring state departments to disclose certain wage information to civil service employees and to compile and record information pertaining to employee positions, wages, and demographic characteristics. The measure also establishes a fair pay pilot project to be implemented by the civil service commission to review the data compiled by state departments and determine whether inequities based on gender, race, or national origin exist in particular jobs or positions.

Testimony in support of the measure was received from the Department of Labor and Industrial Relations, Department of Community Services of the City and County of Honolulu, Hawaii State Commission on the Status of Women, Hawaii Civil Rights Commission, HGEA-AFSCME, PACT, American Friends Service Committee, Hawaii Women Lawyers, and two individuals. Testimony in opposition to the measure was received from the Department of Human Resources Development.

Your Committee finds that the Equal Pay Act of 1963 prohibits discrimination in compensation for "equal work" on the basis of sex, and Title VII of the Civil Rights Act of 1964 prohibits discrimination in compensation because of race, color, religion, national origin, and/or sex. However, inequities still exist. In 1963, women earned 61 cents to a man's dollar. Today, in Hawaii, women earn 82 cents to a man's dollar or \$99 less per week and women of color earn 80 cents to a man's dollar or \$113 less per week.

Your Committee believes that the State as an employer should set an example by addressing pay inequities among civil service employees. This measure establishes procedures to do so.

Your Committee amended the measure by replacing its contents with provisions that:

- (1) Require the director of human resources development to make and retain records rather than causing each department to provide every civil service employee with a written statement;
- (2) Require examination of the data to determine if there is a concentration of employees by gender and, if appropriate, whether there is discrimination against women with regard to wages or access to positions and whether other gender-neutral factors account for the difference; and
- (3) Establish the pay equity task force to review materials and make recommendations to the legislature to correct gender pay equities.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2061, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Fukunaga, Kanno, Slom).

SCRep. 2343 Health and Human Services on S.B. No. 2183

The purpose of this measure is to create a criminal offense of intimidating a health care worker.

Your Committee received testimony in support of this measure from the HGEA-AFSCME, Hawaii Nurses' Association, National Association of Social Workers, Hawaii Medical Association, and a private individual. Informational testimony was presented by the Office of the Public Defender.

This measure is intended to protect health care workers, defined as any licensed provider of health and human services, and their agents, employees, and families, from threats or force intended to influence their conduct, decision, action, or abstention from action.

Your Committee notes that the federal Occupational Safety and Health Administration in 1996 identified health care settings as workplaces at a greater risk for violence. Your Committee finds that social workers as well as health care workers have significantly higher rates than the general public of on-the-job nonfatal assaults. Accordingly, your Committee has amended this measure to add social workers.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2183, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2183, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2344 Health and Human Services on S.B. No. 2320

The purpose of this measure is to establish the Hawaii Long-Term Care Commission (commission).

Your Committee received testimony in support of this measure from the State Planning Council on Developmental Disabilities and Hemophilia Foundation of Hawaii. Testimony in opposition was received from the Department of Human Services, Executive Office on Aging, and Hawaii Nurses' Association.

The purpose of the commission would be to prepare recommendations for the establishment of an integrated, cost-effective, and responsive long-term care delivery system to provide quality care to all of Hawaii's citizens needing long-term care. The commission would be temporary and would be comprised of a panel of experts in long-term care.

Your Committee believes that the commission is necessary to help resolve perennial and perplexing issues such as coordination of policies and programs, facilitation of an adequate amount of home and community-based services and minimally sufficient institutional services, maximization of public and private funds, assurance of accessibility to services and quality care, establishment of a single-point entry system, assessment planning, reduction of fragmentation, and analysis of financial alternatives to funding long-term care. The work of the commission will complement that of the Joint Legislative Committee on Long-Term Care, whose work is limited to studying financing alternatives.

Your Committee has amended this measure to meet the concerns and objections raised in the testimony by establishing the Long-Term Care Commission within the Office of the Lieutenant Governor for administrative purposes. The commission will have a special function of predominantly coordinating, research, planning, and grant writing.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2320, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2320, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Anderson).

SCRep. 2345 Health and Human Services on S.B. No. 2490

The purpose of this measure is to require the Department of Health (DOH) to develop a social model of health care for the operation of adult residential care facilities (ARCFs); maintain a current inventory of vacancies in ARCFs; establish a standard admissions procedure for ARCFs and use a uniform assessment tool for this purpose; and establish an information and referral process for potential clients of ARCFs.

Your Committee received testimony in support of this measure from the DOH, Department of Human Services, Executive Office on Aging, American Association of Retired Persons, Hawaii Coalition for Affordable Long Term Care, Hawaii Nurses' Association, and Alliance of Residential Care Administrators.

This measure also appropriates funds to the DOH for the Aging Network, ASK 2000, and implementation of this measure.

This measure is intended to provide for an efficient, streamlined, and accessible long-term care system, by addressing perpetual and perplexing issues concerning the proper regulation and functioning of a long-term care system.

Your Committee has amended this measure by:

- (1) Clarifying the purpose section to comport with the amended measure by deleting reference to fragmentation and patient data;
- (2) Deleting, on recommendation of the DOH, statutory sections on social model, standard admission procedure, and inventory, because these duties are currently included in the statutes;
- (3) Deleting the section in the bill relating to county codes;
- (4) Deleting the sections in the measure relating to the appropriation to the DHS for implementation of this measure, severability clause, revisor of statutes, and administrative rules, as being unnecessary; and
- (5) Adding a requirement for the DOH to conduct a study and to report to the legislature for the 2001 Regular Session on reorganizing all adult residential care homes and facilities into a new "adult residential care facilities".

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2490, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2490, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Anderson).

SCRep. 2346 Health and Human Services on S.B. No. 2494

The purpose of this measure is to allow the State Committee of Blind Vendors (Vendors) to hire outside counsel and to establish financial procedures to increase the flexibility of Vendors to expend moneys in the Randolph-Sheppard revolving account (Account).

Your Committee received testimony in support of this measure from the State Committee of Blind Vendors. Testimony in opposition was received from the Attorney General.

The intent of this measure is to empower the State's blind vendors to assert and protect their rights under chapter 347, Hawaii Revised Statutes, relating to blind and visually handicapped persons, especially as it relates to retaining their newsstand concessions at the Honolulu International Airport.

Your Committee has amended this measure by:

- (1) Clarifying the purpose to allow the Vendors to hire private attorneys and to delete reference to the Attorney General's representation;
- (2) Allowing the Vendors to hire outside counsel if it determines that the Attorney General is unable to protect the Vendors' constitutional and statutory rights;
- (3) Requiring that moneys in the non-federal source subaccount be expended for the purposes of the Account; and

- (4) Requiring at the beginning of each fiscal year if appropriated by the legislature, the Director of Human Services to transfer moneys from the non-federal source subaccount.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2494, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2494, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2347 Health and Human Services on S.B. No. 2655

The purpose of this measure is to strengthen the patient's bill of rights and responsibilities law.

Your Committee received testimony in support of this measure from the State Insurance Commissioner, Hawaii Medical Association, Legal Aid Society of Hawaii, Kaiser Permanente, University of Hawaii at Manoa, Hawaii Nurses' Association, Kokua Council, Hawaii Medical Services Association, and an individual. Testimony in opposition was received from the Hawaii Biodyne, Inc., American Academy of Pediatrics, Hawaii Psychological Association, and an individual. Informational testimony was presented by the Department of Health.

This measure:

- (1) Establishes an expedited process for appeal of a managed care plan's decision;
- (2) Extends the time period to request an external review of a managed care plan's final determination; and
- (3) Establishes a standard for determining whether a health intervention is a medical necessity.

This measure is a result of the work of the Patients Bill of Rights Task Force, established by Act 178, Session Laws of Hawaii 1998, to review various laws that may affect patient's rights in this State. The twenty members of the task force represent various organizations and agencies of diverse interests. This measure contains the recommended legislation of the task force, in response to Senate Concurrent Resolution No. 152, 1999, requesting the task force to develop further legislation and conduct a study of the term "medical necessity".

Your Committee believes that this measure is in the best interest of the patients enrolled in medical insurance plans. Since the enactment of the patients' bill of rights and responsibilities law in 1998, your Committee continues its function of oversight by recommending revisions to respond to new developments and new problems in patient care. Your Committee believes that this measure is balanced so as not to be onerous to managed care plans and is beneficial to patients in those plans.

Your Committee has amended this measure by:

- (1) Replacing references to "physician" with "health care provider"; and
- (2) Clarifying the reference to peer-reviewed literature to include National Institute of Mental Health along with National Institute of Health, and deleting all other organizations.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2655, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2655, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2348 Health and Human Services on S.B. No. 2658

The purpose of this measure is to allow the Department of Human Services (DHS) to retain any appropriation for general assistance to households without minor dependents at the close of each fiscal year.

Your Committee received testimony in support of this measure from the DHS and Hawaii Catholic Conference. Testimony in opposition was received from the Department of Budget and Finance. Informational testimony was presented by the Legal Aid Society.

Your Committee believes that allowing the DHS to retain unexpended general assistance funds at the close of each fiscal year is necessary to facilitate adequate funding of general assistance from year to year. Provisions are included in the measure that the retained funds shall not be used for any other purpose and shall not diminish future appropriations.

Your Committee agrees with the concerns expressed by the Legal Aid Society that the measure may not be clear that the retained funds are to be used for case management services for general assistance, and may be vague as to the proper expenditure of the funds that are not retained. Your Committee suggests that your Committee on Ways and Means review this measure.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2658 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Anderson).

SCRep. 2349 Health and Human Services on S.B. No. 2851

The purpose of this measure is to clarify that foster board allowances will be paid to either the foster parents or to an accredited institution of higher learning if the child is a student there.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS).

According to testimony of the DHS, the DHS has had difficulty finding a foster parent willing to be a conduit for the foster board allowance when a foster child is attending an institution of higher education. This measure requires the DHS to make payments directly to the educational institution.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2851 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Anderson).

SCRep. 2350 Health and Human Services on S.B. No. 2853

The purpose of this measure is to allow the Department of Human Services (DHS) to administratively increase the assistance allowance.

Your Committee received testimony in support of this measure from the DHS, Legal Aid Society, and a private individual.

Current law allows the DHS to reduce the assistance allowance paid to non-exempt households with minor dependents under the temporary assistance to needy families or TANF program, in order to provide work incentives. This measure is intended to give the DHS the flexibility to provide up-front lump sum payments to remove barriers to employment. Your Committee finds that by allowing DHS to do this, families will be diverted from receipt of assistance.

The DHS will implement this program without any additional cost to the State.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2853 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Anderson).

SCRep. 2351 Health and Human Services on S.B. No. 2857

The purpose of this measure is to allow the Department of Human Services (DHS) a right of recovery for the amounts paid by the DHS for attorney's fees and costs in pursuing recovery of payment against the estate of a recipient.

Your Committee received testimony in support of this measure from the DHS.

This measure applies if a decedent does not leave a surviving spouse, child, father, mother, grandparent, step parent, or any designated heir, and if the DHS prosecutes its own claim, intervenes or joins in the action, or otherwise actively participates with a claimant or claimant's attorney in the prosecution of the claim. This measure is intended to allow the DHS to recoup its expenses in attempting to collect what is owed to the State by law.

Your Committee has amended this measure by making technical, nonsubstantive changes to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose report, your Committee is in accord with the intent and purpose of S.B. No. 2857, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2857, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2352 Health and Human Services on S.B. No. 2930

The purpose of this measure is to clarify the law on controlled substances to be consistent with changes in federal law.

Your Committee received testimony in support of this measure from the Department of Public Safety (DPS) and Hawaii Psychiatric Medical Association. Informational testimony was presented by the Office of the Public Defender.

This measure:

- (1) Conforms chemical designations to federal law;
- (2) Clarifies the subpoena powers of the Director of Public Safety; and
- (3) Clarifies the offense of prohibiting visits to more than one practitioner to obtain controlled substance prescriptions.

Your Committee finds that this measure is necessary for the State to conform with federal laws on controlled substances, as revised. Your Committee further finds that this measure will strengthen the enforcement of the Uniform Controlled Substances Act while preserving individual rights, including privacy.

Your Committee has amended this measure by:

- (1) Clarifying current law to prohibit a person from knowingly or intentionally visiting more than one practitioner and giving fraudulent information or intentionally withholding information regarding previous practitioner visits for the purpose of obtaining one or more controlled substances;
- (2) Changing the director's ability to retain documents from a reasonable period to forty-eight hours; and
- (3) Making technical, nonsubstantive changes to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2930, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2930, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2353 Health and Human Services on S.B. No. 3053

The purpose of this measure is to require mental health insurance coverage for specialized alcohol or drug dependence nonresidential treatment.

Your Committee received testimony in support of this measure from the Hawaii Psychiatric Medical Association, Hawaii Association of Alcohol and Drug Abuse Counselors, Hawaii Medical Association, and two private individuals. Testimony in opposition was received from the Department of Health, Hawaii Biodyne, Inc., and Hawaii Substance Abuse Coalition.

This measure is intended to clarify mental health insurance coverage as it relates to alcohol and drug dependence treatment. Current law does not provide for specialized alcohol and drug dependence services that are expected to produce remission of the patient's dependent condition. This measure clarifies that licensed physicians are not prohibited from performing diagnostic evaluations, treating general complications of drug and alcohol abuse, and providing nonspecialized counseling and treatment as occurs in general medical practice or psychiatric treatment of mental conditions. Your Committee believes that physicians and psychiatrists are qualified to treat alcohol and drug dependence in the course of their medical practice in order to help improve their patients' condition.

Your Committee has amended this measure by:

- (1) Deleting revisions to the definitions of alcohol or drug dependence outpatient services, certified substance abuse staff, and substance abuse services;
- (2) Clarifying the definition of treatment episode to exclude an initial outpatient evaluation; and
- (3) Clarifying that the chapter does not prohibit physicians from performing medical or psychiatric evaluations, treating general medical or psychiatric complications of drug and alcohol abuse, and providing medical supervision of detoxification services, as would occur in the course of general medical or psychiatric practice.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3053, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3053, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2354 (Joint) Transportation and Intergovernmental Affairs and Economic Development on S.B. No. 2001

The purpose of this measure is to indemnify county governments and their employees in any lawsuit involving an alleged injury at any beach park operated by a county under a lease, license, or executive order from the State.

Testimony in support of this measure was received from a member of the Hawaii County Council, City and County of Honolulu, Kauai County Council and Administration, the Council Chair from Maui County, and the Department of Parks and Recreation of the County of Hawaii. Testimony in opposition to this measure was received from the Attorney General, and the Department of Land and Natural Resources.

Your Committees find that under the existing law, the State and its employees are provided indemnity in cases alleging injuries at State beach parks. This measure would provide the same level of legal protection to the counties.

Your Committees have amended this measure by deleting unnecessary language referencing beach parks operated by a county under a license or lease from a state agency, and natural or unnatural conditions.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2001, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2001, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (D. Ige, M. Ige, Taniguchi).

SCRep. 2355 (Joint) Transportation and Intergovernmental Affairs and Government Operations and Housing on S.B. No. 2348

The purpose of this measure is to require counties to provide municipal services to condominium and cooperative housing corporation communities similar to those already provided to residents of residential property.

Testimony in support of the measure was received from the Hawaii Council of Associations of Apartment Owners.

Your Committees find that the counties use real property tax revenue to provide rubbish removal service to single family homeowners and some apartment buildings and townhouses. Condominium and co-op owners are required to pay real property taxes, but do not get rubbish removal services, and must pay for the service privately. This measure will provide the same services to all.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2348 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 7 (Chun, Hanabusa, D. Ige, Iwase, Levin, Matsuura, Taniguchi).

SCRep. 2356 Transportation and Intergovernmental Affairs on S.B. No. 2552

The purpose of this measure is to appropriate funds to upgrade the County of Hawaii Police Department's telecommunications system.

Testimony in support of the measure was received from the United States Department of Interior, SHOPO, County of Hawaii Police Department, and the Department of Water Supply.

Your Committee finds that this communications system is used not only by the County's Police Department, but by approximately 20 county, state, and federal agencies that provide emergency response services to the public on a daily basis. Your Committee also finds that the present communications system is antiquated and unreliable and that a reliable means of communication between the public and those who provide emergency services is vital.

Your Committee has amended the measure by deleting the specific dollar amounts.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2552, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as S.B. No. 2552, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2357 (Joint) Transportation and Intergovernmental Affairs and Labor and Environment on S.B. No. 3121

The purpose of this measure is to require the Department of Transportation to adopt rules for the registration of alternate fueled vehicles.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, Honolulu Clean Cities Coalition, and The Gas Company.

Your Committees find that this measure will promote consumer acceptance and greater reliance on vehicles that utilize alternate fuel as a source of energy.

Your Committees have amended the measure by deleting the proposed exemptions from requirements applicable to conventional vehicles, and the registration and fee waivers.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3121, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3121, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 5 (Fukunaga, D. Ige, Ihara, Iwase, Taniguchi).

SCRep. 2358 Transportation and Intergovernmental Affairs on S.B. No. 3148

The purpose of this measure is to appropriate state highway funds for landscape improvements to Kamehameha Highway.

Testimony in support of this measure was received from the Department of Transportation, and two members of the Aiea Neighborhood Board.

Your Committee finds that the Pearl Harbor area, including the Arizona Memorial and Aloha Stadium, is one of the most important visitor attractions in the State, and is in desperate need of landscape improvements.

Your Committee has amended the measure by deleting the specific amounts to be funded.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3148, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 2359 Health and Human Services on S.B. No. 2184

The purpose of this measure is to require every private or public hospital to conduct a security and safety assessment to examine trends of aggressive or violent behavior at the facility.

Your Committee received testimony in support of this measure from the Hawaii Nurses' Association and HGEA-AFSCME.

This measure also requires hospitals to develop a security plan from the assessment, to provide sufficient security personnel, and to report criminal assaults against on-duty hospital personnel to local law enforcement authorities.

Your Committee finds that hospital security is sorely lacking. Hospital workers are vulnerable to attacks on the premises at all hours of the day and night. Because of the accessibility of hospital premises, any member of the public can walk in at any time with criminal intentions. Your Committee believes that this measure will provide a modicum of added safety for hospital workers and is not burdensome to hospitals.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2184 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2360 Health and Human Services on S.B. No. 2254

The purpose of this measure is to require the retention of requests for disclosure of health care information records for five years.

Your Committee received testimony in opposition of this measure from the Office of Information Practices (OIP).

According to the OIP, the health care industry needs an opportunity to comply with the current law which will become effective on July 1, 2000, before making any substantive changes. The OIP did recommend a housekeeping measure.

Your Committee has amended this measure on the recommendation of the OIP by substituting an amendment to the current law on disclosure that clarifies use or disclosure by an entity by deleting reference to "within the entity".

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2254, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2361 Health and Human Services on S.B. No. 2621

The purpose of this measure is to require health care facilities to report all incidences of fireworks injuries and fatalities to the Department of Health.

Your Committee received testimony in support of this measure from the Department of Health, Honolulu Police Department, and Legislative Information Services of Hawaii.

This measure is an effort to obtain reliable and accurate statistics on the scope and magnitude of the fireworks issue. Much of the debate in this session is absent of any veritable statistics on injuries and deaths caused by fireworks. Official reports by police and ambulance are only a fraction of the cases, since people may seek treatment by themselves at health care facilities.

Your Committee has amended this measure by:

- (1) Clarifying that the reports may contain information on the type of fireworks and the nature of the injuries as an optional item; and
- (2) Making a technical, nonsubstantive change to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2621, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2621, S.D. 1, and be referred to the Committee on Transportation and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Levin).

SCRep. 2362 Health and Human Services on S.B. No. 2847

The purpose of this measure is to require the Department of Human Services (DHS) to develop standards to assure the reputable and responsible character of prospective parents.

Your Committee received testimony in support of this measure from the DHS, Attorney General, and two private individuals.

This measure includes requirements that DHS conduct criminal history record checks and affidavits from prospective adoptive parents concerning any criminal convictions.

Your Committee finds that current law does not require checks into the criminal history of applicants for adoption. The sole requirement for adoption under current law relating to character is in section 578-8(a), Hawaii Revised Statutes (HRS), providing that the family court be satisfied that the petitioners are fit and proper persons. The DHS must conduct an investigation as to the fitness of petitioners, but current law does not authorize a criminal history record check by the DHS.

This measure also allows the DHS to deny an application for adoption, based on conviction of a crime other than a traffic violation involving a fine of \$10 or less, if the DHS finds that the criminal history record of either of the prospective adoptive parents poses a risk to the health, safety, or well-being of the child. Because this provision confers authority on the DHS to deny an adoption, this measure includes a requirement that the DHS develop standards to assure the reputable and responsible character of prospective adoptive parents. Your Committee urges the DHS to adopt objective standards pursuant to administrative rule.

Your Committee has amended this measure by:

- (1) Amending chapter 578, HRS, which references the DHS's duties as to adoption, rather than chapter 346, HRS, relating to the DHS;
- (2) Amending section 846-10, HRS, to allow the Hawaii Criminal Justice Data Center to disseminate information to the DHS for the purposes of this measure; and
- (3) Making technical, nonsubstantive changes to reflect preferred drafting style and for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2847, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2847, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Anderson).

SCRep. 2363 Health and Human Services on S.B. No. 2848

The purpose of this measure is to allow the family court, at a permanent plan hearing for child abuse cases, to dispense with a child's consent to the proposed permanent plan.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS).

This measure clarifies the duties of the court in reviewing a proposed permanent plan by the DHS. The DHS is the usual agency that prepares a permanent plan for court approval in cases of child abuse. The intent of this measure is to allow the court to act in the best interest of the child, since not all children are capable of fully understanding a permanent plan for their well-being. This measure requires the court to first consult privately with the child before it decides to dispense with the child's consent.

This measure alleviates the necessity that the child testify openly in court as to the child's preferences, which can be embarrassing, and mentally and emotionally damaging to the child.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2848 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Anderson).

SCRep. 2364 Health and Human Services on S.B. No. 2854

The purpose of this measure is to require the Department of Human Services (DHS) to cause the cremation of all unclaimed corpses.

Your Committee received testimony in support of this measure from the DHS and State Department of Defense.

This measure clarifies the authority of the DHS to dispose of unclaimed corpses by cremation rather than by burial, and provides for immunity from liability for the DHS in authorizing the cremation. According to testimony of the DHS, there is a growing number of unclaimed corpses.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2854 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2365 Health and Human Services on S.B. No. 2855

The purpose of this measure is to clarify the rights of the Department of Human Services (DHS) in probate to the priority of payments from the estate.

Your Committee received oral testimony in support of this measure from the DHS.

This measure provides that if the assets of the estate are insufficient to pay all claims in full, then the DHS is:

- (1) Second in line for payment of burial expenses;

- (2) Fourth in line for payment of last illness expenses of the decedent; and
- (3) Sixth in line for any other claim against the estate for payments relating to social services or medical assistance payments.

This measure is intended as a means by which the State can recoup the moneys it has paid for a person's last illness medical expenses and burial. Your Committee finds that last illness and burial expenses can be substantial and that the State should try to collect as much as it can from available assets for this purpose.

Your Committee has amended this measure by making technical, nonsubstantive changes to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2855, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2855, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2366 Health and Human Services on S.B. No. 2858

The purpose of this measure is to make an emergency appropriation for the state medical assistance program.

Your Committee received testimony in support of this measure from the Department of Human Services, Healthcare Association of Hawaii, Legal Aid Society of Hawaii, and Hawaii Long Term Care Association.

Your Committee finds that a critical emergency exists in the funding of the medical assistance program serving the aged, blind, and disabled populations. There has been an unanticipated increase in costs for nursing facility care and in the cost of new pharmaceutical drugs. This measure is necessary to prevent a reduction or discontinuance of direct medical services for Medicaid recipients.

The emergency appropriation in this measure will enable the continuance of reimbursements to Medicaid health care providers, such as hospitals, nursing facilities, pharmacists, clinics, medical suppliers, and individual practitioners who service Medicaid recipients.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2858 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2367 Health and Human Services on S.B. No. 2931

The purpose of this measure is to make amendments to Hawaii's Uniform Controlled Substances Act to be consistent with changes in federal law.

Your Committee received testimony in support of this measure from the Department of Public Safety.

This measure revises the chemical designations of certain controlled substances. Your Committee finds that these changes are necessary to conform with federal law on controlled substances, as revised.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2931 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2368 Education and Technology on S.B. No. 2218

The purpose of this measure is to require the same per pupil allocation for new century charter schools as that for public schools and to require the auditor to consider the advice of local school boards, rather than the superintendent, in setting the allocation for new century charter schools.

In addition, this measure appropriates moneys for the establishment of 22 additional new century charter schools, including the hiring of additional school personnel.

Testimony in support of the measure was received from South Maui Learning Ohana and two individuals. Oral testimony was provided by one individual. Testimony in opposition to the measure was received from the Department of Education and HGEA-AFSCME. Comments on the measure were received from the State Auditor and HSTA.

Your Committee finds that currently the auditor determines the appropriate allocation for only two new century charter schools based on a formula involving the total department general fund appropriation per pupil expenditure for the previous year, with advice from the superintendent. Since, however, this measure authorizes the establishment of 22 additional schools, the auditor noted concerns regarding the practicality of having to explicitly consider and respond to the advice of 24 local school boards.

Your Committee amended the measure by:

- (1) Adding a section to provide legal protection for members of the local school board of a new century charter school established under section 302A-1182, Hawaii Revised Statutes;
- (2) Adding a provision to allow groups of teachers to establish a new century charter school;
- (3) Adding the requirement that the auditor consider the advice of local school boards, in addition to that of the superintendent.
- (4) Deleting the per pupil allocation provision in section 4.
- (5) Requiring the auditor to establish a methodology for allocating funds that can be applied to various forms of alternatives to public schools;
- (6) Deleting from the appropriation section the number of charter schools to which the funding would apply; and
- (7) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2218, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2218, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Tam).

SCRep. 2369 Education and Technology on S.B. No. 2469

The purpose of this measure is to transfer the administration and supervision of the school-to-work opportunities pilot project from the Hawaii school-to-work opportunities executive council to the department of education and to make the Hawaii school-to-work opportunities executive council an advisory body to both the board of education and the department of education.

Testimony in support of the measure was received by the Department of Education. Testimony in opposition to the measure was received by Hawai'i School-to-Work.

Your Committee finds that the continued effort to sustain the school-to-work system is a worthwhile investment for economic and workforce development in this State. Transferring administration and supervision of the program to the Department of Education will facilitate continued administration of the school-to-work program, while ensuring that input is still received from the advisory council.

Your Committee notes that the federal grant used to establish the school-to-work program ends in October 2000. A decision on a new administrative structure must be made in the 2000 session. Your Committee strongly encourages the Department of Education and the advisory council to complete discussion on the best placement for the program. If the program is placed with the Department of Education, the Department should be required to provide continued support for the program.

Your Committee made technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2469, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2370 (Joint/Majority) Education and Technology, Commerce and Consumer Protection and Economic Development on S.B. No. 2783

The purpose of this measure is to promote venture capital in Hawaii by establishing a revolving fund program for venture capital assistance.

In addition, this measure permits participation from major funds like the Employees' Retirement System.

Testimony in support of the measure was received from the Governor's Special Advisor on Technology Development, Department of Business, Economic Development, and Tourism, High Technology Development Corporation, ProBio, Inc., and Integrated Coffee Technologies, Inc., and oral testimony from Hawaii Technology Trade Association. Comments were received from the Employees' Retirement System.

Your Committees find that insufficient venture capital in Hawaii is a major obstacle in developing a high technology industry in the State. For example, the Employees' Retirement System has an allocation of approximately \$150 million dedicated to venture capital, but none of it is invested in Hawaii.

Your Committees agree that establishing a revolving fund program for venture capital assistance is necessary to support the growth of a high technology industry in Hawaii. Allowing a large fund like the Employees' Retirement System to participate in the fund will supply a larger pool of venture capital funds that can be invested here to stimulate the growth of this industry.

As affirmed by the records of votes of the members of your Committees on Education and Technology, Commerce and Consumer Protection, and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2783 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, 2 (Buen, Kawamoto). Excused, 4 (M. Ige, Ihara, Matsunaga, Matsuura).

SCRep. 2371 Education and Technology on S.B. No. 3025

The purpose of this measure is to support educational accountability by increasing assessment capacities of those interested in improving Hawaii's education system by creating a computerized student tracking system in order to track the progress of students from entry into Hawaii's public schools through graduation from college.

Testimony in opposition to the measure was received from the Department of Education and University of Hawaii.

Your Committee finds that given the current state of computer technology, there should be a system which provides access to a number of useful and varied data, including longitudinal and comparative statistics, with respect to students in Hawaii's entire educational system. Your Committee believes that most of this data is currently being collected; however, lack of an integrated system limits the use and value of the data as a comprehensive assessment tool for educational accountability.

Your Committee acknowledges the concerns of the University of Hawaii and the Department of Education with regard to the increased burden that would be placed on each institution. However, your Committee believes that the intent of the measure is sound and that it should continue through the legislative process in order to promote further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3025 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Tam).

SCRep. 2372 Education and Technology on S.B. No. 3139

The purpose of this measure is to set aside interest earned by the educational facilities improvement special fund (special fund) to be used solely for education technology. This measure also gives the legislature authority to authorize projects by removing the provision subjecting special fund expenditures to the allotment system under chapter 37, Hawaii Revised Statutes.

Testimony in support of this measure was received from the Department of Education. Testimony in opposition to this measure was received from the Department of Budget and Finance.

Your Committee finds that in the past, the interest earned on the special fund was never deposited into the special fund even though additional funds are needed for the areas of educational technology.

Your Committee has amended this measure to include a definition of "educational technology" and to provide that all interest earned by the special fund shall be retained by the special fund for the sole purpose of educational technology.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3139, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Tam).

SCRep. 2373 Commerce and Consumer Protection on S.B. No. 3003

The purpose of this measure is to make all new public employees contributory members of the Employees' Retirement System.

The measure also provides an option for existing Class C noncontributory members of the Employees' Retirement System to convert their status to contributory membership.

Testimony in support of the measure was received from the United Public Workers and the Hawaii State Teachers Association. The Employees' Retirement System submitted comments on the measure.

Your Committee finds that the measure proposes to:

- (1) Give those members who switched to the Class C noncontributory plan and are in-service on December 31, 2000, the option to rejoin the contributory plan;
- (2) Allow Class C noncontributory members who were hired after July, 1, 1984, and who are in-service on December 31, 2000, the option to join the contributory plan; and
- (3) Require members entering or reentering service after December 31, 2000, to become a member of the contributory plan.

Your Committee finds that the implementation of this measure would result in the Employees' Retirement System creating a retirement savings plan for those members who make the election to be a contributory member prior to December 31, 2000, and for those members who enter or reenter service after December 31, 2000.

Your Committee believes this proposal has merit and should continue in the legislative process in order to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3003 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2374 (Joint) Judiciary and Labor and Environment on S.B. No. 2433

The purpose of this bill, as received by your Committees, is to provide that the development and management of in-state correctional facilities be subject to the managed competition process.

Your Committees find that the State can no longer afford to postpone its need for the construction of a new medium security prison and the additional bed spaces that it will provide. Your Committees further find that as overcrowding continues, the State is placed in an extremely vulnerable position with regards to exposure for civil rights violations and security risks.

Your Committees note that under existing law, the Governor and the Director of Public Safety have the authority to act to reduce prison overcrowding. For example, the law provides that the governor may negotiate with private entities for the development and construction of out-of-state correctional facilities, which the State or a private entity may own. However, your Committees recognize that similar authorization has not been enacted to permit the Governor or the Director of Public Safety to negotiate with a private entity for the management and operation of in-state correctional facilities.

In *Konno v. County of Hawaii*, 85 Haw. 69 (1997), the Supreme Court concluded that absent legislative authorization for non-civil servants to perform services customarily and historically performed by civil servants, such services must be performed by civil servants. Within the State of Hawaii, correctional facilities have been customarily and historically staffed by state employees who are civil servants. If in-state correctional facilities, particularly those developed by private entities to relieve prison overcrowding, are to be staffed by persons other than civil servants, express authority for implementing such a staffing plan must be conferred by the legislature. Thus, it is your Committee's intent that this measure overrule the Supreme Court's decision in *Konno*, with respect to staffing of the correctional facilities.

Your Committees further believe that the management and operation of a newly constructed correctional facility would have been a good pilot project for the managed competition process, had the managed competition process been developed in a timely manner by the Department of Accounting and General Services. Due to the delay in the implementation of the managed competition process and because of the great urgency surrounding the construction of a new prison, your Committees agree that it is prudent to take action now. However, should the construction of the new in-state correctional facility be delayed and the managed competition process be approved and implemented, it is your Committees' intent to revisit this issue.

Your Committees are also aware of the concerns voiced by Hawaii collective bargaining unit representatives regarding: (1) whether there is a violation of state law if the operator of a privately managed and operated prison does not pay the correctional workers prevailing wages as required under section 103-55, Hawaii Revised Statutes (HRS); and (2) whether section 89-12(c), HRS, which prohibits strikes that "endanger the health and safety of the public," be applicable to a privatized prison. These are valid concerns that must be addressed. Therefore, your Committees asked that the Attorney General research these issues.

The Attorney General formulated the following responses to the Committees' questions:

- (1) Section 103-55, HRS, does not apply to the State's current contracts to house Hawaii inmates in mainland correctional facilities for several reasons. First, the Legislature did not intend for section 103-55, HRS, to apply when it subsequently enacted section 353-16.2, HRS, which conferred authority to the Director of Public Safety to transfer inmates to mainland correctional facilities. Second, section 103-55, HRS, does not apply because the contracts are not personal services contracts but rather contracts to obtain room, board, and programs for inmates at existing correctional facilities on the mainland that were built to house other inmates from other jurisdictions. Finally, even if the contracts are for personal services, they qualify for the exception under section 103-55(c)(4), HRS, because they are contracts with independent contractors who are in the business of housing inmates and as such the contracts expressly permit them to house inmates from other jurisdictions in the facilities in which Hawaii's inmates are housed. Therefore, the contracts may be regarded as contracts for personal services exempt from the civil service under section 76-16(15), HRS;
- (2) Whether section 103-55, HRS, will apply to a contract with a private entity to house Hawaii inmates in a state- or privately-owned facility in Hawaii, or to manage, operate, and staff a state-owned correctional facility in Hawaii will depend primarily upon whether the facility is state or privately owned, how the contractor is paid, and whether the contractor is free to house inmates from other jurisdictions in the Hawaii facility; and
- (3) Under current federal precedent, a government contractor is an "employer" under the National Labor Relations Act (NLRA) and, thus, its employees may organize for purposes of collective bargaining under that Act. The NLRA does not exempt prison operations from its purview and does not limit a covered employee's right to strike as section 89-12, HRS, does with respect to "essential workers." However, while the preemptive powers of the NLRA is extensive, they are not absolute and the State should not be foreclosed from including provisions in its contract with the private entity to ensure the safety of the inmates and the community in the event of a strike. The State should be able to include provisions to terminate the contract and remove inmates from the facility, or to make other reasonable arrangements to manage, operate, and staff the facility in the event of a strike.

Your Committees appreciate the diligence of the Attorney General in responding promptly to our requests for clarifications concerning the applicability of existing law. It is your Committees' intent that the information provided by the Attorney General be the subject for future discussions as this measure moves through the legislative process.

In conclusion, your Committees believe that private entities should be given the opportunity to manage and operate any newly built correctional facility, and your Committees support construction of a new correctional facility within the State.

Testimony in support of the intent of this measure was submitted by the Department of Public Safety. Testimony in opposition to this measure was submitted by: the Department of Accounting and General Services; United Public Workers, Local 646 AFL-CIO; the Hawaii Government Employees Association, Local 152, AFL-CIO; and the Community Alliance on Prisons.

Upon further consideration, your Committees have amended this bill by deleting its contents and substituting the contents of S.B. 2937, S.B. 2270, and S.B. 2271. More specifically, your Committees have amended this bill by:

- (1) Repealing the provision that authorizes the governor or the director of public safety to negotiate with an out-of-state jurisdiction for the development of correctional facilities;
- (2) Clarifying that the private management and operation of an in-state correctional facility be allowed for any facility constructed after the effective date of this Act and will not apply to any existing correctional facilities;
- (3) Providing that private construction and management contracts be exempt from chapters 76, 77, 89, 102, 171, and 343, but comply with community partnering provisions of section 353-16.67;
- (4) Providing that the director of public safety be authorized to negotiate with other state agencies, including the Department of Hawaiian Home Lands for leasing of public lands;
- (5) Providing that any contract with a private entity executed under this new section shall include strict safeguards to ensure the accountability of the private entity; and
- (6) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2433, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2433, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Kanno, Anderson).

The purpose of this measure is to establish a fair market standard for determining the value of the leased fee interest for residential lease-to-fee conversion.

This measure applies to leases entered into on or after the effective date of this measure which do not specify an appraisal standard and applies the fair market value standard for leases prior to this measure provided the lessor and lessee agree.

Testimony in opposition of this measure was received from the Hawaii Chapter of the Appraisal Institute, and the Small Landowners of Oahu and the Small Landowners Association.

Your Committee has amended this measure to:

- (1) Require that the appraisal for the valuation of a leased fee interest in a condominium and cooperative housing corporation lease-to-fee conversion be done by a licensed real estate appraiser using methods in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP);
- (2) Clarify that a fee owner's total interest in the property shall be calculated by deducting the lessee's interest, which is calculated in conformance with the USPAP, from the fair market value of the property; and
- (3) Delete the definition of "fair market value".

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2578, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Sakamoto, Tanaka).

SCRep. 2376 Education and Technology on S.B. No. 2420

The purpose of this measure is to add a new chapter to Hawaii Revised Statutes to establish a new economy technology scholarship act.

Testimony in support of the measure was received from the Governor's Special Advisor on Technology Development, Department of Accounting and General Services, State Postsecondary Education Committee, High Technology Development Corporation, Workforce Development Council, Hawaii Technology Trade Association, and Hawaii Educational Networking Consortium.

Your Committee finds that the general demand for computer literate workers in all businesses is unmet by the various short term courses that are currently available.

Your Committee agrees that the new economy technology scholar program should be established to provide incentives for Hawaii students to pursue higher education and training in science and technology fields that are essential to economic development of this State.

The State Postsecondary Education Commission testified that additional staff would be required to develop and administer the program. As an alternative, the current financial assistance staff at the University of Hawaii would be able to administer the program if scholarship recipients were required to enroll within the University of Hawaii system.

Your Committee made technical, nonsubstantive amendments to the measure for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2420, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2420, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2377 Education and Technology on S.B. No. 2750

The purpose of this measure is to address an \$800,000 deficit caused by a reduction in reimbursements by the federal government for information and technology services in fiscal years 2000 and 2001 and increases in operating costs.

Testimony in support of the measure was received from the Department of Accounting and General Services.

Your Committee finds that although general funds were appropriated for the information processing services program for the period beginning July 1, 1999, to June 30, 2000, the State's over-collection of federal reimbursements during fiscal years 1996-1997 and 1997-1998 has limited the billing, for fiscal year 1999-2000, of federally funded programs for information technology services by the Information and Communication Services Division of the Department of Accounting and General Services. Consequently, it will face payroll deficits by April 2000.

This measure provides \$600,000 to address this critical funding emergency, as well as \$200,000 for a shortfall due to increased operating costs.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2750 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 2378 (Joint) Education and Technology and Economic Development on S.B. No. 2784

The purpose of this measure is to allow the High Technology Development Corporation to issue special purpose revenue bonds and special facility revenue bonds to develop high technology projects under chapter 206M, Hawaii Revised Statutes.

Testimony in support of this measure was received from the Governor's Special Advisor for High Technology Development, High Technology Development Corporation (HTDC), and Hawai'i Technology Trade Association.

Your Committees find that there is a need for suitable office space for the growing number of high technology companies now in Hawaii and that there is not enough space in current technology incubation centers for companies interested in locating here.

Your Committees agree that this measure will provide the HTDC with the flexibility to offer private developers an opportunity to develop high technology facilities in Hawaii through the use of the increased bond authorization provided by this measure. This provides both an incentive to attract new technology companies, and will be a boost for Hawaii's construction industry as well.

Your Committees have amended this measure to make technical amendments for the purposes of style and to accurately reflect existing statutory language.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2784, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2784, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Bunda, M. Ige, Matsunaga).

SCRep. 2379 (Joint) Education and Technology and Labor and Environment on S.B. No. 2837

The purpose of this measure is to include student and professional accountability in the existing law on educational accountability.

In addition, the measure requires development of consequences for observed performance and annual data on student, school, and system performance. Teachers and administrators are required to seek continuous professional growth and development, which shall be subject to evaluation and appropriate consequences.

Testimony in support of the measure was received from the Department of Education, Hawaii Association of Realtors, The Chamber of Commerce of Hawaii, Hawaii Business Roundtable, and four individuals. Testimony in opposition to the measure was received from HSTA and HGEA-AFSCME.

Your Committees find that although there are many principals, teachers, administrators, and staff persons in the public schools who are doing a good job, the public school system itself needs improvement.

Your Committees agree that an effective accountability system independent of the current collective bargaining requirements of chapter 89, Hawaii Revised Statutes, and clearly linked to authority is essential to improving Hawaii's public schools.

The measure was amended by:

- (1) Adding requirements to section 1 that the Department of Education, as part of its accountability system, develop a collaborative process with all stakeholders involved in the public school system and specifically allow student input into the quality of their education;
- (2) Requiring annual statewide student assessment in core subject areas at each grade level;
- (3) Maintaining the requirement that comprehensive school profiles or reports be made available, including to the public; and
- (4) Adding a three-year limit to the suspension of the requirements under chapter 89, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2837, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2837, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Chun Oakland, M. Ige, Matsunaga, Tam).

SCRep. 2380 (Joint) Education and Technology and Health and Human Services on S.B. No. 2862

The purpose of this measure is to provide the Department of Health with the authority to determine health documentation standards to attend school.

Testimony in support of the measure was received from the Department of Health, the Department of Education, and a private citizen.

Your Committees find that the existing statutes governing health documentation standards to attend school require that certification by a physician or advanced practice registered nurse be provided to prove that a student has been immunized, passed a physical examination, or has been cleared from having tuberculosis. Your Committees find that in some cases, the certification requirement is too onerous and that the Department of Health, by rule, would be better able to determine the appropriate manner and level of documentation necessary to administer these requirements.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2862, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Bunda, Matsunaga, Anderson).

SCRep. 2381 Education and Technology on S.B. No. 2352

The purpose of this bill is to strengthen existing laws relating to computer related offenses and add other computer related crimes.

In addition, this bill provides for civil actions based on computer crimes.

Testimony in support of the measure was received from the Hawaii Public Library System and oral testimony from one individual.

Your Committee finds that Hawaii's current computer law is limited and does not cover many computer-related crimes. This leaves computer users throughout the State without any recourse against the perpetrators of computer crimes.

Your Committee agrees that in order to provide stronger protection for Hawaii residents against computer-based crimes, current laws should be amended to cover crimes, including computer fraud, taking by computer in the first and second degrees, computer trespass in the first and second degrees, unlawful distribution, unsolicited electronic mail, and computer invasion of privacy.

Your Committee amended the measure by eliminating the sections applying to the appropriation for the department of the attorney general. The new provisions on the unlawful distribution of computer software which can cause falsification of electronic mail transmissions were amended by adding "usenet newsgroup posting". This term was added to the definitions and defined. Finally, technical, nonsubstantive amendments were made for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2352, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2352, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 2382 (Joint) Education and Technology and Judiciary on S.B. No. 2962

The purpose of this measure is to establish a procedure for service of process upon the University of Hawaii.

In addition, the measure clarifies that legal services formerly provided by the Department of the Attorney General are to be provided by the University of Hawaii's General Counsel. The measure also requires that all settlements and judgments be paid from legislative appropriations.

Testimony in support of the measure was received from the University of Hawaii.

Your Committees find that Act 115, Session Laws Hawaii 1998, authorized the Board of Regents of the University of Hawaii to appoint its own legal counsel. As a result of this authorization, the University established the Office of the Senior Vice President for Legal Affairs and University General Counsel.

Your Committees agree that this measure will facilitate the work of this new office and provide greater flexibility to the University by ensuring proper, timely service of process upon the University. This measure would also protect the assets of the University by having in-house counsel determine when accounts are uncollectible and review land documents.

Your Committees made technical, nonsubstantive amendments to reflect proper drafting style.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2962, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2962, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 1 (Tam).

SCRep. 2383

Commerce and Consumer Protection on S.B. No. 2186

The purpose of this measure is to require licensing of independent medical bill reviewers by the Insurance Division.

Your Committee received testimony in support of this measure from the State Insurance Commissioner, Consumer Lawyers of Hawaii, Mauka Physical Therapy Inc., Fukuji & Lum Physical Therapy Associates, Inc., Hawaii Chapter American Physical Therapy Association, Hawaii Medical Association, and two private individuals. Testimony in opposition was received from the Hawaii Insurers Council and Argonaut Insurance Company. Informational testimony was presented by State Farm Insurance Companies and Integrated Medical Solutions.

Independent bill reviewers (IBRs) are independent contractors hired by insurers to review provider submissions of codings and billings. IBRs review and recommend to insurers whether submissions should be accepted or rejected. According to testimony of the State Insurance Commissioner, the Department of Commerce and Consumer Affairs has been receiving complaints from providers about the harsh and unreasonable tactics used by IBRs, causing them to withdraw from the workers' compensation and motor vehicle insurance markets. The providers also claim that IBRs have an incentive to deny or reduce payments because they receive a percentage of the fees that insurers do not have to pay providers by reason of their review.

While your Committee does not believe that all IBRs perform their work in the manner alleged by the providers, your Committee finds that the use of IBRs to handle loss claims is becoming a standard industry practice, similar to adjusters. Your Committee further finds that licensing of IBRs is warranted to ensure that they meet certain minimum qualifications.

Your Committee has amended this measure by:

- (1) Amending the title of article 431:9 of the Hawaii Revised Statutes to reflect the addition of IBRs;
- (2) Exempting data base providers for insurers from the definition of IBRs;
- (3) Adding an alternative to the qualifications in holding a credential of a certified professional coder;
- (4) Amending the title of section 431:9-229, Hawaii Revised Statutes, to reflect the addition of IBRs;
- (5) Clarifying that the appropriation is for the purposes of this measure; and
- (6) Making technical amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2186, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2186, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Slom).

SCRep. 2384

(Joint) Commerce and Consumer Protection and Government Operations and Housing on S.B. No. 2277

The purpose of this measure is to streamline procedures for the conveyance of real property in probate estates by making the Land Court procedures for the transfer and sale of property consistent with the procedures under the probate code.

The Board of Land and Natural Resources, Judiciary, Attorney Members of the Committee on the Uniform Probate Code and Probate Court Practices, and Title Guaranty of Hawaii, Inc., submitted testimony on the measure.

This measure will make Land Court procedures for the transfer and sale of real property in probate estates consistent with the procedures under the probate code by eliminating the requirement of a court order and authorizing the conveyance or sale of Land Court property by the filing of the required documents. By establishing the consistent treatment of real property in probate estates, regardless of the system of recordation, probate costs will be reduced.

This measure also recognizes the right of unincorporated nonprofit associations to hold title under the Land Court registration law consistent with rights granted under the Uniform Unincorporated Nonprofit Association Act and makes other housekeeping amendments to improve the efficiency of Land Court property transactions.

Your Committees have amended this measure by:

- (1) Clarifying that the information required to be included on the first page of all filed or recorded instruments is to be provided, if possible;
- (2) Establishing an alternative, nonjudicial procedure for effecting a change of status on a certificate of title; and
- (3) Making technical changes to reflect correct terminology and procedure and preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2277, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2277, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 4 (Chun, Hanabusa, Levin, Matsuura).

SCRep. 2385 (Majority) Commerce and Consumer Protection on S.B. No. 2287

The purpose of this measure is to create a funding mechanism for the conversion of overhead utility lines to underground utility lines.

Testimony on the measure was received from the Public Utilities Commission (PUC), Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Department of Taxation, University of Hawaii at Manoa Environmental Center, AT&T, Kauai Electric, Tax Foundation of Hawaii, GTE, Hawaiian Electric Company, Inc., Na Leo Pohai, and Life of the Land.

This measure establishes a special fund to fund the conversion of overhead utility lines to underground utility lines. It also establishes mechanisms for the funding of the fund by allowing taxpayers to make a contribution through their income tax returns, authorizing the collection of contributions from utility consumers through utility "round-up" programs, and establishing an annual allocation of revenues from utilities with above-ground facilities.

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

- (1) Deleting language that requires the PUC to establish an allocation of utility revenues and authorizes utilities to collect contributions from customers through "round-up" programs;
- (2) Requiring that an unspecified percentage of excess moneys in the PUC special fund be deposited annually into the underground conversion fund, based on the amount of excess funds in the PUC special fund prior to their lapsing into the general fund; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

In passing this measure, it is your Committee's intent that the legislature continue to engage in further discussion and exploration of funding mechanisms to accomplish the conversion of overhead utility facilities to underground utility facilities.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2287, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, 1 (Slom). Excused, 2 (Hanabusa, Matsuura).

SCRep. 2386 Commerce and Consumer Protection on S.B. No. 2419

The purpose of this measure is to establish a capital access program in Hawaii to encourage small business lending.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism (DBEDT). Informational testimony was presented by the Department of Commerce and Consumer Affairs.

This measure also establishes a reserve fund which allows a lending bank to make loans with a slightly higher risk than under the bank's conventional underwriting standards. The bank and the borrower pay an up-front insurance premium which goes into the reserve fund held at the originating bank. The State matches the combined bank and borrower contribution with a deposit into the same reserve fund.

Your Committee finds that capital access programs, first launched by Michigan in 1986, are operated by states to encourage small business lending in a cost-efficient and simple manner. Your Committee further finds that small business lending should be encouraged in Hawaii and the State has a responsibility to stimulate such lending.

Your Committee has amended this measure by:

- (1) Eliminating the capital access fund and instead using the existing Hawaii capital loan revolving fund;
- (2) Changing responsibility for the fund from the Department of Commerce and Consumer Affairs to DBEDT;
- (3) Deleting the requirement that a "small business" or a "nonprofit organization" have at least fifty-one employees located in Hawaii;
- (4) Clarifying that a financial institution must certify, if applicable, that the borrower is an eligible enterprise zone business;
- (5) Reducing from \$150,000 to \$100,000 the maximum amount to be deposited by DBEDT into a reserve account;
- (6) Deleting the provision allowing DBEDT to withdraw from the financial institution's reserve account when the financial institution has not made a capital access loan within the preceeding twenty-four months; and
- (7) Making technical, nonsubstantive changes to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2419, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2419, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Matsuura).

SCRep. 2387 (Joint) Commerce and Consumer Protection and Judiciary on S.B. No. 3176

The purpose of this measure is to extend the right to medical and other insurance benefits to reciprocal beneficiaries.

Testimony on the measure was received from the Hawaii Public Employees Health Fund, Hawaii Civil Rights Commission, League of Women Voters of Hawaii, American Civil Liberties Union, Na Loio, Friends of Marriage Project Hawaii, Na Mamo O Hawaii, Partington and Foley, and several individuals.

This measure extends coverage under the laws governing health insurers, mutual benefit societies, health maintenance organizations, motor vehicle insurers, and life insurers to reciprocal beneficiaries of insured or covered individuals. The measure also requires the Public Employees Health Fund to establish a reciprocal beneficiary family coverage health benefits plan. Your Committees find that this measure recognizes the importance of health and insurance coverage for all individuals in the State, regardless of their marital status, and provides for equal access to health care and other benefits.

Your Committees have amended this measure by:

- (1) Making the requirement that health maintenance organizations provide the same coverage to spouses and reciprocal beneficiaries apply to policies issued after July 1, 2000, rather than June 30, 1999; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style, and to correctly reflect language in the Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3176, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3176, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 12. Noes, none. Excused, 2 (Bunda, Slom).

SCRep. 2388 (Majority) Labor and Environment on S.B. No. 2313

The purpose of this measure is to amend the definition of wages, eliminate the minimum wage tip credit, and prevent tips and gratuities from being withheld by or credited to the employer.

Testimony in favor of the measure was received from ILWU Local 142 and 505 members of Unity House, Inc. Testimony in opposition to the measure was received from the Department of Labor and Industrial Relations, Chamber of Commerce of Hawaii, and the Hawaii Hotel Association.

Your Committee finds that, under current law, there is inconsistent treatment of tips as they relate to wages. For example, an employer is prohibited from withholding wages, but not tips. Yet, under certain circumstances, tips are combined with wages to satisfy the minimum wage requirement. This measure attempts to correct this inconsistency.

Upon further consideration, your Committee amended the measure by removing all provisions of the bill except the one to eliminate the minimum wage tip credit.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2313, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 3 (Chumbley, M. Ige, Slom). Excused, 1 (Ihara).

SCRep. 2389 Health and Human Services on S.B. No. 2059

The purpose of this measure is to raise the standard of need for purposes of public assistance.

Your Committee received testimony in support of this measure from the Legal Aid Society, Hawaii State Commission on the Status of Women, American Friends Service Committee, Parents and Children Together, Hawaii Disability Rights Commission, National Association of Social Workers, and six private individuals. Testimony in opposition was received from the Department of Human Services (DHS).

This measure raises the standard of need from the 1993 federal poverty level to the current poverty level, as established by the federal government. The standard of need is used to calculate the amount of payments for financial assistance, but not for general assistance households.

Your Committee believes that basing the standard of need on the 1993 poverty level is obsolete and results in unrealistically low payments that do not come close to paying for basic living necessities in Hawaii's economy. Changing the 1993 poverty level to the current poverty level on which to base the calculation for the amount of the assistance allowance is more humane and appropriate to keep abreast with changing times and inflation.

According to the DHS, this measure would cause a funding increase of \$62.7 million, which your Committee finds to be in excess of what the State can afford at the present. However, your Committee remains committed in the future to continue to pursue a change to the current poverty level.

Your Committee has amended this measure by:

- (1) Maintaining the current poverty level; and
- (2) Changing the 62.5 per cent assistance allowance to 65 per cent for exempt households, and to not higher than 65 per cent for all other households.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2059, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2059, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Anderson).

SCRep. 2390 (Joint) Health and Human Services and Transportation and Intergovernmental Affairs on S.B. No. 2116

The purpose of this measure is to make an appropriation for funding a second ambulance to serve the Waianae Coast.

Your Committees received testimony in support of this measure from the Department of Health (DOH), Honolulu Emergency Services Department, State Health Planning and Development Agency, West Oahu Subarea Health Planning Council, and Estate of James Campbell.

Your Committees find that the Waianae Coast in Leeward Oahu has only one ambulance which is insufficient to serve the emergency medical needs of Waianae, Nanakuli, and Maile. According to testimony of the DOH, Waianae is one of several areas on Oahu where backup response time standards may be exceeded.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2116 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2391 (Joint) Health and Human Services and Transportation and Intergovernmental Affairs on S.B. No. 2163

The purpose of this measure is to require twenty-four-hour aeromedical emergency medical services for the county of Hawaii.

Your Committees received testimony in support of this measure from the County of Hawaii Police Department, Emergency Medical Services Advisory Commission, and a private individual. Testimony in opposition was received from the Department of Health (DOH).

This measure requires the DOH, in establishing standards for emergency medical services and emergency medical service systems, to require that aeromedical services for the county of Hawaii be provided on a twenty-four-hour basis by a permanently assigned paramedic crew.

Your Committees find that the Big Island has persistently lacked aeromedical emergency medical services. Considering the geographic expanse, mountainous terrain, and decrepit roads of the Big Island, an aeromedical emergency service would vastly improve emergency medical services. Your Committees have heard the pleas of the residents of Hawaii for several years for an aeromedical medical emergency service, and finds the situation to be unacceptable. Your Committees believe that the State has an obligation to provide for the health and safety of persons on the Big Island in a medical emergency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2163 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2392 Health and Human Services on S.B. No. 2247

The purpose of this measure is to establish a temporary managed cat colony task force to address health concerns related to the feral cat population.

Your Committee received testimony in support of this measure from the Department of Health, Animal Rights Hawaii, AdvoCATS Inc., Alley Cat Allies, Hawaiian Humane Society, Oahu Cat Caretakers Coalition, Animal CARE Foundation, West Hawaii Humane Society, and twenty-one private individuals. Testimony in opposition was received from the Board of Land and Natural Resources and Hawaii Audubon Society.

Your Committee finds that the State continues to face an overpopulation of feral cats. These cats include tame cats that have been abandoned by irresponsible owners and the progeny of these cats which are often unsocialized to human contact. Historically, many people have tried to trap and remove these cats, often to the detriment of the cats. These methods have not proven successful and the problem persists.

A new method called trap/neuter/return (TNR) has been used successfully in many countries and in other states and cities in the United States. This method consists of a dedicated volunteer caretaker pulling free-roaming feral cats into colonies and gaining their trust through daily, consistent feeding which then enables the caretaker to trap the animals for sterilization. Once all the animals in a colony are sterilized, they remain in the group for life, fed and monitored by the caretaker.

This measure is intended to rationally and humanely address the current public health problem of feral cats. The task force will address the TNR as a solution as well as cat-related health concerns.

Your Committee has amended this measure by clarifying the membership of the task force to reflect a more balanced representation of persons and organizations having an interest and expertise in feral cat overpopulation issues.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2247, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2393 (Joint) Health and Human Services and Education and Technology on S.B. No. 2448

The purpose of this measure is to establish the Hawaii Autism Center for Excellence within the University of Hawaii at Manoa (UHM).

Your Committees received testimony in support of this measure from the Department of Health, Department of Education, UHM, Autism Society of Hawaii, Hawaii Coalition for Health, The Institute for Family Enrichment, the State Children's Council, and twenty-nine private individuals.

Your Committees find that autism causes severe impairments in language and communication, and generally manifests itself in young children in the first two years of life, causing devastation that lasts a lifetime due to the emotional and financial distress that families experience. The prevalence of autism is more common than popularly thought. The federal Centers for Disease Control and Prevention estimates that one in five hundred individuals in the State are affected by autism, although this figure may be underestimated due to lack of accurate diagnostic procedures. Autism is the third most common developmental disorder and is more prevalent than Down's Syndrome, childhood cancer, or cystic fibrosis.

Your Committees further find that there has been little biomedical research into autism, in spite of the fact that scientists consider autism to be one of the most congenital of all developmental disorders and most likely to yield to the latest scientific advancements in genetics and neurology. Other states have established autism research centers, including nationally recognized centers in California, Connecticut, Florida, Maryland, New Jersey, and New York, and these centers attract funding from the National Institutes of Health.

Your Committees believe that Hawaii cannot wait any longer to commit resources to autism research so that another generation of autistic children will not be lost to society. This measure establishes a world-class autism research center at the UHM.

Your Committees have amended this measure by:

- (1) Clarifying the purpose section to more fully explain autism and autism spectrum disorders and the need for autism research;
- (2) Placing the Hawaii autism center of excellence within the UHM School of Medicine;
- (3) Adding autism, evaluation, and psychosocial disciplines to the research functions of the center;
- (4) Clarifying the duties of the center to endeavor to establish diagnostic evaluation and assessment;
- (5) Including infants to adults in the population to be served by the center;
- (6) Requiring the center to collaborate with the State, private sector, and with persons with autism and autism spectrum disorders; and
- (7) Requiring the center to establish an advisory committee.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2448, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2448, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Bunda, Matsunaga, Anderson).

SCRep. 2394 Health and Human Services on S.B. No. 2487

The purpose of this measure is to create criminal offenses for abusing the elderly.

Your Committee received testimony in support of this measure from the Department of Human Services and Executive Office on Aging. Testimony in opposition was received from the Hawaii Nurses' Association.

Your Committee finds that the penal code does not have any provisions specific to elder abuse. Crimes are charged as murder, manslaughter, or assault. Your Committee believes that creating specific crimes for elder abuse that is not covered by existing law will serve as a deterrent. The intent of this measure, as amended, is to target neglect in caregiving to a dependent adult.

Your Committee has amended this measure on the recommendations of the Hawaii Nurses' Association and the Attorney General by:

- (1) Changing "elder" to "dependent adult";
- (2) Defining "dependent adult";

- (3) Providing for first, second, and third degree offenses of promoting dependent adult abuse differentiated by the state of mind of the offender; and
- (4) Deleting the definitions of "bodily injury", "serious bodily injury", and "substantial bodily injury", since these terms are no longer necessary in the amended measure.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2487, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2487, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Anderson).

SCRep. 2395 Health and Human Services on S.B. No. 2657

The purpose of this measure is to require all health insurance policies to provide coverage for outpatient diabetes self-management training, education, equipment, and supplies.

Your Committee received testimony in support of this measure from the Department of Health, Queen's Health Management, American Diabetes Association, Hawaii Association of Diabetes Educators, Honolulu Medical Group, Hawaii Nurses' Association, Haleiwa Family Health Center, and eighteen private individuals. Informational testimony was provided by the State Insurance Commissioner. Testimony in opposition was received from Hawaii Medical Service Association, Kaiser Permanente, and State Farm Insurance Companies.

Your Committee finds that diabetes is one of the most prevalent diseases in Hawaii. Much of the treatment for diabetes involves self-management, however, health insurance policies do not usually provide coverage for education instruction, including visits to physicians for consultation on managing the condition.

Your Committee further finds that effective outpatient self-management by diabetics results directly in a significant reduction in both the economic and human devastation wrought by the disease. There is ample evidence that tight control of blood sugar levels through patient self-management can dramatically lower the incidence of complications, increase life expectancy, and significantly enhance the quality of life of diabetics. In addition, studies show that providing diabetics with the appropriate supplies and training for self-management results in a decrease in health care services utilization and costs.

Your Committee has amended this measure by:

- (1) Replacing references to "diabetics" with "persons with diabetes";
- (2) Deleting reference to prescriptions by other licensed health care professionals;
- (3) Replacing references to "satisfies" and "completed a course" with "certified";
- (4) Clarifying that the coverage includes "diabetes self-management";
- (5) Clarifying that the diabetes program be recognized by the American Diabetes Association;
- (6) Adding that the requirement of coverage for diabetes self-management training and education is also satisfied by group sessions or individual training sessions if medically necessary;
- (7) Deleting reference to medical nutrition therapy;
- (8) Clarifying that diabetes equipment and supplies include one blood glucose monitor, and all insulin preparations and all insulin cartridges;
- (9) Replacing "plan formulary" with "open formulary";
- (10) Adding coverage for podiatric services, as defined by medicare; and
- (11) Making technical, nonsubstantive changes to reflect preferred drafting style and for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2657, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2657, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2396

(Joint) Health and Human Services and Labor and Environment on S.B. No. 2852

The purpose of this measure is to allow the Department of Human Services (DHS) to employ civil service and non-civil service personnel to service waiver programs.

Your Committees received testimony in support of this measure from the DHS and Healthcare Association of Hawaii.

This measure would allow personnel employed for waiver programs to be exempt from civil service, in the discretion of the DHS.

Waiver programs are exceptions to programs for social services that are federal program initiatives which the State must comply with in order to receive federal funding. If the State desires to conduct a program not in keeping with federal regulations, usually a demonstration project such as QUEST, the State must obtain a waiver in order to receive federal funding. The waiver usually is limited for a duration not exceeding a specified number of years.

According to testimony of the DHS, this measure will allow the Adult and Community Care Services Branch more flexibility as to the type of personnel it needs to provide a continuum of services for eligible disabled individuals in the Medicaid waiver home and community-based programs as well as state-funded programs.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2852 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Chumbley, M. Ige, Anderson).

SCRep. 2397

(Joint) Health and Human Services and Transportation and Intergovernmental Affairs on S.B. No. 2863

The purpose of this measure is to require that an application form for a motor vehicle license or renewal contain a question to designate whether the applicant has an advance health-care directive.

Your Committees received testimony in support of this measure from the Attorney General, Executive Office on Aging, Policy Advisory Board for Elder Affairs, Hawaii Coalition for Affordable Long Term Care, Healthcare Association of Hawaii, Hospice Hawaii, and Kokua Council.

This measure provides that if an applicant designates on the application for any motor vehicle license that the applicant has an advance health-care directive, the license will bear the designation "advance health-care directive", or a symbol or abbreviation for it.

According to the testimony on this measure, relatives or friends accompanying a person to be admitted to a hospital often do not know whether the person has an advance health care directive or may be too distraught to discuss the subject. Recent surveys indicate that fewer than twelve per cent of adults in Hawaii who have advance health care directives ever get them entered into their hospital charts. Therefore, an advance health care directive designation on the driver's license would alert the admitting staff to the existence of the directive and would greatly increase the likelihood that the individual's wishes regarding treatment would be respected.

This measure applies the same requirements for persons applying for registration at the Hawaii Criminal Justice Data Center. The identification certificate would bear the same designation.

The intent of this measure is to facilitate the identification of persons who have executed an advance health-care directive, which is especially useful in a medical emergency involving that person particularly if the directive authorizes the provision, withholding, or withdrawing of artificial nutrition and hydration when the person loses decisional capacity.

Your Committees have amended this measure by:

- (1) Deleting reference to specific medical treatment being imprinted on the identification certificate; and
- (2) Making technical, nonsubstantive changes to reflect clarity and preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2863, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2863, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2398

Health and Human Services on S.B. No. 2874

The purpose of this measure is to clarify the function of the Public Health Facility Management Advisory Committees (Advisory Committees) to the Hawaii Health Systems Corporation (HHSC).

Your Committee received testimony in support of this measure from the Department of Health, HHSC, Kona-Kohala Chamber of Commerce, and a private individual. Testimony in opposition was received from the HGEA-AFSCME.

This measure also prohibits the HHSC from closing any facility without approval of the legislature, and eliminates the requirement that the HHSC notify the legislature of any substantial reduction or elimination of direct patient care services.

This measure clarifies that the Advisory Committees must advise the chief executive officer of the HHSC on the substantial modification, decrease, or increase in the scope or type of health care services rendered by the public health facilities within its respective jurisdiction. The Advisory Committees are intended to augment the management functions of HHSC over those facilities and services. This measure enhances the ability of the Advisory Committees to advise the HHSC.

According to testimony of the HHSC, a recent report of the National Public Hospitals Association recommended that current law requiring legislative approval of any substantial reduction or elimination of direct patient care services be repealed or clarified. Your Committee agrees that the HHSC needs flexibility and autonomy in order to be more competitive and viable, especially in light of the HHSC's current financial condition. However, your Committee is also concerned that certain patient care services should not be substantially reduced or eliminated without the approval of the legislature.

Your Committee has amended this measure by:

- (1) Adding public health services;
- (2) Changing public health facilities to public hospital facilities;
- (3) Requiring legislative approval by concurrent resolution of any planned reduction or elimination of long-term care beds and services by the HHSC and setting out procedures for the HHSC to follow;
- (4) Clarifying that any approval by the legislature under (3) shall supercede a decision of the State Health Planning and Development Agency on the application for a certificate of need;
- (5) Clarifying that no reduction or elimination of direct patient care services may be made without the approval of the legislature, concerning inpatient tuberculosis treatment and quarantine, psychiatric care at Samuel Mahelona, Kona, and Hilo community hospitals, and other public health services;
- (6) Requiring that the State share in the cost with the HHSC if the legislature directs the continuance of any direct patient care services; and
- (7) Making technical, nonsubstantive amendments to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2874, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2874, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Anderson).

SCRep. 2399

(Joint) Health and Human Services and Education and Technology on S.B. No. 2884

The purpose of this measure is to require the Department of Education (DOE) to be responsible for occupational therapy and physical therapy for the exceptional children needing such services who attend public school in the State.

Your Committees received testimony in support of this measure from the Department of Health (DOH), HGEA-AFSCME, and Hawaii State Teachers Association. Testimony in opposition was received from the DOE and two private individuals.

According to the testimony of the DOH, the school health occupational and physical therapists provide education-related services to children with special needs within the public schools. This responsibility is consistent with the DOE's mandate to provide free appropriate public education including related services for qualifying students with disabilities under the Individuals with Disabilities Education Act and the Rehabilitation Act. The DOH and DOE are working together to assure a smooth transfer of the occupational and physical therapy programs to the DOE without jeopardizing the services and needs of the children and their families.

Your Committees have amended this measure by making technical, nonsubstantive changes to reflect existing statutory language.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2884, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2884, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Bunda, Matsunaga, Anderson).

SCRep. 2400 (Joint/Majority) Health and Human Services and Commerce and Consumer Protection on S.B. No. 2891

The purpose of this measure is to require parity in mental health insurance benefits relative to other health insurance benefits.

Your Committees received testimony in support of this measure from the Department of Human Services, Department of Health (DOH), State Insurance Commissioner, Hawaii Psychological Association, ILWU, Mental Health Association in Hawaii, NAMI Oahu, Equal Insurance Coalition, Hawaii Nurses' Association, Hawaii Medical Association, Hawaii Psychiatric Medical Association, National Association of Social Workers, HGEA-AFSCME, and three private individuals. Testimony in opposition was received from the Hawaii Medical Service Association, Kaiser Permanente, National Federation of Independent Business, and Hawaii Business Roundtable.

Your Committees agree with the testimony of the DOH that research shows the costs of providing mental health parity in coverage is low. This is attributable to an overall low prevalence rate of individuals accessing mental health treatment services relative to traditional medical health care services.

Your Committees find that mental health insurance benefits should be considered on par with medical health coverage, inasmuch as mental disease can be just as debilitating and costly as medical health problems.

Your Committees have amended this measure by:

- (1) Clarifying the definition of mental illness to mean any mental health condition or disorder of adults and children, as listed in the Diagnostic and Statistical Manual of the American Psychiatric Association but excluding alcohol or substance abuse, or in the Mental Disorders Section of the International Classification of Diseases as used for billing purposes; and
- (2) Making technical, nonsubstantive changes to reflect preferred drafting style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2891, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2891, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, 1 (Slom). Excused, 3 (Hanabusa, Matsuura, Anderson).

SCRep. 2401 (Joint) Health and Human Services and Education and Technology on S.B. No. 3033

The purpose of this measure is to make an appropriation for drug treatment, counseling, and intervention services for substance-abusing youths at Waipahu High School.

Your Committees received testimony in support of this measure from the Department of Health, Community Alliance on Prisons, the principal of Waipahu High School, and a private individual.

Your Committees find that there is a critical need for drug treatment, counseling, and intervention services, particularly at Waipahu high school in the Leeward district of Oahu. The number of students who have been identified or suspended for drug related problems or possession of drugs continues to increase.

Results of the 1998 Hawaii Student Alcohol and Drug Use Study administered to sophomores and seniors at Waipahu high school revealed that seventy-one per cent of the sophomores and sixty-seven per cent of the seniors had tried tobacco at least once. The study revealed that forty-two per cent of the sophomores and twenty-five per cent of the seniors regularly smoked cigarettes. Clearly, Waipahu High School has a serious drug and substance abuse problem, made even more tragic when considering that the school is one of the largest high schools in the State. This measure is intended to remedy that problem.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3033 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Matsunaga, Tam, Anderson).

SCRep. 2402 (Joint) Health and Human Services and Education and Technology on S.B. No. 3123

The purpose of this measure is to create a post-secondary education transitional benefits program within the Department of Human Services (DHS).

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii State Commission on the Status of Women, American Friends Service Committee, Brigham Young University-Hawaii Campus, National Association of Social Workers, University of Hawaii, and eight private citizens.

The program will be known as "bridge to hope" for heads of households in the Temporary Assistance to Needy Families program (TANF). The Federal Personal Responsibility and Work Opportunity Act of 1996 abolished the sixty-one year old Aid to Families with Dependent Children entitlement program and replaced it with a transitional aid program, TANF, that requires recipients who are able to work to secure employment at the earliest opportunity. The new law places a heavy burden on the states to meet strict work participation requirements.

Bridge to hope allows TANF recipients to continue to receive benefits if they are pursuing a post-secondary education, notwithstanding the work requirement of TANF.

Your Committees find that there are many barriers to work, frustrating the best efforts of public assistance recipients to join the work force on a permanent basis. Moreover, sharp competition for scarce jobs often leaves those with little experience or education behind. The picture is even more grim considering that over ninety per cent of assistance households are currently headed by women. Since approximately two-thirds of all women in Hawaii are working in sales, clerical, and service type jobs which receive the lowest wages, it is unlikely that the majority of assistance households will be able to move out of poverty and be self-sufficient without adding to their knowledge and skills to increase their earning capacity.

Your Committees further find that transitional benefits are needed to provide the necessary support to enable recipients to secure education and training beyond high school, in order to support the successful transition from public assistance to self-sufficiency through a transitional benefits program for public assistance recipients.

Your Committees have amended this measure by:

- (1) Requiring the single parent to be enrolled at least as a part-time student each semester, with the number of credit hours calculated in the same manner as in the Federal Student Aid Program;
- (2) Deleting provisions regarding satisfactory proof of completion of the educational or vocational program, additional assistance and subsidies, credit hours counting towards work requirements, exemption from TANF maintenance of effort, and the definition of "substantial hardships";
- (3) Clarifying that credit hours count towards work requirements under TANF, including internships, externships, practicums, and other work-training;
- (4) Allowing the DHS to require additional or fewer hours federally defined work activities to meet federal requirements for TANF;
- (5) Requiring the DHS to provide additional support to a recipient if all available educational financial aid has been exhausted;
- (6) Requiring the DHS to report to the legislature for the 2002, 2003, and 2004 Regular Sessions on the program;
- (7) Appropriating \$5 million for the program; and
- (8) Making a technical, nonsubstantive change for clarity.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3123, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3123, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Bunda, Matsunaga, Anderson).

SCRep. 2403

Ways and Means on S.B. No. 2728

The purpose of this bill is to propose an amendment to the State Constitution to elevate to constitutional status the right of persons to access public meetings and records.

Specifically, this bill proposes a constitutional amendment to prohibit denying a person access to any meeting held by a public body for the purpose of deliberating or deciding on a matter of public interest, or the right to inspect or copy any public record made or received in connection with official business of the public body or person acting on its behalf, except as shall be required to protect rights of individuals guaranteed under the constitution. The proposed constitutional amendment also creates a commission on open government to be established by law to effectuate the rights guaranteed by the proposed constitutional amendment.

Your Committee received testimony in support of the bill from the Office of Information Practices, Common Cause Hawaii, and Hawaii's Thousand Friends.

Upon careful consideration, your Committee has amended this bill by modifying the existing language in the proposed amendment to the following:

"As provided by law, all persons shall have the right to public access of all meetings of public bodies and to inspect and copy public records made or received in connection with official business of public bodies or persons acting on their behalf."

and also by modifying the language of the ballot.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2728, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

SCRep. 2404 Commerce and Consumer Protection on S.B. No. 2170

The purpose of this measure is to require that telemarketers be bonded and registered with the Department of Commerce and Consumer Affairs (DCCA).

Testimony on the measure was received from the Commissioner of Securities, Executive Office on Aging, American Association of Retired Persons, and Legislative Information Services of Hawaii.

Last session, the Legislature enacted the Telemarketing Fraud Prevention Act that establishes certain telemarketing practices as unfair or deceptive practices, prohibits abusive telemarketing practices, requires recordkeeping of telemarketers, and makes the remedies and penalties for violations of section 480-2, Hawaii Revised Statutes, applicable to telemarketing fraud violations. This measure is intended to enhance and strengthen the law by requiring telemarketers to register with DCCA and to be bonded.

Your Committee finds that further regulation may not be the most effective method of deterring or preventing telemarketing fraud. Unscrupulous telemarketers may continue to operate without complying with the registration and bonding requirements, and registration may be perceived by some consumers as an endorsement of the telemarketer by the State. Further, the duties imposed upon the DCCA under a registration scheme will strain the resources of the Business Registration Division, and this measure establishes no filing fee requirement to offset the costs of regulation.

Upon further consideration, your Committee finds that establishing criminal penalties against telemarketing fraud will provide a greater deterrent than additional regulation, and that other states, such as Iowa, have successfully used criminal penalties to curb telemarketing fraud. Accordingly, your Committee has amended this measure by replacing its contents with language that creates the offense of telemarketing fraud and establishes telemarketing fraud as a class B felony.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2170, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2170, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2405 Commerce and Consumer Protection on S.B. No. 2452

The purpose of this measure is to extend health insurance coverage to unmarried dependent children of public employees who are full-time students up to age twenty-four and to unmarried children, regardless of age who are incapable of self-support because of a mental or physical incapacity that existed prior to reaching the age of nineteen.

The measure also limits dental plan benefits to the unmarried children of public employees who are under the age of nineteen.

Testimony in support of the measure was received from the Public Employees Health Fund.

Your Committee finds that the health benefits plan offered by the Public Employees Health Fund is the only major benefit plan that does not provide coverage to dependents of employees who are full-time students and under the age of twenty-four.

Your Committee also finds that extending health insurance coverage to public employee dependents who are unmarried children, regardless of age, and who are incapable of self-support because of a mental or physical incapacity that existed prior reaching the age of nineteen, will assist the parents of such children with the sometimes staggering costs of health care provision.

Your Committee has amended the measure by making a technical amendment proposed by the Public Employees Health Fund in the interest of clarity.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2452, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2452, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2406

Commerce and Consumer Protection on S.B. No. 2459

The purpose of this measure is to establish a licensure program for professional counselors.

Testimony on the measure was received from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs (DCCA), Board of Psychology, Hawaii Nurses Association, Child and Family Service, Lynn C. Fox and Associates, Inc., Sestak Rehabilitation Services, Hawaii Rehabilitation Counseling Association, and numerous individuals.

This measure establishes a licensing program for professional counselors and prohibits an individual who lacks licensure from using the title "licensed professional counselor". The measure also establishes licensure requirements and exemptions, defines the scope of professional counseling practice, and appropriates funds for program implementation.

Your Committee finds that licensure assures the public that individuals licensed by the State have met certain minimum educational, experiential, and examination requirements. The State has already established licensing programs for other professionals who provide counseling services, such as social workers and marriage and family therapists, in recognition of the potential for harm that the acts of unlicensed individuals present. By adopting this measure, Hawaii will join the forty-seven other states and the District of Columbia that have established licensure programs for counselors.

Upon careful consideration, your Committee has amended this measure to:

- (1) Require that applicants for licensure:
 - (A) Complete the requisite hours of post-graduate direct counseling work within a three-year period; and
 - (B) Have a minimum number of semester or quarterly hours in specific courses;
- (2) Disallow individuals with certification as a national certified counselor or national certified rehabilitation counselor from being "grandfathered" into the licensing program;
- (3) Clarify that the practice of professional counseling includes planning, and treating and counseling persons with mental, emotional, or physical disorders;
- (4) Authorize the director of DCCA to hire an administrative assistant and secretary to assist with the activities of the licensure program; and
- (5) Delay the implementation of the licensure program to July 1, 2001.

Your Committee has also made technical, nonsubstantive amendments to the measure for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2459, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2459, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Hanabusa).

SCRep. 2407

(Joint/Majority) Commerce and Consumer Protection and Labor and Environment on S.B. No. 2993

The purpose of this measure is to address problems related to the use and unplanned emission of chemicals and toxins in the State by creating an Environmental Health Consumer Advocate position with the Department of Commerce and Consumer Affairs.

In addition, the measure establishes an environmental protection hotline in the Hazard Evaluation and Emergency Response Office, requires housing developers building on former agricultural lands to conduct soil testing, dedicates moneys from the environmental response revolving fund to fund the environmental consumer advocate and its operations, and requires the Department of Health to convene a Campbell Industrial Park study group to study issues related to toxic emissions and spills.

Testimony was received from the Department of Commerce and Consumer Affairs (DCCA), Department of Health (DOH), Hawaiian Electric Company, Inc., Tesoro Hawaii, Life of the Land, Citizens for a Safe Environment, Hawaii's Thousand Friends, and the Hawaii Agriculture Research Center.

Your Committees find that the presence of chemicals and toxins in the State's water systems, soil, and air as a result of unplanned emissions and spills and pesticide usage on former agricultural lands pose a threat to the health and safety of the State's residents, and warrant the creation of a consumer advocate for environmental issues. The position of Environmental Health Consumer Advocate should be independent of the Department of Health, which in the past has minimized and failed to respond satisfactorily to community concerns about toxins in their water and soil and higher than average instances of illness and disease among residents living on former agricultural lands.

It is your Committees' intent that, in addition to the duties enumerated in this measure, the Environmental Health Consumer Advocate's duties include setting up a review process to evaluate the results of the soil testing in Village Park and West Loch Fairways, that includes the participation of residents of the affected communities.

Upon further consideration, your Committees have amended this measure to:

- (1) Establish the environmental protection hotline in the Department of Health and require that information reported to the hotline be transmitted to the Environmental Health Consumer Advocate;
- (2) Require that the department of health:
 - (A) Conduct further study and research when legal levels of toxins are exceeded;
 - (B) Identify communities with below average water quality, develop and implement recommendations to improve water quality in these communities, and report to the 2001 legislature; and
 - (C) Conduct a follow-up study of the Village Park and West Loch Fairways composite soil sampling that involves individual testing of homes to identify and measure toxins present in specific residences, and with the assistance of the Citizens for a Safe Environment and Life of the Land, report its findings and recommendations to the 2001 legislature;
- (3) Clarify that the soil testing requirement applies to new housing developments of ten or more residential homes, and that testing be done pursuant to protocols developed by DOH;
- (4) Require that soil testing be performed before receiving zoning or other permitting approval;
- (5) Redesignate the Campbell Industrial Park study group as the Campbell Industrial Park task force;
- (6) Expand the scope of the task force's study on unplanned releases of toxic emissions and spills to cover a ten-year period and to address the effectiveness of laws and regulations regarding unplanned releases;
- (7) Require the task force to study the need for a requirement that facilities handling or dealing in chemicals, gasoline, wastes, and other potentially toxic substances fill a spill prevention plan with the Department of Health;
- (8) Restructure the makeup of the task force by deleting the Department of Business, Economic Development, and Tourism, and adding the Hawaii State Emergency Response Commission, local emergency planning committees, a member of the Honolulu city council, and a representative from the Honolulu Fire Department Hazmat Unit;
- (9) Appropriate funds to the DOH to conduct the Campbell Industrial Park task force study; and
- (10) Make technical, nonsubstantive amendments to provide clarification and reflect preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2993, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2993, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, 1 (Slom). Excused, 3 (Bunda, Fukunaga, Hanabusa).

SCRep. 2408

Labor and Environment on S.B. No. 2605

The purpose of this measure is to create a limited exemption from paying unemployment insurance contributions for individuals who hold an ownership interest of at least fifty percent in the employing unit.

Testimony in favor of the measure was received from the Chamber of Commerce of Hawaii. Testimony in opposition to the measure was received from the Department of Labor and Industrial Relations and the ILWU Local 142. Comments were received from the National Federation of Independent Business.

If individuals are exempt from paying unemployment insurance contributions, they are ineligible to receive unemployment benefits. Under current law, these individuals are not exempt, pay unemployment insurance contributions, and at times are eligible to receive unemployment benefits.

Your Committee strongly supports the protections and benefits provided by the unemployment insurance law and opposes any attempt to circumvent the law or undermine the fund. This measure in no way affects an employer's obligation to make unemployment security contributions for each and every employee.

Your Committee has amended this measure by making the exemption optional and limiting the exemption to no more than two individuals in any employing unit.

Your Committee is concerned about the potential for abuse in setting up numerous business entities to exclude "employees" from unemployment insurance under the guise of being an independent contractor. Your Committee believes strongly that the protections and benefits provided by the law should not be circumvented.

Your Committee is also concerned that certain employers may fail to honor the intent of the employment security law by excluding individuals who are rightfully employees and deserve coverage. Your Committee does not support any attempt to exclude individuals who are actually employees. Your Committee believes strongly that any individual who is wrongfully excluded should receive full benefits if unemployed.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2605, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (Fukunaga).

SCRep. 2409 (Majority) Transportation and Intergovernmental Affairs on S.B. No. 2100

The purpose of this measure is to require enclosure of parking structures located near residentially-zoned areas and restrict noise levels.

Testimony was received in support of this measure from four citizens. Testimony in opposition to this measure was received from the Honolulu Police Department, Healthcare Association of Hawaii, Estate of James Campbell, and Land Use Research Foundation of Hawaii.

Your Committee finds that this measure will help to minimize unhealthy and stressful conditions caused by motor vehicle parking by requiring parking structures near residential areas to be enclosed and by establishing permissible levels of noise emission for parking structures.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2100 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 2 (Inouye, Slom). Excused, 3 (D. Ige, Iwase, Taniguchi).

SCRep. 2410 (Joint) Transportation and Intergovernmental Affairs and Government Operations and Housing on S.B. No. 2132

The purpose of this measure is to define the terms state contractor, state subcontractor, and state resident and increase the bid preference for state contractors.

Testimony in support of this measure was received from the Construction Industry Legislative Organization, Inc., General Contractors Association of Hawaii, Hawaii Electricians Market Enhancement Program Fund, and American Friends Service Committee. Testimony recommending that this measure be held was received from the Department of Accounting and General Services and the State Procurement Office.

Your Committees find that this measure will give local workers preference with local government work contracts and supports this measure. Your Committees recognize the concern raised by the State Procurement Office, regarding the confusion of who is a state contractor or subcontractor, but find that this information can be obtained through an affidavit provided by the contractor or subcontractor to the State Procurement Office.

Your Committees have amended this measure by replacing the language "Hawaii resident income tax" with the language "Hawaii state income tax."

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2132, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2132, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 7 (Chun, Hanabusa, D. Ige, Iwase, Levin, Matsuura, Taniguchi).

SCRep. 2411 (Joint/Majority) Transportation and Intergovernmental Affairs and Labor and Environment on S.B. No. 2317

The purpose of this measure is to provide boards of water supply in a county with a population of more than 500,000 with the flexibility needed to initiate a pilot program to restructure and reorganize for the purposes of efficiency and effectiveness.

The measure also allows the boards of water supply to create flexible job descriptions, reduce the number of job classifications, create multi-skilled positions, and establish appropriate salary ranges and compensation for these positions.

Testimony in support of this measure was received from the Maui County Department of Water Supply, the City and County of Honolulu Board of Water Supply, Hawaii Government Employees Association, Plumbers and Fitters Union Local 675, and 46 employees of the Board of Water Supply. The United Public Workers submitted testimony in opposition, and a member of the public submitted comments.

Your Committees find that in order to become more flexible and efficient, a pilot program should be established in boards of water supply in counties with a population of more than 500,000. The pilot program should have flexibility under the civil service law, and existing civil service rules and procedures, governing the classification of positions.

Your Committees further find that if the pilot program is found to be successful, then it can be applied to other agencies, and ultimately throughout the civil service system. Your Committees also find that this pilot program will require the board of water supply to consult with the appropriate exclusive representative of a bargaining unit on changes in job descriptions and classifications.

Your Committees are aware of the civil service reform bills now in the legislature, and that they may affect this bill. Your Committees believe that any conflict between those bills and this bill can be eliminated in conference.

Your Committees have amended this measure by:

- (1) Amending the purpose section by eliminating the comparison to private utilities and improving the focus of the section;
- (2) Narrowing the pilot program to classification and reclassification;
- (3) Deleting the language allowing the board of water supply to perform the powers, functions, or duties itself or contract with agencies of the county or State;
- (4) Adding language exempting the pilot program from the conference of personnel directors and from the adoption of a compensation plan by the conference;
- (5) Requiring salary ranges, schedules, and pricing to be established through negotiations with the exclusive bargaining representative;
- (6) Deleting paragraphs regarding lump sum payments for employees who cannot be retained and the provisions allowing the boards to do any and all things necessary to change human resources procedures subject to the merit principle;
- (7) Adding a new subsection allowing the board of water supply to enter into memorandum of agreements with exclusive bargaining representatives on matters subject to negotiations that are unique to the board, and shall not require the approval of any employer jurisdiction;
- (8) Clarifying that county civil service provisions in conflict with this pilot program are superseded by the program; and
- (9) Changing the repeal date to June 30, 2005.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2317, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2317, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, 1 (M. Ige). Excused, 3 (Fukunaga, D. Ige, Ihara).

SCRep. 2412 (Joint) Transportation and Intergovernmental Affairs and Health and Human Services on S.B. No. 2664

The purpose of this measure is to:

- (1) Require physicians, psychologists, and psychiatrists to notify police if certain individuals are being treated so that any firearms and ammunition they may have are seized for the duration of treatment;
- (2) Allow temporary restraining orders for harassment of businesses; and
- (3) Clarify liability for discharge of firearms.

Testimony in favor of this measure was submitted by the Honolulu Police Department, Honolulu Prosecuting Attorney, and one individual. The Hawaii Citizens' Rights PAC submitted testimony in opposition. The Consumer Lawyers of Hawaii and Kaiser Permanente submitted comments.

While the intent of the measure is to ensure a safer community, your Committees have heard a number of concerns regarding portions of this measure. Your Committees find these concerns to be well taken and has amended this measure to delete the provisions requiring notice to the police and liability for discharge of firearms. However, your Committees encourage the Judiciary Committee to examine the measure carefully, and reinsert the deleted sections if they determine them to be necessary.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2664, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2664, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2413 (Joint/Majority) Transportation and Intergovernmental Affairs and Economic Development on S.B. No. 2727

The purpose of this measure is to appropriate \$1,000,000 for the City and County of Honolulu to acquire private lands in Waikiki for a park, subject to matching funds from the City and County of Honolulu.

Testimony in support of the measure was received from the Representative from District 21 of the House of Representatives, Hawaii Tourism Authority, Waikiki Improvement Association, Na Leo Pohai, Island Colony, and six citizens.

Your Committees find that while the measure does not focus on a specific site, the city has identified a vacant lot located in Waikiki for the park. Your Committees also recognize that Waikiki has less park space per resident than any other of the neighborhood board areas on Oahu.

Your Committees have amended the measure by placing a cap of \$1,000,000 that the State will appropriate, due to the uncertainty as to the exact cost of the property.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2727, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2727, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Slom). Excused, 2 (D. Ige, M. Ige).

SCRep. 2414 (Joint) Transportation and Intergovernmental Affairs and Judiciary on S.B. No. 2952

The purpose of the measure is to:

- (1) Extend the photo red light imaging and photo speed imaging detector demonstration project until July 1, 2003;
- (2) Authorize the Department of Transportation to retain project contractors;
- (3) Allow the Department of Transportation to use revenues generated by the project to pay project costs; and
- (4) Revise unnecessary or unsafe requirements on project technology and procedures.

Testimony in support of the measure was received from the Department of Transportation, Honolulu Police Department, and the Chamber of Commerce. The Judiciary submitted comments. The Public Defender supported the extension of the project but objected to the deletion of language requiring police officers to make reasonable efforts to be seen.

Your Committees find that Act 234, Session Laws of Hawaii 1998, authorized the counties to implement photo speed imaging detector and photo red light imaging systems demonstration projects to improve traffic enforcement.

Your Committees find that this measure will provide sufficient time for contractors to recover their investment, allow the Department of Transportation to generate useful data about the demonstration project, and provide the legislature with sufficient time to enact appropriate permanent legislation. Your Committees further find that the measure will significantly increase the number of uncontested traffic citations for moving violations, improve public compliance with traffic laws, and reduce the number of traffic accidents, injuries, and deaths.

Your Committees have amended the measure by clarifying that the Director of Transportation shall have the authority only over specific sections of the traffic laws, not all traffic laws. Your Committees have also amended the measure by replacing the word "robocop" with "photo enforcement", as more appropriate.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2952, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2952, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 2415 (Majority) Transportation and Intergovernmental Affairs on S.B. No. 3008

The purpose of the measure is to provide for automatic expungement of traffic record violations where a driver is charged with a violation and later found to be innocent.

Testimony in support of the measure was received by a citizen. Testimony was received from the Judiciary who took no position but offered comments, and testimony was received from the Prosecuting Attorney of the City and County of Honolulu who neither supported or opposed the measure but made technical suggestions.

Your Committee finds that this measure attempts to address the concerns of having a blemished driving record by individuals who are charged with a traffic violation and later found not guilty.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3008 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 2 (Inouye, Slom). Excused, 3 (D. Ige, Iwase, Taniguchi).

SCRep. 2416 Government Operations and Housing on S.B. No. 2333

The purpose of this measure is to authorize an association of apartment owners to assess the purchaser of a delinquent apartment for unpaid common area assessments.

Testimony in support of the measure was received from the Mortgage Bankers Association, the Hawaii Bankers Association, and the Hawaii Financial Services Association.

Testimony in opposition to the measure was received from the Real Estate Commission, the Community Associations Institute, the Hawaii Council of Associations of Apartment Owners, and two private citizens.

Your Committee finds that due to the current stagnant economic situation, many condominium owners have been unable to meet payments for either their mortgage or maintenance expenses. Mortgagees have lost significant amounts during this period. Homeowners associations have, likewise, lost much during this period. Both are innocent victims of these economic times. Homeowners associations and mortgage lenders have participated in many hearings and discussions with the legislature over the years. Attempts to find a solution have been hampered because both parties are innocent victims. While a solution has been elusive, this measure is a good attempt at resolving the issue in a creative and fair manner.

The measure allows for the assessment of purchasers of delinquent units for unpaid common expenses by the homeowners association. The assessment is limited to the amount accrued within six months of the acquisition of title by the purchaser, and is further limited to one per cent of the original amount of the then existing first mortgage. In order to make the assessment, homeowners associations must file a lien action prior to the purchaser acquiring title.

Your Committee has amended the measure by replacing subsection (g) with provisions that provide the following:

- (1) When a condominium is in foreclosure, whether judicial or nonjudicial, the board of directors may specially assess that condominium for delinquent maintenance fee payments;
- (2) The mortgagee in foreclosure shall not be obligated to make, nor be liable for payment of the association's special assessment for unpaid maintenance fees;

- (3) The purchaser, who is not the mortgagee, shall be obligated to make and shall be liable for payment of the association's special assessment, provided the lien was filed prior to the acquisition of title to the delinquent condominium;
- (4) The total amount of the special assessment shall under no circumstances exceed the total amount of the maintenance fees for the six months immediately preceding the completion of the foreclosure; and
- (5) The special assessment shall not exceed the amount of the delinquent assessment for the condominium.

The measure was further amended by:

- (a) Deleting the annual reporting requirement imposed on the Department of Commerce and Consumer Affairs under Section 3, and eliminating the sunset provision in Section 4;
- (b) Deleting language in the purpose section of this measure to reflect the amendments made above in paragraph (a); and
- (c) Adding the word "monthly" to subsection (h) of this measure to clarify the meaning of regular common assessments".

Your Committee believes that the amended measure will help resolve a complex and sensitive issue, which in many cases, involves parties who would otherwise faithfully pay the agreed upon fees had it not been for the State's prolonged economic malaise.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2333, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2333, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Sakamoto, Tanaka).

SCRep. 2417 Government Operations and Housing on S.B. No. 2387

The purpose of this measure is to ensure the quality and depth of the State's subcontractor pool by implementing appropriate screening and protective measures.

This measure clarifies the selection process for public procurement contracts of \$25,000 or less. This measure also establishes penalties for contractors who retaliate against a subcontractor in the event of a complaint or failure to adequately address any complaints.

Testimony in opposition to this measure was received from the Department of Accounting and General Services, the State Procurement Office, the Construction Industry Legislative Organization, and the General Contractors Association of Hawaii.

Your Committee finds that current Hawaii Administrative Rules already provide similar language for procurement of construction less than \$25,000, and that this measure would be duplicative. After further discussion, your Committee has amended this measure to enable the Department of Education, under the procurement code, to sell to a disabled student who is leaving the public educational system their individualized assistive technology device. The price of the device shall take into consideration the depreciable life of the device.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2387, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2387, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Chun, Hanabusa, Levin, Matsuura).

SCRep. 2418 Government Operations and Housing on S.B. No. 2021

The purpose of this measure is to provide protection to residents of the Department of Housing and Urban Development (HUD) assisted housing who are at risk of losing their housing subsidy due to changes in the HUD project based Section 8 program.

This measure requires assisted housing development owners to give one year's notice to tenants if the owner intends to terminate a subsidy contract. This measure also gives tenants or nonprofit organizations opportunities to purchase developments if the owner of the development has not given notice to sell prior to July 1, 2000.

Testimony in support of this measure was received from the Legal Aid Society, Catholic Charities, Hawaii Catholic Conference, Affordable Housing and Homeless Alliance, and three individuals.

Oral testimony in support of this measure was received from four individuals. Testimony in opposition of this measure was received from the Housing and Community Development Corporation of Hawaii (HCDCH).

Your Committee has amended this measure by:

- (1) Deleting the notice requirement set forth in section 201G-B as there is already a similar provision in HUD rules;
- (2) Renumbering section 201G-C to 201G-B and adding language to that section to further clarify the duties and requirements of the HCDCH with respect to maintaining existing Section 8 assisted housing subsidies, and incorporating language to further clarify the duties of the HCDCH when an owner of an assisted housing development gives notice of intent to terminate a subsidy contract or prepay the mortgage;
- (3) Deleting from the right to purchase section, the language:
 - (A) Allowing a purchaser to remove one or more units from rent and occupancy requirements if the housing project becomes economically unfeasible;
 - (B) Requiring an owner of a housing project to provide one year's notice if the owner decides to terminate or limit the subsidy contract;
 - (C) Listing the requirements for the initial notice of a bona fide intention to sell;
 - (D) Listing the requirements for a qualified entity who elects to purchase an assisted housing project;
 - (E) Requiring the HCDCH to publish forms and lists containing entities interested in preserving subsidized housing and entities who have contacted the HCDCH expressing an interest in purchasing a subsidized housing project; and
 - (F) Giving entities with the right of first refusal the right to maintain a cause of action against owners' in violation of the provisions of this chapter including those listed above;

to limit the scope of this measure and preclude any conflict with federal law; and
- (4) Making the necessary technical amendments to accommodate the amendments listed above.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2021, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Sakamoto, Tanaka).

SCRep. 2419 (Joint/Majority) Government Operations and Housing and Labor and Environment on S.B. No. 2509

The purpose of this measure is to protect the employees of vendors who are awarded state contracts by requiring these contractors to pay the prevailing industry standard wage plus the costs of applicable fringe benefits to employees. The measure requires the department of labor and industrial relations to set the prevailing wage by using an objective standard of predominance or currency for jobs in Hawaii.

Oral testimony in support of this measure was received from an individual. Testimony in opposition of this measure was received from the Hawaii Business League. The Department of Labor and Industrial Relations supports the intent of this measure. The Department of Accounting and General Services recommended placement of this measure in section 103-55, Hawaii Revised Statutes. Comments were received from the Building Industry Association of Hawaii.

Your Committees have amended this measure to further clarify fringe benefits, and to set the prevailing wage at the rate of an applicable collective bargaining agreement or union scale, or at one hundred twenty-five percent of the U.S. Department of Labor Employment Standards Administration wage and hour determination under the Service Contract Act. Your Committees recognize that this measure will apply to employers awarded government contracts and provide for greater equity in the bidding process. This measure will also discourage the award of contracts to employers who underbid their competitors by paying their employees substandard wages.

Reflecting the intent of this measure, the International Brotherhood of Electrical Workers as well as the ILWU submitted testimony on a similar measure that provides twelve days of paid sick leave and ten additional days of unpaid leave, annually. Therefore, your Committees have decided to move this measure forward for further discussion.

As affirmed by the records of votes of the members of your Committees on Government Operations and Housing and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2509, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2509, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, 3 (Chumbley, M. Ige, Slom). Excused, 5 (Chun, Hanabusa, Ihara, Levin, Matsuura).

SCRep. 2420**(Joint) Health and Human Services and Education and Technology on S.B. No. 2720**

The purpose of this measure is to allow the Department of Education (DOE) and organizations providing services to children under the age of eighteen to access information on registered sex offenders by phone call to the Hawaii Criminal Justice Data Center (Center).

Your Committees received testimony in support of this measure from the DOE, Attorney General, and four private individuals.

This measure applies to applicants for paid and volunteer positions. Current law requires the DOE to have procedures for obtaining verifiable information regarding the criminal history of persons who are employed, seeking employment, or serving as teacher trainees in any public school. The DOE is required to check with the Center. Current law with regards to sex offender registration information provides for public access by physically going to the Center or to a designated police station. This measure is intended to facilitate and expedite access to that information by authorizing a phone inquiry, particularly for youth services organizations that may not have the ability to visit a police station or the Center.

Your Committees find that this measure could avoid the potentially tragic circumstance of hiring a sex offender to work with children, as a result of ignorance of the background of the sex offender. This measure provides an added modicum of safety and reassurance.

The DOE testified "that it"... appreciates access to a quick and convenient means of screening prospective employees and volunteers who will be working closely with children to ensure that they are not registered sex offenders. Recent experience has shown that the usual procedures can be unacceptably slow, and yet the delay in placing new employees and volunteers can be debilitating to programs."

Your Committees request the Committee on Judiciary to:

- (1) Explore including other offenses in this measure;
- (2) Consider the DOE's personnel capacity to determine if it has the resources to carry out this measure; and
- (3) Consider whether the checks would discourage persons from volunteering at the DOE.

Your Committees have amended this measure by:

- (1) Requiring the DOE to access the information for volunteers expected to work over five consecutive days, and for all employees and applicants for employment by the DOE; and
- (2) Correcting a statutory reference.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2720, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2720, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Bunda, Matsunaga, Anderson, Slom).

SCRep. 2421**Education and Technology on S.B. No. 278**

The purpose of this measure is to replace the five members of the Board of Regents of the University of Hawaii who sit on the Board of Directors for the Research Corporation of the University of Hawaii with two administrators and two faculty members.

The measure is to take effect by staggering replacement of the five Board of Regents members over two years.

Testimony in support of the measure was received from the Board of Regents of the University of Hawai'i, the University of Hawai'i, and the Research Corporation of the University.

Your Committee finds that currently five of the ten members of the Board of Directors for the Research Corporation of the University of Hawaii are members of the Board of Regents of the university. The remaining members are appointed by the governor.

Your Committee agrees that this measure will strengthen the relationship between the university and the Research Corporation by placing people with operational responsibilities within the university system, on the Research Corporation's Board of Directors. This is a positive step in consolidating managerial control of university-related affairs within the university system and establishes a greater degree of autonomy in the management of the university and its associated research components.

Your Committee, however, believes that two members from the Board of Regents should be maintained. Thus, the measure was amended to adjust the composition of the Board of Directors from ten to eleven members by providing for two members each from the

Board of Regents, administration, and faculty and by maintaining the five members to be appointed by the governor. The two-year replacement period of the members of the Board of Regents was deleted.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 278, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 278, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 2422 Education and Technology on S.B. No. 2158

The purpose of this measure is to establish a commission to celebrate the one-hundredth anniversary of the arrival of Koreans in Hawaii and an ethnic celebration trust fund.

Testimony in support of the measure was received from the Office of the Governor, State Foundation on Culture and the Arts, and one individual.

Your Committee finds that members of the Korean community have made significant and substantial contributions to Hawaii since the arrival of the first Koreans in 1903. Koreans' rich culture and proud heritage have been and continue to be positive influences upon life in Hawaii.

This measure will provide a framework for recognizing the many contributions of Koreans to Hawaii's diverse and multicultural society, through a one-hundredth anniversary celebration.

Your Committee notes that in the past there have been problems getting funds transferred to such commissions for deposit into a trust fund. Therefore, a clear funding mechanism for transferring any funds to this centennial commission must be established.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2158 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 2423 Education and Technology on S.B. No. 2571

The purpose of this bill is to provide public schools maximum flexibility in expending their budgets and to facilitate the implementation of school-based budgeting by requiring the Department of Education to submit to the individual schools and the legislature, by opening day of each regular session, a report on its proposed school-by-school budget allocation.

Testimony in support of the measure was received from Hawaii Business Roundtable. Testimony in opposition to the measure was received from the Department of Education. Comments on the measure were received from HGEA-AFSCME.

Your Committee finds that without information about how money is being spent at the school level, school communities are constrained in their current ability to make decisions about how best to utilize their resources in order to plan and implement improvements and innovations on a long-term basis. Consequently, schools should be allowed to have greater control over their own budgets, so that there will be clearer and more useful information on how education moneys are being spent, which can be used by school communities, policymakers, and the general public.

Your Committee amended the measure to clarify the definition of "school-by-school budgeting" as a process in which the Department of Education prepares a separate allocation for each school.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2571, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Matsunaga, Tam).

SCRep. 2424 Education and Technology on S.B. No. 2575

The purpose of this measure is to establish the University of Hawaii Facilities Improvements Special Fund.

The measure requires \$15 million a year of general excise tax revenues, general obligation funds, or a combination of both, to be deposited into the fund to finance University repair and maintenance projects.

Testimony in support of the measure was received from the University of Hawai'i. Testimony in opposition to the measure was received from the Department of Budget and Finance. Comments on the measure were received from the Tax Foundation of Hawaii.

Your Committee finds that one of the greatest challenges facing the University of Hawaii in the next decade is the condition of its facilities, which provide the centerpiece around which all other educational activities exist. If the university does not reinvest in its physical plant, it will operate with substandard facilities and thereby compromise its institutional mission and goals.

Your Committee agrees that the establishment of the Facilities Improvements Special Fund will provide a consistent revenue stream, which is needed for effective program operations to address ongoing maintenance and reduce deferred maintenance which has accumulated over the years.

Your Committee made a technical, nonsubstantive amendment to reflect proper statutory language.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2575, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2575, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 2425 Education and Technology on S.B. No. 2573

The purpose of this measure is to change the general fund formula for the University of Hawaii from a percentage of tuition revenues to 12% of all general fund appropriations under the budget acts.

Testimony in support of the measure was received from the University of Hawai'i and University of Hawai'i Professional Assembly. Testimony in opposition to the measure was received from the Department of Budget and Finance. Comments on the measure were received from the Tax Foundation of Hawaii.

Your Committee finds that general fund appropriations for higher education have steadily decreased from 11.8% of the state budget in 1992 to its current level of 9.8%. Although the University substantially raised tuition to compensate for the reduced general funds during this period, it is insufficient to meet the financial obligations of the University under its strategic plans for higher education in Hawaii.

Your Committee agrees that authorizing a percentage of general funds in each budget act to be appropriated for the University would allow for reliable estimates of future state general fund levels. This would assist the University in stabilizing its funding base and enable it to engage in more orderly, effective short-term and long-term planning for its financial and operational needs.

Your Committee amended the measure to clarify that the following are excluded from the University's general fund request submitted to the legislature: employer's share of health fund premiums, debt service, and contributions for retirement, social security, and medicare. Technical, nonsubstantive amendments were made for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2573, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2573, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 2426 (Joint) Education and Technology and Government Operations and Housing on S.B. No. 3084

The purpose of this measure is to allow the Board of Education to enter into agreements with private developers to build public libraries.

Testimony in support of the measure was received from the Hawaii State Public Library System and four individuals. Comments on the measure were received from the Department of Budget and Finance.

Your Committees find that given the fast growth of communities statewide, there is an increased demand and timely need for the information and public services provided by public libraries.

Although your Committees agree with the concept of this measure, there are concerns about the structure and process the Board would use if blanket approval is given for it to enter into development agreements with private developers for public library construction. While the Board develops a more definitive procedure for this process to include community and government agency involvement, your Committees recommend the construction of Kapolei public library using the existing procurement process.

Your Committees also understands that the design of the library has been completed and \$2 million previously appropriated. Secondly, your Committees amended the measure to:

- (1) Delete the section authorizing the Board of Education to enter into development agreements with private developers; and
- (2) Add an appropriation section to provide \$10 million, or as much as may be required, for the construction of a public library at Kapolei.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3084, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3084, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 7 (Bunda, Chumbley, Chun, Hanabusa, Levin, Matsuura, Slom).

SCRep. 2427 Transportation and Intergovernmental Affairs on S.C.R. No. 5

The purpose of the measure is to urge the development of protocols and special training for paramedics in the treatment of domestic violence patients by the City and County of Honolulu.

Testimony in support of this measure was received from the Hawaii State Commission on the Status of Women and Hawaii Catholic Conference. The Department of Health supports the intent but does not believe the authority for establishing the protocols and training should be delegated solely to the City and County of Honolulu.

Your Committee finds that developing protocols and special training for paramedics in the treatment of domestic violence patients is a necessary and important step in reducing domestic violence and alleviating the suffering of the patients.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 5, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 1 (D. Ige).

SCRep. 2428 Health and Human Services on S.B. No. 2849

The purpose of this measure is to clarify when the time period begins to run for the Department of Human Services (DHS) to file a motion to set a child abuse case for a permanent plan hearing for children who reside outside of the family home.

Your Committee received testimony in support of this measure from the DHS.

This measure specifies that if the child has been residing outside of the family home for an aggregate of fifteen out of the most recent twenty-two months from the initial date of entry into out-of-home care, the DHS shall file a motion to set the matter for a permanent plan hearing. The intent of this measure is to facilitate the permanent placement of the child by specifying when the time period begins to run.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2849 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Levin, Anderson).

SCRep. 2429 (Joint) Commerce and Consumer Protection and Labor and Environment on S.B. No. 2293

The purpose of this measure is to provide that a request for an approval filed with the Insurance Commissioner (Commissioner), is deemed granted on the thirtieth day after the filing of the request if the Commissioner has taken no action to grant or deny the request.

The Insurance Commissioner submitted testimony in support of the measure.

This measure, establishes a maximum thirty-day period for the Commissioner to review and grant or deny a request for approval, and effectuates the Legislature's mandate to agencies under Act 164, Session Laws of Hawaii 1998, that maximum time periods be established for the granting or denial of a business or development-related permit, license, or approval. Additionally, and consistent with the Insurance Division's efforts to streamline its operations, the measure also repeals the requirement that the division hold public hearings on workers' compensation rate filings that may result in rate increases or decreases.

Your Committees recognize that the Insurance Division receives an enormous amount of filings and that there are two types of "approvals". The first type is an approval required by law and the second type involves an insurer's request to the division to "approve" materials filed. It is your Committees' intent that automatic approval apply only to those approvals required by law.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2293 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Bunda, Fukunaga, Hanabusa).

SCRep. 2430 Water, Land, and Hawaiian Affairs on S.B. No. 3118

The purpose of this measure is to require the use of Hawaiian names, terms, and phrases in the Kalaeloa Community Development District.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, Life of the Land, the Oahu Council, the Kohanaiki Ohana, the Association of Hawaiian Civic Clubs, the Royal Order of Kamehameha I, the Ilioulaokalani Coalition, and eleven private citizens.

Testimony in opposition to the measure was received from the State Department of Defense's Office of Veterans Services a member of the State House of Representatives that represents the forty-second district, the Oahu Veterans Council, the Veterans of Foreign Wars of the United States, Department of Hawaii, the Disabled American Veterans, Department of Hawaii, the American Legion, Department of Hawaii, and three private citizens. The Barbers Point Naval Air Station Redevelopment Commission submitted comments.

Your Committee finds that enabling the Barbers Point Naval Air Station Redevelopment Commission to change the street names and other geographic markings within the Kalaeloa district, formerly known as Barbers Point, to reflect the Hawaiian culture and language is consistent with the purpose and intent of chapter 206G, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3118 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun, Kanno).

SCRep. 2431 Health and Human Services on S.B. No. 2850

The purpose of this measure is to allow the Department of Human Services (DHS) to adopt rules relating to kinship care.

Your Committee received testimony in support of this measure from the DHS and Attorney General

This measure also defines kinship care as the placement of the child with an adult relative who provides care and maintenance to the child apart from the child's parents or guardians on a 24-hour basis. This measure is intended to address a common situation in Hawaii, where a child could live with a grandparent, or aunt or uncle, rather than with the child's parent or guardian. Your Committee believes that there should be requirements as to kinship care, but that it is best addressed in administrative rules of the DHS to provide for the the safety and well-being of the child.

Your Committee has amended this measure by:

- (1) Authorizing the Hawaii Criminal Justice Data Center to disseminate criminal history record information to the DHS for the purposes of this measure;
- (2) Requiring persons seeking kinship care to:
 - (A) Submit sworn statements concerning conviction of any crimes;
 - (B) Provide consent to the DHS to conduct a criminal history record check; and
 - (C) Be fingerprinted;
- (3) Requiring the DHS to obtain criminal history record information through the Hawaii Criminal Justice Data Center;
- (4) Clarifying the grounds for denial by the DHS of a request to provide kinship care; and
- (5) Making technical, nonsubstantive changes to reflect preferred drafting style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2850, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2850, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Levin, Anderson).

SCRep. 2432 Ways and Means on S.B. No. 2056

The purpose of this measure is to establish an Individual Development Account Contribution tax credit equal to fifty per cent of a contribution.

This measure establishes the Individual Development Account Contribution tax credit which is a nonrefundable income tax credit of fifty per cent of the amount contributed by individuals, organizations, and businesses to fiduciary organizations. Excess credits may be carried over to subsequent years until exhausted. The credit is allowed for tax years 2000 to 2004, and claims for the credit must be certified by the Department of Human Services to ensure that credit amounts do not exceed a total of \$1,000,000 for the five-year period.

Testimony in support of this measure was received from the Department of Taxation, the Department of Human Services, the Office of Hawaiian Affairs, the Hawaii State Commission on the Status of Women, American Friends Service Committee, Bank of Hawaii, the Hawaii Alliance for Community Based Economic Development, the Mutual Housing Association of Hawaii, and an individual. Comments were received from the Tax Foundation of Hawaii.

Your Committee has:

- (1) Made it clear that the \$1 million in aggregate tax credits is \$1 million over a five year period;
- (2) Ensured that fiduciary organizations will not receive both a charitable deduction and a credit for the same contribution amount; and
- (3) Made technical amendments to this measure for clarification.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2056, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2056, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2433 Ways and Means on S.B. No. 2088

The purpose of this bill is to expand the permissible types of investments the Director of Finance may make using excess state funds.

Presently, under section 36-21, Hawaii Revised Statutes, the Director of Finance may make short-term investments with state funds provided that the funds are:

- (1) In excess of any amount necessary to meet the immediate requirements of the State; and
- (2) Funds whose use will not impede or hamper the financial obligations of the State.

This bill provides flexibility to the Director of Finance when making such investments by allowing the Director to invest in Student Loan Marketing Association notes and bonds and Tennessee Valley Authority notes and bonds. The bill also replaces Federal Land Bank bonds with Federal Farm Credit System notes and bonds as a permissible short-term investment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2088, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 6 (M. Ige, Iwase, Kawamoto, Nakata, Taniguchi, Anderson).

SCRep. 2434 Ways and Means on S.B. No. 2785

The purpose of this bill is to establish a trust fund for the payment of claims and the deposit of proceeds relating to unclaimed property.

Furthermore, this measure imposes a ceiling on the fund and transfers the excess balances to the general fund.

Your Committee finds that at present the general fund is used for deposit of proceeds and the payment of claims relating to abandoned property. Your Committee finds that utilization of a trust fund will allow the Director of Finance to implement the unclaimed property law in a more efficient and prompt manner for the benefit of claimants.

Your Committee has amended this measure by changing the effective date to July 1, 2000.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2785, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2785, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (M. Ige, Iwase, Kawamoto, Nakata, Taniguchi, Anderson).

SCRep. 2435**Ways and Means on S.B. No. 2939**

The purpose of this measure is to ensure that the Department of Taxation can meet its financial obligations to expediently implement its Integrated Tax Information Management Systems (ITIMS) performance-based contract by extending the authorization to expend funds already appropriated for this project by one year.

Testimony in favor of the measure was received from the Department of Taxation. The Tax Foundation provided comments.

Your Committee finds that Act 155, Session Laws of Hawaii 1999 (Act 155), provided the Department of Taxation with an appropriation to meet its financial obligations for the ITIMS performance-based contract. However, Act 155 did not provide the Department of Taxation with the flexibility to carry forward any unexpended balance from the appropriation to a succeeding fiscal year.

Under the provisions of the ITIMS performance-based contract, the contractor will not be paid until actual increased revenues generated by the system are realized. The State should have moneys available to pay the contractor when the increased revenue realization occurs, thereby enabling the Department of Taxation to pay the contractor in a timely manner and minimizing any interest that may accrue against the State due to a payment delay.

Your Committee has amended the measure by:

- (1) Deleting the proposed amendatory language that allows the Department of Taxation to carryover any excess funds that may remain from Act 155 into the 2001-2002 fiscal year;
- (2) Amending the amounts appropriated for fiscal years 1999-2000 (\$17,750,828) and 2000-2001 (\$7,480,428) to \$8,303,558 and \$16,296,090, respectively, to more accurately reflect contract costs; and
- (3) Amending sections 1 and 3 of the measure to reflect these amendments.

Your Committee believes that the amended measure provides the Department of Taxation with the moneys necessary to meet its financial obligations for the ITIMS performance-based contracts for the upcoming fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2939, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2939, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Iwase, Nakata).

SCRep. 2436**Ways and Means on S.B. No. 2946**

The purpose of this bill is to ease the financial burden on a taxpayer who is appealing a tax assessment to a District Board of Review.

Specifically, the measure lifts the requirement that taxpayers who are appealing a general excise, transient accommodation, use, fuel, liquor, tobacco, conveyance, or rental motor vehicle surcharge tax assessment, first pay the tax prior to an appeal to the District Board of Review.

Testimony in support of the measure was received from the Department of Taxation. The Tax Foundation submitted comments on the measure.

Your Committee finds that requiring a taxpayer to pay a tax assessment as a condition precedent to appealing the assessment to the District Board of Review may place an undue burden on certain taxpayers. Your Committee believes that the bill will remove this financial burden without unduly impacting the State's tax revenue balance.

Your Committee has amended the measure by making technical, nonsubstantive amendments for clarity and to accurately reflect existing statutory language.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2946, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2437 Ways and Means on S.B. No. 3045

The purpose of this bill is to clarify the scope of the Auditor's working papers privilege.

Specifically, this bill extends the privilege beyond the issuance date of reports or studies, covers working papers handled by both employees as well as independent contractors, applies the privilege against judicial, quasijudicial, and administrative processes, and at the same time releases the Auditor from liability resulting from disclosure compelled by legal process.

Your Committee finds that clarification of the privilege is necessary to protect the continued integrity of the Auditor's work product.

Your Committee has amended this bill by specifying that the Auditor's disclosure of certain working papers does not constitute a waiver of the privilege as to other working papers and to extend the immunity from liability to the Auditor's employees and contractors.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3045, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3045, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Iwase, Kawamoto, Nakata, Taniguchi, Anderson).

SCRep. 2438 Judiciary on S.B. No. 2067

The purpose of this bill is to require the Family Court to include in its written order the reasons for awarding custody of children to a person against whom there is evidence of family violence.

Testimony in support of this bill was received from the Honolulu Police Department and a concerned citizen. The Judiciary submitted comments.

Your Committee finds that although this measure will increase the workload of the Judiciary, it will promote clarity and consistency of thought among judges. The measure will furthermore help to free the police from refereeing custody battles and allow them to return to their normal duties.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2067 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2439 Judiciary on S.B. No. 2069

The purpose of this bill, as received by your Committee, is to provide that probation officers may notify the victim or a member of the victim's immediate family when a defendant, who is on probation for an offense related to domestic violence, violates any term or condition of probation or when the probation officer has any information that relates to the safety and welfare of the victim.

Your Committee notes that the Domestic Violence Working Group, established by House Concurrent Resolution 65, H.D. 1, 1999, reported that current practices of probation officers are inconsistent regarding whether information about a convicted domestic violence offender may be released to the victim. This inconsistency is apparently the result of widely different interpretations of how much discretion probation officers have in releasing information to victims.

Your Committee believes that probation officers need to have the authority to share information with victims, when the probation officers believe that such information may jeopardize the victim's safety. All too many of our serious domestic violence offenders are or were on probation at the time of their offense. The stakes in these cases clearly dictate that probation officers who have information that affects victim safety should be able to share it.

While your Committee recognizes the need for victims to be aware of conditions that may affect their safety and welfare, your Committee recognizes that this right must be balanced with a probationer's right to keep certain private information confidential.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Domestic Violence Clearinghouse and Legal Hotline, the Hawaii State Coalition Against Domestic Violence, Child and Family Service, and Hawaii Family Forum. The Judiciary and the Office of Information Practices submitted comments on this bill.

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

- (1) Clarifying that notice from a probation officer is permitted when the defendant has violated a term or condition of probation that poses a threat to the safety and welfare of the victim and the probation officer has reason to believe that the victim is in jeopardy;
- (2) Adding victim advocate to the list of persons to whom notice may be given; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2069, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2440 Judiciary on S.B. No. 2120

The purpose of this bill is to add reenactment language to laws that were amended, and will be inadvertently repealed, by laws establishing the expedited sentencing program and amending the crime victim compensation special fund.

Your Committee received testimony in favor of this measure from the Crime Victim Compensation Commission. Informational testimony was received from the Legislative Reference Bureau.

Your Committee finds that there is a need to take action to prevent the repeal of sections 706-621, 706-623, and 351-62.5(d), Hawaii Revised Statutes, which will be repealed in their entirety in 2001 unless some action is taken by the Legislature. Your Committee agrees with the intent of this bill, and finds that the repeal of these sections was not originally intended by the Legislature, but was instead inadvertent, and that the failure to amend these laws will result in further ambiguity as to their intended disposition.

Your Committee has amended this bill to make a technical, nonsubstantive change.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2120, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2441 Judiciary on S.B. No. 2121

The purpose of this bill is to repeal or make conforming amendments to various laws that have either been repealed by implication, or by their own terms by operation of law, and are now deemed to be "functus", that is, they have accomplished their intended purpose and are of no further force or effect.

Your Committee received testimony in favor of this measure from the Department of Accounting and General Services (regarding section 3 of the bill) and the Small-Business Economic Revival Force. Informational testimony was received from the Legislative Reference Bureau and one individual.

Your Committee finds that there is a need to remove these obsolete laws for several reasons. A statute that remains in the printed text of the Hawaii Revised Statutes from year to year but which has been repealed by operation of law or by implication unnecessarily increases the size of the Hawaii Revised Statutes, thereby adding to production costs. Retention of such a statute may also create some confusion that the law, while repealed, is still retained "on the books". Your Committee finds that repealing or amending these sections, as appropriate, assists in the removal of obsolete laws and helps to clarify the intent of the legislature as to which laws are of continuing force and effect.

Your Committee has amended this bill to make a technical, nonsubstantive change.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2121, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2442 Judiciary on S.B. No. 2153

The purpose of this bill is to repeal the existing criminal offense of abuse of a family or household member and create three new classes of offenses.

Your Committee finds that existing statutes do not effectively delineate degrees of severity for domestic violence offenses. Your Committee firmly believes that persons who engage in domestic abuse must face the consequences for their actions. Under existing law, most perpetrators offend repeatedly before their first conviction, and many additional times before a second or subsequent conviction. Such a delineation of degrees of severity sends a message to the repeat offender that such behavior will not be tolerated and will be treated as a serious offense.

Testimony in support of this measure was submitted by the Judiciary, the Hawaii State Commission on the Status of Women, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of the Prosecuting Attorney of the County of Maui, the Domestic Violence Clearinghouse and Legal Hotline, the Hawaii State Coalition Against Domestic Violence, and Child and Family Service. Testimony in opposition to this measure was submitted by the Office of the Public Defender, the Honolulu Police Department, Hawaii Citizens' Rights PAC, Hawaii Rifle Association, Lessons in Firearms Education, and a concerned individual.

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

- (1) Adding a two-year and five-year time limitation during which the commission of an additional offense would qualify for the more serious charge in order to address the concerns raised in light of State v. Modica, 58 Haw. 249 (1977);
- (2) Deleting the elements of disorderly conduct from the offense of abuse of a family or household member in the third degree;
- (3) Adding the elements of interference by an offender when the victim is attempting to seek assistance from emergency and law enforcement officials to the offense of abuse of a family or household member in the third degree;
- (4) Changing the period of separation from twenty-four hours to forty-eight hours to give victims additional time to seek shelter and intervention services, if necessary;
- (5) Mandating that firearms be seized by law enforcement if they reasonably believe that the firearm or ammunition were used or were threatened to be used in the commission of an offense under this part;
- (6) Deleting the provisions that required mandatory imprisonment and intervention services for offenses other than domestic violence; and
- (7) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2153, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2443 Judiciary on S.B. No. 2154

The purpose of this bill is to amend Chapter 586, Hawaii Revised Statutes by:

- (1) Amending the definition of "family or household member" to include persons in a dating relationship;
- (2) Defining the term "dating relationship";
- (3) Providing for extended protective orders for ten year periods;
- (4) Eliminating the distinction between "domestic" and "non-domestic" violations in chapter 586;
- (5) Making the penalties for a violation of a protective order consistent with those for a violation of a temporary restraining order; and
- (6) Requiring full faith and credit be given to foreign protective orders.

Your Committee finds that domestic violence is one of the most serious problems affecting our community, and that not all of the victims can be classified as a family or household member. Over the past few years, the issue of whether to include a "dating relationship" within the definition of "family or household member" has been hotly debated. Although the Committee recognizes the

difficulty in defining "dating relationship" and that inclusion of the term into the definition of "family or household member" would significantly expand the jurisdictional reach of the Family Court, your Committee believes that dating couples should be afforded the same protections as other victims. Your Committee further finds that changing the current definition of "family or household member" to include persons in a dating relationship will go a long way in identifying domestic violence offenses and could assist in the prosecution of criminal charges when necessary and appropriate. Your Committee is aware of concerns that by examining the length of time that has elapsed after the termination of a relationship, the court will dismiss a case because the definition of a dating relationship no longer applies. It is clearly not this Committee's intent to have a case dismissed solely because a certain length of time has elapsed between the termination of the relationship and the alleged acts of violence.

In addition, your Committee believes that extending protective orders for ten years, prohibiting respondents from contacting petitioners by telephonic means, and assuring full faith and credit for foreign protective orders, will contribute to the overall safety of domestic violence victims.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department; the Domestic Violence Clearinghouse and Legal Hotline, the Hawaii State Coalition Against Domestic Violence, Child and Family Services, and Hawaii Family Forum. Testimony in opposition to this bill was submitted by the Office of the Public Defender and a concerned individual. The Judiciary expressed concerns with some provisions of the bill.

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

- (1) Adding that the court should also examine the manner in which a relationship was terminated when making a determination of whether a dating relationship existed;
- (2) Deleting the provision extending imprisonment to thirty days for first convictions on violations of temporary restraining orders;
- (3) Increasing the length of time an initial protective order may be issued, from three years to five years;
- (4) Deleting the provision that made refusal by a respondent to accept personal service of an order a petty misdemeanor; and
- (5) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2154, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2154, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2444

Judiciary on S.B. No. 2629

The purpose of this bill is to remove the option to allow a conditional discharge and expunging of court records in a case where a person does not have a previous drug conviction.

Specifically, this bill repeals sections 712-1255 and 712-1256, Hawaii Revised Statutes. The former section now allows the court to defer proceedings and place the accused on probation without entering a judgment of guilty if the person who pleads guilty or is found guilty of promoting a dangerous, harmful, or detrimental drug, or intoxicating compound does not have a prior drug conviction. The latter section now allows that discharged person, if not over age twenty, to apply to have all official records expunged of facts relating to the person's arrest, indictment, trial, finding of guilt, and dismissal and discharge. The bill also makes conforming amendments to sections 353G-4(a) and 706-644(1), Hawaii Revised Statutes.

Your Committee received testimony from the Honolulu Police Department, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Maui County Office of the Prosecuting Attorney in support of the bill. The Office of the Public Defender submitted testimony in opposition.

Your Committee believes that the conditional discharge allowed in section 712-1255, Hawaii Revised Statutes, is overbroad and may be applied to career criminals and recidivists. Under the current statute, and unlike the deferred acceptance of guilty pleas permitted under chapter 853, Hawaii Revised Statutes, persons with multiple felony convictions -- as long as they are not drug-related -- are eligible for a conditional discharge. Your Committee does not believe this is the original intent of the law. Your Committee further believes that the operation of chapter 853, Hawaii Revised Statutes, is more appropriate.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2629 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2445**Judiciary on S.B. No. 2927**

The purpose of this bill is to require an agency to respond to a request for a personal record within ten working days following the date of receipt by the agency instead of within ten working days following the date of the request. This clarification is intended to reduce the confusion that has existed regarding when the response period begins.

Your Committee received testimony from the Office of Information Practices in favor of this bill.

Your Committee has amended the bill by adding the words: "of the request" to modify "receipt" to clarify what is being received by the agency and made technical non-substantive amendments to correct punctuation marks.

Your Committee finds that this bill will improve agency compliance with both the letter and spirit of the Uniform Information Practices Act.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2927, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2927, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2446**Ways and Means on S.B. No. 2160**

The purpose of this measure is to allow contractors to report their income on a cash basis for general excise tax purposes; provided that the contractor notifies the Department of Taxation of the basis upon which the general excise tax is to be reported.

Testimony in support of the measure was received from the Subcontractors Association of Hawaii, Associated Builders and Contractors, Inc., the General Contractors Association of Hawaii, Alakai Mechanical Corporation, the Plumbing and Mechanical Contractors Association of Hawaii, the Sheet Metal Contractors Association, and the Construction Industry Legislative Organization. The Department of Taxation did not oppose the measure. The Tax Foundation submitted comments.

Your Committee finds that contractors that use an accrual or percentage of completion method of accounting for income tax purposes must also use the accrual method for reporting general excise tax liability. While large construction companies may be able to pay their general excise tax liabilities without having actually received the income reported on an accrual or percentage of completion basis, smaller contractors experience difficulties in paying their general excise tax liabilities on income earned by not yet received.

This measure gives accrual based contractors the option to report the general excise tax liability on a cash basis.

Your Committee has amended the measure by replacing the word "deal" with "report" and changing the effective date of the bill from upon approval to January 1, 2001.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2160, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Iwase).

SCRep. 2447**Ways and Means on S.B. No. 2308**

The purpose of this measure is to allow the counties to be reimbursed for amounts of general excises taxes paid by the counties that are passed on to them by general excise tax licensees after June 30, 2001.

This measure requires each county to submit an itemized claim to the Director of Finance for reimbursement of general excise taxes passed on to them by vendors of goods and services.

The intent of this measure is to relieve the counties of the burden of paying the State's excise tax. The alternative is to exempt sales to counties from the excise tax, which could be subject to abuse by vendors.

Your Committee has amended this measure by deleting the specified percentages of reimbursements.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2308, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2308, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2448 Ways and Means on S.B. No. 2512

The purpose of this measure is to authorize a full income tax deduction for business meals and entertainment expenses, and to allow club dues as business entertainment expenses.

Testimony in favor of this measure was submitted by the National Federation of Independent Business-Hawaii, Hawai'i Hotel Association, Hawai'i Restaurant Association, and Legislative Information Services of Hawaii. The Department of Taxation testified that it was not opposed. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that this measure would raise the tax deduction for business meals and entertainment from fifty per cent to one hundred per cent, which would provide a benefit both for the business person and for Hawaii's restaurants and related businesses. Your Committee recognizes that increasing the federal income tax deduction is key to helping Hawaii's business community. Your Committee also understands that such a measure is being considered in Congress, as well.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2512 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Iwase).

SCRep. 2449 Economic Development on S.B. No. 2747

The purpose of this measure is to allow the Department of Agriculture, by entering into a cooperative agreement with any authorized federal agency, to act on the department's behalf to a limited extent, and enforce statutes and administrative rules regarding the movement of restricted items into or within the State.

Testimony in favor of this measure was submitted by the Department of Agriculture.

Your Committee finds that this measure would give the department additional flexibility to conduct specific actions, such as the inspection of interisland passengers and cargo by USDA-APHIS-PPQ inspectors in the absence of a state plant quarantine inspector.

Your Committee has made technical, nonsubstantive amendments for the purposes of style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2747, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2747, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (M. Ige, Slom).

SCRep. 2450 Education and Technology on S.B. No. 2831

The purpose of this measure is to allow the Hawaii Teachers Standards Board to extend a teacher's credentials to teach beyond the existing three year time limit.

The measure also restricts this credential extension authority to a maximum of two, one-year extensions per teacher.

Testimony in support of the measure was received from the Department of Education, Pearl Ridge Elementary School, OASIS, and forty individuals. Testimony in opposition to the measure was received from HSTA. Comments on the measure were provided by Hawaii Teacher Standards Board.

Your Committee finds that currently, teachers hired under a credential are generally in shortage fields or in geographic areas that are difficult to fill. The extension of time to obtain their credentials is critical because these teachers have to complete their teacher education programs and competency test requirements while on-the-job.

Your Committee agrees that this measure will support the intent of Act 240, Session Laws Hawaii 1995, which is "to provide every child in Hawaii with a teacher who is qualified to practice the profession of teaching . . . and to establish public confidence in the teaching profession." The measure will have a positive impact on the Department of Education because teachers hired under a credential would be allowed, on a case-by-case basis, to obtain a waiver by the Hawaii Teacher Standards Board to complete the requirements for licensure while continuing to demonstrate satisfactory on-the-job performance. Replacing these individuals during this period of critical teacher shortages will be difficult and may negatively impact student learning because of the disruptions that might occur in their learning process.

Your Committee has amended the measure by adding as a condition precedent to obtaining a credential extension, that the teacher be "actively pursuing and satisfactorily progressing in the pursuit of obtaining a license" to teach in the State of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2831, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 2451 Education and Technology on S.B. No. 3182

The purpose of this measure is to amend Hawaii Revised Statutes to create King Kalakaua Day.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, Friends of 'Iolani Palace, and the Association of Hawaiian Civic Clubs.

Your Committee finds that King Kalakaua was one of the great figures of Hawaiian history and has gone largely unrecognized despite his many accomplishments and contributions to the people of Hawaii. This measure sets aside King Kalakaua Day in remembrance of his contributions as diplomat, innovator, and patron of the arts. Because this is not a state holiday, no costs will be incurred.

Your Committee amended the measure as follows:

- (1) Changing "King David Kalakaua" to the royal name he assumed, "King Kalakaua";
- (2) Designating November 16 as "King Kalakaua Day"; and
- (3) Making a technical, nonsubstantive amendment for clarity.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3182, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3182, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 2452 Ways and Means on S.B. No. 2354

The purpose of this bill is to improve legislative access by the public.

Specifically, this bill appropriates:

- (1) \$34,500 for fiscal year 2000-2001 for a legislative audio streaming pilot project to allow the public to access legislative events online through video and audio on the Internet;
- (2) \$13,200 for fiscal year 2000-2001 for a second full-time staff person for the Legislative Reference Bureau Public Access Room to serve the increased needs and demands of citizens for legislative access and related services while maintaining high quality of services; and
- (3) \$ for fiscal year 2000-2001 for a childcare pilot project to enable parents of young children to testify at state legislative hearings.

This bill also transfers the responsibility for the sale and distribution of legislative publications from the Lieutenant Governor to the Legislative Reference Bureau to enable the Legislature to improve the usefulness of the statutory publications and to shift more rapidly toward placing all legislative information online as a cost-savings and public access enhancement. The bill requires the Legislative Reference Bureau to be responsible for the sale of Session Laws, supplements, and replacement volumes of the Hawaii Revised Statutes.

Finally, the bill requires the Joint Legislative Access Committee established pursuant to Act 174, Sessions Laws of Hawaii 1996, to make recommendations to the Senate President and the Speaker of the House of Representatives on the transition of control over the sale, distribution, storage, and other ancillary concerns related to the Legislature's assuming control of legislative publications. The bill also authorizes the Joint Legislative Access Committee, with the prior approval of the President of the Senate and the Speaker of the House of Representatives, to enter into agreements with the Lieutenant Governor, the Legislative Reference Bureau, and any other public or private entity to ensure the efficient transfer of control and the storage of legislative publications from the Lieutenant Governor to the Legislature.

Upon further consideration, your Committee has deleted the requirement that assigned responsibility for the sale of Session Laws, supplements, and replacement volumes of the Hawaii Revised Statutes to the Legislative Reference Bureau and has given that responsibility instead to the Legislature as a whole. Your Committee is cognizant of the physical, logistical, and cost factors that make

it impractical for the Bureau to undertake this function. Your Committee has also made technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2354, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2354, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2453 Judiciary on S.B. No. 2146

The purpose of this bill is:

- (1) To require candidates for the Senate and House of Representatives to electronically file campaign reports;
- (2) To raise the fine that may be assessed on a corporation for a violation of campaign finance laws to as much as three times the amount of the illegal contribution (the same as for an individual person); and
- (3) To make a pattern of knowing or intentional violations of campaign finance laws a class C felony.

Your Committee finds that candidates for other state elective offices are presently required to file electronically, and requiring electronic filing by candidates for the state legislature will enhance public access to candidate reports. Your Committee further finds that increasing the potential penalty against a corporation for an illegal campaign contribution to be the same as the potential fine against an individual will create more consistency in campaign law enforcement. Your Committee notes that, in the event of illegal contributions by a corporation, fines may also be levied individually against corporate directors, officers, or agents who knowingly authorized the illegal acts. Thus, raising the potential penalty against the corporation itself may expose corporations and those associated with them to greater liability, in the aggregate, for a single illegal contribution.

However, your Committee believes it is appropriate to give the Campaign Spending Commission the flexibility to focus enforcement efforts on a corporate entity, corporate officers or directors, or both, depending on the situation. Your Committee agrees that particularly egregious violations of campaign spending laws should be classed as a more serious offense than garden variety violations. Your Committee further agrees that multiple violations that are part of a pattern intended to conceal misuse or hiding of campaign funds should be considered felonious at a class C level.

Testimony in support of this measure was received from the Campaign Spending Commission.

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

- (1) Specifying that the class C felony for repeated violations that are part of a pattern of concealment applies only when the repeated violations were intended to conceal misuse or concealment of campaign funds; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2146, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2146, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2454 Judiciary on S.B. No. 2201

The purpose of this bill is to clarify when public officials may be subpoenaed by defining "eligible public officers" and by requiring them to testify when subpoenaed by a legislative committee, court, judge, officer, board, or commission.

Your Committee finds that due to the reference in the current law to a no longer existing loyalty oath, technically, no public official may be required to testify before a state or county legislative committee, board, commission, or other body. Your Committee further finds that this loophole has created problems on occasion and notes that your Committee recommended passage of a similar bill during the 1999 legislative session.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2201 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2455**Judiciary on S.B. No. 2535**

The purpose of this measure is to make a housekeeping amendment to the Uniform Probate Code by deleting the phrase "and a person aged eighteen and over who would be entitled to letters but for the person's age."

Your Committee finds that the deleted phrase found in section 560:3-203(c), Hawaii Revised Statutes, is superfluous and unnecessary. In Hawaii, an eighteen year old is eligible to serve as a personal representative and may nominate another to serve in the person's place.

Testimony in support of this measure was submitted by an attorney who is a member of the Committee on Uniform Probate Code and Probate Court Practices.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2535 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2456**Judiciary on S.B. No. 2631**

The purpose of this bill is to make certain amendments to theft statutes in the Penal Code.

Specifically, this bill allows photocopies of price or name tags or printed register receipts as prima facie evidence of value and ownership of shoplifted goods and merchandise. The bill also establishes that if there is no registered owner of a propelled vehicle or unrecorded owner of a vehicle pending transfer of ownership, the owner is the legal owner for the purposes of the offense of unauthorized control of a propelled vehicle.

The Department of the Prosecuting Attorney of the City and County of Honolulu and of the County of Maui, the Honolulu Police Department, and the Hawaii Visitor Industry Security Association testified in support of the bill.

Your Committee finds that allowing photocopies of price tags to establish value and ownership of merchandise is in conformity with Rule 1003, Hawaii Rules of Evidence, which allows duplicate copies to be admitted to the same extent as an original unless a question of authenticity is raised or unless fairness requires the original. However, because many retail establishments use bar codes and scanners to ring up purchases, the original or photocopied bar coded price tag may not be useful in establishing the value or ownership of shoplifted goods. In those situations, this bill provides that printed register receipts are prima facie evidence of value and ownership of shoplifted goods or merchandise.

Your Committee further finds that amending the definition of the term "owner" will assist law enforcement authorities in charging a defendant with unauthorized control of a propelled vehicle where the vehicle at issue has no registered owner or unrecorded owner pending transfer because registration of the vehicle is not required. For unregistered propelled vehicles, such as golf carts or construction equipment, there is a legal owner to give or withhold consent to the vehicle's control.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2631 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2457**Judiciary on S.B. No. 2667**

The purpose of this bill is to allow the candidate filing deadline to be extended if there are no candidates who have filed for office by the close of candidate filing.

Your Committee finds that this measure will clarify the law as to what happens when no candidate has filed for office by the filing deadline. Your Committee further finds that allowing extra time for candidates to file is an appropriate way to address such a situation.

Testimony in support of this measure was submitted by the Office of Elections.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2667 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2458**Judiciary on S.B. No. 2670**

The purpose of this measure is to allow the selection box to either precede or follow a candidate's name on the ballot.

Your Committee finds that this measure will give the Office of Elections needed flexibility in designing the ballot to accommodate whatever voting system happens to be used.

Testimony in support of this measure was submitted by the Office of Elections.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2670 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2459**Judiciary on S.B. No. 2711**

The purpose of this bill, as received by your Committee, is to automatically repeal any administrative rule that has been adopted pursuant to a statute or ordinance that has been subsequently repealed.

Your Committee finds that rules based upon repealed statutes or ordinances clutter our already over-burdened system, and repealing such administrative rules pursuant to section 91-3, Hawaii Revised Statutes, may be a time-consuming and costly process. However, your Committee notes that an automatic repeal of administrative rules could wreak tremendous havoc in executive agencies whenever functions are transferred between agencies, or when new agencies are created and old ones are repealed. Your Committee recognizes that the Legislature's standard practice has been to provide for the rules adopted by the former agency to continue in force and effect until replaced by the new agency. Therefore, your Committee believes that agencies should be given some time to adopt alternative rules or procedures in the event that programs or activities continue beyond the termination of the statute or ordinance.

Testimony in support of the intent of this measure was submitted by the Housing and Community Development Corporation of Hawaii, the Department of Business, Economic Development, and Tourism, Land Use Research Foundation of Hawaii, and Small-Business Economic Revival Force.

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

- (1) Providing that any administrative rule that has been adopted pursuant to a statute or ordinance that has been repealed shall be repealed within six months; and
- (2) Providing that any administrative rule that has been adopted pursuant to a federal statute or regulation shall be exempt from the requirements of this section.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2711, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2711, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2460**Judiciary on S.B. No. 2924**

The purpose of this measure is to assist public agencies in holding meetings by videoconference by eliminating an unnecessary rulemaking requirement.

Your Committee finds that section 92-3.5, Hawaii Revised Statutes (HRS), permits boards to meet by videoconference and provides specific requirements for holding such meetings. However, the section mandates that any board wishing to hold meetings by videoconference first adopt administrative rules pursuant to chapter 91, Hawaii Revised Statutes. Your Committee further finds that no state board has adopted the prerequisite rules, and consequently, no board meetings have been held by videoconference. Your Committee notes that given the detailed provisions of subsections (a), (b), and (c) of section 92-3.5, HRS, about how a videoconference meeting must be held, boards have been confused as to what kind of additional procedures remain to be set out in duly adopted administrative rules. Therefore, removing the rule requirement should encourage boards to hold videoconference meetings.

Testimony in support of this measure was submitted by the Office of the Lieutenant Governor, the Department of the Attorney General, Office of Youth Services, Office of Information Practices, the Chamber of Commerce of Hawaii, the University of Hawaii at Manoa, Small-Business Economic Revival Force, and Common Cause of Hawaii.

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

- (1) Clarifying that the meeting notice shall also specify that the public may attend the videoconference meeting at any of the specified locations;
- (2) Deleting the discretionary rulemaking authority, which would be unnecessary if rulemaking is no longer required; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2924, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 2924, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2461

Judiciary on S.B. No. 2935

The purpose of this bill, as received by your Committee, is to repeal the mandatory minimum terms of imprisonment for class B and class C drug offenses involving the possession or distribution of methamphetamines. In addition, this bill provides that persons convicted of class B or class C methamphetamine offenses who are sentenced to probation shall be required to participate in drug treatment or education programs and pay for their participation in the program to the extent of their financial ability.

Your Committee finds that when the legislature enacted the mandatory minimum terms of imprisonment for the distribution or possession of methamphetamines in Act 308, Session Laws of Hawaii 1996, the legislature cited the very serious implications that methamphetamines use had for individuals, families, and community safety. Your Committee believes that the legislature's reasons for enacting mandatory minimum terms of imprisonment for methamphetamine distribution or possession are still true today.

In addition, your Committee finds that appropriate non-violent class B and class C methamphetamine offenders are already eligible for treatment through Drug Court and are in fact being currently accepted into the program. Your Committee recognizes that the fact that all pending drug charges will be dismissed upon successful completion of the drug court program and that the offender could be subject to a mandatory term of imprisonment if not in the Drug Court program has proven to be a powerful motivator. Your Committee firmly believes that the current mandatory minimums used in conjunction with diversion programs like Drug Court, can be extremely successful in rehabilitating offenders by combining both an effective reward and a strong deterrent.

Testimony in support of this measure was submitted by the Department of Public Safety, the Office of the Public Defender, the Drug Policy Forum of Hawaii, the American Civil Liberties Union of Hawaii, and Out of Prison Services. Testimony in opposition to this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of the Prosecuting Attorney of the County of Maui, and the Honolulu Police Department. The Judiciary did not take a position on the policy issues relating to criminal penalties, but had concerns over mandates which eliminate the court's discretion in the sentencing of felons.

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

- (1) Deleting the provisions that repealed the mandatory minimum terms of imprisonment for class B and class C drug offenses involving the possession or distribution of methamphetamines;
- (2) Clarifying that mandatory treatment shall be given to incarcerated crystal methamphetamine offenders pursuant to chapter 353G, Hawaii Revised Statutes; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2935, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2935, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2462

(Majority) Ways and Means on S.B. No. 2106

The purpose of this bill is to prohibit the Governor and the Director of Finance from restricting any state agency's ability to expend federal grant moneys if the granting federal agency has already approved the expenditure of funds as provided in the state agency's grant application.

Your Committee finds that state agencies should be encouraged to seek out federal grant moneys and trusted to expend these moneys in a fiscally responsible manner. Policies and practices that allow the Governor or the Director of Finance to restrict a state agency's ability to expend federal grant moneys, even when the granting federal agency has already approved the expenditure of funds as provided in the state agency's grant application, will inhibit resourcefulness and innovation in government.

Your Committee has amended this bill by:

- (1) Extending the prohibition contained in this bill to the Comptroller;
- (2) Adding a provision requiring the Governor to:
 - (A) Allow the state agency to increase the federal fund expenditure ceiling by the amount that the federal grant moneys received by the agency exceeds the authorized appropriation in the General Appropriations Act or the Supplemental Appropriations Act; and
 - (B) Allow the state agency to retain the full amount of the general fund offset created by the federal grant moneys to further carry out the purposes of the specific programs for which the grant moneys were awarded; and
- (3) Making technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2106, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, 1 (M. Ige). Excused, 5 (Iwase, Kawamoto, Nakata, Taniguchi, Anderson).

SCRep. 2463 Ways and Means on S.B. No. 2421

The purpose of this measure is to allow an income tax check off for unlisted organizations, state agencies, and state programs in blank amounts.

The measure allows the taxpayer to contribute income tax refunds or to allow an additional payment with the payment of income taxes. The income tax form is to specifically state that such contributions are qualified charitable contributions for income tax purposes.

Testimony was received from the Department of Taxation and the Libertarian Party of Hawaii. Comments were received from the Tax Foundation of Hawaii.

Your Committee notes that many other states allow income tax check offs for state programs and nonprofit activities. California, itself, has twelve check offs. In fact, according to Tax Administrators News, March, 1997, almost every state other than Hawaii has an income tax check off for wildlife and many have income tax check offs for children and other activities.

Your Committee has amended this measure by deleting references to state agencies and programs. In addition, the measure has been amended to specifically allow an income tax check off for the Youth Conservation Corps, Youth Environmental Services, and Sierra Club, Hawaii Chapter. All of these organizations are qualified nonprofits dedicated to assisting the environment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2421, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 2. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2464 Ways and Means on S.B. No. 2791

The purpose of this bill is to pay the State's share of health insurance carrier refund and rate credit amounts due to the federal government.

This bill is recommended by the Governor for immediate passage in accordance with section 9 of article VII of the state constitution. Your Committee finds that Act 141, Session Laws of Hawaii 1998, authorized the return to the state general fund of \$31,315,640, representing the State's share of health insurance carrier refunds, rate credits, and any interest accrued thereon. The federal government provides the State with funding for fringe benefit costs which include health insurance premium costs. As a result, the federal government is entitled to a portion of that refund and the United States Department of Health and Human Services is requesting that the State make immediate payment of that portion. This bill appropriates \$2,132,595 for fiscal year 1999-2000 for this purpose.

Your Committee notes that no interest has accrued to date and no interest will accrue until the federal government determines the amount due and notifies the State. The Department of Budget and Finance has provided the federal government with information to support the State's calculation, but the federal government has not yet responded.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2791 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Iwase).

SCRep. 2465 Ways and Means on S.B. No. 2947

The purpose of this measure is to allow the disclosure of general excise/use tax return and tax return information to a person contractually obligated to pay general excise and use taxes assessed against another person.

Testimony in support of the measure was received from the Department of Taxation. The Tax Foundation submitted comments on the measure.

Your Committee finds that under existing law, general excise and use tax return information is considered confidential and available only to the taxpayer, its authorized agents, or those with a material interest, such as trustees or partners. However, existing law does not consider a person who is contractually obligated to pay general excise and use taxes assessed against another as having a material interest and therefore, that person is unable to access this information.

Your Committee is aware this measure permits the Department of Taxation to share tax information with those liable under contract for someone else's tax liability. A committee member asked if this situation addressed in this measure could be remedied by withholding the 4% GET at the source. The Department noted that, while such an approach would be effective, it has been met with strong opposition in the past on grounds that it would impose a regulatory burden without evidence of significant tax revenues to be gained. Your Committee believes that it is advisable to move this vehicle without provision for withholding at the source to cleanly address the fairness issue involved, but urges the Department to further consider the option of withholding at the source.

Your Committee believes that the measure rectifies an unfair situation for persons under contractual obligation and allows the Department of Taxation to resolve such issues more expeditiously by allowing the Department to discuss these issues with, and provide information to, the person under the contractual obligation to pay the tax during the administrative process prior to tax assessment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2947 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2466 Judiciary on S.B. No. 2150

The purpose of this bill, as received by your Committee, is to include a bank statement in the list of items required for the primary campaign spending report filed by a candidate, committee, or party. Because the requirements for the final and supplemental campaign spending reports include by reference the list of items required for the primary campaign spending report, this bill also requires that a bank statement be included in the final and supplemental campaign spending reports.

Your Committee finds that inclusion of a bank statement with the final and supplemental campaign spending reports will make it easier for the Campaign Spending Commission to evaluate campaign spending and will increase the Commission's ability to enforce campaign finance laws. However, your Committee finds that inclusion of a bank statement with the primary campaign spending reports will not help the Commission, and may inconvenience those filing the reports. The inflow of contributions and outflow of campaign expenditures between the primary and general elections would make it particularly difficult for a candidate, committee, or party to reconcile the latest bank statement with the campaign's records at the time the primary campaign spending report was submitted.

Testimony in support of this measure, with an amendment, was submitted by the Campaign Spending Commission.

Upon further consideration, your Committee has amended this measure by removing the bank statement requirement from the list of items required in the final primary report and all subsequent reports, and instead inserting the bank statement requirement as a requirement applicable only to the final general election period and supplemental reports.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2150, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2467 Judiciary on S.B. No. 2666

The purpose of this bill is to prohibit persons with a personal interest in an election, such as family members of a candidate; losing primary election candidates, or members of the same party, from working together on election day as officials in the counting center or the control center, or from delivering and collecting ballots from the precincts.

Your Committee finds that the restrictions in this measure will promote public confidence in the integrity of the election system. Your Committee notes that the Office of Elections presently attempts to assign election day officials according to these criteria, and believes it can successfully continue to do so. Your Committee further notes that if persons assigned to work as election officials are unable to fulfill their responsibility, the Office of Elections may fill the vacancy without regard to party affiliation of the replacement official.

Testimony in support of this measure was submitted by the Office of Elections.

Your Committee has amended this bill by making a technical change for the purposes of conformance with proper statutory construction.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2666, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2468 Judiciary on S.B. No. 2147

The purpose of this bill, as received by your Committee, is to limit to \$2,000 campaign contributions made to candidates in the state Senate and county council races in the 2002 election cycle.

Your Committee finds that many states have set lower campaign contribution limits per candidate per election cycle than is provided by Hawaii law. Your Committee notes that several states have limits of less than \$1,000 per candidate per election, and that contribution limits have been held to be constitutional by the U.S. Supreme Court. Your Committee believes that a flat contribution limit applicable to all offices will make for greater simplicity in campaign finance laws. Your Committee further believes that a contribution limit of \$2,000 for all candidates for office in both the 2002 election cycle and in future elections would create campaign contribution limits in Hawaii similar to those found in federal law and in many other states.

Testimony in support of this measure was submitted by the Campaign Spending Commission and Common Cause Hawaii.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting a provision amending Section 11-204(a), Hawaii Revised Statutes, to change the campaign contribution limits to \$2,000 for candidates for all offices, beginning after the 2000 general election.

Your Committee has also added a session law provision expressing your Committee's intent that the new contribution limit apply only to contributions made after the 2000 general election. It is your Committee's intent that any contributions to a candidate for an office with a 2002 election date, if made before the 2000 general election, be governed by current law. If, for instance, a senator elected in 1998 and running for re-election in 2002 receives a legal \$4,000 campaign contribution prior to November 8, 2000, that contribution will still be considered legal in 2001 and does not have to be returned. If the same senator then receives a \$4,000 contribution from a different contributor in December 2000, that new contribution will be illegal under the terms of this bill, because it will have been made after the \$2,000 contribution limit went into effect.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2147, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2147, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2469 Judiciary on S.B. No. 2480

The purpose of this bill is to amend the divorce law to permit service by mail in lieu of publication where the plaintiff files an affidavit attesting to impoverishment and the whereabouts of the defendant are unknown.

Your Committee finds that in a divorce, annulment, or separation, a plaintiff must give a defendant notice of the action filed. Section 580-3, Hawaii Revised Statutes, enumerates the different forms of services allowed: (1) personal service if the defendant lives within the circuit; (2) service by mail if personal service is not feasible or if the defendant lives outside of the state or on another island; and (3) publication if the defendant has refused to accept service by mail, is concealing themselves or evading service, or if the plaintiff does not know the address or whereabouts of the defendant after a reasonable and due inquiry search for at least fifteen days before or after the action is filed. Your Committee notes that publication of notice in the Honolulu Star-Bulletin or the Honolulu Advertiser costs upward of \$400.00, which would be onerous for someone of limited financial means.

Your Committee further finds that until January 1, 2000, the Hawaii Family Court Rules, independent of statutory authority, allowed indigent people seeking to divorce their missing spouses an alternative. The rules allowed the plaintiff to send a copy of the complaint and summons to the spouse at the spouse's last known address by registered or certified mail in lieu of service by publication. On January 1, 2000, the Family Court rules changed and service by mail in lieu of publication was no longer allowed. Your Committee recognizes that the repeal of this Family Court Rule has adversely affected indigent individuals who may wish to get a divorce, but are prevented from obtaining such, because they cannot afford the publication costs.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, Volunteer Legal Services Hawaii, Domestic Violence Clearinghouse and Legal Hotline, Women's Legislative Coalition, three family law practitioners, and a concerned individual. The Judiciary submitted comments on this measure.

Upon further consideration, your Committee has amended this measure by making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2480, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2480, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2470 Judiciary on S.B. No. 2758

The purpose of this bill is to amend the child support enforcement laws in order to comply with Title IV-D of the Social Security Act. More specifically, this bill provides:

- (1) For the use of a standard format for the income withholding order as required by the federal government;
- (2) That the Child Support Enforcement Agency (CSEA) may notify an employer to terminate an order for income withholding; and
- (3) That the order for income withholding may be served upon an employer by regular mail, personal service, or electronic transmission.

Your Committee finds that these proposed amendments will help to improve customer service at the Child Support Enforcement Agency. The use of a standard form for income withholding will be helpful to employers because all income withholding orders will look the same, no matter which state issues the order. Your Committee further finds that adopting a standard form will eliminate any confusion regarding the validity of the order when Hawaii employers are served directly with an out-of-state income withholding order under the Uniform Interstate Family Support Act. In addition, by allowing the CSEA to notify an employer that an income withholding order has been terminated, the process is stream-lined and eliminates the time-consuming and costly process of obtaining a court order to terminate the income withholding.

Testimony in support of this measure was submitted by the Child Support Enforcement Agency and one individual.

Upon further consideration, your Committee has amended this measure by making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2758, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2758, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2471 Judiciary on S.B. No. 2639

The purpose of this bill is to provide that a person may be deemed to "remain unlawfully" in a building, as defined in the burglary law, even if the original entry was unlawful but without the necessary element of intent to commit another offense. The bill also defines "dangerous instrument" for the purpose of burglary.

Your Committee finds that under current law it is unclear whether a person who enters a building unlawfully but without the intent to commit a crime within, then develops the intent to commit a crime, and remains in the building unlawfully for that purpose, may be found guilty of committing a burglary. Your Committee believes that, in such a situation, the person is remaining unlawfully in the building as the term is used in the burglary law. It is your Committee's intent that a person who enters a building under any circumstances, and once in the building forms the intent to commit a crime therein and remains in the building unlawfully for that purpose, should be held to have committed a burglary.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, the Department of the Prosecuting Attorney of the County of Maui, and the Hawaii Visitor Industry Security Association. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2639 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2472 Judiciary on S.B. No. 2637

The purpose of this bill, as received by your Committee, is to allow victims and witnesses to testify before a grand jury by closed circuit video or by video conferencing.

Your Committee finds that video technology is currently being used to arraign defendants in the First Circuit. In addition, video technology is being used for conferencing purposes such as probation interviews with clients in custody. Your Committee further finds that these uses have resulted in time and cost savings.

Although the Hawaii Supreme Court Standing Committee on Hawaii Rules of Evidence ("Standing Committee") respectfully requested that the issue of using video conferencing technology at grand jury proceedings be referred to the Standing Committee for study and comparative analysis, your Committee believes that this is not an appropriate issue for further discussion as the Hawaii Rules of Evidence do not apply to grand jury proceedings, and this bill goes beyond the scope of the Standing Committee.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of the Prosecuting Attorney of the County of Maui, the Sex Abuse Treatment Center, and the Hawaii Visitor Industry Security Association. The Judiciary and the Office of the Public Defender submitted comments.

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

- (1) Creating a new section in chapter 801D, Hawaii Revised Statutes, providing for the use of video conferencing technology at grand jury proceedings; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2637, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2637, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2473 Education and Technology on S.B. No. 2470

The purpose of this measure is to replace the term "vocational" with the phrase "career and technical" in chapter 305A, Hawaii Revised Statutes, and in related references.

Testimony in support of the measure was received from the Department of Education and University of Hawai'i.

Your Committee finds that under the current law, the term "vocational education" is used to mean hands-on training for a specific skill or occupation. With the shift to a technology-based economy, this term no longer reflects the academic rigor and technical skills needed to gain high skill, high wage jobs.

Your Committee agrees that changing "vocational education" to "career and technical education" accurately reflects the knowledge and skill sets Hawaii students must attain to be viable players in our current workforce. Additionally, this change is consistent with a national movement name change and will reflect Hawaii's school-to-work initiative while also encompassing vocational education.

Your Committee amended the measure to reflect proper legislative drafting methods.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2470, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 2474 (Majority) Ways and Means on S.B. No. 2544

The purpose of this bill is to establish the Office of the Legislative Analyst as a legislative service agency and repeal the Joint Legislative Budget Committee.

Your Committee agrees with the intent of this bill, and finds that there is an immediate need for a Legislative Analyst to assist the Legislature in performing an independent analysis of executive or other agency budgets, revenues and expenditures, economic conditions, and tax policies.

In the past, the Legislature was able to borrow fiscal analysts from state and county agencies or the private sector more readily. However, your Committee finds that economic, fiscal, and tax issues today are far more complex, requiring the work of analysts who have long-term expertise and are better capable of conducting in-depth analyses of these issues on a regular basis.

Your Committee further finds that the Legislative Analyst's Office in the State of California, for example, plays a key role in that State's Legislature by assisting legislators in doing in-depth evaluations of state programs and conducting analyses on fiscal, economic, and tax policy issues. The California Legislative Analyst's Office has been providing fiscal and policy advice to the Legislature for more than fifty-five years and is well known for its fiscal and programmatic expertise and nonpartisan analyses of that state's budget. The office serves as the "eyes and ears" for the California Legislature to ensure that the executive branch is implementing legislative policy in a cost efficient and effective manner. The office carries out this legislative oversight function by reviewing and analyzing the operations and finances of state government.

Historically, one of the most important responsibilities of the California Legislative Analyst's Office has been to analyze the annual Governor's budget and publish a detailed review at the end of February. This document, the Analysis of the Budget Bill, includes individual department reviews and recommendations for legislative action. A companion document, Perspectives and Issues, provides an overview of the state's fiscal picture and identifies some of the major policy issues confronting the Legislature. These documents help set the agenda for the work of the Legislature's fiscal committees in developing a state budget. Staff of the office work with these committees throughout the budget process and provide public testimony on the office's recommendations.

Given the size and expertise of budget and fiscal analysis staff in the executive branch as compared to the significantly smaller size of the legislative branch staff, primarily the staffs of the House Committee on Finance and the Senate Committee on Ways and Means, with assistance from the Auditor's office and Legislative Reference Bureau, and in view of the fact that the executive branch no longer loans staff to the Legislature, your Committee finds that it is incumbent upon the Legislature to develop its own independent capacity to conduct fiscal, economic, and tax analysis.

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

- (1) Requiring the Legislative Analyst to prepare and distribute fiscal impact statements for all legislative measures, and specifying the requirements for these statements; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2544, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2544, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, 1 (M. Ige). Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2475 Judiciary on S.B. No. 2668

The purpose of this bill is to conform Hawaii law with federal laws, specifically the National Voter Registration Act, regarding removal of voters from state registration lists.

Your Committee finds that this measure will simplify the language of section 11-17, Hawaii Revised Statutes, which provides for removal of inactive or departed voters from the voter rolls, and will conform Hawaii law in this area to federal requirements. Your Committee believes that this measure will provide protection to infrequent voters, and will prevent possible negative ramifications to Hawaii that might result from non-compliance with federal law.

Testimony in support of this measure was submitted by the Office of Elections.

Upon further consideration, your Committee has amended this measure by making technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2668, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2668, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2476**Judiciary on S.B. No. 3023**

The purpose of this bill is to clarify that the court may impose a cumulative sentence for the use of a firearm in the commission of a felony in addition to any mandatory minimum sentence imposed for a felony that was committed using a firearm.

Your Committee finds that existing sentencing laws are unclear as to whether a person convicted of both the use of a firearm during a felony and the underlying felony may still be given a mandatory minimum sentence for the underlying felony based on the use of the firearm. Although imposing an elevated sentence based on the same conduct that resulted in the separate firearm felony conviction does result in what is essentially a double punishment for the same act, your Committee believes this is appropriate based on the legislature's history of singling out felonies committed using firearms for particularly strict punishment.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the County of Maui, and the Department of the Prosecuting Attorney of the City and County of Honolulu. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

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

- (1) Deleting the preamble; and
- (2) Clarifying the language of the new subsection (5) of section 706-660.1, Hawaii Revised Statutes, to be consistent with a similar provision added by Act 12, Session Laws of Hawaii, 1999 to section 134-6, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3023, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3023, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2477**Judiciary on S.B. No. 3133**

The purpose of this bill, as received by your Committee, is to amend section 712-1207, Hawaii Revised Statutes (HRS), relating to the offense of street solicitation of prostitution to include those offenses committed within the boundaries of Wahiawa.

Your Committee finds that the legislature provided for the creation of a "prostitution-free zone" in Waikiki by imposing geographical restrictions for a defendant out on bail or probation, when it adopted Act 149, Session Laws of Hawaii 1998. Your Committee recognizes that this restriction has been highly successful upon implementation, but that prostitutes are moving from Waikiki into other areas such as Wahiawa. Therefore, your Committee believes that allowing the county to designate additional areas as a "prostitution-free zone," after finding that the area is experiencing a significant incidence of prostitution-related activity, will provide the counties with the necessary flexibility to combat prostitution.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, and the Wahiawa Neighborhood Board No.26. Testimony in opposition to this measure was submitted by the American Civil Liberties Union of Hawaii.

Upon further consideration, your Committee has amended this measure by deleting its contents and substituting the contents of S.B. 1568, S.D. 2. More specifically, your Committee has amended this bill by:

- (1) Expanding the prohibition of street solicitation of prostitution in Waikiki to other areas designated by the council of the appropriate county;
- (2) Clarifying that a police officer may make an arrest when there is probable cause to believe that a person has violated the geographic restriction;
- (3) Clarifying that once a person is arrested for violating the geographic restrictions, the person may be held without bail;
- (4) Clarifying that any person violating this section shall be sentenced to a mandatory term of thirty days imprisonment; and
- (5) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3133, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2478**Ways and Means on S.B. No. 2387**

The purpose of this bill is to allow the Department of Education to sell assistive technology devices to students with disabilities who use these devices, once the student leaves the public school system.

Specifically, this bill enables the Department of Education to sell these devices, which are customized for each individual student and are thus unusable for any other person, at a depreciated price, arrived at by formula in section 2 of the bill, once the student leaves the public school system. Proceeds of sales are paid into the general fund.

Your Committee finds that this bill will not only assist students with disabilities by allowing them to continue using the assistive technology devices that have been customized and assigned to them after they leave the school system, but also will allow the State to generate revenue, however modest, on the sale at depreciated prices of devices that would otherwise have been taken away from these students, but which cannot be re-used or recycled.

Upon further consideration, your Committee has amended this bill by clarifying that the sale of these devices are made as the student leaves, and not after the student leaves the school system to ensure the transfer of the devices in a smooth and timely manner. In addition, your Committee has added a provision to require agencies that procure assistive technology devices and services to receive basic orientation and training to obtain knowledge regarding the procurement of such devices and services from the assistive technology project designated for the State under the federal Assistive Technology Act of 1998.

Your Committee has also made several technical, nonsubstantive amendments for the purposes of clarity and to adhere to proper drafting style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2387, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2387, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2479**Ways and Means on S.B. No. 3159**

The purpose of this bill is to subject the Housing and Community Development Corporation of Hawaii to the residential landlord-tenant code.

Furthermore, this bill narrows the current exemptions for homeless facilities and public housing complexes under the jurisdiction of the Housing and Community Development Corporation of Hawaii from the residential landlord-tenant code to lease termination and eviction procedures.

Your Committee finds that this measure is necessary to ensure fair and equitable treatment to tenants of homeless facilities and public housing complexes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3159, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2480**Ways and Means on S.B. No. 2429**

The purpose of this bill is to allow extended term sentencing for perpetrators of hate-motivated crimes. The bill also provides a mechanism to compile, track, and analyze hate crimes data in the State.

Your Committee finds that Hawaii is one of twelve states in the nation that do not have laws addressing hate-motivated crimes and is one of only four states that do not participate in tracking hate crimes data for collection by the Federal Bureau of Investigation. Your Committee further finds that the State has a compelling interest in preventing crimes and threats against persons who are targeted because of hostility to their race, color, religion, ancestry, national origin, gender, transgender, sexual orientation, age, or disability. Your Committee notes that the provision for extended term sentencing is consistent with existing extended term sentencing provisions for categories of offenders whose crimes pose a particular threat to the community.

Your Committee has amended this bill to replace the reference to "data center" with the more appropriate reference "attorney general" at line 24 of page 5 and line 2 of page 6.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2429, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2429, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2481 Ways and Means on S.B. No. 2533

The purpose of this bill is to require payment of a compensation fee for deposit into the crime victim compensation special fund, as a condition of a deferred acceptance of a guilty plea or a nolo contendere plea under section 853-1, Hawaii Revised Statutes.

Your Committee finds that, unlike defendants convicted of a crime, defendants who enter pleas pursuant to section 853-1 presently are not required to pay into the crime victim compensation special fund. Your Committee notes that payments are made from the crime victim compensation special fund to or on behalf of a victim or one or more dependents of a deceased victim to compensate for pecuniary loss or incurred expenses due to the victim's injury or death, pain and suffering, loss of earning power, and property damage.

Your Committee also finds that, as a result of a deferred plea under section 853-1, assuming the defendant meets all the conditions and terms, the charges are dismissed without adjudication of guilt and the defendant is discharged and may apply for expungement. Accordingly, your Committee believes that such defendants already are receiving a substantial benefit, and therefore, they should not, in addition, be excluded from the requirement to making payments that are intended to compensate victims of crime. Finally, your Committee notes that the amount of compensation fee charged such defendants will be relatively minor and exceptions already are provided under the law for persons who the court finds are unable to pay.

Your Committee has amended the bill to delete the phrase "conviction of" where it appears in section 351-62.6(a)(1)-(3) as this is contrary to the intent of the bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2533, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2533, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Chun, D. Ige, M. Ige, Iwase, Nakata, Anderson).

SCRep. 2482 Ways and Means on S.B. No. 2883

The purpose of this bill is to appropriate additional funds for the State's Medicaid home and community based services - developmental disabilities/mental retardation program, within the Department of Health.

In addition, this bill:

- (1) Authorizes the expenditure of additional funds for the State's Medicaid home and community based services - developmentally disabled/mental retardation program, within the Department of Human Services, by increasing federal matching funds; and
- (2) Authorizes the expenditure of additional funds for the State's Medicaid home and community based services - developmental disabilities/mental retardation program, within the Department of Human Services, by increasing interdepartmental transfer funds.

Your Committee finds that this bill is recommended by the Governor for immediate passage in accordance with the state constitution. Your Committee also finds that these additional funds will support current clients, provide for the admission of more people to the program, and address issues raised by Makin v. State of Hawaii, U.S. Dist. Ct., Civil No. 98-00997 DAE.

Your Committee has amended this bill by inserting standard language authorizing the Legislature to exceed the general fund expenditure ceiling for fiscal year 1999-2000, as required by the state constitution.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2883, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2883, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun, D. Ige, Iwase, Nakata, Anderson).

SCRep. 2483 Ways and Means on S.B. No. 2905

The purpose of this bill is to extend from December 31, 2000 to December 31, 2005, the period during which employers must make assessments to the employment and training fund.

Your Committee finds that continued assessments are necessary to maintain a viable workforce community that has the flexibility to adapt to technological advances.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2905 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2484 Ways and Means on S.B. No. 2221

The purpose of this measure is to create an ethanol producers income tax credit to encourage private sector investment in Hawaii based ethanol production facilities.

Currently, the development of new infrastructure to produce ethanol from agricultural crops or byproducts and municipal solid waste is costly. Incentives are needed to stimulate the private sector investments required to develop this type of business opportunity in Hawaii. This measure provides that incentive in the form of an ethanol producer income tax credit. Your Committee is in agreement that job creation, environmental public benefits, and economic opportunities resulting from this tax incentive will far outweigh the costs.

Your Committee has made technical, nonsubstantive amendments for drafting style and grammar.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2221, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2221, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2485 Ways and Means on S.B. No. 2948

The purpose of this measure is to enhance the tax benefits of Act 178, Session Laws of Hawaii 1999 (SLH), to:

- (1) Include certain performing arts products in the definition of "computer data";
- (2) Expand the exclusion from income of royalty and other income derived from patents and copyrights to include income derived from trade secrets;
- (3) Allow partnership investors the flexibility of allocating the high technology business investment tax credit among partners without regard to federal income tax allocation rules; and
- (4) Increase the state tax credit for research and development from 2.5 percent to twenty percent to match the federal rate.

Your Committee finds that this measure will further strengthen high technology business incentives approved in 1999, and that the proposed changes are in response to industry recommendations to enhance those incentives. Your Committee is particularly interested in the opportunities that the measure is intended to provide to the entertainment industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2948, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2486 Ways and Means on S.B. No. 2783

The purpose of this bill is to establish a revolving fund for venture capital assistance to be known as the Hawaii Technology Fund.

In addition, this bill allows the Employees' Retirement System to invest up to ten per cent of alternative asset allocations in venture capital funds, in conjunction with or through the Hawaii Strategic Development Corporation or the High Technology Development Corporation. The bill also appropriates funds in a blank amount for the purposes of the bill, to be expended by the High Technology Development Corporation.

Your Committee agrees with the intent of this bill, and finds that it will assist in boosting Hawaii's economy by the investment of venture capital funds in high technology endeavors.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2783 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Chun, Nakata, Tam, Taniguchi, Anderson).

SCRep. 2487**Judiciary on S.B. No. 2277**

The purpose of this bill is to streamline procedures in the Land Court.

Among other things, this bill:

- (1) Makes the Land Court procedures for the transfer and sale of property consistent with the procedures under the probate code by eliminating the requirement of a court order and authorizing the conveyance or sale of land court property by the filing of the required documents;
- (2) Establishes the consistent treatment of real property in probate estates, regardless of the system of land recordation, thereby reducing probate costs;
- (3) Specifies the information that should be included on the first page of the recorded instrument for purposes of consistency; and
- (4) Allows a nonjudicial procedure to change the status of a registered owner (marriage, divorce, change of name, dissolution of a corporation) on a certificate of title.

Your Committee finds that these changes will not only reduce costs to the public, but also will make the work of the Land Court more efficient, both of which are worthy goals of any government agency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2277, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2488**Judiciary on S.B. No. 2296**

The purpose of this bill is to enact the Uniform Disclaimer of Property Interests Act (1999).

Your Committee finds that this uniform Act authorizes people to disclaim interests in property. Disclaimers are typically used to reallocate interests in estates, trusts, and other types of property interests allocated at death, and which are often used to obtain more favorable tax treatment. The Act specifies the types of interests that may be disclaimed, and establishes when disclaimers are effective and the effects of a disclaimer on the distribution of the disclaimed property interest. The Act also clarifies that trustees and other fiduciaries may use disclaimers, that powers of appointment may be disclaimed, and that unfair distributions of interests are avoided when disclaimers are used.

Your Committee agrees with the intent of this bill, which also repeals the existing law relating to disclaimers of property interest under the Uniform Probate Code, and finds that there is a need to update state law as provided in the uniform Act.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2296 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2489**Judiciary on S.B. No. 2925**

The purpose of this bill is to repeal the requirement in the fuel tax law that liquid fuel distributors report the number of gallons imported into each county per month.

Your Committee finds that the information is not needed by the Department of Taxation and is therefore unnecessarily burdensome upon the industry.

Your Committee believes that this bill is an excellent example of just one of the many ways, both small and large, that are often overlooked, by which Hawaii's regulatory climate can be improved.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2925 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2490**Judiciary on S.B. No. 3049**

The purpose of this bill is to make certain records of the Department of Land and Natural Resources that relate to the location and description of historic sites, including burial sites, confidential records.

Your Committee finds that an historic site that is deemed sensitive by an island burial council or the Hawaii Historic Places Review Board will be protected by this measure. It would be ironic and ultimately tragic, if the records of agencies established to protect historic sites and cultural treasures became the source of information used by "pot hunters" and profit seekers to disturb, damage, or destroy the very sites and items that the law seeks to protect.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3049 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2491 Judiciary on S.B. No. 3079

The purpose of this bill is to repeal the pre-arrest requirement that school authorities and police officers first warn or request a person to leave the school premises, if the person enters or remains unlawfully in or on the school premises.

Your Committee finds that in order to ensure students a safe school environment, school authorities and police officers must have supporting laws to make their jobs well defined. One of the problems of dealing with criminal trespassers on school grounds has been the requirement that the trespasser be first warned and requested to leave the premises before an arrest can be made. Your Committee finds that the instant measure, by repealing the pre-arrest requirement and by also making criminal trespass applicable to all academic and noncollege schools maintained by the department of education, will help make school grounds safer for our students so they are able to concentrate on their work.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3079 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2492 Judiciary on S.B. No. 3194

The purpose of this bill is to prohibit farming operations from being declared a nuisance for any reason if the farming operations are conducted in a manner consistent with generally accepted agricultural and management practices.

In addition, this bill:

- (1) Defines the term "generally accepted agricultural and management practices" as those practices defined by the board of agriculture;
- (2) Expands the definition of "farming operation" to include silviculture (i.e., the cultivation of forest and shade trees) and plant and animal production for nonfood uses;
- (3) Repeals the definition of "established date of operation", which is obsolete;
- (4) Repeals the requirement for proof that:
 - (A) A farming operation complied with statutes, ordinances, regulations, or rules relevant to a nuisance complaint during the twelve-month period preceding the filing of the complaint; and
 - (B) A farming operation had used reasonable care in conducting its operation;
 in order to raise an affirmative defense against a nuisance complaint;
- (5) Requires proof that a farming operation had been conducted in a manner consistent with "generally accepted agricultural and management practices" in order to raise an affirmative defense against a nuisance complaint; and
- (6) Allows a court to award attorneys' fees and costs to a defendant, based on frivolous nuisance claims, even though the party seeking money damages or injunctive relief, or both, in relation to an agricultural operation, withdrew the frivolous nuisance claims within a reasonable length of time.

Your Committee finds that this bill will give more authority to the "Hawaii Right to Farm Act" (chapter 165, Hawaii Revised Statutes), which has heretofore been ineffectual in preventing the premature removal of lands from agricultural use and encouraging future investments in agriculture because of nuisance complaints and frivolous claims against farmers.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3194, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3194, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2493 (Majority) Judiciary on S.B. No. 2064

The purpose of this bill is to require Hawaii's version of the Uniform Health Care Decisions Act to apply to pregnant women.

This bill accomplishes this purpose by repealing section 327E-13(g), Hawaii Revised Statutes, which originally excluded pregnant women from being covered by the Uniform Health Care Decisions Act.

Your Committee agrees that an advance health care directive executed by a woman should be valid if she later becomes pregnant or if she executes a directive during her pregnancy. A woman should have the right to predetermine her medical treatment, including treatment during her pregnancy, if she should lack the ability to make a health care decision for herself.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2064 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, 1 (Sakamoto). Excused, 2 (Chun Oakland, Anderson).

SCRep. 2494 Judiciary on S.B. No. 2848

The purpose of this bill is to allow the Family Court to dispense with having to consider a child's consent in permanent plan hearings.

Furthermore, this bill repeals the requirement that the court order a permanent plan within three years of the child's placement in foster custody.

Your Committee finds that this measure gives the Family Court needed flexibility in promoting the best interests of the child.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2848 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2495 Judiciary on S.B. No. 2192

The purpose of this bill is to strengthen the protections provided by Hawaii's Whistleblowers' Protection Act.

Your Committee finds that employees who report to government entities or to their employers violations of laws, rules, regulations, or ordinances, as well as providing information that demonstrates a danger to public health, safety, and welfare, should be protected from retaliation from their employer through discriminatory actions regarding privileges of employment.

This bill also extends that statute of limitations from ninety days to a much more reasonable two years. Your Committee finds that a longer statute of limitations gives the whistleblower more time to collect evidence of retaliatory action.

Finally, your Committee finds that an increase in the maximum fine from \$500 to \$10,000 will substitute a real deterrent in place of what might otherwise be just a cost of doing business.

Your Committee has amended this bill by making technical, nonsubstantive changes in section 1 for purposes of style and grammar.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2192, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2192, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2496 Judiciary on S.B. No. 2672

The purpose of this bill is to prohibit public employees from taking official action that directly affects a business or undertaking in which a family member has a substantial financial interest.

Your Committee finds that this measure makes clear what level of familial relationship is affected by a conflict of interest. This bill clarifies that this level includes siblings, parents, emancipated children, or household members. State officials will be better able to determine whether any of their official actions that affect a business of one of these persons signals a conflict of interest issue. Your Committee believes that this bill will help to promote public confidence in government decision making by public officials.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2672 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2497 (Joint) Water, Land, and Hawaiian Affairs and Judiciary on S.B. No. 2477

The purpose of this measure is to provide for the recall of the trustees of the Office of Hawaiian Affairs.

Your Committees have amended the measure by deleting its contents and inserting therefor, provisions that amend section 13D-2, Hawaii Revised Statutes, to specify that the Office of Hawaiian Affairs trustee candidates must be of Hawaiian descent.

Your Committees have amended the measure in light of the recent U.S. Supreme Court ruling on Rice v. Cayetano which struck down the State's constitutional and statutory provisions that reserved the right to vote in elections for the trustees of the Office of Hawaiian Affairs to Hawaii residents of Hawaiian descent. Your Committees understand that the measure as amended will not resolve the problems created by the U.S. Supreme Court decision, but believe it is necessary to keep a legislative vehicle moving through the legislative process while the Legislature determines a more comprehensive solution.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2477, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2477, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Chun, Ihara, Kanno, Anderson).

SCRep. 2498 (Joint) Water, Land, and Hawaiian Affairs and Judiciary on S.B. No. 2479

The purpose of this measure is to amend the Office of Hawaiian Affairs' trustee candidate voting procedures to allow qualified Hawaiian voters to vote for trustee representation by island.

Your Committees have amended the measure by deleting the amendments contained in the measure as received by your Committee, and inserting amendments to section 13D-4, Hawaii Revised Statutes, to specify that the Office of Hawaiian Affairs shall pay for the costs of conducting the special elections in which the trustees of the Office of Hawaiian Affairs are elected.

Your Committees have amended the measure in light of the recent U.S. Supreme Court ruling on Rice v. Cayetano which struck down the State's constitutional and statutory provisions that reserved the right to vote in elections for the trustees of the Office of Hawaiian Affairs to Hawaii residents of Hawaiian descent. Your Committees understand that the measure as amended will not resolve the problems created by the U.S. Supreme Court decision, but believe it is necessary to keep a legislative vehicle moving through the legislative process while the Legislature determines a more comprehensive solution.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2479, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2479, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Chun, Ihara, Kanno, Anderson).

SCRep. 2499 Education and Technology on S.B. No. 2830

The purpose of this measure is to require school vice principals to meet the same certification and experiential requirements as principals to obtain administrator positions in Hawaii's public schools.

Additionally, this measure deletes the requirement that principals must first teach or serve as an exchange principal in Hawaii for one year.

Testimony in support of the measure was received from the Department of Education. Testimony in opposition to the measure was received from HGEA-AFSCME.

Your Committee finds that currently, in order to obtain administrator positions in Hawaii's public schools, principals and acting principals must: (1) meet the Department of Education's certification requirements; and (2) have served as a teacher for at least five years, including one year as a teacher or exchange principal in Hawaii.

Your Committee agrees that eliminating the one year requirement in Hawaii schools, for principals and vice principals seeking administrator positions in Hawaii's public schools, will address the current and anticipated shortage of certified Department of Education school administrators. In doing so, this measure will also increase the Department's pool of qualified public school principals and vice principals.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2830 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 2500 Education and Technology on S.B. No. 2836

The purpose of this measure is to amend section 302A-1128, Hawaii Revised Statutes, to allow the Board of Education to adopt policies, instead of rules, to set progressive competencies for computer technology and a language in addition to English.

Testimony in support of the measure was received from the Department of Education.

Your Committee finds that currently, the Board defines competency standards, for use of computer technology and for a language in addition to English, through administrative rules adopted pursuant to chapter 91, Hawaii Revised Statutes.

Your Committee agrees that allowing the Board to set competency standards through policies is consistent with all other performance standards and competencies required by section 302A-201, Hawaii Revised Statutes. Additionally, this measure would still provide the public the opportunity to testify at Board meetings regarding the policy governing progressive competencies.

Your Committee amended the measure to reflect current statutory language and proper legislative drafting methods.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2836, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2836, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Bunda, Matsunaga).

SCRep. 2501 Commerce and Consumer Protection on S.B. No. 2278

The purpose of this measure is to create an insurance regulatory mechanism that allows two captive insurance companies to merge or for a captive insurer to convert into another corporate form while preserving the regulatory mechanisms and protecting the public interest.

Testimony was received from the State Insurance Commissioner, Marsh Management Services Inc., Hawaii Captive Insurance Council, Becher + Carlson Risk Management, Inc., Hawaii Captive Insurance Management, Inc., and Char Hamilton Campbell & Tom.

Your Committee finds that a merger of two captive insurers to form a surviving captive insurer or a conversion of a captive insurer into another corporate form would promote the public interest by enhancing the flexibility of a captive insurance company to change its corporate form.

Under current law, a captive insurer that is organized as a stock, mutual, or reciprocal company must dissolve and re-incorporate to convert to another corporate form. Your Committee believes that this should not be necessary since a captive insurer serves a parent company or association rather than the general public.

According to testimony of the State Insurance Commissioner, the Insurance Division has received several inquiries over the last few years from existing and prospective captive organizers about the ability to convert a captive from one allowable corporate form to another after initial licensure. Up to now, there has been no formal authority to allow the conversion of captive forms.

Captive insurance companies are a growth industry in Hawaii, providing employment, paying taxes, and augmenting tourism. According to testimony, the industry has had positive gains every year for the past five years. There are now over sixty-five captive insurance companies licensed in Hawaii. Flexibility in long-term planning for captive insurers is very important to captive insurers contemplating locating in Hawaii, which would further support the industry.

Your Committee has amended this measure on the recommendation of the State Insurance Commissioner by requiring that a captive insurance company seeking to convert or merge into a different form of captive insurer must file a plan of conversion or merger with the Insurance Division for approval, providing requirements for the approval, and clarifying the obligations of the converted insurer or the surviving company.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2278, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2502**Commerce and Consumer Protection on S.B. No. 2279**

The purpose of this measure is to establish a state policy on utility line placement that places the highest priority on aesthetic factors.

Testimony on the measure was submitted by the Public Utilities Commission (PUC), Consumer Advocate, Office of Hawaiian Affairs, Kauai Electric, GTE, Life of the Land, Na Leo Pohai, Hawaii's Thousand Friends, University of Hawaii at Manoa Environmental Center, Hawaiian Electric Company, and an individual.

Your Committee finds that the aesthetic advantages offered by an underground utility transmission system are an important consideration when determining the placement of utility lines. However, your Committee recognizes that these decisions must necessarily take into account economic factors, including short term and long term costs, and that one of the underlying principles of utility regulation is that the party responsible for incurring the cost should bear the cost. Further, under present law, public policy is just one of the factors that must be considered by the PUC in reviewing applications for the construction of high-voltage systems, and concurrently, the PUC must consider whether the governmental agency establishing the policy has committed funds for the additional costs of undergrounding. Therefore, upon careful consideration, your Committee has amended this measure by:

- (1) Establishing a state policy that places a high value on aesthetic considerations, but does not elevate this factor above all the other factors that are involved in utilities placement decisions; and
- (2) Requiring the PUC to take into account the proximity of above-ground systems to culturally significant areas, including burial sites, when considering applications for the construction of 138 kilovolt or greater transmission systems.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2279, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Matsuura).

SCRep. 2503**Commerce and Consumer Protection on S.B. No. 2282**

The purpose of this measure is to require the Public Utilities Commission to authorize the need for a regulated utility's proposed capital project within a conservation district for which an environmental impact statement is required before the Department of Land and Natural Resources may accept the utility's application for a conservation district use permit.

Testimony on this measure was received from the Public Utilities Commission, Department of Commerce and Consumer Affairs, AT&T, GTE, Hawaiian Electric Company, Life of the Land, Na Leo Pohai, and Malama o Manoa.

Your Committee finds that the intent of this measure is to eliminate the focus on project need during the conservation district use application (CDUA) process, as this process should focus on whether or not the application is for an appropriate use of conservation lands. Your Committee has also heard concerns expressed that this measure will create unnecessary regulatory delays. Your Committee acknowledges these concerns, but finds the measure does effectively focus the CDUA process with regards to capital projects on conservation lands.

Your Committee has amended this measure to make it applicable only to a public utility engaged in the production, conveyance, transmission, delivery, or furnishing of light and power.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2282, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Matsuura).

SCRep. 2504**Commerce and Consumer Protection on S.B. No. 2283**

The purpose of this measure is to authorize the Public Utilities Commission (PUC) to require the parties to a PUC proceeding to participate in alternate dispute resolution processes before the hearing.

Your Committee received testimony from the Judiciary, Department of Commerce and Consumer Affairs, PUC, Kauai Electric, Hawaiian Electric Company, Inc., GTE, Life of the Land, and Apollo Energy Corporation.

Your Committee finds that many controversial issues are often unnecessarily heard before the PUC and that the parties could have resolved their differences, instead, through mutually agreeable dispute resolution processes. If such resolutions can be reached prior to a PUC hearing, the PUC docket would be clear for cases that truly require an evidentiary hearing. Thus, this bill allows the PUC to streamline its hearing processes and focus on more important issues.

Your Committee has amended this measure to clarify that the alternative dispute resolution process to which the parties may be required to participate is to be non-binding.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2283, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2283, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Inouye).

SCRep. 2505 Commerce and Consumer Protection on S.B. No. 2304

The purpose of this measure is to reduce inefficiency and duplication in the process governing appeals from orders of the Public Utilities Commission (PUC).

The PUC and E Noa Corporation submitted testimony on the measure.

Currently, a motor carrier must file two appeals to the Hawaii Supreme Court in order to preserve its rights of appeal from an order of the PUC. The first appeal is required when, after the carrier files a motion for reconsideration or rehearing, no decision from the PUC issues within twenty days. Under the present law, the motion is deemed denied after the passage of the twenty-day period. The second appeal is required upon an affirmative denial of the motion by the PUC.

This measure would eliminate the need to file an appeal twice by repealing the provision that deems a motion for reconsideration or rehearing denied if the PUC fails to render a decision on the motion within twenty days. Additionally, the measure establishes a requirement that the PUC issue a determination on a motion for reconsideration or rehearing within thirty days of the filing of the motion.

Your Committee received testimony from the PUC that a thirty-day period for decisionmaking is insufficient because a respondent in a motion for reconsideration or rehearing is allowed five days to file a response and frequently requests additional time. Accordingly, your Committee has amended this measure by increasing the length of time the PUC has for decisionmaking on a reconsideration or rehearing motion from thirty days to forty-five days from the filing date of the motion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2304, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 2506 (Majority) Commerce and Consumer Protection on S.B. No. 2811

The purpose of this measure is to provide for consistency within the anti-discrimination provisions of the motor vehicle insurance code, to clarify the scope of the code's applicability, and to broaden the prohibition against discriminatory practices.

Testimony on the measure was submitted by the Insurance Commissioner, Hawaii Insurers Council, State Farm Insurance Companies, National Association of Independent Insurers, and an individual.

Currently, the motor vehicle insurance code prohibits an insurer from basing a standard or rating plan on a person's credit bureau rating, but there is no prohibition on refusing to continue insurance coverage based on consideration of this same factor. Conversely, while an insurer may not refuse to continue a policy based on a person's place of residence, it is not prohibited from basing its standards or rating plans on a person's place of residence. This measure would make the two provisions consistent by prohibiting consideration of the factors of credit bureau rating and place of residence both for purposes of refusing to continue a policy and for purposes of establishing standards and rating plans.

Additionally, this measure expands the discriminatory practice prohibition to include the use of certain factors in formulating underwriting guidelines, and clarifies the penalty provision of the code by providing that all persons, and not only insurance licensees, are subject to the code's requirements.

Your Committee has amended this measure by changing its effective date to July 1, 2002, and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2811, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2811, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 2507

Commerce and Consumer Protection on S.B. No. 2814

The purpose of this measure is to streamline the administration of the insurance law and to facilitate an understanding of the requirements governing the insurance industry.

The Insurance Commissioner, Consumer Lawyers of Hawaii, and an individual submitted testimony on the measure.

This measure codifies certain sections of the Hawaii administrative rules relating to proxies, consents, and authorization of domestic stock insurers, mass merchandising of motor vehicle insurance, an insurance holding company system, and the motor vehicle insurance law. Incorporation of these rules into statute will provide greater clarification of the insurance law requirements for consumers and insurance licensees. Further, placing these legal requirements in statutes, rather than in rules, will enable the legislature to make changes to the requirements as necessary.

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

- (1) In section 2 of this Act, placing the provisions relating to Schedule A and Schedule B proxy requirements in the front of the new part to facilitate an understanding of subsequent provisions;
- (2) In section 3 of this Act, deleting provisions relating to self-insurer agreements to conform the requirements for self-insurers to the requirements for insurance companies;
- (3) In section 4 of this Act:
 - (A) Removing language from the definition of anesthetist that expresses a preference for supervision by an anesthesiologist over supervision by a licensed physician; and
 - (B) Deleting the definitions of claimant, eligible injured person, physician, and specialist because these definitions are unnecessary or do not conform to current law; and
- (4) Throughout the Act, making technical changes for purposes of clarity, consistency, and style, and to reflect existing language in the Hawaii Revised Statutes and preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2814, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2814, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 2508

Commerce and Consumer Protection on S.B. No. 2819

The purpose of this measure is to establish standards governing life insurance policy illustrations and the replacement of life insurance and annuities.

The Insurance Commissioner, State Farm Insurance Companies, Hawaii State Association of Insurance and Financial Advisors, and American Council of Life Insurers submitted testimony on the measure.

Your Committee finds that life insurers and their agents are increasingly using computer generated sales illustrations, including computer generated graphs and comparison charts, to sell their products. Problems with these practices arise when the illustrations are used to induce buying, rather than to help consumers better understand the insurance product being marketed. This measure will facilitate understanding and comparison of different life insurance products by establishing a regulatory framework for life insurance policy illustrations that defines terminology, establishes simplified uniform illustrations standards, and requires disclosure to consumers.

Your Committee further finds that the replacement of life insurance policies does not generally benefit consumers and that the complicated nature of replacement transactions increase the risks of unfair trade practices. Therefore, this measure also regulates the replacement of life insurance policies and annuities by establishing the duties of producers and existing and replacing insurers, and requirements for the use of direct response solicitations.

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

- (1) Expressly requiring that consumer notices and disclosures mandated by this Act be made in writing, and that the written notice or disclosure not be electronically transmitted to the consumer;
- (2) Changing the effective date of this Act from "upon its approval" to July 1, 2005; and
- (3) Making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2819, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 2509

Commerce and Consumer Protection on S.B. No. 3190

The purpose of this measure is to allow captive insurance companies to offer personal motor vehicle and homeowners' insurance to the general public.

The Insurance Commissioner, Hawaii Insurers Council, Pacific Century Trust, Becher and Carlson Risk Management, Inc., and Hawaii Captive Insurance Council submitted testimony on the measure.

Your Committee finds that changes in the marketing and sale of insurance products have made the purchase of insurance easier and more convenient for consumers. This measure would be consistent with the industry trend since it repeals the general prohibition against the provision of personal motor vehicle and homeowners' insurance coverage by captives, thereby giving consumers greater options for the purchase of insurance.

Your Committee further finds that authorizing the establishment of branch captive insurance companies will enable captives to better meet the needs of their organizers. Branch captives are already allowed in Vermont, and the State has received inquiries from insurance organizations and businesses interested in establishing branches in Hawaii.

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

- (1) Retaining the prohibition on the provision of personal motor vehicle and homeowners' insurance coverage by captives, except where provided as employee benefits, but creating another exception that allows coverage on personal motor vehicles and property located outside of the State; and
- (2) Creating a new class of captive insurance company for branch captives, and establishing requirements for branch captives related to licensing, names, capitalization, financial statements and other reports, and examination by the commissioner.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3190, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2510

Commerce and Consumer Protection on S.B. No. 3192

The purpose of this measure is to establish a new category of captive insurance company for a captive that acts only as a reinsurer or excess insurer and to clarify financial reporting requirements for captives.

The Insurance Commissioner, Marsh Management Services, Hawaii Captive Insurance Council, and Hawaii Captive Insurance Management, Inc., submitted testimony on the measure.

This measure establishes a new class of captive insurance companies for captives limited to insuring risks on a reinsurance or excess basis only. The measure will enable organizers to utilize Hawaii-based facilities to participate in the retention of higher levels of risk from sources based in and outside of the United States.

Your Committee has amended this measure to:

- (1) Clarify that a class 5 company is one that does not fall within any other category of captive insurance company;
- (2) Expand the definition of "pure captive insurance company" to include a company that reinsures risks of its parent and affiliated companies;
- (3) Delete the amendments to sections 431:19-107(a) and (b), Hawaii Revised Statutes, in section 5 of this bill as received by your Committee since these amendments will be addressed in another measure being heard by your Committee; and
- (4) Authorize all captive insurance companies, except for class 3 companies, to utilize an actuarial opinion prepared by a qualified loss reserve specialist deemed appropriate by the commissioner when filing statements of financial condition.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3192, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2511 Ways and Means on S.B. No. 2040

The purpose of this bill is to appropriate funds, to serve as the State's share of matching federal medicaid funds, for individuals with disabilities who are eligible for the medicaid home and community-based services program.

Your Committee finds that there are currently eight hundred individuals with developmental disabilities who may be eligible for the home and community-based services waiver program, which was implemented in 1983 by the Departments of Health and Human Services. While the program now serves approximately nine hundred and seventy individuals, there are over seven hundred individuals on a wait list who need services and support to enable them to live in the community.

Your Committee finds that the appropriation made by this bill represents an efficient use of state dollars by matching federal Title XIX medicaid funds, and further finds that the bill will greatly assist these individuals with developmental disabilities, who require life long support and services, by allowing them to be independent, productive, integrated, and included in the community.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2040, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 6 (Buen, Chun, Nakata, Tam, Taniguchi, Anderson).

SCRep. 2512 Ways and Means on S.B. No. 2059

The purpose of this bill is to increase the assistance allowance as based on a percentage of the standard of need for recipients of welfare aid.

Specifically, this bill raises the assistance allowance from sixty-two and one-half percent to sixty-five percent of the standard of need for exempt households and households in which all caretaker relatives are minors, living independently with minor dependents and attending school. This bill also raises the ceiling on the assistance allowance from sixty-two and one-half percent to sixty-five percent of the standard of need for all other households.

Your Committee finds that this bill will allow aid to be increased to a more humane and appropriate level to keep abreast with changing times and inflation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2059, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 6 (Buen, Chun, Nakata, Tam, Taniguchi, Anderson).

SCRep. 2513 Ways and Means on S.B. No. 2062

The purpose of this bill is to extend the termination date of the Joint Legislative Committee on Long-Term Care, modify the scope and due date of, and appropriations and expending agency for the long-term care actuarial study, and to extend the appropriation for the joint legislative committee into fiscal year 2000-2001.

Specifically, this bill:

- (1) Extends the termination date of the joint legislative committee created by Act 339, Session Laws of Hawaii 1997, two years from June 30, 2000 to June 30, 2002;

- (2) Modifies the scope of the long-term care actuarial study required by Act 93, Session Laws of Hawaii 1999, to:
 - (A) Study a plan that is the least expensive, easiest to administer, and actuarially sound, rather than requiring it to be a mandatory tax-based or voluntary premium plan;
 - (B) Increase the beginning coverage to the first two-and-a-half years, rather than the first two years, of nursing home care in a front-end plan to be considered;
 - (C) Start coverage earlier, on the 91st day, rather than the 366th day of disability in a back-end plan to be considered;
 - (D) Require the study to select one model for recommendation and report on that model;
 - (E) Eliminate:
 - (i) The requirement for the study to include an analysis of H.B. No. 31, H.D. 1 and H.D. 2, Regular Session of 1993; and
 - (ii) The joint legislative committee's power to contract with persons who produced certain reports for the Executive Office on Aging
 - (F) Add to the scope of the study the following:
 - (i) Examine how to integrate a state-sponsored universal program of long-term care with the private insurance model of long-term care, with a goal of supplementing private insurance so as to provide a continuum of care;
 - (ii) Include a proposed model for financing a state-sponsored universal program of long-term care for a target population that cannot afford long-term care insurance;
 - (iii) Specify the amount of moneys that must be collected from each eligible person to adequately finance a state-sponsored universal program of long-term care and the mechanism for collecting those moneys;
 - (iv) Make recommendations on whether a subsidy from the general fund or other state revenues is necessary for adequate capitalization and reserves, and if so, the amount of subsidy;
 - (v) Make recommendations on the best manner of administering a state trust fund for long-term care; and
 - (vi) Possible examination of financing models in other countries;
- (3) Allows the joint legislative committee to consider knowledge of a contractor of past state efforts to establish a universal long-term care program;
- (4) Requires the Departments of Taxation and Budget and Finance to cooperate with the contractor in carrying out the study;
- (5) Delays the due date of the study two years to November 15, 2001;
- (6) Delays the introduction of legislation by the joint legislative committee, with the advice of the contractor, to the Regular Session of 2002 rather than 2000;
- (7) Removes the \$100,000 appropriated amount for the study and leaves the amount blank for purposes of further discussion, and changes the appropriation period from fiscal year 1999-2000 to 2000-2001;
- (8) Clarifies that the expending agency for the appropriation for the study is the House of Representatives and the Senate, and not the joint legislative committee; and
- (9) Extends the appropriations of \$5,000 each to the House of Representatives and the Senate for expenses of the joint legislative committee into fiscal year 2000-2001.

Your Committee finds that this bill will enable the joint legislative committee to complete its work and that the long-term care actuarial study, as re-fashioned in this bill, will be more effective.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2062, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Nakata, Tam, Taniguchi, Anderson).

The purpose of this bill is to establish a task force to address health concerns related to the feral cat population and examine solutions, including the trap/neuter/return program (TNR). The bill also suspends existing Department of Health rules and places a moratorium on the adoption of future rules until the task force has completed its work and submitted its recommendations.

Your Committee finds that volunteer groups on Oahu and in the other counties have an impressive track record of successfully putting the TNR into practice and supporting the effort. Furthermore, your Committee finds that this bill represents a rational and humane effort to address the current public health problem of feral cats.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2247, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, 1 (M. Ige). Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2515 Ways and Means on S.B. No. 2320

The purpose of this bill is to establish a Commission for Long-Term Care, Disability, and Elderly Services.

This bill establishes the Commission within the Office of the Lieutenant Governor and appropriates start-up funds.

Your Committee finds that a long-term care, disability, and elderly services commission would effectively centralize these significant issues and provide effective recommendations to the Governor and Legislature on related policy and funding matters. The research, grant writing, and other activities of the Commission will supplement long-term care issues relating to financing alternatives studied by the Joint Legislative Committee on Long-Term Care. Your Committee believes that the Commission will make a positive contribution to finding solutions for difficulties inherent in matters that include coordination of policies and programs, funding, issues in home and community based services and institutional care, and access to quality services.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2320, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2516 Ways and Means on S.B. No. 2448

The purpose of this bill is to establish the Hawaii Autism Center for Excellence within the University of Hawaii School of Medicine.

In particular, this bill establishes the center as a central clinical and academic resource for state-of-the-art autism and autism spectrum disorder diagnostic assessment and evaluation, as well as therapeutic and educational interventions, consultation, training, and applied clinical research. The center is to perform such activities as applying for federal funding and charitable foundation grants, serving persons with autism and autism spectrum disorder ranging from infants to adults statewide, and seeking to attain national recognition as a pre-eminent Pacific institution for autism spectrum disorder multi-disciplinary research.

Your Committee finds that autism is a complex developmental disability typically appearing in the first three years of life as a result of a neurological disorder that affects the functioning of the brain. The majority of children with autism or autism spectrum disorder will not achieve independence as adults and must be cared for by their families or institutions during their lifetime. Your Committee finds that there is a need to ensure sufficient funding for multi-disciplinary applied clinical research to improve treatment for autism, and finds that this bill will assist in improving diagnostic assessment and evaluation and more timely and effective interventions for persons with an autism spectrum disorder.

Your Committee has amended this bill to make a technical, nonsubstantive change for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2448, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2448, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Nakata, Tam, Taniguchi, Anderson).

SCRep. 2517 Ways and Means on S.B. No. 2456

The purpose of this bill is to appropriate funds for the Blueprint for Change program and existing Neighborhood Places.

Your Committee finds that families at risk of child abuse need services and resources that are both within the community and at a physical site where parents and children can take "time out" or learn new parenting skills that better enable the family to cope with their responsibilities. A small beginning has been made in these efforts in West Hawaii and Waipahu. However, funding continues to be a pressing need.

Your Committee has amended this bill by deleting the dollar amounts in the appropriation section and adding the proviso that moneys must be matched by private or federal sources.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2456, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2456, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, Nakata, Taniguchi, Anderson).

SCRep. 2518 Ways and Means on S.B. No. 2489

The purpose of this bill is to establish a task force to identify and eliminate policy barriers to neurotraining services and to establish a community-based neurotraining research, education, and training infrastructure.

This bill appropriates \$400,000 for fiscal year 2000-2001 to the Department of Business, Economic Development, and Tourism to carry out this purpose provided that \$1 of the appropriated amount will be released for every \$4 received from the private sector.

Your Committee has amended this bill to delete the appropriated amount of \$400,000 and to leave the amount blank for purposes of further discussion. Your Committee has also made several technical nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2489, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2489, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Nakata, Tam, Taniguchi, Anderson).

SCRep. 2519 Ways and Means on S.B. No. 2493

The purpose of this bill is to appropriate an unspecified amount of funds for specialized substance abuse treatment services for pregnant women, families involved with child protective services who have children under five years of age, and teenagers.

Your Committee finds that substance abuse among women can affect the health of unborn babies, can affect the mother's ability to deal with the upbringing of infants and young children, and can affect the children themselves as their immature bodies make them more susceptible to the ravages of illegal substances in their system. The funding of substance abuse treatment services, therefore is critical to the health of women and children.

Your Committee has amended this bill by specifying that the funds be for specialized substance abuse treatment services for pregnant women, teenagers, and families who are involved with child protective services of the department of human services, provided that this sum is matched by funds from private and federal sources.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2493, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2493, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Buen, Chun, D. Ige, Nakata, Taniguchi, Anderson).

SCRep. 2520 Ways and Means on S.B. No. 2494

The purpose of this bill is to allow the State Committee of Blind Vendors to hire private attorneys under certain circumstances.

In addition, this bill also establishes an account into which is to be deposited \$30,000 upon legislative appropriation each fiscal year from the Randolph-Sheppard revolving account, from which the State Committee of Blind Vendors may expend moneys for the purposes of the revolving account, and makes an appropriation.

Your Committee agrees with the intent of this bill, and finds that giving the State Committee of Blind Vendors discretionary authority over the funds generated from vending operations will assist the blind and visually handicapped in becoming more self-sufficient and independent.

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

- (1) Replacing the sum appropriated with a blank amount to facilitate further discussion on the funding necessary to carry out the purposes of this measure; and

- (2) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2494, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2494, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2521

Ways and Means on S.B. No. 2579

The purpose of this bill is to create a special needs housing special fund to provide housing for the mentally ill and substance abusers.

Your Committee finds that a conservative estimate based on the 1999 Homeless Needs Assessment Study suggests that between five hundred fifty and eight hundred mentally ill homeless persons are in need of affordable housing. The homeless problem remains unresolved in our community primarily because of the inability of government to comprehensively and systematically provide for this growing population of our State.

By creating a special needs housing special fund, this bill will provide the funding vehicle necessary to link state housing services with mental health and substance abuse treatment and to provide participants with the support they need to obtain and maintain housing in Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2579, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun, D. Ige, Nakata, Taniguchi, Anderson).

SCRep. 2522

Ways and Means on S.B. No. 2658

The purpose of this bill is to allow the Department of Human Services to retain any appropriation for general assistance to households without minor dependents at the close of each fiscal year.

Your Committee believes that allowing the Department to retain unexpended general assistance funds at the close of each fiscal year is necessary to facilitate adequate funding of general assistance from year to year. The bill prohibits the retained funds from being used for any other purpose and provides that the funds shall not diminish future appropriations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2658 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun, D. Ige, Nakata, Taniguchi, Anderson).

SCRep. 2523

Ways and Means on S.B. No. 2856

The purpose of this bill is to require the Department of Human Services to record in the Bureau of Conveyances agreements or liens with public assistance recipients.

Your Committee finds that this bill clarifies the law with respect to the requirement that the Department of Human Services annually update the actual amount of the medical assistance liens recorded in the Bureau of Conveyances. The bill clarifies that the update is an internal departmental accounting measure intended to track the expenditures by the Department and not burden the Bureau of Conveyances by essentially recording the same lien against the same property year after year.

In addition, your Committee finds that the Department is currently required under current law to require that any person applying for or receiving assistance under the Department's programs enter into an agreement with the Department to repay the amount of assistance benefits if the person owns real property which is not the person's primary residence. This bill requires that either the agreement or a lien to the same effect must be filed in the Bureau of Conveyances to protect the State's interest.

Your Committee agrees with the intent of this bill, which also requires the Department to include in its annual report to the legislature a list of agreements and their values held by the Department on real property.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2856, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, Nakata, Taniguchi, Anderson).

SCRep. 2524 Ways and Means on S.B. No. 2873

The purpose of this bill is to authorize the Hawaii Health Systems Corporation to issue \$38,000,000 in revenue bonds.

Act 116, Session Laws of Hawaii 1998, relating to the state budget, authorized \$38,000,000 in revenue bond funds for capital improvement projects for the corporation. The corporation is required by law to obtain approval from the Legislature to issue revenue bonds. This measure allows the corporation to seek bond financing for that amount.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2873, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2525 Ways and Means on S.B. No. 2892

The purpose of this bill is to permit the appropriation of \$5,055,665 from the Hawaii Tobacco Settlement Special Fund to the Department of Health for "fiscal year 1999-2000", rather than "fiscal year 1999-2001".

Your Committee finds that this bill is recommended by the Governor for immediate passage in accordance with the state constitution. Your Committee also finds that this bill will correct a clerical error in the reference to "fiscal year 1999-2000" that could be righted only by the Legislature. This bill does not increase the appropriation to the Department of Health for either fiscal year 1999-2000 or fiscal year 2000-2001.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2892 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun, D. Ige, Iwase, Nakata, Anderson).

SCRep. 2526 Ways and Means on S.B. No. 3123

The purpose of this bill is to create a post-secondary education transitional benefits program within the Department of Human Services.

Specifically, this bill creates the bridge to hope program which provides temporary assistance to heads of households in the Temporary Assistance to Needy Families program who are not exempt from work requirements to pursue post-secondary education at the same time that they are referred to or participating in the first-to-work program. The program sets certain conditions for receipt of assistance including working or seeking work, being enrolled or accepted in approved courses at least on a part-time basis, and have an income below the current federal poverty level for Hawaii. The bill further allows recipients to continue receiving child care, transportation assistance and all other support services on certain conditions, including being enrolled, getting satisfactory grades, and passing the course of study within two years of the recipient's time limit.

The bill also requires the Department of Human Services to evaluate the bridge to hope program annually and report to the Legislature before the convening of the Regular Sessions of 2002, 2003, and 2004. Finally, the bill appropriates \$5,000,000 for fiscal year 2000-2001 to fund the bridge to hope program.

Your Committee finds that the Federal Personal Responsibility and Work Opportunity Act of 1996 abolished the sixty-one-year old Aid to Families with Dependent Children entitlement program and replaced it with a transitional aid program, Temporary Assistance to Needy Families, that requires recipients who are able to work to secure employment at the earliest opportunity.

Your Committee finds that the bridge to hope program will allow Temporary Assistance to Needy Families recipients to continue to receive benefits if they are pursuing a post-secondary education, notwithstanding the work requirement of the Temporary Assistance to Needy Families program. Your Committee finds that transitional benefits are needed to provide the necessary support to enable recipients to secure education and training beyond high school, in order to make a successful transition from public assistance to self-sufficiency.

Upon further consideration, your Committee has amended this bill by deleting the \$5,000,000 amount in the appropriation section and leaving the appropriation amount blank for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3123, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3123, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Nakata, Tam, Taniguchi, Anderson).

SCRep. 2527 Ways and Means on S.B. No. 2061

The purpose of this bill is to require the Director of Human Resources Development to maintain and examine state personnel records to ascertain the existence of any gender-based discrimination in relevant occupational categories.

Furthermore, this bill establishes a four-year task force to review a 1995 wage equity study.

Your Committee finds that this measure is necessary to discover any trends of gender-based discrimination within the ranks of state government.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2061, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Nakata, Taniguchi, Anderson).

SCRep. 2528**Ways and Means on S.B. No. 2171**

The purpose of this bill is to authorize paid leave for state employees who are certified Red Cross disaster volunteers to respond to out-of-state emergency disasters.

Your Committee finds that Red Cross disaster volunteers provide an invaluable service to the community in times of natural disasters and other catastrophic events. Thus, during local disasters, state employees who are certified by the Red Cross, are compensated with their usual state salary for their efforts.

That policy, however, does not extend to out-of-state disasters. For those situations, state employees are not compensated by the State and must either survive without pay or utilize their vacation time. Considering the altruistic nature of the service that they provide, and the fact that Hawaii benefited from out-of-state volunteers who came to our rescue during recent emergency disasters, it is only fair and appropriate that the State provide paid leave to these employees during out-of-state emergencies.

Additionally, your Committee finds that by providing paid leave, it allows qualified state employees to gain necessary experience to better serve our State during local disasters.

Your Committee has amended the bill by:

- (1) Expanding the scope of the bill to include county employees;
- (2) Designating the governor or mayor, or their designee as the authorizing agent of this Act; and
- (3) Making technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2171, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2171, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2529**Ways and Means on S.B. No. 2545**

The purpose of this bill is to improve enforcement of the glass advance disposal fee law.

The bill accomplishes this by making the fee applicable to all glass importers and changing the penalty provision from a civil to an administrative action.

Your Committee finds that it is important to close the loophole in the law that allows glass importers to avoid paying an advance disposal fee by not registering with the Department of Commerce and Consumer Affairs. Your Committee also agrees with the intent of this measure to impose administrative fines without the necessity of going to court, as the latter is a more expensive and time consuming effort.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2545 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2530**Ways and Means on S.B. No. 2605**

The purpose of this bill is to provide individuals who have at least a fifty per cent ownership interest in an employing unit the option to be exempted from the unemployment insurance law.

Your Committee finds that this measure will serve to promote the small business climate in the State by removing one of the many governmentally required costs of doing business in the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2605, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2531 Ways and Means on S.B. No. 2652

The purpose of this measure is to further refine Hawaii's School-to-Work law.

Specifically, this bill amends the powers of the School-to-Work Executive Council, places the Council within the University of Hawaii for administrative purposes, and appropriates funds to carry out the Council's responsibilities relating to school-based learning, work-based learning, evaluation, and fiscal accounting and administration.

Your Committee finds that School-to-Work gives students opportunities to have hands-on learning experiences in the work place and helps them see the connection between what they learn in school and the work place. This measure will allow the continued development of School-to-Work activities that will prepare Hawaii's students for successful careers and create a skilled workforce that moves our economy forward.

Your Committee has amended this bill by changing the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter, and by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2652, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2652, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2532 Ways and Means on S.B. No. 2971

The purpose of this bill is to require environmental impact statements to include the effects a proposed action may have on the "welfare" and "cultural practices" of the community and State.

Currently, environmental impact statements generally address the environmental, economic, and social welfare concerns of a proposed project. Your Committee, however, finds that the failure to require native Hawaiian cultural impact assessments has resulted in the loss and destruction of many important cultural resources and has interfered with the exercise of native Hawaiian culture.

This bill provides the necessary consideration in environmental impact statements to ensure the continued existence, development, and exercise of native Hawaiian culture.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2971 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2533 Ways and Means on S.B. No. 2289

The purpose of this measure is to impose only the general excise tax on the sale of prepaid telephone calling services.

Currently, telephone carriers charge consumers the public service company tax and the general excise tax when a prepaid calling card is used while some retailers charge consumers the general excise tax on the sale of the cards. Therefore, some consumers are taxed twice; when the card is purchased and when used. This measure imposes the general excise tax on prepaid telephone calling services at the point of sale. Your Committee is in agreement that simplifying the tax results in precise tax calculations and eliminates multiple taxation on consumers.

Your Committee amended the measure by including prepaid telephone calling services under the definition of property in the use tax law. Your Committee also made technical, nonsubstantive changes for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2289, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2289, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Chun, Anderson).

SCRep. 2534 Ways and Means on S.B. No. 2312

The purpose of this bill is to appropriate funds for certification and related activities concerning hoisting machine operators.

Specifically, this bill transfers general funds to the hoisting machine operators certification revolving fund and appropriates funds from the revolving fund for certification and related activities.

Your Committee finds that supplemental revenue sources are needed to maintain the activities of the hoisting machine operators advisory board.

Your Committee has amended this measure by changing the appropriation amounts to blank amounts in order to promote continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2312, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2312, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2535 Ways and Means on S.B. No. 2419

The purpose of this bill is to establish a capital access program in the Department of Business, Economic Development, and Tourism to encourage lending to small businesses and nonprofits.

Specifically, this bill creates a new law to implement a capital loan program in Hawaii and grants powers to the Department of Business, Economic Development, and Tourism to administer the program. This measure also establishes a reserve fund which allows a lending bank to make loans with a slightly higher risk than under the bank's conventional underwriting standards. The bank and the borrower pay an up-front insurance premium which goes into the reserve fund held at the originating bank. The State matches the combined bank and borrower contribution with a deposit into the same reserve fund.

The bill limits to \$100,000 the State's contribution to a participating financial institution's reserve account for any single loan recipient during a three-year period. The maximum amount the Department of Business, Economic Development, and Tourism may deposit into a reserve account for each capital access loan is the lesser of \$35,000 or eight per cent of the loan (if in an enterprise zone) or if the borrower is a small or medium-sized business or nonprofit operating a child care facility or adult residential care home. The State is not liable to any participating financial institution for payment of principal, interest, or late charges on a capital access loan. A participating financial institution is required to report annually to the Department of Business, Economic Development, and Tourism, which is required to report annually to the Legislature.

Your Committee finds that this bill will encourage lending to small businesses and nonprofits.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2419, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2536 Ways and Means on S.B. No. 2561

The purpose of this bill is to make resources available for the Insurance Commissioner to promote Hawaii as a domicile for captive insurance companies.

The bill accomplishes this by requiring the Insurance Commissioner to transfer a total of ten per cent of moneys credited to the captive insurance administrative fund in the prior fiscal year to the insurance regulation fund.

Your Committee finds that promotional activities are necessary to strengthen Hawaii's role as a leader in the captive insurance industry. However, your Committee also finds that it is desirable to grant the commissioner some flexibility in determining the proper amount of funding for promotional purposes in any given year.

Accordingly, your Committee has amended this measure to require a transfer of up to ten per cent of the moneys credited to the captive insurance administrative fund in the prior fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2561, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2561, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2537 Ways and Means on S.B. No. 2808

The purpose of this bill is to authorize the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (the Consumer Advocate) to retain its own legal counsel and to appropriate funds for two staff attorney positions.

Your Committee finds that the Division of Consumer Advocacy is required to represent, protect, and advance the interests of all consumers of utility services, which often includes participating as a party in proceedings before the Public Utilities Commission. Because utility regulation cases involve complex engineering, accounting, financial, and statistical issues, the proceedings may not be resolved for a number of years.

Because of the high turnover rate of deputy attorney generals assigned to represent the Division of Consumer Advocacy, your Committee finds that consumers would benefit by allowing the Department of Commerce and Consumer Affairs to retain its own legal counsel, skilled in regulatory issues.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2808 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2538 Ways and Means on S.B. No. 2074

The purpose of this bill is to establish a task force to develop and recommend a plan to increase gender appropriate programming in the criminal justice system.

Your Committee finds that, although the rate of incarcerated females has increased dramatically, the range and quality of programming offered to female offenders has not kept pace with the female inmate population. Your Committee further finds that the majority of community placement options, transitional housing programs, and job lines and training opportunities are male inmate oriented. Your Committee believes that a task force is necessary to review present programs available to female offenders, identify inadequacies with the current system, and develop a plan to increase interagency cooperation to address the unique needs of female offenders and provide more gender-responsive services and programs.

Your Committee has amended the bill by:

- (1) Specifying that the task force members in paragraphs (3) and (4) of section 2 are to be appointed by the Director of Public Safety;
- (2) Changing the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter; and
- (3) Clarifying that the purpose of the appropriation in section 3 is to provide support for the task force.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2074, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2074, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2539 Ways and Means on S.B. No. 2144

The purpose of this bill is to make the administration of campaign finance laws more efficient.

Specifically this bill:

- (1) Increases, from five to ten days, the deadline for filing an organization report after filing for office;
- (2) Clarifies that a candidate's committee shall include in the organizational report, in addition to the name and address of the candidate, the candidate's web page and email address, if any;
- (3) Provides that after the death of a candidate, residual contributions escheat to the Hawaii election campaign fund; and

- (4) Makes clearer the reduced amounts of public funds available to a candidate.

Your Committee finds that public confidence in elected public officials and the election process diminishes as the intent of campaign spending laws is regularly evaded. Therefore, any amending laws, such as this measure, that clarify or tighten the language for campaign spending reports help both the candidates and the entire election process.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2144, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2540 Ways and Means on S.B. No. 2220

The purpose of this bill is to allow the Director of Public Safety, with the approval of the Governor, to enter into an agreement with the mayor of a county to use inmate labor from a community correctional center to remove nuisance seaweed from the shoreline and nearshore waters of the State.

Your Committee finds that nuisance seaweed makes the beaches unsanitary and smelly, and unsightly to beach users, both residents and tourists alike. The use of inmate labor for different functions has been used in the past and provides the inmates with an opportunity to learn new skills and productively use their time while providing a county with labor at lower cost.

Your Committee has amended this bill by adding the prefatory language "Notwithstanding any other provision of law to the contrary," to the first sentence in section 2. This is intended to prevent confusion with the provision in section 354D-12(a), Hawaii Revised Statutes, which authorizes the administrator of the correctional industries program to contract with "any labor organization, private profit or nonprofit organization, or federal or state agency" to train or employ inmates.

Technical nonsubstantive amendments have also been made to the bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2220, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2220, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2541 Ways and Means on S.B. No. 2353

The purpose of this bill is to make the Office of Information Practices a permanent agency in the Ombudsman's office.

Your Committee finds that finding a permanent home for the Office of Information Practices is an important role for the Legislature at this time when public confidence in open government and access to public records can be eroded in much the same manner as the public's interest in the election process. Records of all kinds are collected and maintained by government offices in pursuit of legal and official history. The Office of Information Practices has been instrumental in assuring access to records as well as protecting the privacy of individuals in certain records under certain conditions. These protections should be continued and can only be assured if the Office of Information Practices continues as a public entity. As a legislative service agency, the Ombudsman's office is a comfortable fit for the functions of the Office of Information Practices.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2353, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2542 Ways and Means on S.B. No. 2432

The purpose of this bill is to appropriate \$71,018 for the development, implementation, and maintenance of a sentencing simulation model to forecast prison populations and ensure the efficient allocation of existing and proposed resources, including alternatives to incarceration, for all convicts.

Your Committee finds that the felon population of the Hawaii prison system rose from 300 in 1975 to 1,000 in 1983 due to longer sentences and the greater use of incarceration. Prison capacity, which more than doubled between 1974 and 1984, could not keep pace with a prison population that increased six-fold in the same period. The development, implementation, and maintenance of a sentencing simulation model would have made it possible to assess the impact of proposed sentencing policies on correctional system and community resources at the time, thereby averting the unintentional overcrowding of the Hawaii prison system. In light of the fact that Hawaii's combined jail and prison population grew from 2,284 on June 30, 1989, to 4,729 on June 30, 1999, in the midst of concerns over prison overcrowding, a sentencing simulation model is apparently still needed.

Your Committee has amended this bill by:

- (1) Changing the sum appropriated for the development, implementation, and maintenance of the sentencing simulation model to an unspecified amount; and
- (2) Requiring that state moneys be matched by federal moneys from the Edward Byrne Memorial State and Local Law Enforcement Assistance Formula Grant Program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2432, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2432, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2543 Ways and Means on S.B. No. 2484

The purpose of this bill is to clarify the functions of the Medicaid fraud unit of the Office of the Attorney General to allow it to enforce Medicaid fraud and other federal health programs.

Specifically, this bill enables the fraud unit to conduct an elder abuse neglect and prevention program to increase public awareness, train law enforcement agencies, and facilitate cooperation throughout the State. The bill also allows the Medicaid investigations recovery fund to provide funding for the abuse and neglect prevention program, provided that no special funds are to be used if that use would jeopardize federal funding or the operation of the Medicaid fraud unit.

Your Committee finds that the federal government is presently encouraging state agencies working on Medicaid fraud prevention to also address elder abuse and its prevention. It is your Committee's intent to give the Medicaid fraud unit the authorization and funding needed to fight elder abuse, without jeopardizing the unit's ability to continue to seek federal funds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2484, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2544 Ways and Means on S.B. No. 2685

The purpose of this bill is to amend the Uniform Trustees' Powers Act and Uniform Probate Code with regard to trusts and estates.

In particular, this bill:

- (1) Authorizes trustees to divide a single trust into two or more separate trusts for administration or tax purposes;
- (2) Applies the anti-lapse provisions presently applicable to wills to revocable living trusts providing for distribution upon the settlor's death;
- (3) Includes trusts in a provision making anti-contest provisions unenforceable where the contest was reasonable;
- (4) Changes the procedures for disposition of unclaimed assets;
- (5) Provides for apportionment of expenses connected with estate taxes; and
- (6) Raises the financial ceiling for small estates from \$60,000 to \$100,000.

Your Committee agrees with the intent of this bill, which is intended to make the probate process more efficient and accessible to persons with small estates, and which amends probate law as proposed and supported by practitioners in that area of law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2685 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2545 Ways and Means on S.B. No. 2691

The purpose of this bill is to waive filing fees when victims of crime seek civil enforcement of restitution.

Your Committee finds that this measure is needed to remove unintended barriers toward a crime victim's recovery of restitution.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2691 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2546 Ways and Means on S.B. No. 2751

The purpose of this bill is to appropriate funds from the general revenues of the State and from the state highway fund to satisfy claims for legislative relief, judgments against the State, settlements, and miscellaneous claims.

This bill, in its present form, contains twenty-five claims totalling \$1,732,807.05 from the general fund, and two claims totalling \$1,819,751.10 from the state highway fund.

Your Committee received testimony in support of this bill from the Department of the Attorney General.

Your Committee has amended this bill to incorporate changes suggested by the Attorney General. These changes are:

- (1) The addition of a settlement in the case of Brandon v. State of Hawaii, Civil No. 96-0865-03, First Circuit, in the amount of \$25,000; and
- (2) The reduction of interest in the case of Taylor-Rice v. Leigh, et al., Civil No. 94-0173, Fifth Circuit, from \$152,538 to \$66,422.10; and the resultant reduction of the judgment from \$1,744,751.10 to \$1,658,635.20.

In its amended form, this bill contains twenty-six claims totalling \$1,757,807.05 from the general fund, and two claims totalling \$1,733,635.20 from the state highway fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2751, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2751, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun, D. Ige, Iwase, Nakata, Anderson).

SCRep. 2547 Ways and Means on S.B. No. 2764

The purpose of this bill is to require tobacco product manufacturers who sell cigarettes in the State and who are not signatories to the master settlement agreement to inform the state Attorney General of the volume of cigarettes it has shipped into the State.

Your Committee finds that tobacco product manufacturers who are not signatories must make escrow fund deposits based on the number of cigarettes sold in the State. Your Committee further finds that knowledge of the volume of cigarettes shipped into the State will allow the Attorney General to verify the correct amounts required for deposit into escrow.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2764, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2548 Ways and Means on S.B. No. 2993

The purpose of this bill is to create an Environmental Health Consumer Advocate and an Environmental Health Consumer Advocacy Division within the Department of Commerce and Consumer Affairs to provide information and assistance to, and represent, protect, and advance the interests of, consumers on environmental health matters.

In addition, this bill:

- (1) Funds the operating and personnel costs of the Environmental Health Consumer Advocate and the Environmental Health Consumer Advocacy Division out of the environmental response revolving fund;
- (2) Establishes an environmental protection hotline in the Department of Health to receive confidential reports and inquiries from the public about events that may adversely affect the State's environmental quality or ecology, as these events are taking place;
- (3) Requires the Department of Health to conduct studies, research, and tests when legal levels of toxins capable of causing an environmentally-related injury or illness are exceeded;

- (4) Requires every builder of a new housing development of ten or more residential homes built on former agricultural lands, prior to receiving zoning or other permitting approval, to test the housing development site's soil, including soil transported onto the site;
- (5) Requires moneys in the environmental response revolving fund, up to an unspecified limit, to be used for direct support of the Environmental Health Consumer Advocate and the Environmental Health Consumer Advocacy Division;
- (6) Requires the Director of Health to conduct studies, research, and tests in communities with water quality levels below the standards required by the safe drinking water law;
- (7) Requires the Department of Health to:
 - (A) Conduct a review to identify communities with a water supply that is poorer in quality than the average for the State;
 - (B) Develop and implement, and make reports to the Legislature concerning, recommendations to improve the quality of water in these communities;
- (8) Requires the Department of Health to convene a Campbell Industrial Park task force to:
 - (A) Study the number and severity of unplanned releases of toxic emissions and spills over the past ten years; and
 - (B) Make recommendations to the Legislature for stricter ambient air quality standards, an improved notification process in the event of an unplanned release of toxic emissions and spills, and statutory and regulatory changes; and
- (9) Appropriates \$100,000 out of the environmental response revolving fund to conduct the Campbell Industrial Park task force study.

Your Committee has amended this bill by:

- (1) Sunsetting the Campbell Industrial Park task force on June 30, 2002;
- (2) Changing the sum appropriated to conduct the Campbell Industrial Park task force study to an unspecified amount; and
- (3) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2993, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2993, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2549

Ways and Means on S.B. No. 2779

The purpose of this measure is to expand the types of businesses participating in the state enterprise zones program and to make nonsubstantive amendments clarifying the administrative procedures.

A state enterprise zone, selected by the counties and approved by the governor, offers state and county tax credits and exemptions and other incentives to certain types of businesses to increase their hiring. The purpose of such incentives is to stimulate business and industrial growth resulting in neighborhood revitalization. In pursuit of this purpose, this measure includes those businesses engaged in genetically-engineered medical, agricultural, or maritime biotechnology products under "qualified business", those businesses servicing assisted technology equipment under "service business", and call centers under "telecommunication services". This measure also requires a business firm to resubmit an application on an annual basis to continue its designation as a qualified business. Your Committee is in agreement that reconciling the enterprise zone laws with up-and-coming industries benefits the State's economy overall.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2779, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2550

Ways and Means on S.B. No. 2342

The purpose of this bill is to authorize the issuance of \$8,000,000 in special purpose revenue bonds to assist the Hawaii Taro Company in planning and building a processing plant.

Your Committee finds that the Hawaii Taro Company operation on the island of Maui currently produces taro burgers which are sold to restaurants and stores in Hawaii. They are also negotiating with local institutions and fast food franchises to carry their products in Hawaii and on the mainland. With a larger processing facility, Hawaii Taro Company will be able to increase its volume of production and create new jobs both in the processing of taro products and the growing of taro for production of value added food products.

Upon further consideration, your Committee has amended this bill to require the Department of Budget and Finance to process applications for special purpose revenue bonds under this bill in accordance with the requirements of its "Formal Application for Financing of an Industrial Enterprise" as it existed on October 22, 1987. The Department is required to report to the Legislature twenty days before the convening of the regular sessions of 2001 and 2002 regarding any progress made with respect to the issuance of the special purpose revenue bonds authorized by this bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2342, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2342, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Nakata, Taniguchi, Anderson).

SCRep. 2551 Ways and Means on S.B. No. 2409

The purpose of this measure is to exempt certain activities of call centers from taxation.

Testimony in support of this measure was received from the Governor's Office, Chamber of Commerce of Hawaii, and the High Technology Development Corporation.

Your Committee finds that today's technically advanced products and services require highly trained customer support personnel. Call centers, which use sophisticated call routing and wideband high speed data lines, provide these support services with computer-aided design and other engineering technologies. Call center operations offer an excellent opportunity for Hawaii in the ever expanding customer service market, while Hawaii provides a central location for companies doing business in the United States and Pacific Rim countries.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2409, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2552 Ways and Means on S.B. No. 2473

The purpose of this bill is to make certain modifications to the Small Business Defender program.

Specifically, this bill gives the Small Business Defender the discretion to accept or refuse cases, limits the liability of Small Business Defender, and appropriates funds for the Small Business Defender and other support personnel.

Your Committee finds that the legislation establishing the Small Business Defender, namely the Hawaii Small Business Regulatory Flexibility Act, Act 168, Session Laws of Hawaii 1998, has been nationally recognized as model legislation. Strong supporters of the Act, the small business community in Hawaii have urged funding for the Small Business Defender position so the program will be able to assist Hawaii small businesses and encourage economic development.

Your Committee has amended this measure to:

- (1) Clarify that the liability of the Small Business Defender, any staff, and the State and counties shall be as provided in the State Tort Liability Act; and
- (2) Change the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2473, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2473, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2553 Ways and Means on S.B. No. 2482

The purposes of this measure are to:

- (1) Allow biotechnology companies to sell their unused net operating loss carryover and unused tax credits to other qualified biotechnology companies; and
- (2) Extend the capital loss carryforward to fifteen years for biotechnology companies.

Your Committee finds that this measure would encourage the biotechnology industry in Hawaii, and is in line with recommendations from the industry, which are outlined in a December, 1999, report entitled "Biotechnology in Hawaii: A Blueprint for Growth."

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2482, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2554 Ways and Means on S.B. No. 2530

The purpose of this bill is to authorize the issuance of \$10,000,000 in special purpose revenue bonds to assist agriculture-related enterprises relating to cacao processing.

In particular, the bonds are to assist Hawaii Gold Cacao Tree, Inc., to finance the establishment of facilities in the county of Hawaii to process cacao beans and to manufacture and produce cacao and chocolate products.

Your Committee finds that this bill will assist diversified agriculture in the State on lands that were formerly devoted to the growing of sugar cane, which is now available for the commercial growing of a number of crops, including cacao seedlings, cacao trees, and their cacao bean crop. Your Committee finds that the establishment of new facilities to process cacao beans and produce cacao and chocolate products as provided in this bill will create a number of new jobs to support the development of cacao nursery and farming operations, as well as the marketing and sales of cacao and chocolate locally and for export.

Upon further consideration, your Committee has amended this bill by adding a new section requiring the Department of Budget and Finance to process applications for special purpose revenue bonds in accordance with the requirements of its "Formal Application for Financing of an Industrial Enterprise" as it existed on October 22, 1987. In addition, the Department is to report to the Legislature before the convening of the Regular Sessions of 2001 and 2002 regarding any progress made with respect to the issuance of special purpose revenue bonds authorized by the bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2530, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2530, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 6 (Chun, D. Ige, Nakata, Tam, Taniguchi, Anderson).

SCRep. 2555 Ways and Means on S.B. No. 2549

The purpose of this measure is to repeal the sunset date for solar energy systems tax credits.

Your Committee finds that repealing the sunset date for all energy system tax credits, wind, solar, heat pumps, and ice storage systems will promote the State's policy to decrease our use of imported fossil energy and increase the use of indigenous resources. These tax credits are an investment for the State, and leverage private investment that helps to sustain existing jobs and support Hawaii businesses.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2549, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2556 Ways and Means on S.B. No. 2745

The purpose of this bill is to provide further support for the aquaculture program.

Specifically, this bill:

- (1) Allows the Department of Agriculture to establish and assess fees for aquatic animal and plant health diagnostic services and other expert services related to aquaculture;
- (2) Establishes the aquaculture development special fund to be used for aquatic disease management programs, including state match of federal funds, and for research and development; and

- (3) Appropriates \$30,000 out of the fund for fiscal year 2000-2001 for the purposes of the fund.

Your Committee finds that aquaculture is maturing as an alternate economic industry for Hawaii. This means that greater reliance will be placed on scientific analysis of diseases or other problems that develop in the industry. Research and development will be of ever-increasing importance as Hawaii competes with other world sources of aquaculture products. Therefore, the creation of the aquaculture development special fund will be invaluable to help promote and improve the State's aquaculture industry. By allowing the Department of Agriculture to assess fees for diagnostic services related to aquaculture, the fund can be increased over time, with less reliance on legislative appropriations.

Your Committee has amended this bill by changing the appropriation to a blank amount for discussion purposes and made technical, nonsubstantive amendments in accordance with proper drafting style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2745, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2745, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SRep. 2557 (Majority) Ways and Means on S.B. No. 2005

The purpose of this bill is to permit the Department of Land and Natural Resources to enter into new long term leases with the existing lessees on Banyan Drive in Hilo, Hawaii.

Banyan Drive faces a unique and critical situation. It is an integrated resort area built on lands leased from the State. The State thus controls a significant portion, approximately eighty percent, of the hotel space in East Hawaii. The majority of the leases are approaching the end of their term in 2015. There are few incentives for the lessees to make the necessary improvements to their property without some type of guarantee that their leases will be renewed. If the properties are allowed to slide into disrepair and the infrastructure deteriorate, East Hawaii will not be able to take advantage of the visitor market when the visitor market rebounds, and the value of the parcels and thus the State's lease rents will decline.

Your Committee finds that making an exception to the state policy of offering the leases to the highest bidder at public auction is necessary to the future of Banyan Drive and the economy of East Hawaii. This exception would allow the State to issue new leases directly to the existing tenants and would apply to fifteen leases, ten leases covering three resort facilities, three leases of apartment/condominium facilities, one golf course lease, and one restaurant lease. Your Committee further finds that this bill contains sufficient protection to allow the State to receive a higher lease rent if there are other entities seriously interested in bidding on the leases.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2005 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, 1 (M. Ige). Excused, 3 (Chun, D. Ige, Anderson).

SRep. 2558 Ways and Means on S.B. No. 2109

The purpose of this bill is to authorize the Department of Hawaiian Home Lands to retain its own legal counsel.

Your Committee finds that there may be occasion when the Department's legal issues may contain questions with possible conflicts of interest if handled by the Department of the Attorney General. The problems may be compounded in the wake of the Rice decision by the U.S. Supreme Court. In order to clearly avoid these problems in an ethical manner, your Committee finds that a statutory provision is the best solution and will avoid future arguments about authorization for the Department to hire its own attorneys.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2109, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SRep. 2559 Ways and Means on S.B. No. 2118

The purpose of this bill is to provide for the more efficient protection of culturally significant Hawaiian burial sites and heiau in Hawaii.

Your Committee finds that heiau and other burial sites should be protected from desecration and alteration wherever they are found, on private, or public lands. The protection of Hawaii's unique culturally sensitive sites is a relatively recent phenomenon and

no one really knows how many sites were destroyed between 1878 and into the decade of the 1970s. Your Committee finds that sanctions for violations of this law are a reasonable way to protect the sites that are still intact and identifiable.

Your Committee has amended this measure by deleting section 3 which gives the Department of Land and Natural Resources the duty to provide administrative support to the burial sites program and the councils.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2118, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2118, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2560 Ways and Means on S.B. No. 2843

The purpose of this bill is to provide for the more effective administration and disposal of Hawaiian home lands.

Your Committee finds that this measure will help native Hawaiians by clarifying what can be leased on Hawaiian home lands, namely improvements, such as structures, and allowing an open bid instead of a sealed bid process. The flexibility and the transparency of affordable lease rates through the open bid process will widen the opportunity for native Hawaiians to take advantage of the Hawaiian home lands system and its objectives.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2843 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2561 Ways and Means on S.B. No. 2093

The purpose of this bill is to provide certain benefits to Filipino veterans of World War II who served in the armed forces of the United States.

Specifically, this bill requires the Office of Veterans' Services to pay the costs of providing funeral and burial services for a deceased World War II Filipino veteran; and of transporting the remains of the veteran to the Philippines, upon the submission of an invoice for services performed.

This bill also appropriates \$100,000 to the Department of Defense, Office of Veterans' Services for these burial grants.

Your Committee finds that a World War II Filipino veteran who dies after June 30, 1994, and who is, at the time of the veteran's death, a United States citizen and a resident of the State of Hawaii, is entitled to receive a burial grant from the Office of Veterans' Services to pay for the cost of:

- (1) Providing funeral and burial services for the deceased veteran; and
- (2) Transporting the remains of the deceased veteran to the Philippines.

In order to qualify for this burial grant, however, the Filipino veteran's survivor or an interested party must produce an itemized paid invoice showing the specific services rendered on behalf of the deceased veteran. Because of the tremendous upfront costs associated with funeral and burial services, and transportation to the Philippines, some World War II Filipino veterans, including the families and friends of these veterans, cannot afford to pay for these activities in advance. Consequently, some World War II Filipino veterans will not be able to qualify for these burial grants from the Office of Veterans' Services on account of their being too "poor".

This bill provides an alternative to the procedures currently specified in the rules of the Office of Veterans' Services which apply in situations where a deceased Filipino veteran's survivor or an interested party has already made payment for services rendered on behalf of the deceased veteran, or in situations where the deceased veteran may have purchased a pre-paid funeral and burial plan.

Your Committee has amended this bill by:

- (1) Changing the definition of "World War II Filipino veteran" by:
 - (A) Deleting the provision requiring the veteran be a citizen of the United States;
 - (B) Adding a provision requiring the veteran to have been born in the Philippines and to have resided in the Philippines prior to military service;
 - (C) Specifying that the "armed services of the United States" mean the United States Armed Forces in the Far East (USAFFE), the Philippine Army, the Philippine Scouts, and recognized guerilla units;

in order to make the definition of "World War II Filipino veteran" in this bill consistent with the definition of "veteran" in section 201G-41, Hawaii Revised Statutes, as the latter definition pertains to World War II Filipino veterans;

- (2) Changing the sum appropriated to the Department of Defense, Office of Veterans' Services from \$100,000 to an unspecified amount;
- (3) Conforming the purpose section to the statutory provisions; and
- (4) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2093, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2093, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2562 Ways and Means on S.B. No. 2299

The purpose of this bill is to exclude Piers 1 and 2 at Fort Armstrong from the Kakaako Community Development District.

Your Committee finds that it is important to preserve the maritime cargo facilities of Piers 1 and 2 because these facilities would be both expensive to replace and difficult to relocate. These objectives can be achieved by changing the boundaries of the Kakaako community development district to exclude Piers 1 and 2 at Fort Armstrong, thereby transferring jurisdiction over Piers 1 and 2 from the Hawaii Community Development Authority to the Department of Transportation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2299, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2563 (Majority) Ways and Means on S.B. No. 2300

The purpose of this bill is to provide specific authorization to use cost containment contracts in the operation of state harbors.

Specifically, this bill allows the Departments of Transportation and Land and Natural Resources to enter into cost-containment contracts with private developers for public improvements that cost up to \$2,000,000 without legislative approval and up to \$5,000,000 with legislative approval.

Your Committee agrees with the intent of this bill, and finds that private development of harbor facilities on state lands should be encouraged to save taxpayers the burden of funding costly construction or improvements. Your Committee finds that this bill will assist in attracting the private capital that is necessary for infrastructure improvements to the State's harbors.

Upon further consideration, your Committee has amended this bill by deleting the provision that allows a cost-containment contract to be financed by legislative appropriation to reimburse the private party.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2300, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2300, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, 1 (Tam). Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2564 Ways and Means on S.B. No. 3104

The purpose of this bill is to rechannel traffic violation revenues from the State to the counties.

Your Committee finds that while traffic enforcement and adjudication requires a cooperative effort between the State and the counties, all revenues derived from traffic violations are deposited with the State. Your Committee finds that depositing those revenues instead with the counties carries out a more equitable distribution of those revenues.

Your Committee has amended this measure by changing the effective date to July 1, 2010 in order to encourage further discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3104, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3104, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2565 Ways and Means on S.B. No. 2571

The purpose of this bill is to give each school maximum flexibility in the execution of its budget by mandating "school-by-school budgeting" for the Department of Education.

Specifically, this bill:

- (1) Defines "school-by-school budgeting" to mean a process in which the Department of Education prepares a separate allocation for each school, and each school is given maximum flexibility in the execution of its budget;
- (2) Amends the definition of "school-based budget flexibility" by repealing the element that provides flexibility to individual schools, complexes, and learning support centers in the preparation (as opposed to the execution) of their operating budgets;
- (3) Requires the Department of Education to prepare and report to the individual schools and the Legislature, a budget for each school based on the budget submitted to the Legislature by the Governor, beginning with budget preparation for fiscal biennium 2001-2003;
- (4) Requires the Department of Education to submit the proposed school-by-school budget to the individual schools and the Legislature by the opening day of each legislative session;
- (5) Specifies the minimum content of the Department of Education's annual school-by-school budgeting report, beginning with the Regular Session of 2001;
- (6) Requires each school to submit expenditure reports to the Department of Education for the previous fiscal year, prior to the beginning of each school year;
- (7) Requires the Department of Education to collect these expenditure reports and to submit them to the Legislature within thirty days after the beginning of the school year; and
- (8) Requires each school to be given maximum flexibility over the funds designated to the school, to the extent allowed for each type of funding.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2571, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun, Nakata, Tam, Taniguchi, Anderson).

SCRep. 2566 Ways and Means on S.B. No. 2961

The purpose of this bill is to appropriate general funds to satisfy claims against the University of Hawaii.

Your Committee finds there is sufficient justification for the payment of the settlements and miscellaneous claims submitted to the Legislature for relief.

Your Committee has amended this measure by specifying that it is the general fund into which unexpended and unencumbered balances lapse.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2961, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2961, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun, D. Ige, M. Ige, Iwase, Nakata).

SCRep. 2567 Ways and Means on S.B. No. 2509

The purpose of this bill is to require government contractors to pay their employees the standard industry hourly rate and the costs of applicable fringe benefits.

Your Committee finds that this measure is necessary to discourage contractors from winning public contracts by underbidding their competitors and subsequently paying their employees substandard wages.

Your Committee has amended this measure by changing the effective date to July 1, 2010. Amending the bill in this manner will serve to promote continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2509, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2509, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2568**Ways and Means on S.B. No. 3160**

The purpose of this bill is to set forth sales and marketing requirements that give priority to the sale of residential condominium apartments to owner occupants, without hampering a developer's need to maintain flexibility in an ever-changing market. Among other things, this bill reduces the time period during which at least fifty per cent of the apartments being sold must be offered only to owner-occupants to thirty days. The bill also allows a thirty day extension to the owner-occupants between the date of the announcement of sale and the signing of the agreement of sale to provide for any delays in obtaining financing.

Your Committee finds that owner occupants continue to benefit from some kind of presale notice and offer in new developments. However, the real estate market today is not the same as it was a decade ago. Therefore, the amendments presented in this bill still provide consumers benefits for home ownership, but will allow the developer some flexibility in offering new condominium units to first-time owner-occupant buyers.

Your Committee has made a technical nonsubstantive amendment to this bill at page 15, line 20 to ensure that the text of that statutory provision is identical to the printed version of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3160, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3160, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2569**Ways and Means on S.B. No. 2412**

The purpose of this bill is to require the Auditor, on a cyclical basis, to conduct managerial accountability audits of all executive departments, the Judiciary, and their appropriate organizational units.

Specifically, this bill:

- (1) Requires the Auditor to identify the managerial levels or positions responsible for the performance of the entity under audit, the adequacy of performance, and any inefficient or ineffective practices that contribute to unacceptable performance;
- (2) Allows the Auditor to use the performance standards of the auditee or any other standards appropriate to the entity and the managerial level under audit; and
- (3) Allows the Auditor to integrate the audits into other audits, or conduct the audits as stand-alone audits.

In addition, this bill allows audit topics to be requested by the Legislature or selected by the Auditor. Following the issuance of each managerial accountability audit report, the auditee would be required to report to the Auditor on the progress in making corrections or improving operations.

Your Committee finds that management audits of entire departments or whole programs may not result in the necessary corrections being made or the noticeable improvement of day-to-day operations if individual program managers do not take these audits to heart. Accountability means, in part, putting a name and a face to the adequacy of performance, and any inefficient or ineffective practices that contribute to unacceptable performance.

Your Committee has amended this bill by requiring the Auditor to conduct these cyclical managerial accountability audits within available resources.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2412, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2412, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Iwase, Kawamoto, Nakata, Taniguchi, Anderson).

SCRep. 2570 Commerce and Consumer Protection on S.B. No. 2717

The purpose of this measure is to continue the licensing of social workers in this State and to streamline the licensing process by authorizing licensure by endorsement.

Testimony on the measure was submitted by the Department of Commerce and Consumer Affairs, Department of Health, Department of Human Services, National Association of Social Workers, Child and Family Service, Tripler Army Medical Center, Sex Abuse Treatment Center, Healthcare Association of Hawaii, Sestak Rehabilitation Services, Entrepreneurial Solutions LLC, Hawaii Nurses' Association, Catholic Charities, and numerous individuals.

Currently, the law provides for the repeal of social worker licensure at the end of this year. If the law is allowed to expire, Hawaii would be the only state in the nation that does not license social workers. Further, the State and private agencies would be unable to utilize social workers to provide needed child, adolescent, and adult mental health services because licensure is a requirement for Medicaid and private insurance reimbursement.

This measure repeals the sunset of the social worker licensing law, thereby assuring that Hawaii will continue to maintain standards for individuals representing themselves as social workers. The measure also authorizes licensure by endorsement for applicants who have been licensed in states with requirements that are, at the minimum, equivalent to Hawaii's requirements, an amendment consistent with the Auditor's 1999 recommendation to the legislature.

Finally, this measure alters the examination requirement for licensure in two ways. First, it requires passage of the Association of Social Work Boards (ASWB) examination only of persons applying for licensure after July 1, 2000. Currently, all applicants, not seeking recognition of Academy of Certified Social Workers (ACSW) examination results, must have passed the ASWB examination. Secondly, it extends the period up to which applicants may pass the ACSW examination for recognition purposes from June 30, 1995, to June 30, 2000. Your Committee finds that relaxing the examination requirements does not enhance the State's standards for licensure. Therefore, your Committee has amended this measure by:

- (1) Deleting the July 2, 2000, effective date for the ASWB exam requirement;
- (2) Not extending the date by which an applicant may pass the ACSW examination for recognition purposes, and establishing a drop-dead date of June 30, 2000, for the filing of applications coming in under the recognition provision; and
- (3) Making technical nonsubstantive amendments for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2717, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2717, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2571 Commerce and Consumer Protection on S.B. No. 2804

The purpose of this measure is to require the Board of Nursing to grant recognition as an advanced practice registered nurse (APRN) or similar designation in all other states in which the nurse has a current and active recognition as an APRN.

Your Committee received testimony from the Board of Nursing, Hawaii Nurses' Association, and HGEA-AFSCME.

This measure also allows a registered nurse who is not recognized as an APRN and who is currently certified by a national certifying body to use another title designated by the certification.

According to testimony of the Board of Nursing, this measure will provide greater consumer safety. Your Committee believes that this measure will streamline the administrative process of applying for and granting recognition of an APRN who has a similar designation in another state.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2804 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 2572 Commerce and Consumer Protection on S.B. No. 2805

The purpose of this measure is expand the powers and duties of the Board of Nursing (Board).

Your Committee received testimony from the Board, HGEA-AFSCME, and Hawaii Nurses' Association.

This measure allows the Board to, among other clarifying provisions:

- (1) Adopt rules for the scope of nursing practice and delegation of nursing tasks based on standards set forth by national certifying bodies recognized by the Board;
- (2) Prescribe standards for preparing persons for licensure of practical nurses and registered nurses and for recognition of advanced practice registered nurses;
- (3) Deny or withdraw approval of educational programs for failure to maintain prescribed standards;
- (4) Conduct hearings upon request of a denied applicant;
- (5) Provide programs on nursing education and practice;
- (6) Communicate with national organizations to promote the improvement of the legal standards of nursing practice;
- (7) Employ or contract with any board-approved organization in the preparation and grading of an appropriate national uniform examination; and
- (8) Adopt rules relating to the practice of nursing telehealth.

Your Committee finds that all of the provisions of this measure serve to further protect the public health, safety, and welfare, and facilitate and enhance the professionalism of the nursing profession.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2805 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 2573 Commerce and Consumer Protection on S.B. No. 2826

The purpose of this measure is to clarify the exemption from psychologist licensure for persons of another profession licensed in Hawaii who advertise their services.

Testimony was received from the Board of Psychology and Hawaii Nurses' Association.

This measure recognizes that members of other licensed professions, with the appropriate education, training, and experience, may be able and should be allowed to perform psychological services, specifically "psychotherapy". Licensees of other professions are allowed by their licensure to perform psychological services. The intent of this measure is not to exclude qualified members from other licensed professions from performing "psychotherapy".

Your Committee has amended this measure by:

- (1) Making a clarifying change to improve understanding of the text;
- (2) Adding "including psychotherapy" to the services permitted to be rendered or advertised; and
- (3) Making technical, nonsubstantive changes for proper statutory drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2826, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2826, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2574 Commerce and Consumer Protection on S.B. No. 2827

The purpose of this measure is to require the use of the National Board of Chiropractic Examiners (NBCE) examinations in place of the current Chiropractic Licensure Examination.

Testimony was received from the Board of Chiropractic Examiners (Board), Hawaii Chapter American Physical Therapy Association, and Hawaii State Chiropractic Association.

This measure also requires applications, examination administration, and candidate qualifications to be in accordance with the requirements and policies of the NBCE.

Your Committee finds that this measure would streamline, improve, and update the administration of chiropractic licensure in Hawaii.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2827 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2575 Commerce and Consumer Protection on S.B. No. 2829

The purpose of this measure is to reduce the waste and costs associated with the disposal of unused prescription drugs.

Testimony on the measure was submitted by the Department of Commerce and Consumer Affairs, Department of Health, Department of Human Services, Hawaii Long Term Care Association, and Hawaii Pharmacists Association.

Currently, long-term care facilities and supervised living groups either dispose of unused portions of prescription drugs that are no longer needed by its residents, or return the drugs to a pharmacy for disposal. Your Committee finds that this practice is wasteful and costly, especially in view of the increasing costs to the State for drugs provided under the Medicaid program. In the last quarter of 1999 alone, the Department of Human Services spent more than \$1,200,000 for drugs administered in long-term care facilities.

This measure would stem the waste caused by the disposal of unused drugs by allowing long-term care facilities and supervised living groups to return unused, unopened drugs to the dispensing pharmacy so that the drugs may be redispensed and redistributed. Conditions for the return of unused drugs are established in the measure to protect the public health and safety.

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

- (1) Allowing all institutional facilities, and not just long-term care facilities, to return drugs for redistribution;
- (2) Requiring that drugs being returned are not designated as controlled substances under chapter 329, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive changes for purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2829, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2829, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2576 Commerce and Consumer Protection on S.B. No. 3041

The purpose of this measure is to facilitate the provision and administration of pharmaceutical agents to consumers by optometrists.

Testimony on this measure was submitted by the Board of Examiners in Optometry, Hawaii Optometric Association, Hawaii Ophthalmological Society, Hawaii Medical Association, Hawaii Psychiatric Medical Association, Mid Pacific Eyecare, Eyes Plus, Pacific Vision Center, Windward Eyecare, Aina Haina Eye Center, and numerous individuals.

In 1996, the legislature granted optometrists the authority to treat certain eye conditions with topical therapeutic pharmaceutical agents (TPAs). Act 292, Session Laws of Hawaii 1996, also established a joint formulary committee composed of optometrists, pharmacists, and ophthalmologists, to recommend a formulary for adoption by the Board of Optometry. The new law went into effect on July 1, 1999.

This measure would repeal the joint formulary committee and allow optometrists to use and prescribe TPAs in any approved form. Your Committee finds that the new law has only recently gone into effect and, therefore, the expansion of optometrists' scope of practice and repeal of the joint formulary committee is premature.

Upon careful consideration, your Committee has amended this measure by adding an additional optometrist member to the joint formulary committee and deleting all other changes to chapter 459, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3041, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2577 Commerce and Consumer Protection on S.B. No. 3129

The purpose of this measure is to extend the sunset date for the exemption from medical licensure for Hawaiian healing practices until July 1, 2002.

Your Committee received testimony from the Office of Hawaiian Affairs, Native Hawaiian Traditional Healing Center, Hawaiian Lomilomi Lapaau Arts & Culture Association, Papa Ola Lokahi, and a private individual.

This measure extends the repeal date of Act 162, Session Laws of Hawaii 1998, that exempts from medical licensure traditional Hawaiian healing practices by traditional native Hawaiian healers, from July 1, 2000, to July 1, 2002. Act 162 also required Papa Ola Lokahi to convene a panel of traditional Hawaiian healers to address issues and recommend legislation relating to the permanent implementation of Act 162.

The panel submitted its interim report to the legislature for the 1999 Session, but has requested more time to prepare a final report.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3129 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 2578 Labor and Environment on S.B. No. 2674

The purpose of this measure is to prohibit public employee unions from using meetings during working hours for partisan political activity.

Testimony in favor of this measure was received from the Hawaii State Ethics Commission and the League of Women Voters of Hawaii. Testimony in opposition to the measure was received from the UPW.

Currently, public employees are permitted to attend informational and educational union meetings during working hours. It is debatable whether or not the law permits the employee unions to conduct partisan political activity during these meetings. This measure prohibits employee unions from conducting partisan political activity during state time unless the State is reimbursed for salaries and fringe benefits. Your Committee is in agreement that this clarification is necessary to eliminate any ambiguity and to restore public confidence in government.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2674 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Fukunaga, Ihara, Kanno).

SCRep. 2579 (Majority) Labor and Environment on S.B. No. 2769

The purpose of this measure is to include the reduction of greenhouse gas emissions as an objective in planning for the State's energy facility system.

Testimony in favor of the measure was received from the Department of Business, Economic Development, and Tourism and the Sierra Club. Testimony in opposition to the measure was received from the Hawaiian Electric Company, Maui Electric Company, and the Hawaii Electric Light Company. Comments were submitted by the Environmental Center.

Currently, the reduction of greenhouse emissions which cause global climate change is neither part of the State's objectives nor policies when planning for the State's energy facility system. While ensuring the energy system is developed or expanded as needed utilizing the least-cost alternative, the State must also minimize greenhouse gas emissions to protect the environment. Your Committee is in agreement that this measure makes the State's objectives and policies more comprehensive.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2769 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (M. Ige). Excused, 3 (Fukunaga, Ihara, Kanno).

SCRep. 2580 Labor and Environment on S.B. No. 2867

The purpose of this measure is to clarify when the director of public health may require public notice, a hearing, or both for the issuance, reissuance, or modification of used oil permits.

Testimony in favor of the measure was received from the Department of Health and the Environmental Center.

Generally, public notices are required for the proposed issuance, reissuance, denial, revocation, suspension, or modification of hazardous waste permits. Used oil is categorized as a hazardous substance although for the most part it is not hazardous. This measure carves out an exception for used oil permits. For used oil permits, the director may require public notice, a hearing, or both if the director determines it is in the public interest. Your Committee is in agreement that by relying on the director's discretion, state time and resources are not needlessly exhausted.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2867 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Fukunaga, Ihara, Kanno).

SCRep. 2581 Labor and Environment on S.B. No. 2906

The purpose of this measure is to repeal the garment industry homework laws.

Testimony in favor of this measure was received from the Office of the Lieutenant Governor, Department of Labor and Industrial Relations, and the Legislative Information Services of Hawaii.

Currently, a certificate issued by the Department of Labor and Industrial Relations is required if a garment manufacturer has workers who sew at home. In the last three years, the Department has issued only one certificate. Repeal of this chapter would not remove minimum wage and overtime protection currently in place. Your Committee is in agreement that the chapter should be repealed as unnecessary regulation.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2906 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Fukunaga, Ihara, Kanno).

SCRep. 2582 Ways and Means on S.B. No. 278

The purpose of this bill is to change the composition of and number of members serving on the Board of Directors of the Research Corporation of the University of Hawaii.

Specifically, this measure increases the total number of directors from ten to eleven, and decreases from five to two the number of directors who are also members of the Board of Regents of the University of Hawaii. Lastly, this bill adds two new members who are university vice presidents or deans, and two new members who are university faculty.

Your Committee finds that this change in the composition and size of the Board of Directors will promote the integration of the Research Corporation into the operations of the university as a whole, thereby broadening the university's base of autonomy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 278, S.D. 2, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2583 Ways and Means on S.B. No. 2218

The purpose of this bill is to further refine the laws relating to new century charter schools.

Specifically, this bill:

- (1) Gives a member of a new century charter school board the same immunity from and indemnification for civil liability as a person who is appointed to serve on a temporary or permanent state board, council, authority, committee, or commission established by law;
- (2) Allows a group of teachers within an existing school to establish a new century charter school;
- (3) Requires the Auditor to explicitly consider the advice of representatives of local school boards, in addition to the Superintendent, when the Auditor determines the allocation of state general funds to new century charter schools;
- (4) Requires the Auditor to consider any changes to the Department of Education's budget made by the Governor, in addition to the Legislature, when the Auditor determines the allocation of state general funds to new century charter schools;
- (5) Requires the Auditor to develop a methodology for allocating funds that can be applied to various forms of alternatives to public schools, including new century charter schools; and
- (6) Appropriates an unspecified sum to the Department of Education to establish additional new century charter schools; and allows this sum to be expended for start up costs:
 - (A) Including the hiring of additional school personnel; but
 - (B) Excluding the hiring of personnel who transfer to a new century charter school from another school or from the Department of Education.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2218, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Chun, D. Ige, Nakata, Tam, Taniguchi, Anderson).

SCRep. 2584

Ways and Means on S.B. No. 2475

The purpose of this bill is to prohibit sexual discrimination in interscholastic, club, and intramural athletics in public schools, in grades nine through twelve.

Specifically, this bill:

- (1) Establishes an Advisory Commission on Gender Equity in Sports and requires the advisory commission to determine if any school does not exhibit substantial progress toward compliance with state and federal laws prohibiting sexual discrimination in athletics;
- (2) Requiring the Superintendent to define equity in athletics for all public high schools, to recommend rules for appropriate enforcement mechanisms to ensure equity, and to develop a strategic plan to implement these recommendations over two years;
- (3) Specifies factors that the Superintendent and the advisory committee must consider when assessing equality of opportunity for members of each sex, including unequal aggregate expenditures for members of each sex or unequal expenditures for male and female teams;
- (4) Requires the Superintendent to:
 - (A) Prepare a compliance report, including a compliance plan with timelines for every public high school, an analysis and assessment of current activities with respect to compliance, and itemized expenditures for athletics; and
 - (B) Submit the compliance report to the Legislature and the advisory commission no later than September 1 of each year, beginning in 2001; and
- (5) Gives an aggrieved person a right of action to seek such equitable relief as a court may determine, and allows the court to award reasonable attorney's fees and court costs to the prevailing party.

In addition, this bill specifies that members of an excluded sex must be allowed to try out for a team offered when a public high school operates or sponsors a team in a particular sport for members of one sex, but does not operate or sponsor such a team for members of the other sex, and athletic opportunities for the excluded sex have previously been limited.

Because of the unknown cost of ensuring gender equity in sports, the need to fund court-ordered mental health services for children and adolescents, and the desire to bring high schools into compliance with state and federal laws concerning sexual discrimination in athletics as soon as practicable, your Committee requests that the Superintendent submit a report to the Legislature by December 1, 2000, on the estimated cost of fully implementing this bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2475, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2585**Ways and Means on S.B. No. 2722**

The purpose of this bill is to establish and fully implement a Hawaiian language immersion program in the Department of Education.

Your Committee finds that the Department of Education has permitted a Hawaiian immersion program for over twelve years, graduating the first class of seniors in 1999. The program created an Operation and Financial Plan in 1998 and is fulfilling its goal of delivering a quality education in the medium of the Hawaiian language. The success of the program should lead to permanent establishment in the Department, with concomitant administrative and program support.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2722, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2586**Ways and Means on S.B. No. 2837**

The purpose of this bill is to expand the Department of Education's accountability system to specifically include student accountability; professional accountability for schools, teachers, principals, and other employees; and public accounting for other significant partners to the education process.

In addition, this bill:

- (1) Requires the development of a collaborative process with stakeholders, including representatives of appropriate bargaining units, parents, administration, and students, to define the roles, responsibilities, and obligations of each;
- (2) Requires the development of an accountability system that allows students to provide input into the quality of their education regarding teachers and school administration;
- (3) Requires the establishment of a full and balanced set of appropriate consequences for observed performance, including rewards and recognition for those schools that meet or exceed their goals, assistance to those that fall short, and sanctions for those that continue to fail to meet their goals;
- (4) Requires the establishment of a statewide annual student assessment program that provides annual data on student, school, and system performance in core subjects at each grade level in terms of student performance relative to statewide content and performance standards;
- (5) Mandates the development of an accountability system that requires teachers and administrators to engage in continuous professional growth and development to ensure their currency with respect to disciplinary content, leadership skill, knowledge, or pedagogical skill, as appropriate to their position;
- (6) Mandates the establishment of an explicit link between professional evaluation results and individual accountability for professional development by requiring these evaluation results to be used to prescribe appropriate consequences;
- (7) Requires the Department of Education to submit summaries of each school's standards implementation design to the Legislature and the Governor prior to each Regular Session; and
- (8) Prohibits the implementation of the Department of Education's accountability system from being made the subject of collective bargaining negotiations until June 30, 2003.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2837, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Buen, Chun, Nakata, Tam, Taniguchi, Anderson).

SCRep. 2587**Ways and Means on S.B. No. 2964**

The purpose of this bill is to allow the University of Hawaii to develop a classification and compensation system that will enable it to attract and retain competent, efficient, and effective employees, including faculty members, research workers, extension agents, and instructional personnel.

Specifically, this bill:

- (1) Repeals the requirement that the University of Hawaii adopt a classification schedule that conforms to the schedules set forth in the compensation law (chapter 77, Hawaii Revised Statutes);
- (2) Repeals the requirement that adjustments of compensation to conform with the University of Hawaii's classification schedule be made in accordance with the compensation law;
- (3) Repeals the requirement that annual increases of compensation to the University of Hawaii's employees for efficient service be made in accordance with the compensation law; and
- (4) Requires the University of Hawaii to classify all exempt positions of the University, including:
 - (A) Positions occupied by administrative, professional, and technical personnel;
 - (B) Positions occupied by household employees at the official residence of the President of the University of Hawaii;
 - (C) Positions of the federally funded expanded food and nutrition program that require the hiring of assistants who live in the areas they serve; and
 - (D) Positions determined by the Director of Human Resources Development to be exempt from the civil service law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2964 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2588 Ways and Means on S.B. No. 3141

The purpose of this bill is to provide increased autonomy to the University of Hawaii.

Specifically, this bill establishes a budget preparation and submission process for the university that is separate from that of the executive branch. This bill also removes the university from the allotment system administered by the Director of Finance and the audit and accounting oversight of the Comptroller. Furthermore, this bill authorizes the university to set up and operate its own civil service and personnel management system.

Your Committee finds that this measure gives the university a status comparable to that of the Judiciary. Your Committee believes that the university's eventual complete autonomy from the executive branch will serve as the political infrastructure for the university's near future as a respectable world class institution.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3141 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2589 Ways and Means on S.B. No. 800

The purpose of this measure is exempt from the excise tax amounts received by a wastewater reclamation facility from a county for processing and cleaning wastewater and returning the water to the county.

The exemption provided by this measure is intended to promote the wastewater reclamation industry by exempting excise taxes paid to a vendor facility by a county. Counties pay excise taxes to vendors. By exempting a vendor from the excise tax for sales to a county, the vendor and the county derive a benefit. In addition, your Committee finds that this measure is in the best interests of sanitation and conservation.

Your Committee has amended this measure to change the effective date to July 1, 2010, in the interest of continuing discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 800, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 800, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, Taniguchi, Anderson).

SCRep. 2590**Ways and Means on S.B. No. 2303**

The purpose of this measure is to transfer certain Public Service Company tax revenue to the harbor special fund for the improvement of cruise ship facilities.

Your Committee finds that this measure will provide a mechanism to provide the necessary funds to improve the State's passenger cruise facilities for the next nine years and will apply to the following ports:

Berthing Ports - harbors providing a pier or wharf with designated spaces for vessel assignment, as follows:

Oahu: Honolulu Harbor;
 Maui: Kahului Harbor;
 Kauai: Nawiliwili Harbor, Port Allen;
 Hawaii: Hilo Harbor, Kawaihae Harbor; and
 Molokai: Kaunakakai Harbor.

Anchor Ports - typically small boat harbors (under the jurisdiction of the Department of Land and Natural Resources) with a specific location for ships to moor, as follows:

Maui: Lahaina;
 Kauai: Kikiaola, Hanalei;
 Hawaii: Wailoa, Kailua-Kona; and
 Lanai: Manele.

Your Committee amended the measure to allow the Department of Land and Natural Resources to request moneys from the harbor special fund from the Department of Transportation for designated specific harbors and itemized repairs at those harbors. The effective date was changed to July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2303, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2303, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
 Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2591**Ways and Means on S.B. No. 2686**

The purpose of this bill is to impose a fine of not more than \$500 for using a motor vehicle without paying the registration tax. The bill also eliminates a redundant requirement of a \$500 fine applicable to any person who knowingly uses a motor vehicle, the tax upon which is delinquent, upon public highways of this State.

Your Committee finds that imposing a fine for failure to register a motor vehicle is a reasonable penalty under the circumstances. Ownership of a motor vehicle presupposes responsible behavior towards vehicle registration, driver licensing, and all other related legal requirements.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2686, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
 Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2592**Ways and Means on S.B. No. 3201**

The purpose of this bill is to establish a scenic byways system to be identified by the state Department of Transportation.

Your Committee finds that many islands have highways winding along the coastline and at higher elevations that skirt scenic and historic places. Many of these roadways exist on original pathways used by the former inhabitants of old villages, the Kings' messengers, and missionaries on horseback and therefore have cultural significance as well. These highway corridors should be identified and protected in ways that will continue to allow drivers to enjoy the ocean and mountain views without becoming superhighways to merely connect one point to another point. This measure is an important first step towards identifying and protecting a unique history of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3201, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
 Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2593**Ways and Means on S.B. No. 2181**

The purpose of this bill is to give the Office of Hawaiian Affairs its pro rata share of ceded land revenues while a comprehensive ceded land inventory is being completed.

Since fiscal year 1997-1998, the Legislature has funded the Office of Hawaiian Affairs with an interim revenue statute. Until a ceded land inventory can be completed, the Office of Hawaiian Affairs must be funded by statute in order for it to perform its constitutionally-mandated responsibilities. This bill will provide funds at a specified level, to be credited toward the amount that will ultimately be determined as the State's fair share. The State will make an additional payment if the amount later found to be owing is greater than the amount appropriated, and will receive a credit if the amount owing is found to be less.

Your Committee has amended this bill by making the amount of the appropriation blank for discussion purposes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2181, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2181, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2594**Ways and Means on S.B. No. 2513**

The purpose of this measure is to authorize the use of a portion of conveyance tax proceeds to fund watershed management projects.

Your Committee finds that with over half of Hawaii's remaining natural lands in private ownership, the Legislature in 1991, established the natural area partnership program and the forest stewardship program to provide incentives for private landowners to provide long-term protection of important natural resources on private lands. These incentives were in the form of state matching funds to landowners willing to dedicate their lands to conservation.

The Legislature also provided for a permanent, dedicated source of funding for the programs by earmarking twenty-five per cent of the conveyance tax revenues for these programs. The Legislature's intent was to enhance private participation in the protection and management of conservation lands.

Since the inception of the natural area partnership and forest stewardship programs, significant efforts have given rise to another innovative public-private undertaking involving the collaboration of major landowners and stakeholders to protect thousands of acres of critical watershed areas. This effort began with the formation of the East Maui Watershed Partnership in 1991, followed by the West Maui Watershed Partnership in 1998, and the Koolau Watershed Partnership, and East Molokai Watershed Partnership in 1999. Collectively, these partnerships involve some 260,000 acres of land and include an array of major landowners and government agencies including the United States Fish and Wildlife Services, National Park Services, the Department of Land and Natural Resources, the Department of Hawaiian Home Lands, county boards of water supply, and numerous other agencies.

Your Committee believes that, just as the natural area reserves system needed funds to accomplish its goals, so too does the effort to protect critical watershed areas.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2513, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun, D. Ige, Nakata, Taniguchi, Anderson).

SCRep. 2595**Ways and Means on S.B. No. 2584**

The purpose of this bill is to transfer the responsibility to develop the Kalaeloa Community Development District from the Barbers Point Naval Air Station Redevelopment Commission to the Hawaii Community Development Authority.

Specifically, this bill:

- (1) Designates the Hawaii Community Development Authority as the local redevelopment authority for surplus lands at Barbers Point Naval Air Station to be conveyed to the State under the base realignment and closure process;
- (2) Authorizes the authority to negotiate with and receive lands, buildings, and property from the federal Department of Defense;
- (3) Authorizes and empowers the authority to redevelop these lands in accordance with the Barbers Point Naval Air Station community reuse plan approved by the Governor;
- (4) Renames the surplus lands at Barbers Point Naval Air Station to be received by the State as the "Kalaeloa Community Development District";

- (5) Encourages, but does not require, the authority to restore Hawaiian names, terms, and phrases in the Kalaeloa Community Development District when feasible;
- (6) Establishes the Kalaeloa community development revolving fund;
- (7) Changes the membership of the Hawaii Community Development Authority when additional districts are designated by the Legislature;
- (8) Designates the Kalaeloa Community Development District as an enterprise zone for a ten-year period;
- (9) Authorizes the issuance of \$0 in revenue bonds by the Hawaii Community Development Authority to redevelop the Kalaeloa Community Development District; and
- (10) Appropriates \$0 to assist the Hawaii Community Development Authority in offsetting costs associated with assuming the responsibilities of the Barbers Point Naval Air Station Redevelopment Commission.

Your Committee finds that the surplus lands that were made available to the State for redevelopment upon the closure of the Barbers Point Naval Air Station has helped to satisfy pressing public and private sector needs and to promote economic development. The community reuse plan approved by the Governor calls for a regional and beach park for public recreational use, a publicly-operated airport for civil aviation use, and various public facilities.

Your Committee agrees with the intent of this bill, and finds that transferring the responsibility to develop the Kalaeloa Community Development District to the Hawaii Community Development Commission will help to ensure a smooth transition as well as provide needed economic development projects to stimulate the economy and produce jobs in that area.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2584, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2596

Ways and Means on S.B. No. 2736

The purpose of this bill is to provide for infrastructural improvements in the Kikala-Keokea region of the island of Hawaii for persons of Hawaiian ancestry who were displaced by lava flows.

Your Committee finds that residents of Hawaiian ancestry dispossessed or displaced from their homes in Kalapana as a result of the lava flows should be allowed to live in the Kikala-Keokea homestead area with the necessary infrastructure to make the area habitable. It would be unreasonable to allow these residents to take on a long term lease from the Department of Land and Natural Resources without providing roads, utilities, and other important additions that would make their homes livable.

Your Committee has amended this bill by changing the effective date to July 1, 1999, for purposes of continuing discussion, changing the appropriation to an unspecified amount, and by making technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2736, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2736, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, Nakata, Taniguchi, Anderson).

SCRep. 2597

Ways and Means on S.B. No. 2915

The purpose of this bill is to authorize an additional source of funding for the Special Land and Development Fund and to broaden the purposes for which the fund's revenues may be expended.

Specifically, this measure authorizes the deposit of money collected for the disposition of mineral and water rights into the Special Land and Development Fund, and provides that the fund may be used for the protection, planning, management, and regulation of water resources.

Your Committee finds that the State's economic condition has led to budget cuts for the Commission on Water Resource Management, which is largely funded through general funds. Approximately six per cent of the Commission budget is from the Special Land and Development Fund. The addition of a new source of revenue for the special fund that can be expended to protect water resources will assist the Commission to fulfill its responsibilities to manage the State's water resources.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2915, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (D. Ige, M. Ige, Anderson).

SCRep. 2598 Ways and Means on S.B. No. 2917

The purpose of this bill is to establish a Water Resource Management Fund for the Commission on Water Resource Management to use for water resource related activities.

Your Committee finds that by creating and providing a funding source for a water resource management fund, the Commission on Water Resource Management will have a consistent, reliable source of moneys with which to manage its operations and perform its duties. Water is necessary for life and the Commission on Water Resource Management must oversee everything from water distribution, water quality, water conservation, water resource development, and other important water related responsibilities for the State's residents. Unfortunately, the Commission's reliance on state general funds cannot be assured when the state budget in general is in jeopardy every year from declining tax revenues. This measure is designed to reduce this reliance on the general fund and in the long term will benefit both the Commission and the State.

Your Committee has amended this bill by removing the specific dollar amount in the appropriations section and made some technical, nonsubstantive amendments for purposes of clarity and grammar.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2917, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2917, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (D. Ige, M. Ige, Anderson).

SCRep. 2599 Ways and Means on S.B. No. 2021

The purpose of this bill is to require the Housing and Community Development Corporation of Hawaii to prepare to purchase an assisted housing development when the owner of the development intends to terminate a subsidy contract or prepay the mortgage.

Your Committee finds that this measure is necessary to ensure continued shelter to tenants of assisted housing developments when the development's owner decides to place the development on the market. Your Committee finds that these development owners are placed under pressure to sell the development when the federal Department of Housing and Urban Development lowers its housing subsidies to the owner. The reduced subsidy amounts place the owner in the difficult position of having to make up the balance by increasing the tenant's portion of the rent. As matters stand, these tenants represent low-income households that are already paying thirty per cent of their income for the unsubsidized portion of the rental amount.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2021, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2021, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2600 Ways and Means on S.B. No. 2521

The purpose of this bill is to establish disclosure requirements for purchasing agencies with respect to contracts for professional services of \$250,000 or more.

Specifically, this bill provides that with respect to these professional service contracts, the contracting agency, within an unspecified number of days of awarding such a contract, is to post on the agency's bulletin board and make available on the Internet the names of up to the top five qualifiers, the name of the firm or individual awarded the contract, the principal officers of the firm awarded the contract, and any relationship of the principals to the official making the award.

In addition, the contracting agency must make available annually on the agency's bulletin board and the Internet a report of all contracts for professional services, including the name of the contracting agency and the amount and type of each contract awarded.

Your Committee agrees with the intent of this bill, and finds that it will provide the public with more easily accessible information on professional service contracts as well as increase public confidence in the integrity of public officials and the procedures followed in public procurement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2521, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2601 Ways and Means on S.B. No. 2058

The purpose of this measure is to allow Hawaii income taxpayers to claim a percentage of the federal earned income tax credit.

Testimony in support of this measure was received from the Department of Taxation, the Hawaii State Commission on the Status of Women, and an individual. Comments on this measure were received from the Tax Foundation of Hawaii.

Your Committee believes the passage of this measure will assist Hawaii's low income residents. Your Committee has amended this measure by:

- (1) Deleting section one and appropriately renumbering the remaining sections;
- (2) Providing for claims by partial year residents and requiring taxpayers to file Hawaii taxes using the same filing status (i.e. married, single, etc.) as filed with the Internal Revenue Service; and
- (3) Amending the language for clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2058, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2058, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2602 Ways and Means on S.B. No. 2131

The purpose of this measure is to provide a general excise tax exemption for Hawaii's subcontractors to help them compete with mainland federal subcontractors who do not pay the general excise tax. This measure also clarifies the definition of contractors in chapter 444, Hawaii Revised Statutes, by including all contractors working in the State directly or indirectly for the federal government who are subsequently subject to licensing and other provisions of chapter 444, Hawaii Revised Statutes.

Testimony in support of this measure was received from the General Contractors Association of Hawaii, the Hawaii Electricians Market Enhancement Program Fund, and the Construction Industry Legislative Organization. Comments on this measure were received from the Department of Taxation, the Subcontractors Association of Hawaii, and the Tax Foundation of Hawaii.

Your Committee supports the intent of this measure to provide relief and support for the construction industry, however, the measure as it stands contains problems with statutory construction and poses potential constitutional questions. Therefore, your Committee has amended this measure by:

- (1) Deleting the general excise tax exemption;
- (2) Setting forth a federal contractor construction tax credit equaling amounts paid by subcontractors in general excise taxes on federal construction contracts and by general contractors equal to the general excise tax paid on the first \$20 million on federal construction contracts;
- (3) Adding the definition of federal construction contract to mean any construction contract entered into with the United States or instrumentality thereof, excluding national financial banks and scientific contracts exempt from the general excise tax;
- (4) Adding the definition of federal general contractor to mean a licensed general contractor who enters into a federal construction contract as the general contractor;
- (5) Adding a definition of federal subcontractor to mean a licensed subcontractor who enters into a federal construction contract as a subcontractor with a general contractor who has contracted with the United States or instrumentality thereof;
- (6) Providing that a credit under this measure may be carried over and applied in subsequent years; and
- (7) Requiring the director of taxation to prepare any necessary forms with respect to the credit allowed in this section.

Your Committee finds that enacting this type of credit will assist the State in working with our congressional delegation and federal contracting agencies to require a state tax clearance prior to entering into federal contracts with contractors. Such a tax clearance requirement will level the playing field for local contractors who currently pay the general excise tax.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2131, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2131, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2603 Ways and Means on S.B. No. 2194

The purpose of this measure is to provide a \$20 refundable income tax credit for each individual taxpayer who files an income tax return and successfully completes an accredited cardiopulmonary resuscitation (CPR) course.

Testimony in support of this measure was received from two individuals. Testimony in opposition of this measure was received from the Department of Taxation. Comments were received from the Tax Foundation of Hawaii.

Your Committee finds that although income tax credits are generally designed to mitigate the tax burden of those who are unable to bear their share of the tax burden, CPR training is a worthy endeavor and justifies the offering of an income tax credit to all individuals who successfully complete a CPR course. Your Committee has amended this measure to leave the income tax credit amount as an unspecified amount.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2194, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2604 Ways and Means on S.B. No. 2003

The purpose of this bill is to appropriate general funds for the Department of Business, Economic Development, and Tourism to establish manufacturing extension programs in Hawaii.

Furthermore, this bill conditions the availability of funds upon the Department's ability to secure federal matching funds.

Your Committee has amended this measure by changing the specified appropriation figures to blank amounts in order to promote continued discussion of the matter. Your Committee has also amended this measure by making technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee finds that manufacturing extension programs will provide infrastructure support for the further development of manufacturing enterprises in the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2003, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2003, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2605 (Majority) Ways and Means on S.B. No. 2134

The purpose of this bill is to provide a discount to active duty military personnel for animal quarantine fees.

Your Committee finds that, although the number of days required under the State's animal quarantine law have been reduced if specific requirements are met, the fees have risen substantially. Your Committee further finds that the higher fees place a substantial financial burden on military personnel, particularly those in the lower ranks. Your Committee notes that many of these personnel are transferred on short notice and do not have time to meet the vaccination and waiting period requirements necessary to qualify for the shorter and less costly thirty-day quarantine period.

Your Committee has amended the bill by changing the amount of the discount specified to an unspecified amount to facilitate continuing discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2134, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2134, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, 1 (M. Ige). Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2606 Ways and Means on S.B. No. 2166

The purpose of this bill is to assist electricity producing wind farms by allowing those farms to benefit from the State's enterprise zone program.

In addition, this bill provides an exemption from the general excise tax for the sale of electric power to a public utility for resale to the public.

Your Committee finds that wind farms that produce electricity provide a number of benefits to the State, including reducing Hawaii's dependence on imported oil, reducing pollution, and creating new jobs in the energy industry. For example, Kamao'a Wind Farm on the Big Island has the potential to reduce the Hilo and Kona regions' dependency on oil by forty thousand barrels annually, will pump \$2,500,000 into the local economy, and will provide a solid industrial base by providing invaluable training and long-term employment to residents.

Your Committee agrees with the intent of this bill, and supports assistance to wind farms that produce electricity as a valuable and cost-effective renewable energy resource that will help to invigorate Hawaii's economy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2166 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Nakata, Taniguchi, Anderson).

SCRep. 2607**Ways and Means on S.B. No. 2152**

The purpose of this bill is to authorize Hawaii's participation in the Interstate Compact for the Supervision of Adult Offenders.

Your Committee finds that Congress, by enacting the Crime Control Act, 4 U.S.C. Section 112 (1965), has authorized and encouraged compacts for cooperative efforts and mutual assistance in the prevention of crime. The compact entered into by this bill creates an interstate commission that will establish uniform procedures to manage the movement between states of adults placed under community supervision and released to the community under the jurisdiction of courts, paroling authorities, and various criminal justice agencies.

Your Committee agrees with the intent of this bill, and finds that the Compact provides for the promotion of public safety and protection of the rights of victims through the control and regulation of the interstate movement of offenders in the community; provides for the effective tracking, supervision, and rehabilitation of these offenders by the sending and receiving states; and equitably distributes the costs, benefits, and obligations of the compact among the compacting states.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2152, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Nakata, Taniguchi, Anderson).

SCRep. 2608**Ways and Means on S.B. No. 2369**

The purpose of this bill is to allow a contributory member of the Employees' Retirement System to make a one-time withdrawal of contributions in case of financial hardship.

Your Committee finds that some public employees have had a rough time weathering the economic downturn in this State and offering the contributory members the option of withdrawing their retirement contributions while still in active service may help those who have suffered severe economic hardship. By its nature, contributory members have a percentage of their salary deducted for their retirement and as a result have less take home pay than their counterparts in the noncontributory system. This measure may help those in need of financial assistance.

Your committee has changed the effective date of this measure to July 1, 1999, for purposes of promoting further discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2369, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2569, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2609**Ways and Means on S.B. No. 2522**

The purpose of this bill is to amend the "Sunshine Law", chapter 92, Hawaii Revised Statutes, to protect the public's right to open government by clarifying requirements that a board must meet to hold an executive meeting that is closed to the public. It also appropriates funds to the Office of Information Practices.

Specifically, this bill requires a board to publicly announce and to record in the minutes the specific reasons for closing a meeting to the public. Additionally, the measure requires a summary of any executive meeting, including members votes on the decision to hold an executive meeting, to be included in the minutes and to be made public. Actions taken in wilful violation of these requirements will be voidable.

Your Committee finds that clarifying and strengthening the law relating to open meeting requirements increases public confidence in government and guards against excessive or frivolous use of executive meetings to conduct the people's business behind closed doors.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2522, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2610 Ways and Means on S.B. No. 2536

The purpose of this bill is to enact a new Uniform Principal and Income Act.

This bill also repeals the existing Revised Uniform Principal and Income Act under chapter 557, Hawaii Revised Statutes.

Your Committee finds that this bill brings Hawaii's law in line with other states that have updated their laws in this area. Hawaii's present uniform law on this subject, which dates from 1973, does not sufficiently accommodate modern methods of investment. In particular, the present law does not allow a trustee to invest trust funds in ways that produce high capital gains but low or no income, such as growth-oriented stocks, because the trustee cannot then use a portion of the capital gains to pay income beneficiaries.

Your Committee agrees with the intent of this bill, which allows trustees the flexibility to invest trust funds for maximum total return, while remaining fair to both income and remainder beneficiaries.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2536, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2611 Ways and Means on S.B. No. 2654

The purpose of this bill is to establish a traumatic brain injury trust fund to defray the costs of treating traumatic brain injuries.

Specifically, this measure establishes the traumatic brain injury trust fund to fund care and rehabilitative services for state residents with a traumatic brain or spinal cord injury. The bill creates a Traumatic Brain Injury Trust Fund Commission to disburse moneys to applicants and to recommend to the Governor and Legislature changes in programs, law, policies, budgets, and standards relating to the care and rehabilitation of persons with brain or spinal cord injuries.

Additionally, the measure appropriates general revenues to the trust fund and requires that the Traumatic Brain Injury Advisory Board advise the Department of Health and the Commission on the development and implementation of a comprehensive plan to address the needs of persons affected by brain disorders and disabilities and on the feasibility of partnerships with the private sector for services.

Your Committee finds that twelve hundred people annually in Hawaii receive traumatic brain injury, and that these people face extensive recovery that requires treatments often not available in Hawaii or that are too costly. Support programs for family members and caregivers also are lacking. This measure would be a significant step towards ensuring a productive recovery for traumatic brain injury victims, and would benefit victims, their families and the community.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2654, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Buen, Chun, M. Ige, Nakata, Taniguchi, Anderson).

SCRep. 2612 Ways and Means on S.B. No. 2675

The purpose of this bill is to raise the maximum salary of the Executive Director of the State Ethics Commission to be equal to that of a department head.

Your Committee finds that the salary of the executive head of an agency should exceed that of its associate director, and, if it does not, can be a source of friction in any agency. This unfairness needs to be addressed in the case of the State Ethics Commission. This measure is designed to increase the pay of the Executive Director so that this inequity no longer continues.

Your Committee has amended this bill by requiring the salary of the Executive Director of the Ethics Commission to be five per cent above the pay level of the Associate Director.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2675, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2675, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2613 Ways and Means on S.B. No. 2692

The purpose of this measure is to provide salary adjustments for certain appointed judiciary administrative officers.

Effective July 1, 2001, the bill also authorizes the chief justice to determine the salary of these administrative officers based on merit and other factors.

Your Committee finds that Hawaii is the only state that has not increased the salary for judiciary administrative officers in the last ten years, while some states have increased salaries two times. Further, collective bargaining agreements have given some judiciary staff members higher salaries than the administrative officers to whom they report. This measure corrects that salary difference and more fairly compensates the administrative officers in relationship to their responsibilities, experience, and qualifications.

Upon further consideration, your Committee has amended this measure by changing the amounts appropriated to unspecified amounts to facilitate continuing discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2692, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2692, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2614 Ways and Means on S.B. No. 2759

The purpose of this bill is to change the expiration date of state identification cards to coincide with cardholders' birthdays in the year it expires.

The bill also provides an option for elderly cardholders to renew by mail.

Your Committee finds that the effect of having state identification cards expire all at once has created severe administrative problems for the State and resulted in enormous lines and delays. Your Committee believes that use of a cardholder's birthday as the expiration date will ensure that future card renewals will be more evenly spread out through the year. Your Committee further finds that allowing cardholders over sixty-five years old to renew their cards by mail will result in a process that is easier for the cardholders and the State, without seriously impairing the accuracy of the information and photograph on the card.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2759, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2615 Ways and Means on S.B. No. 2781

The purpose of this measure is to provide a four per cent tax credit for hotel construction and remodeling for taxable years beginning after December 31, 1998, and before January 1, 2007.

Your Committee finds that Act 306, Session Laws of Hawaii 1999, established a tax credit for improvements to visitor facilities, but without a specified credit percentage. The purpose of this measure is to provide the appropriate credit.

Your Committee has amended this measure as follows:

- (1) By deleting the purpose section and adding a repeal of Act 306, Session Laws of Hawaii 1999;

- (2) By rewriting the tax credit provisions for clarity and including time share owners associations, providing that the construction and renovation costs are those occurring after June 30, 1999, and that those costs must exceed \$1,000,000;
- (3) By providing that the credit is not refundable but instead is to be carried over until exhausted; and
- (4) By reducing the time period to claim the credit from before January 1, 2007, to before January 1, 2002.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2781, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2781, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Chun, D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2616 Ways and Means on S.B. No. 2809

The purpose of this bill is to clarify how consumer complaints and inquiries concerning public utilities are handled.

The measure clarifies that: (1) the consumer advocate will assist consumers in complaints relating to public utilities and monitor the Public Utilities Commission's handling of consumer complaints, and (2) the Public Utilities Commission shall establish a centralized clearing house of information concerning consumer complaints and inquiries on public utilities issues.

Your Committee finds that this measure will help not only consumers, but also the Consumer Advocate, the Public Utilities Commission, and the Office of Consumer Protection by defining the Public Utilities Commission's responsibility for addressing complaints and inquiries from the public.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2809, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2617 Ways and Means on S.B. No. 2933

The purpose of this bill is to permit the Crime Victim Compensation Commission to appoint a civil service-exempt executive director and administrative assistant.

Your Committee finds that the Commission currently lacks statutory authority to hire a civil service-exempt leadership team. As a result, the Commission's current administrator was hired as an emergency special hire. Your Committee finds that the lack of statutory authority to hire a civil service-exempt leadership team negatively impacts the stability of permanent staffing and impairs the effectiveness of the Commission's statutory mission to assist crime victims. Furthermore, your Committee believes that the Commission should have the same statutory authority with respect to appointing exempt leadership positions as other state programs that provide direct services to our citizenry.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2933 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, Nakata, Taniguchi, Anderson).

SCRep. 2618 Ways and Means on S.B. No. 3032

The purpose of this bill is to establish a center for Asian-Pacific infrastructure development in the Department of Business, Economic Development, and Tourism.

Your Committee finds that Hawaii's residents have emotional and cultural ties with the Pacific and Asian communities that could align our businesses with businesses in these countries. Infrastructure development can be a business opportunity that takes advantage of these ties in terms of management style, language, and custom. Especially with the advent of ecommerce, ebusiness, and telecommunications, Hawaii could have many important things to offer a center for Asian-Pacific infrastructure development. This measure will serve to promote this end.

Your Committee has amended this bill by changing the appropriation to an unspecified amount for purposes of promoting further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3032, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3032, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Nakata, Taniguchi, Anderson).

SCRep. 2619 Ways and Means on S.B. No. 3043

The purpose of this bill is to authorize the state Comptroller to establish a captive insurance company to insure against the property and casualty losses of the State.

This bill also authorizes the Comptroller to obtain reinsurance for the captive insurance company.

Your Committee finds that this measure will enable the Comptroller to establish a captive insurance company in order to minimize the State's insurance costs.

Your Committee has amended this measure by deleting amendments to repeal the Comptroller's authority to dissolve the state risk management revolving fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3043, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3043, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2620 Ways and Means on S.B. No. 3177

The purpose of this bill is to require the Judiciary, in cooperation with the Judicial Selection Commission, the Judicial Salary Commission, and the Hawaii State Bar Association, to conduct a study to determine the most appropriate method by which a system of higher judicial pay based on merit may be implemented.

The bill also requires the Judiciary to submit a report of its findings and recommendations to the Legislature no later than twenty days prior to the convening of the 2001 regular session.

Your Committee finds that, as part of the study, the Judiciary is to recommend a timetable for implementation of merit pay and to develop recommendations for how judicial evaluations should be presented to individual judges and used to help individual judges address weaknesses when necessary.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3177, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Nakata, Taniguchi, Anderson).

SCRep. 2621 Ways and Means on S.B. No. 3179

The purpose of this measure is to prohibit in Hawaii the sale of export cigarettes intended for foreign purchase and consumption.

Currently, export cigarettes are being sold in Hawaii at below market prices and tobacco taxes are being evaded. This measure makes it illegal to conduct sales transactions of export cigarettes. Your Committee is in agreement that this measure will level the playing field among cigarette merchants, protect consumers against inadequate package warnings and labels, and stem the loss of tobacco tax revenues.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3179 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2622 Judiciary on S.B. No. 2863

The purpose of this bill is to make it easier for people to let it be known that they have an advance health-care directive.

Specifically, this bill requires that an application form for a motor vehicle license or renewal contain a question to designate whether the applicant has an advance health-care directive. If the applicant affirms this, the designation "advance health-care directive" or a symbol or abbreviation for it is to be placed on the driver's license. The same requirement applies for persons applying for registration at the Hawaii Criminal Justice Data Center for a state identification card.

The intent of this measure is to facilitate the identification of persons who have executed an advance health-care directive, which is especially useful in medical emergencies.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2863, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2623 Judiciary on S.B. No. 2254

The purpose of this bill is to clarify an important policy issue in the privacy of health care information law.

This bill provides that the general rules regarding use and disclosure of protected health information do not apply to use or disclosure within the entity that maintains the records.

Your Committee finds that health care information contains sensitive material that a patient or patient's family may not wish to have exposed. However, this information may need to be used by different units within the entity such as in a hospital by a nurse, by a physical therapist, or by a pharmacist, for example. Under these circumstances it would be unrealistic to strictly limit the use of the patient's health care information by these individual health care professionals. Therefore, deleting the phrase "within the entity" is justifiable.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2254, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2624 Judiciary on S.B. No. 2815

The purpose of this bill is to require any person convicted of any felony offense to obtain the Insurance Commissioner's written consent before engaging in the business of insurance in this State. The bill also subjects a person violating this requirement to fines and penalties.

Your Committee finds that present law does not authorize the Insurance Commissioner to prevent a person who is convicted of a felony from engaging in the business of insurance in this State. On the other hand, federal law (18 U.S.C. 1033) requires an individual convicted of a felony to seek the consent of the Insurance Commissioner to engage in the business of insurance.

Accordingly, your Committee finds that this bill will conform the Insurance Code to the federal law.

Your Committee has amended the bill by making a technical nonsubstantive change that specifies the specific penalty section instead of "this chapter" at line 18 on page 1.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2815, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2815, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2625 Judiciary on S.B. No. 2527

The purpose of this bill is to clarify the law that requires a condominium association board of directors that solicits proxies with association funds to provide thirty days notice to association members.

The bill also allows the use of a copy, facsimile telecommunication, or other reliable reproduction of a proxy in lieu of the original.

Your Committee finds that there appears to be considerable confusion with respect to notice requirements of condominium association board of directors that solicit proxies with association funds. The Legislature has repeatedly addressed the issue of proxies over the years in an attempt to ensure that a level playing field exists between individual owners and the board of directors and managing agents.

This bill removes any doubt as to the Legislature's intent that association funds by an association board of directors may be used, with proper notification, only to "distribute" and not "solicit" proxies from any apartment owner.

Your Committee amended the bill by making technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2527, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2527, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2626 Judiciary on S.B. No. 2918

The purpose of this bill is to require the Department of Land and Natural Resources, effective upon the adoption of rules, to suspend, refuse to renew, reinstate, or restore, or deny any hunting license if the department receives certification that the licensee or applicant has not complied with a child support order or a subpoena or warrant relating to paternity or child support proceedings.

The bill also requires license applicants to disclose if they are prohibited from using firearms for hunting, increases the nonresident hunting license fees, and allows Department of Land and Natural Resources to establish hunting license application and issuance procedures and set fees through adoption of administrative rules.

Your Committee finds that hunting license fees are deposited into the wildlife revolving fund, which is used for ground improvements relating to hunting, such as improving game bird habitat, controlling predators, and leasing of lands for hunting, and for hunter education and other important hunter services.

Your Committee has amended this bill by making a technical nonsubstantive change to clarify that the licenses referred to in section 1 are "hunting" licenses.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2918, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2918, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 2627 Judiciary on S.B. No. 1390

The purpose of this bill, as received by your Committee, is to create a new offense of aggressive driving, defined as the commission of multiple traffic infractions close to another vehicle.

Your Committee finds that drivers may drive aggressively because of road rage, being late for an appointment, or being etiquette challenged. However, the result of aggressive driving is that our roads are more hazardous and stressful for all who use them. This has created concern in the community about specific hazardous areas, including crosswalks across highways, such as those near Jack Lane in Nuuanu, and roadways that are near schools.

Your Committee believes that a pattern of aggressive driving should subject a driver to penalties that are greater than might be imposed for an isolated traffic offense. For this reason, your Committee believes that aggressive driving should be severely punished. Your Committee is confident that severe punishment will contribute to the deterrence of aggressive and dangerous driving near crosswalks, in school zones, and elsewhere on Hawaii's roads.

Testimony in support of this measure was submitted by the Department of Transportation. Testimony in support of this measure with amendments was submitted by the Department of the Prosecuting Attorney, City and County of Maui, and the Honolulu Police Department. Comments on this measure were submitted by the Office of the Public Defender.

Upon further consideration, your Committee has amended the bill by deleting the new offense of aggressive driving and instead extending the existing offense of reckless driving to include the commission of multiple traffic violations within a distance of two miles, and to authorize a conviction for a traffic violation arising out of the same course of action as the conviction for reckless driving or reckless riding of an animal.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1390, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1390, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2628 Judiciary on S.B. No. 2635

The purpose of this bill is to extend the definition of highway vending to include conduct that recklessly risks creating a hazardous condition or public nuisance, and to lower the penalty level for the offense from a misdemeanor to a petty misdemeanor.

Your Committee finds that roadside vendors may cause drivers to suddenly pull off the road upon spotting a vendor on the highway shoulder. Your Committee further finds that the vehicles pulling on and off the shoulder create a hazard, and the presence of a vendor keeps that part of the shoulder from being available for breakdowns or other road safety purposes. In the rural areas where

vending is common, a driver may need to swerve onto the shoulder to avoid hitting a cow, only to find the shoulder occupied by a vendor. Even if the cow is o.k., the vendor's presence was partly responsible for creating a hazardous condition.

Your Committee heard testimony from the Honolulu Police Department that under current law, officers cannot charge a vendor until the vendor has actually created a hazard. Thus, ironically, current law only allows law enforcement to penalize successful vendors who attract vehicles onto the shoulder. Your Committee believes the officers should be able to remove vendors and charge them with highway vending before the hazardous condition actually exists. Your Committee further believes that it will be easier for both law enforcement and for would-be vendors to determine what part of the road and shoulder this statute applies to using the new definition proposed by this bill. Your Committee agrees that reducing the offense to a petty misdemeanor will result in more expeditious resolution of these situations, as petty misdemeanor offenses are not eligible for jury trials.

Testimony in support of this measure was submitted by the Department of Transportation, the Department of the Prosecuting Attorney, City and County of Honolulu, and the Honolulu Police Department.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2635 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2629 Judiciary on S.B. No. 2955

The purpose of this bill is:

- (1) To give the Director of Transportation the authority to adopt rules dealing with road use restrictions; and
- (2) To raise the maximum fine for those working on or next to a road who violate rules governing the use of traffic control devices at the work site.

Your Committee finds that the Director of Transportation is presently without statutory authority to limit road use to prevent the transport of hazardous chemicals and materials through unsuitable areas. Your Committee heard testimony from the Department of Transportation that it wishes to place such limitations specifically on the transport of hazardous chemicals and materials through the Wilson Tunnel. Due to the sharp curve on its Kaneohe side, and to the lack of equipment in the tunnel to identify and respond to in-tunnel emergencies, the Wilson Tunnel is particularly unsuitable for transport of hazardous substances. Your Committee notes that the Department testified that the H-3 and Pali Tunnels will remain available for such transport.

Testimony in support of this measure was submitted by the Department of Transportation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2955, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2630 Judiciary on S.B. No. 2436

The purpose of this bill, as received by your Committee, is to create a class C felony offense for the manufacture or sale of false identification to a person under the age of twenty-one.

Your Committee finds that fake identification cards or other forms of identification lawfully sold by vendors are often used illegally by teens to buy liquor or enter adult-only clubs and by adults to cash stolen checks. Your Committee believes that these illegal activities are encouraged by the availability of fake identifications.

Your Committee finds that it is necessary to deter these illegal activities and believes that prohibiting the sale of fake identification will result in a reduction in these illegal activities.

Testimony in support of this measure was submitted by the Attorney General, the Department of the Prosecuting Attorney, City and County of Honolulu, the Honolulu Police Department, Legislative Information Services of Hawaii, and the Hawaii Visitor Industry Security Association. Testimony commenting on this measure was submitted by the Office of the Public Defender.

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

- (1) Extending the offense to apply to sale of fake identification to a person of any age;
- (2) Moving the offense to chapter 710, Hawaii Revised Statutes;
- (3) Clarifying that the fake identification should appear to a reasonable person to be an official government identification; and

- (4) Adding a provision to make personal property used in the offense subject to the criminal forfeiture provisions of chapter 712A, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2436, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2436, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2631 Judiciary on S.B. No. 2930

The purpose of this bill is to amend Hawaii's Uniform Controlled Substance Act to be consistent with changes to federal and state law.

Specifically, section 1 proposes to add "oxycodone" to section 329-16(c) to readily identify this schedule II opiate for court purposes. Sections 2 and 3 permanently transfer "dronabinol" from schedule II to schedule III to conform with federal law. Section 4 clarifies that the substance "dextropropoxyphene" as a narcotic drug and adds a newly scheduled opiate "modafinil". Section 5 expands the law relating to obtaining or procuring controlled substances by fraud, deceit, misrepresentation, embezzlement, theft, or forgery, etc. Section 6 clarifies that a person violating section 329-46, Hawaii Revised Statutes, regarding visits to multiple doctors to obtain controlled substance prescriptions is a class C felony. Section 7 clarifies the subpoena powers of the Director of Public Safety with regard to the Uniform Controlled Substances Act.

Your Committee received testimony in support of this bill from the Department of Public Safety and in opposition from the Office of the Public Defender specifically opposing the inclusion of section 6 of the bill.

Your Committee finds that the amendments made by this bill to conform with federal and state laws regarding controlled substance schedules are necessary. However, your Committee believes that the amendments to section 329-46, Hawaii Revised Statutes, are unnecessary and inadvisable. The proposed amendments in section 6 of the bill would, in effect, impose an affirmative duty on a patient to inform one doctor of the precise type of all prescriptions the patient is receiving from all other doctors. Consequently, a patient could innocently violate this proposed law without having any fraudulent intent.

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

- (1) Making technical, nonsubstantive amendments for the purpose of style;
- (2) Deleting section 6 of the bill that amends section 329-46, Hawaii Revised Statutes; and
- (3) Re-numbering the remaining sections of the bill accordingly.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2930, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2930, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2632 Judiciary on S.B. No. 2931

The purpose of this bill is to amend the Uniform Controlled Substances Act to conform the State's schedule I controlled substances list for opiates to the list specified by federal law.

Your Committee received testimony in support of this bill from the Department of Public Safety.

Your Committee has amended this bill by making a technical nonsubstantive change for the purpose of clarity, and correcting a manifest clerical error in the spelling of "alphamethadol".

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2931, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2931, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2633 Judiciary on S.B. No. 2847

The purpose of this bill, as received by your Committee, is to require the Department of Human Services to obtain national and local criminal history record information on any prospective adoptive parents.

Your Committee finds that current state law does not require checks into the criminal history of applicants for adoption. Your Committee further finds that the federal government, by enacting the Adoption and Safe Families Act of 1997, requires states to conduct criminal history checks for prospective adoptive parents. Accordingly, the State must enact criminal history record check legislation in order to continue to receive substantial federal funding.

Testimony in support of the intent of this measure was submitted by the Judiciary, the Department of the Attorney General and the Department of Human Services. Testimony in opposition to this measure was submitted by an attorney specializing in private adoptions.

Upon further consideration, your Committee has amended this measure by amending chapter 346, Hawaii Revised Statutes, rather than chapter 578, to require criminal history checks for prospective adoptive parents who are clients of the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2847, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2847, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2634 Judiciary on S.B. No. 2982

The purpose of this measure is to clarify that liens arising from child support orders or judgments take priority over subsequently filed liens only when the debtor is actually delinquent in his or her payments at the time the subsequent liens are filed.

Your Committee finds that this clarification in the law will assist the Child Support Enforcement Agency (CSEA) in its responsibility to collect delinquent child support, and will provide lenders with greater certainty as to who is affected by the law. However, your Committee believes that a child support lien should have priority only to the extent of the delinquent amounts owed as of the date a subsequent loan was acquired or recorded. It is not your Committee's intent to interfere with CSEA's responsibility in collecting child support obligations, but your Committee recognizes that lenders need certainty as to what their exposure to risks might be.

Testimony in support of this measure was submitted by the Child Support Enforcement Agency. Comments on this measure was submitted by Title Guaranty of Hawaii, Inc. and an individual.

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

- (1) Providing that a child support lien should have priority only to the extent of the delinquent amounts owed as of the date a subsequent loan was acquired or recorded;
- (2) Providing that a later arising child support lien should have priority over a prior lien that arose at a time when an earlier child support lien was in effect, but only to the extent of the delinquent amounts owed and secured by the earlier child support lien at the time the non-child support lien arose; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2982, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2982, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 2635 Judiciary on S.B. No. 2441

The purpose of this bill, as received by your Committee, is to create a new criminal offense for the possession of a dangerous dog, and to amend the offense of assault in the second degree to include the use of a dangerous dog.

Your Committee finds that vicious dogs can terrorize an entire neighborhood. A lax owner of a vicious dog may allow or even encourage the dog to threaten everyone that comes near the dog, whether on the owner's property, on a neighbor's property, or on the public street. The tragic result has been dog attacks on adults, children, and pets, resulting in serious injury or even death. Your Committee finds that an assault or other offense committed using a dog would be prohibited by current law, as a dog has been held to be a deadly weapon. However, a dog attack that the owner simply allowed to happen, rather than actively promoting, may not be subject to criminal penalties under current law. Your Committee believes our existing laws may need more teeth.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu, the West Hawaii Humane Society, and two individuals.

Upon further consideration, your Committee has amended this bill by deleting its contents, and substituting therefor the following provisions, which would:

- (1) Make it a misdemeanor for an owner to intentionally, knowingly, or recklessly permit the owner's dog to attack a person without provocation and cause bodily injury;
- (2) Make it a petty misdemeanor for an owner to negligently permit the owner's dog to attack a person without provocation and cause bodily injury; and
- (3) Make it a class C felony for an owner previously convicted of a misdemeanor dog attack offense to intentionally, knowingly, or recklessly permit the owner's dog to attack a person and cause serious bodily injury.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2441, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2441, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2636 Judiciary on S.B. No. 2869

The purpose of this bill is to increase the fines imposed on public water systems violating drinking water requirements.

Your Committee finds that federal laws governing drinking water require that water suppliers be liable for a daily penalty for each ongoing violation. Your Committee agrees that this measure will clarify in state law the department's responsibilities with regard to enforcing federal law.

Testimony in support of this measure was submitted by the Department of Health.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2869 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2637 Judiciary on S.B. No. 3051

The purpose of this bill is to clarify, for any who may have doubted it, that Hawaii law allows local producers of wines, spirits, and champagnes to ship their products out of Hawaii.

Your Committee finds that at least one local winery believes that it cannot ship its products out of state under current law. Your Committee notes that it is beyond the Hawaii legislature's powers to change federal law to permit mailing wine through the U.S. Postal Service. Similarly, the laws of other states may prevent citizens of those states from receiving shipments of wine that may be legally sent out of Hawaii under Hawaii law. However, your Committee finds that Hawaii law should not prevent local liquor manufacturers, including wineries, from shipping their products out of state.

Testimony in support of this measure was submitted by the Volcano Winery.

Upon further consideration, your Committee has amended this measure by making a technical, non-substantive amendment for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3051, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3051, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2638 Judiciary on S.B. No. 2983

The purpose of this bill is to amend the definition of "land" in the State's landowner liability law to except land open to the public for commercial purposes.

Your Committee finds that the proposed measure would remove the liability protection of Chapter 520, Hawaii Revised Statutes, from land to which the public is invited for commercial purposes. Examples of such land would be a shopping center, a resort hotel, or a for-profit privately owned park charging a fee for admission. Your Committee finds that this measure is not intended to take liability protection away from land used for commercial purposes to which the public is permitted access, but which is not open to the

public for commercial purposes. For instance, agricultural land used to grow and process crops is used for a commercial purpose, and the public may be permitted to hike on the land, but that land is not open to the public for commercial purposes.

Testimony in support of this measure was submitted by the Consumer Lawyers of Hawaii. Testimony in opposition to this measure was submitted by the Land Use Research Foundation of Hawaii, Maui Land and Pineapple Company, Inc., and Castle & Cooke Land Company.

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

- (1) Specifying that when one part of a parcel of land is open to the public for commercial purposes and another part of the same parcel is not, the second area is not considered open to the public for commercial purposes even though it is part of the same parcel of land as the first area; and
- (2) Making technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2983, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2983, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2639 Judiciary on S.B. No. 2224

The purpose of this bill is to clarify that a trespasser entering private land for recreational purposes is liable for any injuries incurred and thereby mitigates the liability of the landowner.

Your Committee finds that the intent of Chapter 520, Hawaii Revised Statutes, is to encourage private landowners to allow recreational use of their property by reducing their liability for injuries which might be incurred by such users. Your Committee further finds that it was also intended that these recreational users receive permission prior to entering the private property. However, your Committee notes that the provisions limiting landowner liability did not anticipate recreational users who did not first request permission and thus are trespassing on private land. Your Committee agrees that private landowners should similarly not be liable for injuries incurred by trespassers.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2224, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2640 Judiciary on S.B. No. 2437

The purpose of this bill, as received by your Committee, is:

- (1) To clarify that any person may bring an unfair method of competition action based on section 480-2, Hawaii Revised Statutes; and
- (2) To authorize class actions by private parties on behalf of indirect purchasers.

Your Committee finds that a Hawaii Supreme Court case decided in July 1999, Robert's Hawaii School Bus, Inc. v. Laupahoehoe Transportation Company, Inc., held that there is no private claim for relief under section 480-13, Hawaii Revised Statutes, for unfair methods of competition in violation of section 480-2, Hawaii Revised Statutes. Your Committee finds that to carry out the purpose of discouraging unfair methods of competition, a private claim for relief should be available to consumers, businesses, and any others who have been injured by unfair methods of competition.

Testimony in support of this measure was submitted by the Consumer Lawyers of Hawaii and one attorney. Comments on this measure were submitted by Hawaii Medical Service Association.

Upon further consideration, your Committee has amended this measure by deleting provisions that would authorize class actions by private parties on behalf of indirect purchasers.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2437, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2437, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2641**Judiciary on S.B. No. 3038**

The purpose of this bill is to expand the Department of Education's zero tolerance policy regarding possession of intoxicating alcohol, illicit drugs, dangerous weapons, and switchblades, to include the sale, consumption, or use of intoxicating liquor or illicit drugs and the sale and use of a dangerous weapon or switchblade.

Your Committee finds that in 1996, the legislature adopted a zero tolerance policy which provided that a principal may suspend a student who is found to be in possession of a dangerous weapon, intoxicating liquor, or illicit drugs. The constitutionality of this act was subsequently challenged in the case of *James P. and Lucille P. versus Paul LeMahieu and Robert Ginlack* (Civil No. 99-00861 DAE LEK). In this case, a minor was suspended from school for attending a school-related function, held off-campus, while under the influence of alcohol. The federal district court granted the plaintiff's request for an injunction because the court reasoned that Act 90, Session Law of Hawaii 1996, only prohibited the "possession of...intoxicating liquor...while attending school." The court further stated that the defendants did not have evidence of a statutory violation since the minor did not "possess intoxicating liquor while attending school" even if he did drink liquor prior to the school event. At worse, the minor was guilty of being intoxicated at a school function, which is not covered by the statute. Your Committee believes that it is appropriate to expand the zero tolerance policy to include those situations in which a student may have consumed intoxicating liquor during school or prior to a department-supervised activity held on or off school property.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of Education, and the Hawaii State Teachers Association.

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

- (1) Adding a legislative findings and purpose section;
- (2) Clarifying that a student may be suspended from school for the possession, sale, or use of a dangerous weapon or switchblade knife while attending school or while attending department-supervised activities held on or off school property;
- (3) Clarifying that a student may be suspended from school for the possession, sale, consumption, or use of intoxicating liquor or illicit drugs while attending school or while attending department-supervised activities held on or off school property;
- (4) Specifying that in any case of exclusion from school, the due process procedures as set forth in Hawaii Administrative Rules, Title 8, Chapter 19, shall apply; and
- (5) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3038, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3038, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 2642**Judiciary on S.B. No. 2941**

The purpose of this measure is to propose a constitutional amendment that would extend the time period between the convening of Tax Review Commissions from every five years to every ten years.

Your Committee finds that a ten year interval between the convening of Tax Review Commissions is an appropriate interval for examination of the state's tax structure. Your Committee further finds that the present five year interval leads to redundancy, as the legislature often has not had sufficient time to mull over the recommendations of the last Commission and enact legislation based on those recommendations.

Testimony in support of this measure was submitted by the Department of Taxation. Testimony commenting on this measure was submitted by the Office of Elections and the Tax Foundation of Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2941 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2643**Transportation and Intergovernmental Affairs on S.B. No. 2114**

The purpose of the measure is to expand the eligibility of those motor vehicle owners, nonprofit organizations, and veterans groups eligible to obtain special number license plates.

Testimony in support of the measure was received from the City and County of Honolulu and the Hawaii State Commission on the Status of Women.

Your Committee finds that it is only fair that motor vehicle owners, nonprofit organizations, and veterans groups should be eligible for special license plates in addition to government agencies and educational institutions.

Your Committee has amended the measure by increasing the size of the decal from two and one-half inches wide to three inches wide, and has expanded the eligibility to obtain the special license plates to motor vehicle owners following proper application.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2114, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2114, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Inouye, Slom).

SCRep. 2644 Transportation and Intergovernmental Affairs on S.B. No. 2405

The purpose of this measure is to amend the drivers license law to require a statement indicating the date on which a person will attain the age of eighteen.

Testimony in support of this measure was received from the Department of Health and Legislative Information Services of Hawaii. Testimony in opposition of this measure was received from the Department of Transportation and the City and County of Honolulu.

Your Committee supports the intent of this measure which is to reduce minors' access to tobacco products and agrees that a law requiring drivers' licenses to display the year a minor reaches the age of eighteen would help curtail minors' access to tobacco products.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2405 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Inouye).

SCRep. 2645 Transportation and Intergovernmental Affairs on S.B. No. 2443

The purpose of this measure is to require the reporting of child abuse or neglect by professionals and officials to either the police or the Department of Human Services.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS), Honolulu Prosecuting Attorney, Honolulu Police Department, Sex Abuse Treatment Center, and two private individuals.

The intent of this measure is to facilitate and expedite the furnishing of services by the (DHS) for child abuse and neglect cases. Current law provides for reporting both to the police department and the DHS. This puts a burden on the reporter and could discourage reporting of child abuse.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2443 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Inouye).

SCRep. 2646 Transportation and Intergovernmental Affairs on S.B. No. 2621

The purpose of this measure is to require health care facilities to report all incidences of fireworks injuries and fatalities to the Department of Health (DOH).

Your Committee received testimony in support of this measure from the DOH, Honolulu Police Department, and Legislative Information Services of Hawaii.

This measure is an effort to obtain reliable and accurate statistics on the scope and magnitude of the fireworks issue. Much of the debate in this legislature is absent any veritable statistics on injuries and deaths caused by fireworks. Official reports by police and ambulance are only a fraction of the cases, since people may seek treatment by themselves at health care facilities.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2621, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Inouye).

SCRep. 2647 (Majority) Transportation and Intergovernmental Affairs on S.B. No. 2643

The purpose of the measure is to replace the term traffic "accident" with the term traffic "collision."

Testimony in support of this measure was received from the Department of Transportation, Honolulu Police Department, and the Prosecuting Attorney from the City and County of Honolulu. The Judiciary submitted comments but took no position.

Your Committee finds that the term collision should be used in the traffic code rather than accident as the term collision only implies that the vehicle has contacted or struck another object.

Your Committee has amended the measure by deleting language in the purpose section which indicates an intent to delete certain statutory requirements, yet fails to address them in the measure. Your Committee also made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2643, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Slom). Excused, 2 (Bunda, Inouye).

SCRep. 2648 Transportation and Intergovernmental Affairs on S.B. No. 2725

The purpose of this measure is to apply statutory requirements for towing companies whether or not they are engaged in an actual towing operation.

Your Committee received testimony in support of this measure from the a member of the Honolulu City Council, Hawaii State Towing Association, and a private individual. Informational testimony was presented by the Department of Commerce and Consumer Affairs.

This measure is intended to prohibit unmarked tow trucks from being on the street. Every tow truck, regardless of whether or not it is engaged in a tow operation, must have the required signage on the door and carry the required insurance, among other requirements. Unmarked tow trucks have been used in theft of motor vehicles. Your Committee believes that there is no reason why a tow company cannot mark all of its tow trucks. There should be no reason for driving a tow truck other than to legally tow a vehicle.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2725 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Inouye).

SCRep. 2649 Transportation and Intergovernmental Affairs on S.B. No. 2903

The purpose of this measure is to allow the county fire chief to name designees for certain functions and responsibilities.

Your Committee finds that this measure will allow the county fire chief to delegate responsibilities to designees and supports the measure.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2903 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Inouye).

SCRep. 2650 Transportation and Intergovernmental Affairs on S.B. No. 2904

The purpose of the measure is to allow the State Fire Council to coordinate statewide training, data collection, and contingency planning needs for firefighters.

Your Committee finds that this measure will allow the State Fire Council to appoint advisory committees comprised of representatives from each county fire department to assist in drafting the state fire code, coordinating statewide training and data collection, and contingency planning needs for firefighters.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2904 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Inouye).

SCRep. 2651 Transportation and Intergovernmental Affairs on S.B. No. 2953

The purpose of the measure is to clarify provisions relating to activities which violate the public's right of way.

Testimony in support of the measure was received from the Department of Transportation, and the Prosecuting Attorney of the City and County of Honolulu with proposed amendments.

Your Committee finds that highway vending is a problem on certain areas of Oahu and the State. Due to technical problems with the current statute, enforcement against those vending from the highway has been difficult. Your Committee further finds that the use of the term "right-of-way" or "wholly within" or "partly within" the highway as used in the measure is awkward and difficult to prove.

Your Committee has amended the measure by replacing the language "right of way," "wholly within," and "partly within" with new language, "in reckless disregard of creating a hazardous condition or public nuisance," as being more appropriate.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2953, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2953, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Inouye, Slom).

SCRep. 2652 Transportation and Intergovernmental Affairs on S.B. No. 3100

The purpose of this measure is to increase the term of a driver's license learner's permit from 180 days to one year, effective January 1, 2001.

Testimony in support of the measure was received from the Department of Transportation and Department of Customer Service of the City & County of Honolulu.

Your Committee finds that under the current law any person, who applies for a temporary driver instruction permit ("learner's permit") and who the examiner of drivers in the county where the applicant resides determines to be qualified for such permit, may receive a learner's permit effective for one hundred eighty days.

Your Committee agrees that extending the learner's permit to a one year term will help new drivers, particularly minors, to gain more road experience before taking the practical road test. It will also simultaneously eliminate the present peer pressure minors experience to obtain their driver's license before the expiration of their first learner's permit.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3100 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Inouye).

SCRep. 2653 Commerce and Consumer Protection on S.B. No. 2205

The purpose of this measure is to clarify the Hawaii Nonprofit Corporation Act to allow copies and facsimiles or other reliable reproductions of proxies to be used in lieu of the original writing or transmission for all purposes which the original could be used.

Your Committee received testimony from the Department of Commerce and Consumer Affairs and Cades Schutte Fleming & Wright.

Your Committee has amended this measure by deleting the current provisions and inserting provisions to:

- (1) Prohibit a nonprofit corporation (nonprofit) that is a private foundation, as defined in the Internal Revenue Code, from:
 - (A) Engaging in any act of self-dealing;

- (B) Retaining any excess business holdings;
 - (C) Making any investments that would subject it to a federal income tax; and
 - (D) Making any taxable expenditures; and
- (2) Require the nonprofit to distribute, as permitted in its charter of incorporation, amounts necessary to avoid a federal income tax.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2205, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2205, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2654 Commerce and Consumer Protection on S.B. No. 2306

The purpose of this measure is to clarify the requirements for the Public Utilities Commission (PUC) to issue a certificate of convenience and necessity (certificate).

Your Committee received testimony from the PUC and E Noa Corporation.

This measure requires an applicant for a certificate to adduce substantial evidence to support a finding by the PUC that the proposed service or operation will be of beneficial value to the community and a necessity, and will not directly compete with or unduly prejudice existing carriers. In addition, the PUC must find that existing operations cannot meet the proposed service and that there is a lack of adequate existing facilities to serve the public.

This measure also provides for a denial for two years of any application if the applicant engages in motor carrier activity without prior written authority from the PUC.

The intent of this measure is to enhance the degree of authority and flexibility of the PUC to regulate motor carriers by clarifying the required showings on the record that the applicant must produce to satisfy the PUC for issuing a certificate. Current law does not provide specific guidelines for the PUC to follow.

Your Committee has amended this measure by clarifying that in a contested case hearing relating to the issuance of a certificate, the PUC must consider:

- (1) The public interest in maintaining the health and stability of existing carriers;
- (2) The adequacy of existing services;
- (3) The beneficial value to the community; and
- (4) The necessity of the proposed service.

Your Committee notes that the term "health" in paragraph (1) refers to the financial health of the carrier.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2306, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2306, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2655 Commerce and Consumer Protection on S.B. No. 2307

The purpose of this measure is to restrict the Public Utilities Commission (PUC) to granting a certificate of public convenience and necessity (certificate) only for the proposed service, routes, and vehicle types described in the application for a certificate.

Your Committee received testimony from the PUC and E Noa Corporation.

Your Committee finds that currently, the PUC may grant authority to applicants for passenger-carrying certification that exceeds the scope of service proposed in their applications. Your Committee believes that this practice jeopardizes the effectiveness of public notice and the ability of interested parties, including the Consumer Advocate, to effectively determine if certain applications should be challenged.

Your Committee has amended this measure by clarifying that it applies to applications for authority to carry more than seven passengers, and deleting reference to engaging in motor carrier activity without prior written authority.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2307, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2307, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2656 Commerce and Consumer Protection on S.B. No. 2562

The purpose of this measure is to reorganize existing law on the confidentiality of nonpublic financial information of a captive insurance company, and to clarify the financial reporting requirements of captive insurers.

Your Committee received testimony from the State Insurance Commissioner, Marsh Management Services Inc., Hawaii Captive Insurance Council, Becher + Carlson Risk Management, Inc., and Hawaii Captive Insurance Management.

Your Committee amended this measure for clarity, and deleted the reference to class 4 captive insurance companies in the provisions regarding the filing of risk-based capital reports.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2562, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2657 (Majority) Commerce and Consumer Protection on S.B. No. 2657

The purpose of this measure is to enable persons with diabetes to more effectively manage their disease.

Testimony on the measure was submitted by the Insurance Commissioner, American Diabetes Association, Diabetes Advocacy Alliance of Hawaii, Hawaii Association of Diabetes Educators, American Family Life Assurance Company, and numerous individuals.

The American Diabetes Association estimates that the cost of care attributable to diabetes in the United States is \$100,000,000,000 per year. Your Committee finds that educating persons with diabetes on the management of their condition and providing them with the supplies necessary to undertake self-management will help to prevent complications of the disease and reduce the cost of care. This measure will enable persons with diabetes to receive the tools necessary for self-management by requiring coverage for diabetes outpatient self-management training and supplies under health insurance policies and contracts.

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

- (1) Clarifying that coverage for diabetes self-management training and supplies is mandated under a person's primary health insurance, and is not required under supplemental and limited benefit policies;
- (2) Exempting the requirements established in this Act from a sunrise review pursuant to sections 23-51 and 23-52, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style, and to reflect existing language in the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2657, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2657, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 3. Noes, 2 (Bunda, Slom). Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2658 Commerce and Consumer Protection on S.B. No. 2866

The purpose of this measure is to improve patient care by liberalizing the requirements for dispensing prescription drugs and medical oxygen.

Testimony was received from the Department of Health, Hawaii Pharmacists Association, Longs Drugs, Hawaii Association for Home Care, and two private individuals.

This measure also removes refill restrictions on out-of-state prescriptions which impede access to needed prescription medications for visitors and local residents with mainland physicians.

Your Committee finds that this measure does not compromise the public health, but serves to facilitate the safe and professional dispensing of prescription drugs and medical oxygen.

Your Committee has amended this measure by making technical, nonsubstantive changes for proper Ramseyer formatting and language.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2866, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2866, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2659 Ways and Means on S.B. No. 35

The purpose of this bill is to provide a matching appropriation to the Hawaii Forestry and Communities Initiative (HFCI).

Your Committee finds that HFCI has made great strides in diversifying Hawaii's economy by creating quality jobs in the forestry industry. HFCI's partnership approach leverages the resources of agencies and communities throughout the State to improve its efficiency and effectiveness. HFCI's involvement is helping forestry evolve in Hawaii with a community focus that encourages outside investments.

HFCI, however, is dependent on matching federal and state assistance to continue its successful programs. Although HFCI has been able to match federal grants through in-kind services over the past two years, it has been hard pressed to complete key projects without state funds. The following projects could be fully implemented in fiscal year 2000-2001 with state assistance:

<u>Project</u>	<u>Cost</u>
Industry analysis	\$ 23,000
UHH classes	\$ 30,000
Best Management Practice Training	\$ 39,000
Kapapala Survey	\$ 8,000
Inventory	<u>\$100,000</u>
Total:	\$200,000

Additionally, the lack of state funds has placed Hawaii's congressional delegation, which has been instrumental in securing additional federal funds through the U.S. Forest Service, in an awkward and sensitive position when requesting federal funding.

Inasmuch as your Committee finds substantial merit with HFCI and its programs, certain issues with respect to matching federal funding requirements remain unresolved. In order to allow for further discussion on this measure while additional research is conducted on this matter, your Committee is recommending passage of the bill with a blank dollar amount.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 35 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, Iwase, Nakata, Anderson).

SCRep. 2660 (Majority) Ways and Means on S.B. No. 364

The purpose of this measure is to include within the general excise tax exemption for insurance companies' gross income or gross proceeds, income derived from a reciprocal insurer by the attorney-in-fact for the reciprocal insurance company.

Testimony in favor of this measure was submitted by Medical Insurance Exchange of California. The Department of Taxation submitted testimony in opposition. The State Insurance Commissioner and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that unlike the stock insurer and mutual insurer, a reciprocal insurer does not have any employees and its day-to-day operations are administered by an attorney-in-fact. In this way, the attorney-in-fact is similar to the business administrator of stock and mutual insurance companies, whose salary is not subject to the general excise tax. This measure would extend the same exemption to the reciprocal insurance companies.

Your Committee has made technical amendments for the purposes of clarity, and has changed the effective date of the Act to apply to taxable years after July 1, 2000.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 364, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 364, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, 1 (M. Ige). Excused, 4 (Chun, Iwase, Nakata, Anderson).

SCRep. 2661 Ways and Means on S.B. No. 2200

The purpose of this bill is to increase the amount of resources available to the Public Utilities Commission.

In particular, this bill limits the amount of moneys in the Public Utilities Commission special fund that lapse into the state general fund at the end of each fiscal year by providing that the greater of \$1,000,000, or two-thirds of the moneys in the special fund, shall remain in the special fund, with the excess lapsing into the general fund.

Your Committee finds that the Public Utilities Commission plays a critical role in representing the interests of the public in enforcing compliance with state laws and carrying out its responsibility of general supervision of the State's public utilities, including regulation and oversight over the activities of providers of electricity, telecommunications, telephone, gas, private water, and sewer services, as well as its providers of water and motor carrier services.

Your Committee agrees with the intent of this bill, and finds that it will provide the commission with the additional resources, including retention of qualified staff to monitor compliance by the regulated industries, that are needed to clear the commission's dockets in a timely manner and thereby effectively represent, protect, and further the interests of the people of Hawaii.

Your Committee has amended this bill by:

- (1) Requiring the commission's annual report to the Legislature to include an account of how the additional resources allocated to the commission by this bill have been spent over the previous year; and
- (2) Adding a "drop dead" provision to specify that the amendments made to the Public Utilities Commission special fund in section 260-33, Hawaii Revised Statutes, are to be repealed on July 1, 2005.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2200, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2200, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, Tam, Anderson).

SCRep. 2662 (Majority) Ways and Means on S.B. No. 2317

The purpose of this bill is to allow boards of water supply in counties with a population of more than 500,000 to enter into a five-year pilot program to restructure and reorganize.

In establishing the pilot program, this bill allows the boards of water supply to exercise the powers, functions, and duties relating to governing the classification and reclassification of positions found in the civil service and compensation laws; create flexible job descriptions in order to meet the requirements of technology and efficiency, including reducing the number of job classifications and combining jobs requiring more than one skill; and provide bonus monetary payments to be shared by a team of employees for reducing costs under certain efficiencies or benchmarks.

Your Committee finds that it is imperative that clean and potable water be provided to state residents without interruption, efficiently and effectively. Your Committee finds, however, that the cost of providing water has increased over the years, and that the pilot program established by this bill will assist in making the boards of water supply more efficient, as well as serve as a laboratory to test proposed changes to the statewide civil service system.

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

- (1) Changing the bill's effective date to facilitate further discussion; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2317, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2317, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, 1 (M. Ige). Excused, 2 (Chun, Anderson).

SCRep. 2663**Ways and Means on S.B. No. 2446**

The purpose of this bill is to appropriate funds for programs and services for the protection of children and families.

Your Committee finds that a comprehensive strategy comprised of community-based programs is necessary to prevent child abuse.

Your Committee has amended this measure by retaining the programs and services related to the Hawaii Children's Trust Fund, Healthy Start, and Blueprint for Change. Your Committee has deleted the others.

Your Committee has also amended this measure by specifying that appropriations are conditioned upon matching funds from private and federal sources.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2446, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2446, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, Nakata, Taniguchi, Anderson).

SCRep. 2664**Ways and Means on S.B. No. 2716**

The purpose of this measure is to protect the seller, for general excise tax purposes, from a purchaser's tax liability due to the purchaser's mistaken claim to a wholesale general excise tax rate instead of the four per cent rate.

Testimony in support of the measure was received from Hagadone Printing and Pacific Printing Industries. The Department of Taxation opposed the measure as received by your Committee due to the measure's sweeping implications and ambiguous impact. The Tax Foundation provided comments on the measure.

Your Committee finds that businesses in Hawaii collect the general excise tax on the sale of their goods or services to other businesses. The amount of the tax collected is dependent on the purchaser's tax status and is either at the wholesale rate of one-half of one percent, or four percent of the amount transacted. To verify that a purchaser is a wholesaler, a certificate prescribed by the Department of Taxation is presented by the purchaser to the seller.

If, however, a purchaser mistakenly represents itself as a wholesaler and the seller pays less than the prescribed four percent rate, the purchaser is obligated to pay the seller the difference in the taxes due. But if the purchaser defaults or goes out of business and fails to pay the full amount owed, the seller is held responsible for the purchaser's tax liability.

Based on the concerns of the Department of Taxation, your Committee has amended the measure by deleting its substance and inserting provisions that more directly address the problem at hand. Specifically, your Committee has:

- (1) Deleted the findings and purpose section;
- (2) Added two sections to the bill that amend section 237-4(a), and 238-2, Hawaii Revised Statutes, to specify that the one-half percent tax rate applies in cases where a sale of goods or services by a printer to a publisher of magazines containing advertisements occurs, and whereby the publisher is under contract with the advertisers to distribute a minimum number of magazines to the public or defined segment of the public with or without charge; and
- (3) Amending the effective date to state that upon approval, the measure shall apply to gross income or gross proceeds received after June 30, 2000.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2716, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2716, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, Taniguchi, Anderson).

SCRep. 2665**Judiciary on H.B. No. 164**

The purpose of this bill, as received by your Committee, is to propose an amendment to Article III, section 6, of the State Constitution to require that, prior to filing nomination papers for the primary election, a candidate for state legislative office should be a qualified voter in the district that the candidate seeks to represent.

Your Committee finds that candidates presently have until the day of the general election to qualify for office for a particular district. Your Committee further finds that requiring candidates to establish residency before running in the primary election will prevent candidates from waiting until after a favorable primary result to move into the district. Your Committee believes this amendment will ensure that candidates for legislative office are connected by residency to the communities they wish to serve.

Testimony in support of this measure was submitted by the Office of Elections and the League of Women Voters of Hawaii.

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

- (1) Changing the deadline for a candidate to meet residency requirements to immediately prior to the primary election; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 164, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 164, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2666 Judiciary on S.B. No. 2311

The purpose of this bill is to require every passenger in a motor vehicle to wear a seatbelt.

Your Committee finds that a passenger in the back seat is possibly as much at risk of serious bodily injury or death as the driver and front seat passenger. Different factors affecting the accident, such as the direction of the oncoming car or the after effects of the accident such as the car continuing to skid or rolling over, can cause passengers to be severely injured. Therefore, mandatory seatbelt use seems to be the best preventive measure against vehicular injuries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2311, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2667 Judiciary on S.B. No. 2318

The purpose of this bill is to amend the law relating to the administrative revocation of driver's licenses to include the revocation of all motor vehicle registrations issued to a driver who has been convicted of a previous violation of driving under the influence of intoxicating liquor under section 291-4 or 291-4.4, Hawaii Revised Statutes.

In addition, the bill increases the penalties relating to the minimum number of hours of community service and minimum jail time for a second or third conviction under section 291-4.

Your Committee finds that this bill is necessary to meet the requirements of section 5 of the federal TEA-21 Restoration Act, which establishes a new program under Section 164 of Chapter 1, Title 23 U.S.C., encouraging states to enact repeat intoxicated driver laws. States that fail to enact a repeat intoxicated driver law by October 1, 2000, that complies with the requirements of the federal law will be required to transfer 1.5 per cent of their federal-aid highway construction funds to their state and community highway safety program funds.

To meet the federal requirements, each state's repeat intoxicated driver law must provide, as a minimum penalty for persons convicted of a previous driving under the influence violation, the following:

- (1) A driver's license suspension for not less than one year;
- (2) Vehicle impoundment, immobilization of each of the individual's motor vehicles, or the installation of an ignition interlock system on each of the motor vehicles;
- (3) An assessment of the individual's degree of abuse of alcohol and treatment; and
- (4) Not less than thirty days community service or five days of imprisonment for a second offense; and not less than sixty days community service or ten days of imprisonment for third and subsequent offenses.

Your Committee further finds that if this or a similar bill is not enacted by September 30, 2000, three per cent of the State's federal aid highway funds will be transferred until the State enacts this or similar legislation.

Your Committee has amended the bill by deleting its contents and substituting the contents of H.B. No. 1756, H.D.1, which is similar to the instant measure but contains the following substantive differences:

- (1) Adds a new section amending the title of part XIV of chapter 286 to include "motor vehicle registration";
- (2) Deletes the definition of "family member" and adds definitions of "household member" and "qualified household member" to clarify who may apply for hardship relief as a result of motor vehicle registration revocation;

- (3) Clarifies the application of the motor vehicle registration revocation provisions, by providing time limitations applicable to prior convictions or alcohol enforcement contacts, similar to those provided for under sections 291-4 (DUI), 291-4.4 (habitual offender), and 286-261, Hawaii Revised Statutes;
- (4) Changes "restricted registration" to "special registration" and deletes the provision stating that operation of the motor vehicle in a manner inconsistent with the restricted registration would have the same effect as operating without a license;
- (5) Adds a provision requiring the applicable police department, upon the arrest of a person and determining the person has prior DUI convictions or alcohol enforcement contacts within the specified periods, to notify the county Director of Finance to insert a "stopper" on further motor vehicle transactions; and deletes a provision requiring this be done by the Director of the Administrative Driver's License Revocation Office;
- (6) Adds a provision to permit the Administrative Driver's License Revocation Office to destroy the license plates if the Director revokes the motor vehicle registration after the administrative review;
- (7) Clarifies that the prohibition on subsequent registration transactions, after an arrestee's motor vehicle registration has been revoked, is only for the length of the applicable revocation period and not indefinitely;
- (8) Adds a provision making it a misdemeanor to fail to comply with an order to surrender license plates;
- (9) Adds a provision requiring the Director of the Administrative Driver's License Revocation Office to adopt rules relating to issuing of special motor vehicle registrations;
- (10) Adds a provision permitting certain exceptions to the prohibition on transferring vehicles that are subject to a motor vehicle registration revocation;
- (11) Adds a provision requiring persons to whom a special registration has been granted to apply to the county Director of Finance for special series license plates;
- (12) Deletes the increase to the mandatory consecutive hours of jail time for second and third offenses under section 291-4 (DUI), Hawaii Revised Statutes, and deletes the mandatory community service for a third offense under section 291-4;
- (13) Adds mandatory penalties (including minimum one year driver's license revocation, ten days jail, and alcohol assessment and treatment) to section 291-4.4 (habitual DUI offender), Hawaii Revised Statutes, which are necessary to comply with the federal law;
- (14) Deletes the "saving" provision because it conflicts with other provisions in the bill indicating the intent of the bill to apply to prior convictions or alcohol enforcement contacts; and
- (15) Adds a new section directing the revisor of statutes to substitute appropriate section numbers for letters used in designating new sections in the bill.

Upon further consideration, your Committee has amended the contents of what had been the original H.B. No. 1756, H.D.1, by:

- (1) Amending the definition of "household member";
- (2) Adding a definition of "repeat intoxicated driver" and making conforming changes to the bill at pages 5, 12, 20, and 24 relating to use of the term;
- (3) Clarifying that "administrative revocation" includes the termination of the "registration" of all motor vehicles registered to an arrestee;
- (4) Clarifying that, in section 286-255, the new subsection (c) applies to an arrestee who is a repeat intoxicated driver under subsection (b), as well as under subsection (a);
- (5) Providing that, in section 286-255, the arresting officer may remove the license plates and issue a temporary registration and plates only if the vehicle being driven by the arrestee is registered to the arrestee;
- (6) Changing the effective date to September 30, 2000; and
- (7) Making a number of technical nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2318, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2318, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2668

Judiciary on S.B. No. 2634

The purpose of this bill is to define "law enforcement officer," and replace references in specific penal code provisions to "peace officer" with "law enforcement officer."

Your Committee finds that the provisions of the penal code refer interchangeably to "peace officer" and "law enforcement officer," without defining either term. The Honolulu Police Department prefers the term "law enforcement officer." Your Committee finds that consistency in terminology will increase the clarity of our penal code. Your Committee notes that an important part of a law enforcement officer's job is keeping peace in our community, and therefore a law enforcement officer should also be a peace officer. However, your Committee finds that, to avoid confusion, only one term should be used, and will agree to the term preferred by the Honolulu Police Department.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney, City and County of Honolulu, the Department of the Prosecuting Attorney, County of Maui, and the Honolulu Police Department. Comments on this measure were submitted by the Office of the Public Defender.

Upon further consideration, your Committee has amended this measure to achieve its purpose more consistently and thoroughly by deleting its contents and replacing it with:

- (1) A provision adding a definition of "law enforcement officer" in the general definitions applicable to the entire penal code; and
- (2) A provision amending chapters 701 through 712A, Hawaii Revised Statutes, by substituting "law enforcement officer" for "peace officer" wherever the latter appears.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2634, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2634, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2669

Judiciary on S.B. No. 3125

The purpose of this measure, as received by your Committee, is to give the Comptroller the authority to address and resolve county grievances regarding publication of notice requirements and, if appropriate, waive some requirements.

Your Committee finds that under the current laws relating to notice requirements, notices published by governmental agencies fail to reach many rural Neighbor Island residents. Your Committee further finds that the counties should have the flexibility to publish county notices in a publication that is readily available to all county residents.

Testimony in support of the intent of this measure was submitted by the Attorney General, the Department of Accounting and General Services, the Hawaii County Clerk, a member of the County Council, County of Maui, and the Hawaii Newspaper Agency. Testimony in opposition to this measure was submitted by Common Cause Hawaii.

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

- (1) Deleting the amendments to subsection (a) of section 1-28.5, Hawaii Revised Statutes;
- (2) Deleting the authorization for the Comptroller to resolve county grievances and waive notice requirements;
- (3) Amending subsection (b) of section 1-28.5, Hawaii Revised Statutes, to require the directors of finance for each county (instead of the Comptroller) to determine a publication to be used for all county published notices;
- (4) Adding a provision clarifying that the Comptroller and the county directors of finance may enter into cooperative agreements for publication of public notices;
- (5) Providing that the counties are responsible for paying the direct cost of county published notices; and
- (6) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3125, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3125, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2670

Judiciary on S.B. No. 2001

The purpose of this bill, as received by your Committee, is to require the State to indemnify and defend a county in litigation based on acts or omissions of county lifeguards working at State beach parks under an agreement between the State and a county.

Your Committee finds that the State has a strong interest in providing lifeguards to the users of both State and county beach parks. Your Committee further finds that this measure will encourage counties to provide lifeguard services by agreement with the State, because it will reassure the counties that they will not face costly litigation as a result of providing lifeguard services.

Testimony in support of this measure was submitted by the Board of Land and Natural Resources, the Office of the Mayor, County of Maui, two members of the Maui County Council, two members of the Hawaii County Council, a member of the Kauai County Council, the Emergency Services Department, City and County of Honolulu, the Department of Parks and Recreation, County of Hawaii, the Office of the County Attorney, County of Kauai, the Kauai Fire Department, the Kauai Economic Development Board, Wilcox Health System, the Kauai Center for Holistic Medicine and Research, Hale Kauai Ltd., Rosa's Supply, Kauai Mortgage Co., Inc., Hyatt Regency Kauai, Outrigger Kaua'i Beach, Princeville Resort, Holiday Inn SunSpree Resort, Tropical Tantrum, Kawaihoa Development, Goodfellow Bros., Inc., Otsuka's Home Center, the Hawaiian Lifeguard Association, Kauai Paradise Tours, Smith's Motor Boat Service, and twelve individuals. Testimony in opposition to this measure was submitted by the Attorney General.

Upon further consideration, your Committee has amended this measure by returning it to its original form, which would require the State to defend and indemnify a county in litigation based on:

- (1) The acts and omissions of county lifeguards working at either a State beach park or a county beach park operated under a license or lease from the State or by executive order; or
- (2) A natural or unnatural condition at a State beach park or a county beach park operated under a license or lease from the State or by executive order.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2001, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2001, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2671

Judiciary on S.B. No. 2467

The purpose of this bill is to authorize and establish procedures for the administrative forfeiture of materials, tools, and other property owned by an unlicensed contractor, to clarify that unlicensed contracting is an unfair and deceptive practice, and to require unlicensed contractors to reimburse moneys to consumers.

Your Committee finds that unlicensed contractors, unlike licensed contractors, provide consumers no assurance that they will competently do the job for which they were hired, and often fail to complete a job or do so inadequately. Your Committee further finds that an unlicensed contractor who illegally takes on a contracting job should be subject to the forfeiture of equipment used on that job.

Your Committee notes that the bill, in its present form, would subject an unlicensed contractor to forfeiture of all property, not just tools used for the illegal work. Your Committee received lengthy proposed amendments to this measure from the Department of Commerce and Consumer Affairs, which may clarify what property is subject to forfeiture, among other points. However, because the proposed amendments bear largely upon matters previously considered by the Committee on Commerce and Consumer Protection, your Committee believes that it should leave consideration of those amendments to the appropriate House committee and, if this measure should go to conference, to the conference committee.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, Consumer Lawyers of Hawaii, the Hawaii Construction Industry Association, the Building Industry Association, the Construction Industry Legislative Organization, the Subcontractors Association of Hawaii, the General Contractors Association of Hawaii, the Maui Contractors Association, and Hidano Construction.

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

- (1) Deleting a provision that would have retroactively applied the measure to prior court proceedings;
- (2) Changing the effective date to November 7, 2040, to promote continued discussion of the bill and proposed amendments; and
- (3) Making a technical, non-substantive change for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2467, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2467, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2672 Judiciary on S.B. No. 2465

The purpose of this bill is to narrow the exemption in the promoting pornography to minors statutes for state librarians to librarians who are acting within the scope of their employment.

Your Committee finds that a balance must be struck between allowing reasonable access to free library information and preventing exposure to and unlimited opportunities for minors to view pornography. Your Committee finds that this measure will provide that balance by limiting the exception from the pornography statutes to librarians who are acting within the scope of their employment.

Testimony in support of this measure was submitted by the State Librarian, the Honolulu Police Department, Hawaii Family Forum, Hawaii Catholic Conference, and two private individuals. Testimony in opposition was submitted by the Hawaii Library Association, and comments were submitted by one private individual.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2465, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2673 (Joint/Majority) Judiciary and Transportation and Intergovernmental Affairs on S.B. No. 2151

The purpose of this bill, as received by your Committees, is to require that all firearms be re-registered by the end of 2010, and requires that firearms owners re-register firearms in five-year cycles thereafter.

Your Committees find that Hawaii has one of the strictest gun control laws across the nation, and it is your Committees' belief that these laws have had a tremendous impact upon our firearm-related fatality rates. Your Committees further find that Hawaii has one of the lowest firearm-related fatality rates in the nation, about one-third of the national average (4.4 deaths per 100,000 in Hawaii versus 12.94 per 100,000 population for the nation). However, your Committees agree that injuries and deaths from firearms remain a serious public health problem in Hawaii. Your Committees believe, therefore, that we need to strengthen our laws to prevent criminals and other prohibited individuals from possessing and using firearms to injure and kill innocent victims.

Your Committees recognize that re-registration provides a mechanism for the police to ensure that legal owners are still in possession of their registered firearms. Re-registration also provides a mechanism to periodically check the status of firearm owners, especially the mental health history of the individual, to ensure that they are still legally qualified to own a firearm.

Testimony in support of this measure was submitted by the Department of Health, Hawaii State Commission on the Status of Women, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, the Bell Campaign, the Confirmation Class of Temple Emanu-El, Hawaii Firearms Control Coalition, Hawaii Women Lawyers, Keiki Injury Prevention Coalition, League of Women Voters, Puuhale Elementary School students and student council members, Sam Shenkus Marketing, and five concerned citizens. Testimony in opposition to this measure was submitted by the Firearms Academy of Hawaii, Inc., the Hawaii Citizens' Rights PAC, the Hawaii Rifle Association, the Libertarian Party of Hawaii, Lessons in Firearms Education, the National Rifle Association of America, Security Equipment Corp., a researcher affiliated with Yale University School of Law, and approximately forty-five concerned individuals.

Upon further consideration, your Committees have amended this bill by:

- (1) Deleting the provisions that required a 10-year phase in period for the re-registration of all firearms;
- (2) Deleting the provisions that required firearms owners to present all firearms owned or possessed to the chief of police of the respective counties for re-registration purposes;
- (3) Providing that re-registration of all registered firearms begin January 1, 2001, in the month of the firearms owner's date of birth;
- (4) Providing for re-registration by mail;
- (5) Providing that the chief of police of the respective counties issue a firearms owner identification card to any person who registers or re-registers a firearm under section 134-3;
- (6) Providing that no person shall sell ammunition for any firearm required to be registered or re-registered except upon proof that the purchaser is the registered owner;

- (7) Providing that no person shall sell ammunition for any unregistered rifle or shotgun acquired prior to July 1, 1994, except upon proof that the purchaser is the registered owner;
- (8) Providing that the presentation of a firearms owner identification card is proof that the purchaser is the registered owner of the firearms;
- (9) Requiring that any physician, psychologist, or substance abuse counselor notify the chief of police of the respective counties when they treat a patient for the purposes detailed in section 134-7(c)(1)-(3), Hawaii Revised Statutes;
- (10) Extending immunity from civil liability to those physicians, psychologists, or psychiatrists who provide information for the purposes of investigating the continuing mental health of a firearms owner;
- (11) Making a conforming amendment to chapter 323C, Hawaii Revised Statutes, to allow a health care provider or public health authority to disclose protected health information to the chief of police of the respective counties for the purposes of evaluating an individual's request for a firearms permit or the re-registration of a firearm; and
- (12) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2151, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2151, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 13. Noes, 1 (Slom). Excused, 1 (Buen).

SCRep. 2674 Judiciary on S.B. No. 2438

The purpose of this bill is to clarify that the annual ten per cent interest on court judgments applies to the total judgment.

Testimony in support of this measure was received from several individuals.

Your Committee finds that currently in Hawaii the law is somewhat unclear as to whether interest at the rate of ten per cent a year shall be allowed on the total amount of the judgment. Your Committee finds that it is imperative that clarification be made.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2438 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2675 (Majority) Judiciary on S.B. No. 2430

The purpose of this measure is to protect the civil rights of all people by prohibiting discrimination in housing based on sexual orientation.

The Hawaii State Commission on the Status of Women, the Hawaii Civil Rights Commission, the American Civil Liberties Union of Hawaii, the League of Women Voters of Hawaii, Lambda Aloha, and three individuals testified in support of the bill. Three individuals opposed the measure.

The bill adds sexual orientation as a protected status to laws prohibiting discrimination in real estate transactions and makes it unlawful under state law for landlords and any other real estate provider to discriminate against persons because of their sexual orientation. Currently, discrimination based on sexual orientation is prohibited only in the area of employment. A person's ability to find shelter, a basic need, should not be limited by their sexual orientation. Adding sexual orientation as a protected status in housing transactions is a positive step forward in making all of our civil rights laws uniform. Your Committee finds that the prohibition against discrimination based on a person's sexual orientation must be extended to real estate transactions to ensure all of Hawaii's citizens are treated with fairness and equality, particularly in the area of jobs and shelter.

This measure also adds "familial status" to the blockbusting section of the housing law to correct an inadvertent omission when the law was changed in 1992. Your Committee finds that this change is required to make state law substantially similar to federal fair housing laws.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2430 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, 1 (Sakamoto). Excused, 1 (Anderson).

SCRep. 2676 Judiciary on S.B. No. 539

The purpose of this measure is to propose a Constitutional amendment to provide the University of Hawaii with autonomy.

Your Committee finds that the proposed amendment is part of a logical progression of actions taken by the Legislature to provide the University of Hawaii with the independence needed to meet its goals of academic excellence, research to benefit the community, and economic development. Your Committee further finds that the amendment is not intended to abrogate the ethical obligations of University of Hawaii employees under Article XIV of the State Constitution.

Testimony in support of this measure was submitted by the University of Hawaii, the University of Hawaii Professional Assembly, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, a consulting engineering firm, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau, and one individual. Testimony commenting on the measure was submitted by the Office of Elections. Testimony expressing concerns about the measure was submitted by the Department of Budget and Finance, the Hawaii State Ethics Commission, and the Hawaii Government Employees Association.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 539, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2677 (Majority) Transportation and Intergovernmental Affairs on S.B. No. 3031

The purpose of the measure is to allow the use of HOV lanes by all vehicles after 7:00 a.m. on Interstate H-1, and to create a pilot project to study and permit the use of zipper lanes by vehicles carrying two persons after 7:00 a.m. The measure also permits the general use of the zipper lane during an accident or emergency.

Testimony in opposition to the measure was received from the Department of Transportation, Department of Transportation Services of the City and County of Honolulu, Oahu Transit Services, Inc., Hawaii Teamsters Local 966, Leeward Oahu Transportation Management Association, and 11 private individuals. Two petitions with numerous signatures were also received by your Committee in opposition to the measure.

Your Committee finds that the zipper lane is currently being underutilized with the requirement of three or more passengers during the 7:00 a.m. to 8:00 a.m. time period.

Your Committee has amended the measure by designating the zipper lane as a pilot project, and requiring the Department of Transportation to submit a report with any recommendations to the legislature twenty days prior to the regular session of 2002. Your Committee has also changed the effective date to January 1, 2025, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3031, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3031, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 2 (Inouye, Iwase). Excused, 1 (Buen).

SCRep. 2678 (Majority) Transportation and Intergovernmental Affairs on S.B. No. 2316

The purpose of the measure is to permit the use of a foreign language exam by the examiner of drivers, if the applicant is able to read and understand simple English used in highway traffic and directional signs.

Testimony was received in support of the measure from the Department of Transportation.

Your Committee finds that many people who speak English as a second language, or speak very little English at all, have difficulty passing a written examination for a driver's license. Your Committee was informed that approximately 500 people failed the exam last year because of this. Your Committee also is aware that the counties in the past have provided interpreters for the written examination, but no longer do so.

Your Committee has amended the measure by changing the effective date to January 1, 2002, to allow sufficient time for implementation.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2316, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2316, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 2 (Inouye, Slom). Excused, 2 (D. Ige, Iwase).

SCRep. 2679 Transportation and Intergovernmental Affairs on S.B. No. 3102

The purpose of this measure is to require that an applicant for renewal of a driver's license that has expired be treated as an applicant for reactivation of an expired license.

Your Committee received testimony in support of this measure from the Department of Transportation and Honolulu Department of Customer Services.

This measure also prohibits the renewal by mail of a driver's license more than once after appearing in person before the examiner of drivers whether the license expires on the sixth birthday after issuance, the fourth birthday after issuance, or on the second birthday after issuance. Current law provides for the fourth and second birthdays only.

The intent of this measure is to ease and facilitate the renewal of driver's licenses by permitting one renewal by mail after a previous license was issued after being examined in person.

Reactivation of an expired license does not require the driver to undergo reexamination of the person's driving skills, which is a written test, road test, and eyesight examination.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3102 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Inouye).

SCRep. 2680 (Joint) Transportation and Intergovernmental Affairs and Ways and Means on S.B. No. 2706

The purpose of this measure is to provide an exemption from the general excise tax for amounts received as rent for the lease of aircraft or aircraft engines used by lessees for interstate air transportation of passengers and goods.

In addition the measure provides an exemption from the use tax for aircraft or aircraft engines imported by any lessee engaged in interstate air transportation. The measure is effective on July 1, 2000.

Your Committees received testimony in favor of this measure from Aloha Airlines, Hawaiian Airlines Master Executive Council--Air Line Pilots Association International, and Hawaiian Airlines. Testimony in opposition was received from the Department of Taxation. Comments were submitted by the Tax Foundation of Hawaii.

Your Committees find that this measure addresses a tax audit by the Department of Taxation of lessors of aircraft and aircraft engines to local airlines. Your Committees find that the general excise tax is a voluntarily self-assessed tax, however, the general excise tax in particular is little understood by persons doing business in Hawaii from the mainland. Through no fault of their own, none of the mainland lessors filed general excise taxes on the rental collected from aircraft leased to local airlines.

The result is that no statute of limitation applies and the Department of Taxation is properly interested in collecting taxes for as long as twenty years in the past. While the Department of Taxation is correct, collection, however, is complicated due to the fact that over the years records may have been destroyed or lost, many of the lessors are out of business, have merged with others, or no longer lease aircraft to the local airlines.

Your Committees also find that although the tax may be on mainland taxpayers, the lease contracts contain an indemnity clause which make the lessee local airlines responsible for the tax. The imposition of a tax of this magnitude on our local airlines at this time would be a substantial burden on them and our economy. It would make the local airlines less competitive with other carriers to the detriment of the State. Moreover, the problem does not stop with the local airlines. The airlines must pass the tax on to their customers--all of us in the State who must commute--and perhaps more importantly local agricultural producers on the neighbor islands would pay increased shipping prices. This would make them even less competitive in local and world markets.

As the Governor said in an article in the Honolulu Advertiser on February 8, 2000, "We must do everything possible to keep the cost of air travel reasonable--for kamaainas and visitors alike."

Your Committees find that the Department of Taxation is correct in its position, but the current and future impact of assessing these taxes leads your Committees to believe that the situation must be addressed. The Department of Taxation will next audit national and international airlines and concomitant bad results as revealed in the audit of the local airlines can be expected. National and international airlines can take their business elsewhere, but Hawaii cannot follow them.

Your Committees have amended the measure as follows:

- (1) The purpose section was rewritten to set forth the problems that led to this measure and which are faced in the area of taxing the lease rent from leasing aircraft and aircraft parts;
- (2) A new section was added to prevent the retroactive levy, assessment, or collection of taxes. While unusual, your Committees find that preventing the retroactive assessment of taxes was done in Act 181, Session Laws of Hawaii 1990;
- (3) The general excise and use tax exemptions have been rewritten to be more inclusive in order to provide full coverage of the problems in this area. In addition, definitions of renting and leasing and aircraft have been added for clarity; and
- (4) Provisions of section 238-1, Hawaii Revised Statutes, unnecessary to the amendments in this bill were deleted and technical, nonsubstantive amendments, as necessary, were made.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2706, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2706, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Noes, none. Excused, 4 (Chun, Nakata, Tam, Anderson).

SCRep. 2681 (Joint) Labor and Environment and Ways and Means on S.B. No. 2343

The purpose of this measure is to exempt the Hawaii Health Systems Corporation (HHSC) from certain civil service requirements for five years until June 30, 2005. The measure also establishes parameters for collective bargaining applicable only to the HHSC.

Testimony in favor of this measure was received from the HHSC, Department of Human Resources Development, Maui Memorial Medical Center, and one individual. Testimony in opposition to the measure was received from the United Public Workers. Comments on the measure were received from the HGEA-AFSCME.

Your Committees note the Auditor's finding that the state personnel system's process increases costs for the corporation. This measure proposes a five-year pilot project providing the corporation relief from the State's inflexible personnel system. Your Committees are in agreement that this measure will help the corporation achieve its goals of becoming a more self-sufficient, cost-effective, quality focused, integrated health care system.

Your Committees have amended this measure by deleting all but the section amending the definition of "employer" or "public employer" to include the HHSC's board of directors. Deleted material has been incorporated into the Senate's civil service reform bill.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2343, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2343, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 7 (D. Ige, Ihara, Iwase, Tam, Taniguchi, Anderson, Slom).

SCRep. 2682 Labor and Environment on S.B. No. 2870

The purpose of this measure is to expand the mandatory certification laws over public water systems to allow for distinct certification requirements for water treatment plant and distribution system operators.

Testimony in favor of this measure was received from the Department of Health.

Currently, a distribution system operator does not perform the same functions as a water treatment plant operator. Your Committee finds, however, that federal law requires that the State certify distribution system operators, and that failure to meet this requirement would result in a 20 percent restriction in the Drinking Water State Revolving Fund which is available to the State annually through the year 2003. This measure expands the mandatory certification laws over public water systems, which encompass both treatment plants and distribution systems, to allow for distinct certification requirements for water treatment plant and for distribution system operators. Your Committee is in agreement that certification requirements should match the respective responsibilities.

Your Committee notes that this measure applies only to public water systems and not agricultural well systems.

Your Committee amended the measure by:

- (1) Removing the statutory definition of "water treatment plant" and requiring the certification board to define the term;

- (2) Specifying that no person shall be held in violation of section 340F-6, Hawaii Revised Statutes (HRS), and section 340F-8, HRS, until the date specified in rules adopted under section 340F-7, HRS, classifying distribution systems and providing for certification of operators; and
- (3) Placing distribution systems only under the "supervision" of a certified operator and not under "direct supervision".

Your Committee also made technical, nonsubstantive changes to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2870, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2870, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chun Oakland, Ihara, Kanno).

SCRep. 2683 Government Operations and Housing on S.B. No. 2766

The purpose of this measure is to clarify that a condominium property regime (CPR) shall conform to county zoning ordinances and development requirements and ensure that a CPR shall be consistent with the intent of the adopted county land use policies as well as State land use law.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, the Planning Department for the County of Hawaii, Hawaii's Thousand Friends, and an individual. Testimony in opposition to this measure was received from the Hawaii Association of Realtors.

Your Committee finds that the existing law is not clear as to the jurisdiction of the counties over the development of condominium property regimes, which in the past resulted in frustration of the counties' efforts to manage CPR development.

The existing law is unclear because CPR projects generally do not involve land subdivisions and as a result, the counties' planning and permit offices do not always have the opportunity to determine the feasibility of a CPR project for a given location. Furthermore, the counties may not be aware of a CPR project until the individual CPR owner or developer applies for a building permit.

Your Committee agrees that the existing law's lack of clarity with respect to condominium property regimes undermines the counties' ability to implement zoning and development ordinances, which are intended to ensure appropriate land use and adequate infrastructure.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2766, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Chun, Levin, Anderson).

SCRep. 2684 Government Operations and Housing on S.B. No. 2986

The purpose of this measure is to conform the definition of "apartment" with its general usage throughout the condominium property regime chapter in the Hawaii Revised Statutes.

Testimony in support of this measure was received from Hawaii's Thousand Friends, and an individual. Comments on this measure were received from the Community Associations Institute.

Your Committee agrees that the definition of "apartment" within chapter 514 of the Hawaii Revised Statutes requires clarification and has amended this measure by excluding from the definition of "apartment":

- (1) Any apartment intended for commercial use; and
- (2) Any apartment designed, constructed, or utilized as a hotel or resort which is located on any parcel of real property designated and governed by a county for hotel or resort use.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2986, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Chun, Levin, Anderson).

SCRep. 2685 (Joint/Majority) Education and Technology and Ways and Means on S.B. No. 3026

The purpose of this measure is to establish the state educational facilities repair and maintenance special fund to eliminate the backlog of projects existing on June 30, 2000.

In addition, this measure establishes the school physical plant operations and maintenance special fund to pay for school repairs and cyclical maintenance projects scheduled after June 30, 2000. The measure requires remittances of taxes to be deposited into these newly created special funds, authorizes the issuance of general obligation bonds for them, and makes appropriations for them.

Testimony in support of the measure was received from the Department of Education, Department of Accounting and General Services, Hawaii Association of Realtors, and HGEA-AFSCME. Testimony in opposition to the measure was received from the Department of Budget and Finance. The Tax Foundation of Hawaii submitted comments.

Your Committees find that although the State has invested over \$1.7 billion in constructing school facilities, within the past six years, the severe downturn in the State's economy has made it difficult to fund school repair and maintenance at required levels. The inconsistency of annual funding has made it impossible to systematically tackle needed repairs. Consequently there is a backlog of repair and maintenance projects.

Your Committees agree that by establishing special funds for repair and maintenance to address the current backlog and future repairs, the State can address current repair and maintenance needs and provide a framework for future repair and maintenance costs. Having departmental school district business and fiscal officers to oversee school facilities planning will facilitate this process.

Your Committees amended the measure as follows:

- (1) Adding the following requirements to the school physical plant operations and maintenance special fund:
 - (A) Requiring reports, for expenditures for school repair and cyclical maintenance projects and a list of each school's repair and maintenance needs, to be posted electronically on the Internet and to be updated quarterly;
 - (B) Requiring maximum allowable operational and maintenance efficiency;
 - (C) Adding "present value of normally scheduled maintenance for the useful life of the facility" to the maintenance schedule; and
 - (D) Allocating moneys in AGS807 physical plant operations and maintenance for estimated cyclical and scheduled maintenance costs which reflect the age and condition of existing school facilities. These provisions were moved from section 302A-A, Hawaii Revised Statutes;
- (2) Changing the title of section 302A-A, Hawaii Revised Statutes, for a six year program and financial plan, requiring physical and financial analysis reports for each public school and requiring such reports to be posted electronically on the Internet;
- (3) Adding qualifications for business and fiscal officers in section 302A-B, Hawaii Revised Statutes;
- (4) Requiring business and fiscal officers to develop, coordinate, and oversee each school's maintenance plan;
- (5) Authorizing the department of education to enter into agreements with the federal Department of Defense to use federal funds to construct, repair, or renovate Hawaii public schools;
- (6) Amending section 302A-1504, Hawaii Revised Statutes, to allow up to \$25,000 for minor repair and maintenance accounts for each school and to require allocation of such funds based on the number of students at the school multiplied by an age and condition factor of the school;
- (7) Requiring each school repair and maintenance priority listing to be posted electronically on the Internet for section 302A-1505, Hawaii Revised Statutes;
- (8) With respect to remittances in section 237-31, Hawaii Revised Statutes,
 - (A) Requiring the sum of all general excise tax revenues representing the difference between \$45,000,000 and proceeds from the sale of any general obligation bonds to be deposited into the facilities repair and maintenance special fund; and
 - (B) Requiring the sum of all general excise tax revenues representing the difference between an unspecified amount and proceeds from the sale of any general obligation bonds to be deposited into the school physical plant operations and maintenance special fund;
- (9) Authorizing the Director of Finance to issue general obligation bonds each for the facilities repair and maintenance special fund and for the school physical plant operations and maintenance special fund;
- (10) Appropriating funds for an engineer and clerk for the Department of Accounting and General Services; and
- (11) Making technical, nonsubstantive amendments to the measure for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3026, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3026, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, 1 (Slom). Excused, 7 (Chun Oakland, M. Ige, Iwase, Kawamoto, Matsunaga, Taniguchi, Anderson).

SCRep. 2686

(Joint) Labor and Environment and Ways and Means on S.B. No. 2859

The purpose of this measure is to reform the public employment laws that were enacted to implement two constitutional mandates -- that there be civil service based on merit and that public employees have the right to bargain collectively.

Testimony in support of the measure, as received and initially heard by the Committee on Labor and Environment, was received from the Governor, the Department of Human Resources Development (DHRD), DHRD's Management Team, the Hawaii State Personnel Council, the Office of Collective Bargaining, the Department of Accounting and General Services, the Department of Agriculture, the Department of Business, Economic Development, and Tourism, the Department of Budget and Finance, the Department of Commerce and Consumer Affairs, the Department of Hawaiian Home Lands, the Superintendent of Education, the State Librarian, the Department of Health, the Department of Human Services, the Department of Land and Natural Resources, the Department of Public Safety, the Department of Taxation, the University of Hawai'i, the Hawaii Health Systems Corporation, the Judiciary, the Mayors of the Counties of Hawaii, Kauai, and Maui, a Maui Councilman, the Department of Personnel Services of the County of Maui, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, the Big Island Business Council, the Kona Kohala Chamber of Commerce, the Kauai Chamber of Commerce, and the Kauai Business Council.

Testimony in opposition was received from the Hawaii State AFL-CIO, the United Public Workers, AFSCME, Local 646, the Hawaii Government Employees Association (HGEA), the HGEA Managerial and Confidential Employees Chapter, the Hawaii State Teachers Association, the University of Hawaii Professional Assembly, the Public Employees Management Association of Hawaii, the Hawaii State Fire Fighters Association, the Hawai'i Nurses' Association, the Plumbers and Fitters Local 675, the Hotel Employees and Restaurant Employees, Local 5, the Teachers and Staff of Waimea Elementary and Intermediate School, the Concerned Teachers of Wilson Elementary, Information Services, and three individuals.

The Employees Retirement System and the Office of Information Practices submitted comments.

At a subsequent joint hearing by the Committees on Labor and Environment and Ways and Means, testimony on a proposed S.B. No. 2859, S.D. 1, was received from the Department of Human Resources Development, the Department of Health, the Department of Public Safety, the University of Hawai'i, the Hawaii Health Systems Corporation, the Judiciary, the Hawaii State Personnel Council, the Honolulu Board of Water Supply, the County of Maui Department of Personnel Services, the Public Employees Management Association of Hawaii, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, and two individuals.

Your Committees believe that modernization of Hawaii's system of public employment is one of the most critical issues facing the legislature in this session of the year 2000. Public employment is governed by two often contradictory sets of laws -- those for civil service and those for collective bargaining. While these laws once clearly delineated the differences between the two, changes over many years have blurred the lines of responsibility and authority.

Your Committees have heard that one of the keys to successful modernization and a more responsive, adaptive government, is to restore the "bright line" -- the clear delineation between civil service and collective bargaining. After considerable discussion, your Committees have made this "bright line" concept the basis for deliberations on the many concepts contained in this measure.

Your Committees have also considered carefully the format of this administration measure. As introduced, Hawaii's current civil service and collective bargaining laws would be repealed and a new comprehensive public employment law would be created with this measure. While many of the components of current law are represented in this proposed new law, it is not clear where changes have been made -- or the extent of these changes. Your Committees acknowledge the administration's intent to craft a comprehensive approach to public employment, but find the difficulty of identifying how this measure would change the current structure to be a hindrance in public deliberation of the many important concepts and changes that must be considered.

Your Committees have amended this measure accordingly, by deleting its contents and amending those chapters of current statutes that are covered by the language in this measure. In doing so, your Committees have retained many of the concepts proposed in the administration measure, believing them to be worthy of continued scrutiny and discussion by members of the Legislature, public employers and employees, the unions representing these employees, and the public beneficiaries of government services.

The following outlines the major components of S.B. No. 2859, S.D. 1, in three categories -- civil service, collective bargaining, and employment policies -- and notes those concepts of the administration measure that your Committees have not retained. In addition to these three specific categories, your Committees have retained several other components of the administration measure, and these are outlined as well.

Civil Service

- (1) Affirms the merit principle as the core of both civil service and collective bargaining, and redefines the term to include the concept of retention based on performance;
- (2) Establishes nine separate jurisdictions with the authority to establish their own civil service systems: the State, each of the four counties, the Judiciary, the Department of Education, the University of Hawaii, and the Hawaii Health Systems Corporation;
- (3) Retains the Civil Service Commission for the State jurisdiction, and authorizes other jurisdictions to establish a similar appellate body, to be responsible for matters relating to classification, reclassification, recruitment, examination, and initial pricing only -- other matters would be subject to collective bargaining;
- (4) Authorizes directors of each jurisdiction to establish in-service training and incentive service awards; and
- (5) Retains current statutory language on positions exempt from civil service, for the purpose of further discussion.

Your Committees considered the following items proposed by the administration measure, and deleted them:

- (1) Mandated performance appraisal system. Under S.B. No. 2859, S.D. 1, performance appraisal would be negotiable under collective bargaining;
- (2) Establishment of a Merit Appeals Board and a procedure for the channeling of performance based appeals to the Merit Appeals Board and disciplinary appeals through the grievance procedure established in a collective bargaining agreement. Under S.B. No. 2859, S.D. 1, this elaborate procedure is unnecessary with creation of the bright line which clearly delineates the scope of civil service vis-a-vis collective bargaining; and
- (3) Exempting personnel rule making from Chapter 91, Hawaii Revised Statutes (HRS). While personnel rules affect public employees primarily, they do impact the public and rule making should be retained under Chapter 91, HRS.

Collective Bargaining

- (1) Preserves the statewide composition of existing bargaining units;
- (2) Recognizes eight of the nine jurisdictions as separate employers for negotiations -- the Department of Education would bargain under the umbrella of the State jurisdiction;
- (3) Establishes a "bright line" clearly delineating classification, reclassification, recruitment, examination, initial pricing, and health fund and retirement benefits as matters of civil service and subjecting all other matters to negotiation;
- (4) Requires the jurisdictions' legislative bodies to establish a "biennium submission date" for submission by the chief executive of cost items to the respective legislative body and prohibits retroactivity if the submission deadline is missed due to the union's failure to bargain in good faith;
- (5) Mandates a calendar driven impasse process in relation to the "biennium submission date";
- (6) Clarifies the legislative body's role in approving cost items by deeming failure to approve or reject as a rejection, and requiring the legislative body to submit its reasons for a rejection to the parties;
- (7) Amends criteria for arbitration decisions, to restrict from the arbitrator's consideration of the employer's ability to pay, potential revenue resources such as the imposition of increased or new taxes and fees and receipt of judgments and settlements, and any revenue estimates exceeding those by the Council of Revenues, and to remove from consideration the broad catchall provision of other factors that are normally or traditionally taken into consideration in voluntary agreements between parties in public service or private employment;
- (8) Allows the employer to implement change after good faith negotiations or consultation by filing with the Hawaii Labor Relations Board the change together with a statement of its good faith efforts; and
- (9) Renames the Office of Collective Bargaining to the Office of Collective Bargaining and Managed Competition, and designates it as the entity to implement and review managed competition for government services established pursuant to Act 230, Session Laws of Hawaii (SLH) 1998, although this measure does not set up the process, and subjects the appointment of the chief negotiator to advice and consent of the Senate.

Your Committees note that with respect to (8) above, on the ability of the employer to implement change, the members of your Committees have serious reservations about the clarity of the proposed language. Your Committees have heard differing interpretations of the intent, whether it applies to new items only or if reopened items are also covered, how it will apply to negotiable matters as opposed to matters subject to consultation, and the duration of the change once implemented. The resulting confusion has made it difficult for your Committees to weigh the impacts of this proposed change. Your Committees find this to be an extremely

important issue, and believe further research is necessary in order to craft language that clearly reflects the intent and will not be subject to numerous and conflicting interpretations.

Your Committees have deleted the provision that would have restored the right to strike for all bargaining units except 11 and 12, as well as the proposed repeal of the essential worker designation.

Employment Policies

- (1) Provides an interface between the two constitutional mandates regarding civil service and collective bargaining;
- (2) Coordinates and simplifies the complaint and grievance process as a result of the delineation between civil service and collective bargaining -- the "bright line" division;
- (3) Exempts key personnel in charge of program operations from civil service;
- (4) Expedites the salary overpayment recovery process; and
- (5) Establishes a "two strikes and you are out" substance abuse policy.

Your Committees considered the following items proposed by the administration measure, and deleted them:

- (1) Recognition of both disciplinary and non-disciplinary adverse actions and employee appeal rights, establishment of office hours by the chief executive, establishment of a forty-hour work week in statute, and limits on vacation and sick leave credits for new hires. Under S.B. No. 2859, S.D. 1, these would all be negotiable under collective bargaining; and
- (2) Exemption from civil service Board of Education and Board of Regent positions. Under S.B. No. 2859, S.D. 1, current statutory language on positions exempt from civil service were retained for the purpose of further discussion.

Additional Initiatives

- (1) Enables experimental modernization projects;
- (2) Establishes a voluntary severance benefits and early retirement incentives program for certain State and county employees which excludes employees terminated for disciplinary reasons from eligibility, requires each state department to reduce its personnel count by the equivalent count of voluntary severance or early retirements conferred, and requires any necessary payback to the Employees Retirement System from the State over five years; and
- (3) Makes appropriations for management training and the statewide employee assistance program that provides short term counseling for employees in dealing with personal problems that may affect work performance, and for separation incentives.

This measure would also provide for a one-year transition period for implementation.

Your Committees believe that the importance of the concepts contained in this measure warrant extensive further discussion, and consider S.B. No. 2859, S.D. 1 to be a work in progress. As such, the members of your Committees ask for the kokua of all concerned in working together on this measure during the remainder of the 2000 legislative session. Accordingly, your Committees have deliberately inserted a flawed effective date of July 1, 2010, to ensure continued dialogue.

As affirmed by the record of votes of the members of your Committees on Labor and Environment and Ways and Means that is attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2859, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2859, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 16. Noes, none. Excused, 1 (D. Ige).

SCRep. 2687

(Joint) Commerce and Consumer Protection and Ways and Means on S.B. No. 3193

The purpose of this measure is to provide for improved, cost-effective administration of current and future public employee benefit obligations, by transferring the administration of these obligations from the Hawaii Public Employees Health Fund (HPEHF), to a newly established captive insurance company to be known as the Hawaii Insurance Exchange (Exchange).

Your Committees received testimony commenting on this measure from the Department of Commerce and Consumer Affairs, Department of Budget and Finance, HPEHF, Hawaii State Teachers Association, and the Office of Information Practices. The Hawaii Government Employees Association and the United Public Workers opposed passage of the measure.

Your Committees find that under the measure, surplus contributions of approximately \$86,000,000 currently held by various health insurers, and \$13,000,000 held by HPEHF, would be transferred to, and be controlled by the Exchange. The Exchange would be organized as a reciprocal insurer subject to regulation under the State's captive insurance laws. The Exchange would be governed

by a subscribers' committee composed of representatives of public employers with oversight coming from a board of advisors comprised of representatives from employee organizations and public employees. Day-to-day management of the exchange would be delegated to a professional entity given power of attorney by subscribers.

As an insurance entity, the Exchange would also have the flexibility to negotiate and contract with specialists to provide claims administration services, benefit plan administration, accounting and financial reporting services, captive insurance management, and reinsurance administration. Further, the Exchange could negotiate rates directly with health care providers.

Your Committees believe that the concept embodied in the measure has merit and requires further consideration. In light of this belief, your Committees have amended the measure by:

- (1) Deleting the board of advisors;
- (2) Adding public employee organization and retired beneficiary representation to the subscribers committee;
- (3) Making the effective date defective to ensure further discussion on the matter; and
- (4) Making numerous technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committees believe that a board of advisors is unnecessary and that including employee organization and retiree representation in the subscribers committee would adequately address representation equity issues.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3193, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3193, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 16. Noes, none. Excused, 4 (Chun, Hanabusa, Ihara, Anderson).

SCRep. 2688 (Joint) Commerce and Consumer Protection and Health and Human Services on S.B. No. 2292

The purpose of this bill is to clarify the State's enforcement jurisdiction over federal laws relating to women's and children's health care.

The Health Care Financing Administration (HCFA) informed the State that it is unclear whether Hawaii intends to retain enforcement jurisdiction over matters related to the Newborns' and Mothers' Health Protection Act of 1996 and the Women's Health and Cancer Rights Act of 1998. HCFA informed the State that by replacing certain references to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) with references to title 42 United States Code section 300(gg), et seq., the State would retain its enforcement jurisdiction.

HCFA requested that section 431:2-201.5, Hawaii Revised Statutes (HRS), indicate more clearly that group health issuers need to offer all its group plans to small groups.

The bill also amends section 431:2-201.5, HRS, to clarify that it was the State's intent to go beyond the HIPAA in the area of prohibiting preexisting condition exclusions. Prior to HIPAA, the Hawaii Prepaid Health Care Act prohibited employer plans from excluding preexisting conditions. Your Committees find that in 1997, the Legislature intended to prohibit all group plans from excluding preexisting conditions but due to technical terms referring back to HIPAA defined terms, the statute was not clear.

After consultation with HCFA, the Insurance Division has found another loophole in section 431:2-201.5, HRS. Your Committees have amended the bill to include association plans into the term group health issuers. Certain association plans are exempted from HIPAA and do not fall within group or individual plans. It is the intent of your Committees to include any group and association plan that is not specifically preempted by federal laws. Your Committees believe that those who "fall through the web" of health insurance coverage such as self-employed individuals, sole proprietors, and students should benefit by this bill.

Your Committees amended this bill by changing the term "health coverage" to "health insurance coverage", which is the term used in title 42 United States Code section 300(gg).

Your Committees made technical amendments to this bill to clarify that the section applies only to health insurance and by amending a citation in section 431:2-201.5, HRS, which was redesignated by federal law, and to reflect existing statutory language and preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2292, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2292, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Hanabusa, Matsuura, Anderson).

SCRep. 2689 Commerce and Consumer Protection on S.B. No. 2655

The purpose of this measure is to strengthen the patient's bill of rights and responsibilities law.

Your Committee received testimony from the State Insurance Commissioner, American Academy of Pediatrics, and a private individual.

This measure is a result of the work of the Patients Bill of Rights Task Force, established by Act 178, Session Laws of Hawaii 1998, to review various laws that may affect patient's rights in this State. The twenty members of the task force represent various organizations and agencies of diverse interests. This measure contains the recommended legislation of the task force, in response to Senate Concurrent Resolution No. 152, 1999, requesting the task force to develop further legislation and conduct a study of the term "medical necessity".

Your Committee finds that this measure enhances the protections of patients enrolled in medical insurance managed care plans. This measure strikes an equitable balance between managed care plans and their patients. The intent of this measure is not to hinder or unduly scrutinize the operations of managed care plans. Your Committee recognizes that managed care plans in Hawaii are among the best in the nation.

Your Committee has amended this measure by:

- (1) Adding that the enrollee's treating provider or appointed representative may file the request for an external review;
- (2) Clarifying the order of consideration and the factors to determine the effectiveness of a health intervention and the medical necessity of existing interventions;
- (3) Clarifying that the restoration of functional ability includes functional and developmental delays in children; and
- (4) Making technical, nonsubstantive changes for clarity to improve understanding of the text and for preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2655, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2655, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2690 Commerce and Consumer Protection on S.B. No. 2782

The purpose of this measure is to facilitate the growth and development of the biotechnical industry in the State by protecting intellectual property rights in biological materials.

The Department of Business, Economic Development, and Tourism, Board of Agriculture, Hawaii Technology Trade Association, Glaxowellcome, and the Hawaii Technology Development Corporation submitted testimony on the measure.

Your Committee finds that in order to stimulate further biotechnological research in the State and the development of the State's biotechnical industry, current law needs to be clarified with respect to ownership of biological materials and trade protections afforded biological materials. This measure provides that clarification by establishing personal property rights in biological materials and broadening the definition of trade secrets to include biological materials.

Your Committee further finds that the creation of property rights in biological materials raises questions as to the scope of the rights being established and the type of materials covered under this measure. Additionally, the Department of Agriculture expressed concerns about the measure's impact on its review and permitting processes for the importation of non-domestic animals and microorganisms. Therefore, in order to allow for further discussion and clarification, your Committee has delayed the measure's effective date to July 1, 2010. Additional, nonsubstantive amendments were made for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2782, as amended herein, and recommends that it pass Third Reading in the for attached hereto as S.B. No. 2782, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2691 Commerce and Consumer Protection on S.B. No. 2974

The purpose of this measure is to require parity of mental health insurance coverage for substance abuse services.

Testimony on the measure was submitted by the Hawaii Medical Service Association, Hawaii Substance Abuse Coalition, Hawaii Psychiatric Medical Association, Equal Insurance Coalition, and the Mental Health Association in Hawaii.

This measure prohibits policy coverages for mental health, alcohol, and drug abuse benefits from discriminating against any person with an alcohol or drug dependence, and requires that benefits for substance abuse services cover adults and children under the same terms and conditions as other illnesses. This measure also makes application of mental health, alcohol, and drug abuse to QUEST plans effective upon approval of this measure.

Your Committee finds that substance abuse and drug abuse benefits should be considered the same as physical illnesses for insurance coverage purposes. This measure is intended to facilitate the treatment of substance and alcohol abuse, which is a necessary component of fighting addiction.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2974 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2692 Commerce and Consumer Protection on S.B. No. 3117

The purpose of this measure is to clarify that the police may inspect records on the premises of any motor vehicle repair dealer who is required to be licensed to perform motor vehicle repairs.

Your Committee received testimony from the Honolulu Police Department.

This measure expands the ability of the police department to inspect premises that should be licensed and closes a loophole whereby businesses that should be licensed but were not could avoid inspection. This measure is also a conforming amendment to Act 199, Session Laws of Hawaii 1998, which changed the regulation of the motor vehicle repair industry from a registration to a licensure system. This measure substitutes "licensed" for "registered".

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3117 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Ihara).

SCRep. 2693 Ways and Means on S.B. No. 2108

The purpose of this bill is to require the Auditor to facilitate the identification of the lands within the public land trust by completing a comprehensive inventory of the lands.

Your Committee finds that the scope of the public lands and their exact identification have never been made. Having an accurate inventory is crucial to the successful management of the lands, especially as the State has a trust obligation in regard to the lands. This bill will require the Auditor to complete a comprehensive inventory of the lands, including a mapping database and identification by both tax map key number and by original source of the lands. This task will also include an inventory of lands that have been alienated from the public land trust, including lands transferred to the counties and the University of Hawaii. The Auditor is to complete the task by December 31, 2001.

The funds appropriated for the inventory are to be supplemented by matching funds from the Office of Hawaiian Affairs. Your Committee finds that this is appropriate as the Office of Hawaiian Affairs is a beneficiary of the public lands trust and will benefit from the inventory.

Your Committee has amended this bill by making the amount of the appropriation blank for purposes of promoting continuing discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2108, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2108, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2694 Ways and Means on S.B. No. 2110

The purpose of this bill is to extend the term of the Hawaiian home lands trust individual claims review panel to 2002.

The bill also establishes a Hawaiian home lands trust individual claims compensation panel within the Legislative Reference Bureau.

The Hawaiian home lands trust individual claims review panel was established by the Legislature in 1991. Its purpose was to establish a process under which individual trust beneficiaries could resolve claims for actual damages resulting from a breach of trust. Your Committee finds that the panel's work is worthy but not yet complete, and that this bill would extend the time frame of the panel until 2002 to allow it to complete its task.

Your Committee finds continued discussion on this issue is warranted; and has thus amended this bill by extending its effective date to 2010.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2110, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2110, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2695 Ways and Means on S.B. No. 2529

The purpose of this bill is to authorize a land exchange between public and private lands at Kiholo Bay, North Kona.

Specifically, this bill approves an exchange of public lands located inland of Kiholo Bay for private lands located along the shoreline of Kiholo Bay. This bill also repeals the authority to enter into a land exchange on June 30, 2001.

Your Committee finds that this exchange will bring significant recreational, environmental, and cultural value to the people of the State. The State already owns the lands surrounding the private parcel, and public acquisition of the private parcel will consolidate public land holdings and facilitate public access to the shoreline.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2529, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Nakata, Taniguchi, Anderson).

SCRep. 2696 Ways and Means on S.B. No. 2914

The purpose of this bill is to merge the industrial park special fund into the special land and development fund.

Specifically, this bill repeals the industrial park special fund and broadens the purpose and revenue source of the special land and development fund to include those of the industrial park special fund. Furthermore, this bill also authorizes the deposit of conservation district fees and penalties into the special land and development fund.

Additionally, this measure appropriates funds out of the special land and development fund to carry out the purposes of the fund.

Your Committee believes that this measure is necessary to streamline the operational structure of state government in a more efficient manner.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2914, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (D. Ige, M. Ige, Anderson).

SCRep. 2697 Ways and Means on S.B. No. 2186

The purpose of this bill is to require licensing of independent medical bill reviewers by the Insurance Commissioner.

Your Committee finds that licensing a group of professionals helps an industry gain a measure of respectability and consumer confidence. Licensing standardizes the minimum qualifications of a profession, and assures a certain level of knowledge and experience among its practitioners. In the case of independent medical bill reviewers the time has come to achieve these goals. This measure is in response to industry efforts to improve the quality of service provided by independent medical bill reviewers by defining what they do and their qualifications for licensure.

Your Committee has amended the bill to delete specific reference to a motor vehicle insurance investigator/cost specialist and the motor vehicle insurance revolving fund in sections 11 and 12, and also made technical, nonsubstantive amendments in keeping with proper drafting style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2186, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2186, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, Tam, Anderson).

SCRep. 2698**Ways and Means on S.B. No. 3176**

The purpose of this bill is to extend the right to medical and other insurance benefits to reciprocal beneficiaries.

Specifically, this bill extends coverage under the laws governing health insurers, mutual benefit societies, health maintenance organizations, motor vehicle insurers, and life insurers to reciprocal beneficiaries of insured or covered individuals. This bill also requires the Public Employees Health Fund to establish a reciprocal beneficiary family coverage health benefits plan.

Your Committee finds that this bill recognizes the importance of health and insurance coverage for all individuals in the State, regardless of their status as reciprocal beneficiaries, and provides for equal access to health care and other benefits for reciprocal beneficiaries.

Your Committee has amended this bill to correct one error in section 431:10C-305(b), Hawaii Revised Statutes, in which language in the bill did not match the printed version of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3176, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3176, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2699**Ways and Means on S.B. No. 2348**

The purpose of this measure is to require counties to provide municipal services to condominium and cooperative housing corporation communities similar to the services provided to other residential properties and to appropriate funds to the counties.

Your Committee finds that real property tax revenues are used by counties to provide refuse collection and disposal services for single-family residential homeowners and for some multi-unit residential buildings. Condominium and cooperative housing unit owners, like other property owners, pay real property taxes to the county where the property is located. Your Committee believes that this measure will more fairly provide the same refuse collection services to all real property taxpayers, including condominium and cooperative owners, when refuse collection services are currently provided to other homeowners in the same area.

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

- (1) Delete the amount appropriated to the counties;
- (2) Clarified that, upon written request, a condominium or cooperative housing corporation community may opt to provide its own garbage and trash collection and disposal service;
- (3) Allow the county to receive reasonable compensation from the condominium or cooperative housing corporation community for the services or facilities provided by the county; and
- (4) Require the Director of Environmental Services of the City and County of Honolulu, and the Directors of the Departments of Public Works of the counties of Hawaii, Kauai, and Maui, respectively, to submit a report to the Legislature and the Real Estate Commission to provide information on current departmental policies and procedures relating to the refuse collection from residential condominium or cooperative housing corporation communities.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2348, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2348, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2700**Ways and Means on S.B. No. 2132**

The purpose of this bill is to strengthen the laws relating to contractor preference and hiring on military construction jobs.

Your Committee finds that section 8078 of the Defense Appropriations Act of 1986, as amended, requires contractors on military construction jobs to employ Hawaii residents when the State's unemployment rate exceeds the national average. Since 1994, when this condition was met, there has been little or no compliance with the federal law.

Part of the problem for non-compliance has been the lack of a functional definition of "state resident". This bill provides a definition of the term that will provide a clear, objective, and measurable standard in the state procurement code for use by federal contracting officers.

Additionally, the bill defines the terms "state contractor" and "state subcontractor" to ensure that contractors who are granted a bid preference are those who legitimately deserve such preference under current law.

Finally, the bill increases the bid preference for state contractors from seven to fifteen per cent on state public works contracts of \$10,000,000 or less and requires a review of the bid preference law by June 30, 2006.

Your Committee has amended the bill by inserting a defective effective date and by making technical changes that have no substantive effect to continue discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2132, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2132, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2701 Ways and Means on S.B. No. 2301

The purpose of this bill is to establish a definition for maritime lands.

Your Committee finds that no current definition for the term "maritime lands" exists. A definition will provide some certainty in the usage and allow the best use of these lands to be made.

Your Committee has amended the bill to correct some typographical errors and to change the effective date to 2010 to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2301, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2301, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2702 Ways and Means on S.B. No. 2219

The purpose of this bill is to exempt the acquisition of school facilities by the Department of Education, by lease, lease-purchase, or other transactions, from the law relating to the management of financing agreements.

Specifically, this bill allows the Department of Education to acquire school facilities by lease, lease-purchase, or other transactions:

- (1) With the approval of the Board of Education, rather than the Comptroller; and
- (2) Upon providing written notice of the transaction to the Director of Finance.

In addition, this bill requires the Department of Education to enter into a lease agreement for a Kihei charter public high school, subject to approval by the Board of Education.

Your Committee finds that the lengthy approval process for school construction and renovation projects, the shortage of money to construct new school facilities and renovate existing school facilities, and the growing demand for public charter schools as an alternative to traditional public schools, necessitate a loosening of restrictions on the management of financing agreements to acquire school facilities.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2219, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Nakata, Taniguchi, Anderson).

SCRep. 2703 Ways and Means on S.B. No. 2474

The purpose of this bill is to prohibit federal impact aid received by the Department of Education from being returned to the general fund.

In addition, this bill specifies that the Governor must:

- (1) Allow the Department of Education to increase the federal fund expenditure ceiling for EDN 100, school-based budgeting, by the amount that the federal impact aid received by the department exceeds the authorized appropriation in the General Appropriations Act or the Supplemental Appropriations Act; and
- (2) Allow the Department of Education to retain the full amount of the general fund offset created by increased impact aid receipts to further carry out the purposes of EDN 100, school-based budgeting.

To ensure that the Department of Education does not commit the State to new or larger programs, or both, without the approval of the Legislature, this bill prohibits the Department of Education from using the general fund offset to create new programs or expand existing programs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2474, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Chun, D. Ige, Nakata, Tam, Taniguchi, Anderson).

SCRep. 2704 Ways and Means on S.B. No. 2572

The purpose of this bill is to expand the revenue base of the University of Hawaii facilities use revolving fund to include revenues from the use of university real property.

Furthermore, this bill authorizes the transfer of funds in the revolving fund to other university funds.

Your Committee finds that this measure will assist the University of Hawaii in becoming an autonomous self-supporting university.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2572 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Nakata, Taniguchi, Anderson).

SCRep. 2705 Ways and Means on S.B. No. 2750

The purpose of this bill is to address a current budget shortfall in the Information and Communication Services Division caused by an over-collection of federal reimbursements in fiscal years 1996-1997 and 1997-1998.

Your Committee finds that the over-collection prompted the federal government to withhold current payments on federally funded programs. This withholding in addition to the Division's increased operating expenses has caused the Division to fall behind in its current budget by \$800,000.

This bill provides the funds necessary to allow the Division to meet its budgetary obligations during the current fiscal year.

Your Committee has amended the bill by making technical changes that have no substantive effect to continue discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2750, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2750, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun, D. Ige, Iwase, Nakata, Anderson).

SCRep. 2706 Ways and Means on S.B. No. 2576

The purpose of this bill is to establish a State Resident Advisory Board.

Currently, federal law requires tenants to be represented on a public housing agency board. This bill complies with the federal law by establishing a State Resident Advisory Board that selects representatives to the State's public housing agency - The Housing and Community Development Corporation of Hawaii.

Additionally, the bill requires the Housing and Community Development Corporation to convene a State Public Housing Forum which selects the members of the State Resident Advisory Board and also charges the Housing and Community Development Corporation with the overall responsibility of executing the provisions of the bill.

Your Committee has amended the bill by deleting the proposed number of members in the State Resident Advisory Board to allow for further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2576, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2576, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (D. Ige, Iwase, Nakata, Tam, Taniguchi, Anderson).

SCRep. 2707 Ways and Means on S.B. No. 2598

The purpose of this bill is to encourage the development and availability of low-income rental housing throughout the State.

To accomplish this, this bill authorizes the issuance of \$10,000,000 in general obligation bonds and appropriates funds to the rental housing trust fund. The funds appropriated must be used to fund projects which receive not more than fifty per cent of the total investment in the project from government funding, including rental housing trust funds and low-income housing tax credits. This bill also restricts combined consulting, architectural, and engineering services to \$200,000 for each project. Finally, this bill requires the Housing and Community Development Corporation to act as a mortgage lender under the Hula Mae lending program to provide refinancing for homeowners.

Upon further consideration, your Committee has amended this bill by deleting the \$10,000,000 amount authorized for the issuance of general obligation bonds and replacing it with a blank amount for purposes of further discussion. Your Committee has also made one technical, nonsubstantive amendment for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2598, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2598, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Iwase, Nakata, Tam, Taniguchi, Anderson).

SCRep. 2708 Ways and Means on S.B. No. 2987

The purpose of this bill is to enact penalties to prohibit contractors from withholding more than five per cent of the subcontractor's contract price.

In particular, this bill prohibits general contractors from withholding from their subcontractors a retention amount greater than that which is being withheld from the general contractor by the contracting public agency, provided that the subcontractor provides evidence of a current performance or is bonded to the satisfaction of the general contractor. This bill also applies to subcontractors who subcontract work to other subcontractors.

Your Committee finds that contractors performing on government contracts frequently withhold a retainage sum that exceeds the subcontractor's contract price. Currently, there are no penalties for a contractor who withholds a retention amount over five per cent of the subcontractor's contract price. Your Committee finds that adding a penalty to the retainage provision will prevent general contractors from using funds that legally belong to subcontractors, thereby providing for a more equitable application of the retainage provisions of the public contracts law.

Upon further consideration, your Committee has amended the new language added to section 103-32.1, Hawaii Revised Statutes, in section 2 of the bill by restating the first sentence of new subsection (b) as follows: "Where a subcontractor has provided evidence to the contractor of a current performance and has a payment bond acceptable to the contractor executed by a surety company authorized to do business in this State, or an alternative means of security acceptable to the contractor, then the amount withheld by the contractor from its subcontractor shall be the same percentage of retainage as that on the contractor under subsection (a)."

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2987, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2987, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2709 Ways and Means on S.B. No. 2988

The purpose of this bill is to impose penalties against contractors who improperly withhold payment from a subcontractor where the subcontractor has provided a bond acceptable as prevailing industry practice to the contractor.

Specifically, this bill imposes on the contractor a penalty of one and one-half per cent per month on outstanding amounts due to the subcontractor. The penalty may be withheld from any future payments due to the contractor. Any form of collateral acceptable to the contractor may be substituted for the trust fund contribution bond. This bill requires that the contractor's name be referred to the Contractors License Board if a contractor violates the law for failing to pay the subcontractor three or more times within two years of the first violation.

Upon further consideration, your Committee has amended this bill by amending section 103-10.5, Hawaii Revised Statutes, to insert the new language regarding penalties and referral to the Contractors License Board, instead of amending section 103D-501, Hawaii Revised Statutes. This involves deleting all of section 2 of the bill that amended section 103D-501, Hawaii Revised Statutes, and replacing it with an appropriate amendment of section 103-10.5, Hawaii Revised Statutes, instead. Because of this, the phrase "by the procurement agency" originally used in amending section 103D-501, Hawaii Revised Statutes, has been deleted. In addition, the incorrect reference to "section 444-14" has been changed to "section 444-17(14)". Consequently, section 4 of the bill that repeals section 103-10.5, Hawaii Revised Statutes, has been deleted.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2988, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2988, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2710 Ways and Means on S.B. No. 2909

The purpose of this bill is to establish a new State Parks Special Fund to replace the existing 'Aina Ho'omalua Special Fund.

This measure repeals the 'Aina Ho'omalua Special Fund and replaces it with a new special fund with authority to make expenditures for construction, repair and replacement, and maintenance of all state parks, as well as for administrative and staff costs and for state parks program development.

Your Committee finds that in creating the new State Parks Special Fund, the broader scope of permissible expenditures for the new special fund will allow the most basic needs of our neglected parks to get priority funding. In contrast, the 'Aina Ho'omalua Special Fund focused primarily on supporting interpretive programs in those "Parks of Distinction" in the State park system. The new state parks special fund will allow consideration of the needs of all state parks through the park system.

Upon further consideration, your Committee has amended this bill by changing the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter and by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2909, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2909, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2711 Ways and Means on S.B. No. 2499

The purpose of this short form bill is to make an appropriation to the legislative agencies.

Your Committee has amended this short form vehicle to correct a technical drafting error in Act 138, Session Laws of Hawaii 1999. The Act appropriated funds to the legislative agencies for salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for officers and employees of these agencies excluded from collective bargaining.

The appropriations under Act 138 were for fiscal years 1998-1999, 1999-2000, and 2000-2001. Since the Act required the lapsing of funds within the fiscal year for which it was appropriated, the Act's effective date of July 1, 1999 precluded the expenditure of the 1998-1999 appropriations, which included adjustments commencing from January 1, 1998. This bill corrects this inadvertent error.

The bill also allows legislative agency employees to maintain parity with other state employees and is based on a settlement for a two-year collectively bargained agreement with the exclusive representative of bargaining units 3, 4, and 13.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2499, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2499, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2712 Ways and Means on S.B. No. 2990

The purpose of this bill is to encourage proper disposal of lead batteries by imposing, at the point of sale, a surcharge waivable only by presenting for disposal an old battery for each new battery purchased.

Your Committee finds that existing law has proven insufficient to prevent lead batteries from being discarded in public places. Your Committee further finds that imposing a \$10 surcharge on the purchase of a new battery, unless an old one is presented for disposal, is necessary to encourage the proper disposal of lead batteries.

Your Committee has amended the bill to:

- (1) Clarify that the waiver of the surcharge applies to a one-for-one exchange of an old battery for a new one;
- (2) Allow a refund of the surcharge if an old battery is turned in within ten days of the purchase; and
- (3) Provide that all surcharges shall be deposited into the environmental management special fund instead of the general fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2990, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2990, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2713 Ways and Means on S.B. No. 2879

The purpose of this bill is to establish a program to regulate the disposal of used motor vehicle tires.

More specifically, the bill:

- (1) Requires all facilities that accept, collect, or transport used tires to maintain records for three years on the entity from whom the tires were received;
- (2) Establishes a motor vehicle tire surcharge of \$1 on each new tire imported into the State to fund tire management, collection, disposal, recycling, marketing and reuse, as well as illegal dumping prevention programs; and
- (3) Provides penalties for violations.

Your Committee finds that disposal of used tires is a serious problem in the State. Your Committee further finds that this bill will give the Department of Health the authority and means to ensure that generators or transporters are properly disposing of tires.

Your Committee has amended this bill by:

- (1) Exempting permitted municipal solid waste disposal facilities from the recordkeeping requirements;
- (2) Requiring tire importers to register with the Department of Health by September 1, 2000, and maintain records relating to the importation of tires;
- (3) Providing for recovery of costs relating to tire cleanups and associated environmental assessments and remediation;
- (4) Imposing strict liability upon persons engaged in illegal dumping;
- (5) Adding definitions of "facility", "import", and "importer"; and
- (6) Making technical nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2879, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2879, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2714 Ways and Means on S.B. No. 2490

The purpose of this measure is to facilitate entry into adult residential care facilities.

Specifically, this bill requires the Department of Health to use a uniform assessment tool for admission into all licensed care homes. The bill also requires the Department to establish an information and referral process for potential clients of these facilities. Further, this bill requires the Department to conduct a study on reorganizing all adult residential care homes and facilities into a new "adult residential care facilities" and to report to the Legislature for the Regular Session of 2001. Finally, this bill appropriates an unspecified amount for fiscal year 2000-2001 to the Department of Health to:

- (1) Augment the Executive Office on Aging's Aging Network for initial information and referral screening;
- (2) Expand the Office's screening and referral program to coordinate similar services for clients under age sixty; and
- (3) Fund a subcontract by the Office to provide these services for clients under age sixty.

Your Committee finds that this bill will help to facilitate entry into licensed care homes in the State for an expanded number of potential clients and to contribute to a better organization of adult residential care facilities.

Your Committee has amended the bill to require the joint legislative committee on long-term care, subcommittee on residential care, rather than the Department of Health, to conduct the study. Your Committee has also made technical nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2490, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached as S.B. No. 2490, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, Nakata, Taniguchi, Anderson).

SCRep. 2715 Ways and Means on S.B. No. 2607

The purpose of this bill is to establish a commission on the status of women trust fund to take effect upon the creation of a tax-exempt, nonprofit Commission on the Status of Women Foundation.

The bill also exempts commission employees from civil service provisions and updates statutory language relating to the duties and powers of the commission.

Your Committee finds that establishment of a private, charitable trust fund, which can receive private contributions, provides an excellent means of providing financial support for the programs of the Commission on the Status of Women and will assist the commission in becoming more self-sufficient.

Your Committee has amended this bill by:

- (1) Deleting section 5 that contains the transition provisions relating to exempting employees from civil service provisions; and
- (2) Renumbering the remaining sections consecutively.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2607, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2607, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, Tam, Anderson).

SCRep. 2716 Ways and Means on S.B. No. 2857

The purpose of this bill is to give the Department of Human Services a right of recovery for attorney fees and costs when the Department actively participates in pursuing a claim.

Under certain circumstances, a claimant who is pursuing a payment obligation against a third person under section 346-37, Hawaii Revised Statutes, may give the Department of Human Services notice of that claim. The Department may choose whether to join in prosecuting the claim. If it does not and the claimant is successful, then the Department is required to contribute to the claimant's attorney fees. Only if the Department intervenes, joins in the action, or prosecutes its own claim does the Department escape the liability to contribute to the attorney fees and costs.

While a successful claimant is entitled to obtain contributions for attorney fees and costs, the statute is silent as to the Department's right to do so when the Department prosecutes or joins in the action. Your Committee finds that it is appropriate to allow the Department to also be eligible to recover its attorneys' fees and costs under these circumstances.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2857, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Nakata, Taniguchi, Anderson).

SCRep. 2717 Ways and Means on S.B. No. 3019

The purpose of this bill is to appropriate specified funds for the Healthy Start program.

Your Committee finds that Healthy Start, piloted by the Legislature in 1984, has proven to be one of the most effective of the current child welfare reform efforts in Hawaii. Your Committee further finds that Healthy Start is currently one of the most promising services to reduce child abuse in the future.

Your Committee has amended this measure by changing the appropriation figure to a blank amount for the purpose of continued discussion of the matter. Your Committee has also amended this measure by specifying that appropriations for the Healthy Start program must be matched by private sources, Medicaid, and other federal funding sources.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3019, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3019, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Chun, D. Ige, Nakata, Taniguchi, Anderson).

SCRep. 2718 Ways and Means on S.B. No. 2872

The purpose of this bill is to make an emergency appropriation to enable the Hawaii health systems corporation to pay retroactive and current fiscal year collective bargaining increase payments to state employees assigned to the corporation.

Specifically, this bill appropriates \$14,500,000 for fiscal year 1999-2000 to carry out the purposes set forth in Act 262, Session Laws of Hawaii 1996.

Your Committee finds that this emergency appropriation is necessary to ensure that the corporation can repay the State the moneys the State advanced to pay retroactive and current fiscal year collective bargaining increase payments for state employees working for the corporation.

However, your Committee finds that the substantive language of the appropriation section: "to carry out the purposes set forth in Act 262, Session Laws of Hawaii 1996" is overly broad. Act 262 created the corporation. As such, Act 262 embodies many more purposes than merely paying state employees retroactive or current pay raises.

To preclude misinterpretation, your Committee has amended this bill to clarify the purpose of the appropriation by deleting the language: "to carry out the purposes set forth in Act 262, Session Laws of Hawaii 1996" and replacing it with: "to pay retroactive and fiscal year collective bargaining increase payments to state employees assigned to the Hawaii health systems corporation."

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2872, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2872, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Chun, D. Ige, Iwase, Nakata, Anderson).

SCRep. 2719 Ways and Means on S.B. No. 2893

The purpose of this bill is to increase the minimum wage from \$5.25 per hour to fifty cents more than the federal minimum wage as of July 1, 2001.

Your Committee finds that the high cost of living in Hawaii and the stagnant economy has formed an almost intolerable burden on low-income families. Many of these families have wage earners who earn minimum wage, or who are service employees who rely on tips to supplement their wages. The state minimum wage has not been raised since 1993, while inflation has eroded the value of these wages. An increase in the minimum wage would give these workers the additional funds they need to survive in Hawaii.

The bill raises the minimum wage fifty cents an hour above the federal minimum wage, which at this point is below state minimum wage at \$5.15 per hour. This will result in a new state minimum wage of \$5.65 per hour.

Your Committee has amended this bill by increasing the minimum wage to 25 cents over the current state minimum wage, to \$5.50 per hour, effective July 1, 2001; and an additional 25 cents above that, or to \$5.75 per hour, on July 1, 2002; increasing the tip credit from twenty cents per hour to forty cents per hour; and adding language that provides that if a hotel or restaurant applies a service charge to the bill, they must either pass the service charge on to their employees or else notify the purchaser that the service charge will not go to the employees.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2893, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2893, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, Taniguchi, Anderson).

SCRep. 2720 Ways and Means on S.B. No. 2112

The purpose of this bill is to extend the Waianae coast community benchmarking pilot project until June 30, 2003.

In addition, this bill appropriates funds to support the work of the Waianae coast community benchmarking pilot project. More specifically, this bill appropriates funds for the various subprojects of the Waianae coast community benchmarking pilot project, and for the Hawaii Community Services Council to provide technical support to the pilot project.

Although the Waianae coast community benchmarking pilot project was established by the Legislature, your Committee finds that the pilot project has been financially supported by donations from private organizations. Your Committee also finds that time and money are running out for the work of the pilot project, which is not yet finished.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2112, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Nakata, Taniguchi, Anderson).

SCRep. 2721 (Majority) Ways and Means on S.B. No. 2742

The purpose of this bill is to repeal the requirement imposed on retailers that pork produced in the State be labelled as "island produced pork".

Your Committee finds that the law is unenforceable because the law provides no penalties for noncompliance and pork produced in different geographic regions is impossible to distinguish by sight.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2742 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, 1 (M. Ige). Excused, 4 (Chun, Nakata, Taniguchi, Anderson).

SCRep. 2722 Ways and Means on S.B. No. 3199

The purpose of this bill is to assist the biotechnology industry by streamlining the procedures and simplifying the requirements for importing microorganisms into the State.

Specifically, this bill:

- (1) Repeals the requirement that:
 - (A) The Board of Agriculture maintain a list of prohibited microorganisms, or microorganisms that are prohibited entry into the State; and
 - (B) Unlisted microorganisms are to be considered prohibited microorganisms until they are placed on the lists of nonrestricted, restricted, or prohibited microorganisms;
- (2) Requires the Board of Agriculture to maintain a list of microorganisms that are select human pathogens allowed entry into the State without a permit but that require notification for possible inspection and monitoring;
- (3) Allows the import and possession of an unlisted microorganism based on the level of risk presented by the import to agriculture, horticulture, the environment, or animal or public health;
- (4) Allows the issuance of an emergency permit without advisory committee review, to authorize the import and possession of a microorganism on the list of restricted microorganisms or an unlisted microorganism for the purpose of remediating an emergency or disaster;
- (5) Defines a "microbial product" as any product manufactured with known cultures of microorganisms for the purpose of bioremediation or bioaugmentation, including products such as microbial pesticides;

- (6) Allows microbial products containing certain strains of microorganisms on the nonrestricted list of microorganisms to enter the State without a permit, but prohibits their importation without a registration;
- (7) Establishes the permit revolving fund, and appropriates \$25,000 from the revolving fund, to facilitate the processing and issuance of permits, to facilitate the amendment of lists of creatures prohibited or allowed for import, for compliance monitoring activities, and for training, personnel, educational workshops, materials, and equipment; and
- (8) Allows user fees to be assessed for the registration of microbial products containing certain strains of microorganisms.

In addition, this bill repeals the requirement that the Board of Agriculture maintain a list of prohibited plants, or plants that are prohibited entry into the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3199, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2723 (Majority) Ways and Means on S.B. No. 2345

The purpose of this bill is to require qualified electric utility companies to implement "renewables portfolio standards".

In addition, this bill requires these utilities to possess a minimum percentage of minimum energy resources within their overall resource portfolios, and requires the Public Utilities Commission to establish a program to issue renewable credits to renewable energy generators by January 1, 2001. The bill also requires, beginning in the year 2002, that each qualified electric utility company submit an application to the Commission containing evidence of ownership of sufficient renewable energy credits to satisfy the renewables portfolio standard for the previous year, and allows the Commission to impose administrative penalties for violations. The Commission is also required to report annually to the Legislature regarding the implementation of the program, including any recommendations to achieve increased use and availability of renewable energy in the State.

Your Committee finds that "renewables portfolio standards" are a flexible, market-driven policy that seeks to ensure that a minimum amount of wind, solar, biomass, geothermal, and other renewable energies are included in the portfolio of electricity resources serving the State through the establishment of renewable energy credits. Your Committee finds that by increasing the required percentages of these renewable energies over time, the standard seeks to increase the sustainability of the electricity industry in Hawaii. Renewables portfolio standards rely almost entirely on the private market for its implementation, which will result in increased competition, efficiency, and innovation that seeks to deliver renewable energy at the lowest possible cost.

Your Committee finds that requiring electric utilities to implement renewables portfolio standards and the Public Utilities Commission to establish a renewable energy credits program will help to encourage the development of renewable energy resources in the State, and establish a market for renewable energy in Hawaii using the State's significant renewable energy resources to drive down the cost of renewable energy to consumers.

Upon further consideration, your Committee has amended section 3 of the bill to replace the 14.5 per cent benchmark to be achieved by January 1, 2020, with a blank percentage in order to facilitate further discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2345, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2345, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, 5 (Buen, M. Ige, Iwase, Kawamoto, Tam). Excused, 2 (Chun, Anderson).

SCRep. 2724 Ways and Means on S.B. No. 2690

The purpose of this bill is to require a court, at sentencing, to order a defendant sentenced to probation to pay a probation service fee of \$150 if probation is for more than one year, or \$75 for a probation term of one year or less. It is also the purpose of this bill to establish the probation services special fund.

Your Committee finds that the increase in the probation offender population in the last five years has not been matched by an increase in program resources. Probation service fees will help to defray administrative costs and may help offenders realize that they have to take responsibility for their acts, including costs resulting from their criminal conduct.

Upon further consideration, your Committee has amended this bill by changing the amount appropriated to an unspecified amount to facilitate continuing discussion on this matter, and deleting the appropriation for fiscal year 2001-2002.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2690, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2690, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2725 Ways and Means on S.B. No. 2523

The purpose of this bill is to cap fees for copying state and county government records at 25 cents per page.

Your Committee finds that government functions require the collection and maintenance of a variety of records, from vital records detailing births, deaths, and marriages, to property records and tax records. Record keeping is an important function of government offices. Residents and others who may require copies of these records as proof of ownership, transfer, and other uses must go to the government office concerned and pay for copies. It is important to the democratic process that citizens are not deterred from acquiring these copies by exorbitant charges. By limiting copying fees to 25 cents per page, and allowing fees equal to or less than the cost of reproducing an oversized record, there will be a balance between the need for information on the part of the requester and the need to recoup costs on the part of the government office that has charge over the record.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2523, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 6 (Buen, Chun, M. Ige, Nakata, Taniguchi, Anderson).

SCRep. 2726 (Joint) Labor and Environment and Ways and Means on S.B. No. 2245

The purpose of this measure is to change the current medical fee schedule for workers' compensation reimbursement from one-hundred ten per cent of Medicare to the annually adjusted federal workers' compensation medical fee schedule for use in Hawaii.

Testimony in favor of the measure was received from ILWU Local 142, Hawaii Medical Association, Hawaii Emergency Physicians Associated, Inc., Hawaii State Chiropractic Association, Hawaii Psychiatric Medical Association, Kauai County Medical Society, Hawaii Chapter American Physical Therapy Association, two members of Hawaii Orthopaedics, Inc., Fukuji & Lum, The Anesthesia Medical Group, Inc., Children's Orthopaedics, two members of the Bone and Joint Clinic of Hawaii, Sestak Rehabilitation Services, eight members of 'Ohana Physicians Group, Maui Occupational Health Center, Windward Orthopaedic Group, Inc., seven members of Castle Medical Center, Comprehensive Health & Active Rehabilitation Training, three members of Lynn C. Fox & Associates, and fifteen individuals.

Testimony in opposition to the measure was received from the Department of Labor and Industrial Relations, City and County of Honolulu Department of Human Resources, Society of Human Resource Management, Argonaut Insurance Company, ADP Integrated Medical Solutions, and Hawaii Insurers Council. Comments were received from the Department of Commerce and Consumer Affairs. Oral testimony was received from NCCI Hawaii Bureau, Hawaii Employers Mutual Insurance Company, and one individual.

In 1995, the workers' compensation reimbursement fee schedule was set at the Medicare rate plus ten percent; the fifth lowest fee schedule in the nation. At this level, health care providers are being reimbursed at a loss. A study by the Legislative Reference Bureau states that the Medicare plus ten percent rate has "had a negative impact on access to specialty care by injured workers and has diminished the number and quality of providers who treat patients in workers' compensation cases". Tying reimbursement to the federal workers' compensation fee schedule would be equivalent to one hundred and twenty-five percent of Medicare; a rate recommended by the LRB report.

Your Committees amended the measure by retaining the Medicare plus ten percent rate and instead establishing the medical fee schedule advisory council to advise the director of labor and industrial relations on adjustments to the medical fee schedule.

Your Committees also made technical, nonsubstantive amendments to reflect preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2245, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2245, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 16. Noes, none. Excused, 1 (D. Ige).

SCRep. 2727 Labor and Environment on S.B. No. 2898

The purpose of this measure is to prohibit the disclosure of inspection and investigatory records while an administrative proceeding under occupational safety and health law is pending.

This measure also prohibits the identity of witnesses and confidential sources from being disclosed and prohibits compliance officers from testifying as witnesses in proceedings other than those to enforce or administer this chapter.

Testimony in favor of the measure was received from the Department of Labor and Industrial Relations.

As written, the current law prohibits records from being used as evidence or in discovery in a civil action unless the action is for enforcement or review under this chapter. As interpreted by the courts while the law prohibits the use of these administrative records as evidence, the law does not prohibit disclosure. This measure prohibits the disclosure of inspection and investigatory records while an administrative proceeding is pending or ongoing. Your Committee is in agreement that in order for the department to fully perform its primary function of correcting and abating hazards to protect employees, disclosure cannot occur while administrative proceedings are pending.

Your Committee amended the measure by replacing the phrase "compliance officer" with "employee of the department acting within the scope of the employee's office, employment, or authority under this chapter". Your Committee also made technical, nonsubstantive changes for clarity and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2898, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2898, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Fukunaga, Ihara, Kanno).

SCRep. 2728**Labor and Environment on S.B. No. 2899**

The purpose of this measure is to prohibit the disclosure of inspection and investigatory records while an administrative proceeding under boiler and elevator law is pending.

This measure also prohibits the identity of witnesses and confidential sources from being disclosed and prohibits compliance officers from testifying as witnesses in proceedings other than those to enforce or administer this chapter.

Testimony in favor of this measure was received from the Department of Labor and Industrial Relations.

As written, the current law prohibits records from being used as evidence or in discovery in a civil action unless the action is for enforcement or review under this chapter. As interpreted by the courts while the law prohibits the use of these administrative records as evidence, the law does not prohibit disclosure. This measure prohibits the disclosure of inspection and investigatory records while an administrative proceeding is pending or ongoing. Your Committee is in agreement that in order for the department to fully perform its primary function of correcting and abating hazards to protect employees, disclosure cannot occur while administrative proceedings are pending.

Your Committee amended the measure by replacing the phrase "compliance officer" with "employee of the department acting within the scope of the employee's office, employment, or authority under this chapter". Your Committee also made technical, nonsubstantive changes for clarity and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2899, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Fukunaga, Ihara, Kanno).

SCRep. 2729**Ways and Means on S.B. No. 2115**

The purpose of this bill is to establish a "False Claims Act" that allows the government or a private plaintiff to bring a civil action to recover damages from a person who brings a false claim against the government.

Your Committee finds that the federal False Claims Act has successfully led to the uncovering and prosecution of false claims against the government, often brought by a private plaintiff for the government in the name of the government. Private citizens are provided an incentive to bring false claim actions because they may recover a share of the proceeds or settlement.

This measure does not authorize or allow so-called Strategic Litigation Against Public Participation (SLAPP) suits, but rather applies to fraudulent claims for money, property, and services as set forth in the bill.

Because this measure allows the government or a private citizen to bring an action to recover damages for false claims, your Committee believes it will be an effective deterrent to false claims against the government.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2115, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2730**Ways and Means on S.B. No. 2426**

The purpose of this bill is to authorize the Crime Victim Compensation Commission to pay for mental health counseling for witnesses and individuals at the scene of mass tragedies and for the relatives of persons killed in mass tragedies.

Federal funding is available to state crime compensation programs to pay for mental health counseling for victims of mass violence, including victims, relatives of deceased victims, and witnesses and others present at the scene. Such funds were offered to Hawaii after the November 1999 shooting tragedy in Honolulu, but the State was unable to take advantage of them as our state statute lacked the authority to pay for such counseling. Your Committee finds that it is in the best interests of the health and welfare of the residents of this State that our statute be amended to provide this type of counseling. Your Committee notes that the statutory language appropriately gives priority in funding the crime victims while permitting these other services to be compensated as well.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2426, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, Nakata, Taniguchi, Anderson).

SCRep. 2731**Ways and Means on S.B. No. 2138**

The purpose of this bill is to require the Department of Education to install roofing insulation with a value rating of R-19 in public school buildings.

The bill specifies that the insulation shall be installed on all newly constructed school buildings as well as buildings undergoing re-roofing repairs.

Your Committee finds that roof insulation not only helps retain heat in a building, it also helps keep the heat out of a building. Existing public school buildings with roofing insulation can lower the temperature of the building by as much as eight degrees. The lower temperature not only fosters a more comfortable learning environment, but it also lowers the electrical demand on air conditioning units to ultimately lower maintenance costs.

Your Committee has amended the bill by deleting the amount appropriated to allow for further discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2138, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2138, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Chun, D. Ige, Nakata, Tam, Taniguchi, Anderson).

SCRep. 2732**Ways and Means on S.B. No. 2574**

The purpose of this bill is to authorize the community colleges of the University of Hawaii to deposit their special fund revenues into the Community College System's special funds.

Your Committee finds that community colleges offer many high school graduates alternatives to a college degree in terms of lower cost, smaller classes, greater individual attention, alternatives to academic courses, technical education, and so on. Many youngsters benefit from a transitional program from high school to college or the working world. In meeting these objectives, community colleges need some flexibility in managing their budgets, and a special fund exists for the community colleges for this purpose. This measure specifies the kinds of deposits that can be made into the special fund which will make the receipt and disbursement of moneys more efficient.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2574, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, Nakata, Taniguchi, Anderson).

SCRep. 2733**Ways and Means on S.B. No. 2575**

The purpose of this bill is to establish the University of Hawaii facilities improvements special fund.

The special fund will be funded by a portion of the general excise tax revenues. Furthermore, the special fund will be used only for facilities maintenance and improvements.

Your Committee finds that the physical facilities of the University of Hawaii form the focal point of the university's activities. This measure ensures that the university will have a reliable source of revenues for necessary repairs and improvements.

Your Committee has amended this measure by changing the effective date to July 1, 2009 in order to promote further discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2575, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2575, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, Nakata, Taniguchi, Anderson).

SCRep. 2734 Ways and Means on S.B. No. 2164

The purpose of this bill is to assist the organic agriculture industry with the labeling of organically produced agricultural products, the accreditation of certifying agents, and the enforcement of these labeling and accreditation requirements.

Specifically, this bill:

- (1) Prohibits an agricultural product from being labeled "organically produced" or "certified organic", or being claimed to be "organic", unless the product:
 - (A) Has been produced by a person who is certified by an accredited certifying agent; and
 - (B) Is labeled with the logo, mark, or other indicia of the person's certifying agent;
- (2) Requires a certifying agent who certifies a person whose organically produced agricultural products are sold in the State or shipped from the State for sale elsewhere, to be accredited by the Department of Agriculture;
- (3) Requires a certifying agent seeking accreditation by the Department of Agriculture to submit all logos, marks, and other indicia that will be used to identify organically produced agricultural products that are produced by a person who is certified by the agent;
- (4) Requires a person who is accredited by the Department of Agriculture as a certifying agent to meet the accreditation requirements of the U.S. Secretary of Agriculture when these requirements are established;
- (5) Prohibits a person from referring to accreditation, compliance with any laws or rules relating to organically produced agricultural products, or to any agency or employee of the State in any manner that suggests that the State licenses, approves, or regulates the person's operations; and
- (6) Allows the Department of Agriculture to fine a person who violates any laws or rules relating to organically produced agricultural products, not more than \$1,000 for each separate offense; and considers any action taken to impose or collect this penalty a civil action.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2010, to allow for further discussion among the various organic farmers, their organizations, and the Department of Agriculture;
- (2) Designating the new sections with alphabets to promote clarity should the need for cross-referencing arise;
- (3) Directing the revisor of statutes to substitute appropriate section numbers; and
- (4) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2164, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2164, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Nakata, Taniguchi, Anderson).

SCRep. 2735 Ways and Means on S.B. No. 2411

The purpose of this bill is to authorize the issuance of special purpose revenue bonds and refunding special purpose revenue bonds to assist a cooperative formed by coffee growers of Hawaii in planning and building a processing plant for freeze dried coffee, at a site to be determined.

Your Committee finds that in order to develop additional markets for Hawaii-grown coffee, the industry must add new products such as freeze dried coffee. Prospective buyers for freeze dried coffee include the United States military, overseas markets, and niche markets such as eco-tourism that rely on portable and durable food products.

Your Committee has amended this bill by:

- (1) Designating Kauai Coffee Company, Incorporated as the recipient of these special purpose revenue bond funds; and
- (2) Requiring the Department of Budget and Finance to:
 - (A) Evaluate Kauai Coffee Company's application for financing of the processing plant using the information submitted on Form P-501, entitled "Formal Application for Financing of an Processing Enterprise", dated June 1, 1999; and
 - (B) Report its findings and recommendation to the Legislature not less than twenty days before the convening of the Regular Session of 2001;

before issuing special purpose revenue bonds under this bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2411, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2411, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2736 Ways and Means on S.B. No. 2287

The purpose of this bill is to establish an underground conversion fund to be used to convert overhead utility lines to underground facilities.

Specifically, the measure establishes a fund to be funded by a certain percentage of moneys in excess of \$1 million in the public utilities special fund and voluntary contributions. The bill allows taxpayers to designate a contribution on their annual income tax return. The Public Utilities Commission is required to establish criteria to allocate funds to counties.

Your Committee finds that there is significant community support for underground public utility lines and that this measure attempts to provide a partial answer to funding issues.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2287, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (D. Ige, Anderson).

SCRep. 2737 Ways and Means on S.B. No. 2459

The purpose of this bill is to establish a licensure program for professional counselors.

Specifically, this bill prohibits an individual who lacks licensure from using the title "licensed professional counselor". This bill also establishes licensure requirements and exemptions, defines the scope of professional counseling practice, and appropriates \$43,000 for program implementation. This bill further authorizes the Director of Department of Commerce and Consumer Affairs to hire an administrative assistant and secretary to assist with the activities of the licensure program. Implementation of the licensing program itself begins on July 1, 2001.

Upon further consideration, your Committee has amended this bill by deleting the \$43,000 appropriation amount and replacing it with a blank amount for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2459, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2459, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2738 Ways and Means on S.B. No. 3003

The purpose of this bill is to make all new public employees contributory members of the Employees' Retirement System and to give existing Class C noncontributory members an option to convert their status to contributory membership.

Your Committee finds that the noncontributory plan has been in existence since July 1, 1984, nearly sixteen years. The noncontributory member makes no contribution to the member's retirement fund and thereby receives more take home pay compared to a similarly situated contributory member. Whether this has been a benefit or a burden to a member's financial situation is uncertain, but the time may have arrived to re-examine these assumptions. This measure provides that opportunity.

Your Committee has amended this bill by changing the effective date to July 1, 2010, for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3003, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3003, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Chun, Anderson).

SCRep. 2739 Ways and Means on S.B. No. 3002

The purpose of this bill is to allow a surviving spouse or reciprocal beneficiary of all deceased members of the Employees' Retirement System to receive pension and other retirement benefits upon election of the surviving spouse or reciprocal beneficiary.

Your Committee finds that under current law, the remarriage or new relationship in the case of a reciprocal beneficiary, results in loss of benefits from the deceased member. This result may cause some persons not to remarry, or, having remarried, the surviving spouse may be reduced to a lower standard of living.

Your Committee has amended this bill by reverting back to the original draft as introduced, which limited reinstatement of benefits to surviving spouses or reciprocal beneficiaries of police officers, firefighters, deputy sheriffs, and public safety officers. Your Committee has requested the Employees' Retirement System to determine the cost impact associated with this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3002, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3002, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Chun, Anderson).

SCRep. 2740 Ways and Means on S.B. No. 2731

The purpose of this bill is to require that an administrative refund of any tax assessed under the state insurance laws is paid out of the general fund.

Your Committee finds that insurance premium taxes collected by the State are deposited into the general fund. Refunds of the insurance premium tax, however, are paid out from the insurance regulation fund. This bill would ensure that the proper state account - the general fund, is debited for refunds of the insurance premium tax.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2731, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2741 Ways and Means on S.B. No. 2542

The purpose of this bill is to authorize the issuance of general obligation bonds.

In particular, the bill serves as a "shell" for the issuance of general obligation bonds to finance project appropriations contained in legislative Acts for which the means of funding are designated as general obligation bond funds or reimbursable general obligation bond funds. The bill also includes a declaration of findings with respect to these authorizations as mandated by the Hawaii Constitution.

Your Committee received informational testimony on the proposed S.D. 1 from the state Director of Finance.

Your Committee has amended this bill by deleting its contents and adding the Attorney General's suggested language to exempt state bonds from the requirement of perfecting security interests in government collateral.

According to the State's bond counsel, proposed changes to Article 9 of the Uniform Commercial Code relating to secured transactions would require governments or governmental subdivisions to perfect security interests in government collateral. Accordingly, there would be a need to file and record UCC-1 Financing Statements for current and outstanding bonds issued by the State and its agencies.

Your Committee agrees with the intent of the bill, and finds that without the exemption for state bonds from the requirements proposed by the Uniform Commercial Code as provided in part II of the bill, the State would incur costs and exposure to the risk of noncompliance with the Code without any real additional benefit to bondholders.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2542, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2542, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Chun, D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2742 Ways and Means on S.B. No. 2578

The purpose of this bill is to establish a fair market standard for determining the value of the leased fee interest for condominium and cooperative housing corporation lease-to-fee conversion.

More specifically, the bill provides for the following fair market value conversion appraisal method to compute the value of a lease-to-fee conversion:

- (1) The appraisal for the valuation of a leased fee interest in a condominium and cooperative housing corporation lease-to-fee conversion will be done by a licensed real estate appraiser using generally accepted appraisal methods in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP); and
- (2) A fee owner's total interest in the property will be calculated by deducting the lessee's interest, which is calculated in conformance with the USPAP, from the fair market value of the property.

Your Committee finds that this bill applies to all leases entered into on or after the effective date of the bill and applies to leases entered into prior to the effective date of the bill only if the lessor and lessee agree to use the fair market value standard or if the lease did not specify an appraisal method.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2578, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2743 Commerce and Consumer Protection on S.B. No. 2563

The purpose of this measure is to require insurers to provide coverage under a policy notwithstanding the insured's potential claim for damages against a third party.

The Insurance Commissioner, Consumer Lawyers of Hawaii, Hawaii Medical Service Association, State Farm Insurance Companies, and an individual submitted testimony on the measure.

This measure prohibits an insurer from refusing to provide past or future coverage, or otherwise limiting coverage to an insured on the basis of an insured's potential claim for damages against a third party, but entitles the insurer to reimbursement for benefits paid when the insured recovers damages on the third party claim. This measure will help to clarify an insurer's rights and duties and protect consumers' rights to coverage in cases involving third party claims.

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

- (1) Removing from the prohibition an insurer's refusal to provide past or future coverage to avoid mandating continued future renewals, as opposed to future coverage under an existing policy that continues to provide coverage until a future expiration date;
- (2) Exempting workers' compensation insurers, motor vehicle insurers, benefit societies, and health maintenance organizations from the prohibition since they are regulated under other sections of the law;
- (3) Including an amendment to the tort law that clarifies health care entities' subrogation and lien rights where an insured has recovered damages from a third party; and
- (4) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2563, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2563, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 2744 (Majority) Commerce and Consumer Protection on S.B. No. 2729

The purpose of this measure is to regulate the sale of service contracts to protect consumers.

Testimony on the measure was submitted by the Insurance Commissioner, Office of Consumer Protection, Hawaii Automobile Dealers' Association, and the Service Contract Industry Council.

Under current law, service contracts are considered insurance contracts, and therefore, fall within the purview of the insurance code. Your Committee, finds, however, that while regulation of service contracts is necessary, the regulatory framework established in the code may not be appropriate for the regulation of service contracts which are distinct from other types of insurance contracts. Further, requiring compliance of the service contract industry with the insurance code's stringent requirements could hinder the industry's development in this State. Therefore, this measure establishes a regulatory framework specific to the sale and administration of service contracts, and exempts service contracts from the insurance code.

Your Committee further finds that other states have adopted amended versions of the Model Service Contract Act proposed by the National Association of Insurance Commissioners (NAIC). Therefore, upon careful consideration, your Committee has amended this measure by replacing the contents of section 2 of this Act with language that substantially reflects the language of the NAIC Model Act.

As amended, this measure requires service contract providers to be registered with the insurance commissioner, pay fees, meet financial responsibility requirements, maintain records, provide receipts and disclosures to consumers, and allows for returns and refunds. The measure, as amended, also establishes requirements for contractual liability insurance policies, exempts service contract provider fees from premium taxes, prohibits certain practices, and establishes enforcement authority. The measure deviates from the Model Act by:

- (1) Including commercial service contracts within the regulatory scheme;
- (2) Narrowing the definition of "provider" to apply only to persons contractually obligated to the service contract holder;
- (3) Clarifying registration requirements for providers;
- (4) Deleting the requirement that service contract receipts be provided at the time of purchase since sales are sometimes consummated by direct mail or telemarketing;
- (5) Expanding the time periods for cancellation of a service contract;
- (6) Providing that contractual liability insurers are deemed to have received the insurance premiums upon the consumer's payment of service contract provider fees; and
- (7) Establishing enforcement authority with the insurance commissioner, rather than with the director of commerce and consumer affairs.

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

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2729, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2729, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2745 (Majority) Commerce and Consumer Protection on S.B. No. 2818

The purpose of this measure is to protect consumers with life-threatening illnesses who leverage their assets in life insurance policies or group life insurance certificates in order to finance medical or hospice care.

Testimony on the measure was submitted by the Insurance Commissioner, State Farm Insurance Companies, American Council of Life Insurers, First Hawaiian Insurance, Inc., Viatical Association of America, and the Hawaii State Association of Insurance and Financial Advisors.

Under a viatical settlement contract, the owner of a life insurance policy (viator) sells the policy to a third party who pays the policyholder a sum less than the value of the policy, assumes payment of all future premiums, and collects the policy benefits upon the death of the insured. Alternatively, many insurers offer policyholders accelerated death benefit riders to their policies that pay benefits in advance of death and upon a qualifying event.

Viatical settlements and accelerated death benefit riders present the potential for abuse because seriously ill persons in need of funds to pay for medical care may be more vulnerable to predatory practices. Therefore, this measure would prohibit the viadication of life insurance policies and certificates and regulate the offering of accelerated death benefits under a life insurance policy or certificate.

Your Committee finds, however, that viatical settlements may be utilized for purposes other than to finance the medical care of a seriously ill person. For instance, retiring business executives insured under "key man" policies who no longer need the coverage, may choose to sell the policy under a viatical settlement and use the proceeds to purchase long-term care insurance or to purchase insurance policies for estate planning purposes. Viatical settlements may also enable individuals to meet unexpected or immediate financial needs or to make gifts to charity. Therefore, your Committee finds that it is not in the public interest to outlaw all viatical settlements.

Your Committee further finds that the National Association of Insurance Commissioners (NAIC) has proposed model legislation for the regulation of viatical settlements. Upon careful consideration, your Committee has amended this measure by replacing its contents with language that is substantially derived from the NAIC Viatical Settlements Model Act, but prohibits viadication of policies held on persons with catastrophic or life threatening illnesses, or who have a life expectancies of less than twenty-four months. This measure, as amended:

- (1) Requires viatical settlement providers, representatives, and brokers to be licensed by the insurance commissioner;
- (2) Requires licensees to make certain disclosures to viators and obtain prior approval of viatical settlement contracts and disclosure statements;
- (3) Establishes reporting and confidentiality requirements;
- (4) Grants the insurance commissioner the authority to examine licensees;
- (5) Requires the express consent of a viator to a contract;
- (6) Allows viators to rescind a contract;
- (7) Establishes procedures governing viatical settlement payments;
- (8) Prohibits certain practices in viatical settlement transactions;
- (9) Establishes advertising standards; and
- (10) Deems violations of the Act an unfair trade practice.

Your Committee finds that this measure, as amended, protects those individuals most at risk for abuse in viatical settlement transactions, while allowing consumers the option of using viatical settlements as a method of financing.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2818, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2818, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, 1 (Slom). Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 2746 (Joint/Majority) Commerce and Consumer Protection and Ways and Means on S.B. No. 2945

The purpose of this measure is to provide for more consistent tax treatment of services and contracting, provide relief from general excise tax (GET) pyramiding for the sale of amusements, lower public service company (PSC) tax rates for telecommunication and transportation services that are resold, and make technical amendments to Acts 70 and 71, Session Laws of Hawaii (SLH) 1999.

Testimony on the measure was submitted by the Department of Taxation, Hawaii Bankers Association, Tax Foundation of Hawaii, Hawaii Association of Realtors, Hawaii Society of Certified Public Accountants, AT&T, GTE, and Honolulu Freight Service.

Act 70, SLH 1999, imposed a use tax on services performed outside of the State, and imported or purchased for resale or use in the State, and exempted from the GET services and contracting performed in the State, but exported for resale or use outside of the State. This measure imposes the use tax on imported contracting, consistent with the imposition of the use tax on services and the exemption from GET for exported services and contracting.

Additionally, this measure provides relief from the pyramiding effect of the GET for amusement-to-service, amusement-to-tangible personal property, and amusement-to-amusement transactions. The measure also establishes graduated tax rate decreases applicable to the sale of telecommunication services by a public utility to an interstate telecommunications provider who resells the services at retail, and transportation services sold by a motor carrier or contract carrier to a construction industry contractor. Finally, this measure makes numerous technical amendments to the GET and PSC laws.

Upon careful consideration, your Committees have amended this measure by:

- (1) Including the use of debit card, credit card, merchant card draft, and trust administration services imported or purchased by a bank within the use tax exemption;
- (2) Phasing in the PSC tax rate relief more gradually;
- (3) Extending PSC tax relief to freight forwarders;
- (4) Inserting a defective approval date for purposes of further discussion; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity, and to reflect existing language in the Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2945, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2945, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 13. Noes, 1 (Slom). Excused, 6 (Chun, Hanabusa, Ihara, Iwase, Matsuura, Anderson).

SCRep. 2747 Commerce and Consumer Protection on S.B. No. 2589

The purpose of this measure is to establish additional qualifications for doctors performing independent medical examinations (IMEs) of workers' compensation claimants.

Testimony on the measure was submitted by the Department of Labor and Industrial Relations (DLIR), City and County of Honolulu, Consumer Lawyers of Hawaii, Hawaii Insurers Council, ILWU Local 142, Building Industry Association, Hawaii Psychiatric Medical Association, Rehab Work Health, Argonaut Insurance Company, Hawaii State Chiropractic Association, Honolulu Sports Medical Clinic, Inc., Maui Health Center, Hawaii Medical Association and several individuals.

This measure would require that a doctor performing an IME of a worker's compensation claimant have an active license in the same professional regulatory category as the claimant's treating physician, and that the license have been active for the previous five consecutive years. This measure is intended to insure that doctors performing IMEs are qualified by similar education and training to evaluate the treatment provided by the claimant's treating physician, and that the IME is not colored by differences in treating philosophies and methodologies between the medical disciplines. Further, this measure would provide that IMEs are conducted by doctors who have ties to the community and who will be held accountable for their medical opinions.

Your Committee finds that the additional requirements for an IME physician established in this measure have raised numerous concerns. Your Committee further finds that modifying the manner in which IME doctors are selected may minimize the risk of bias and abuse in the evaluation process intended to be addressed by this measure, and would provide for a more balanced approach to the IME process. Accordingly, your Committee has amended this measure by:

- (1) Establishing a process for selecting an IME physician that requires the parties' agreement to the selection, and lacking an agreement, mandates the director of DLIR to select a physician from a list maintained by the department; and
- (2) Deleting the proposed definition for "duly qualified".

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2589, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2589, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2748 Commerce and Consumer Protection on S.B. No. 2333

The purpose of this measure is to lessen the financial burden of homeowners associations that must shoulder the costs of insuring, maintaining, and repairing foreclosed apartments.

Testimony on the measure was submitted by the Community Associations Institute, Hawaii Bankers Association, Association of Apartment Owners of Makakilo Hale, Mortgage Bankers Association of Hawaii, Hawaii Council of Associations of Apartment Owners, Bank of Hawaii, Yacht Harbor Towers Owners, and numerous individuals.

This measure would allow homeowners associations that have filed a notice of lien against a delinquent apartment to specially assess a purchaser in a foreclosure sale for delinquent assessments chargeable to the apartment, subject to certain conditions and

limitations. The amount of the special assessment allowed under this measure may not exceed the total amount of regular monthly common assessments assessed during the six-month period preceding completion of the power of sale foreclosure or the amount of the association's delinquent assessment for the apartment.

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

- (1) Establishing a cap of \$1,800 on the total amount of special assessments that may be recovered by a homeowners association;
- (2) Limiting the special assessment to unpaid assessments for common area expenses;
- (3) Establishing a sunset date of December 31, 2003, for this Act; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

The cap on assessments established by this measure, as amended, is calculated on an estimated average monthly maintenance fee of \$300 for condominiums in Hawaii, and the estimated average is based on the limited maintenance fee data currently available.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2333, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2333, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2749

Commerce and Consumer Protection on S.B. No. 2165

The purpose of this measure is to allow naturopathic physicians to certify that a child entering school has met the requirements for physical examination, immunization, and tuberculin testing.

Testimony on the measure was submitted by the Department of Health (DOH), Hawaii Society of Naturopathic Physicians, Hawaii Chapter of the American Academy of Pediatrics, Hawaii Nurses Association, Hawaii Medical Association, and several individuals.

State law requires that a licensed physician or advanced practice registered nurse certify that a child has been immunized, is free of communicable tuberculosis, and has undergone a physical examination, prior to the child being admitted to school. Your Committee finds that after the recodification of the education laws in 1996, the DOH adopted a definition of licensed physician that included only medical doctors and osteopathic doctors. As a result, naturopaths were no longer permitted to certify physical examinations for children entering school, despite having done so for many years. This measure rectifies the omission of naturopaths from the administrative rule by establishing a definition for "licensed physician", in the context of Department of Education (DOE) health requirements, that includes naturopathic physicians.

Your Committee finds that naturopaths are not authorized to perform tuberculin testing or administer immunizations. Therefore, your Committee has amended this measure by replacing its contents with language amending provisions of the law relating to physical examination and health certificates. More specifically, this measure, as amended, authorizes naturopaths to certify physical examinations and requires the DOE to provide health certificate forms for physical examinations to naturopaths. The amended measure also enables naturopaths to certify that a child has been immunized if the immunization was performed by a licensed physician and the naturopath receives documentation to that effect.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2165, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2165, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 2750

(Joint) Commerce and Consumer Protection and Ways and Means on S.B. No. 2326

The purpose of this measure is to require the Employees' Retirement System (ERS) to pay for retirant health benefits if fully funded and if the reimbursement will not reduce the ERS' earnings below the investment yield rate for the fiscal year in which the reimbursement is sought.

Testimony in support of the measure was received from the United Public Workers, the Hawaii State Teachers Association, and the Hawaii State Teachers Association Retired. The Public Employees Health Fund took no position. The Department of Budget and Finance and the Employees' Retirement System opposed the measure.

Although your Committees believe the contents of the measure as received by your Committees have merit, your Committees agree that the issue of requiring the ERS to pay for retirant health benefits requires more discussion and will address this issue at a later time. However, your Committees also recognize the importance of having legislative vehicles moving through the legislative process to foster more discussion on public sector health benefits matters. As such, your Committees have amended the measure by

deleting its substance and inserting therefor, provisions which allow for the porting of Medicare Part B reimbursements to employee organizations.

Your Committees have amended the measure to provide the Public Employees Health Fund with the flexibility it needs to port Medicare Part B reimbursements to an employee organization that provides health benefits to retirant-beneficiaries who have chosen to subscribe to the employee organization's health plan instead of the Public Employees Health Fund's plan. Your Committees have also inserted a defective effective date to ensure the measure's continued discussion in the legislative process.

Your Committees realize that other measures such as S.B. No. 2802, which establishes an Employer-Union Health Benefits Trust, and S.B. No. 3193, which establishes a Hawaii Insurance Exchange, are being recommended by your Committees to pass out of the Senate. These two measures establish two distinctly different types of health benefits administration for public sector employees and retirants and call for the abolishment of the Public Employees Health Fund. However, your Committees are aware that if neither one of these two concepts are adopted by the Legislature, changes to the Public Employees Health Fund must still be made. It is your Committees' intent that this measure serve as the vehicle for improvements to the Public Employees Health Fund.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2326, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2326, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 15. Noes, none. Excused, 5 (Chun, Hanabusa, Iwase, Kawamoto, Anderson).

SCRep. 2751

Commerce and Consumer Protection on S.B. No. 2416

The purpose of this measure is to allow public access organizations greater autonomy in appointing the members of their governing boards.

Testimony on the measure was submitted by the Administrator, Cable Television Division, Department of Commerce and Consumer Affairs, 'Olelo: The Corporation for Community Television, Akaku: Maui Community Television, Common Cause Hawaii, and several individuals.

Currently, the Department of Commerce and Consumer Affairs (DCCA) appoints the majority of the board members for the nonprofit corporations that manage public, educational, and governmental access to television. This measure authorizes these public access organizations to amend their by-laws to allow the organization to appoint the board members formerly appointed by DCCA, upon the condition that the public access organizations open their board meetings to the public and otherwise comply with the state sunshine laws.

Your Committee finds that concerns have been raised about the management of public access organizations and the need for greater community input with respect to their operations and policies. However, your Committee further finds that these concerns may be better addressed by requiring that the public access organizations open their meetings and records to the public, rather than by removing DCCA's oversight and allowing the organizations to appoint their board members. Since the public access organizations receive most of their funding from government-mandated cable access fees or government-funded grants, they should be held accountable to the public.

Therefore, your Committee has amended this measure by replacing its contents with language that requires DCCA to establish as a condition of its contracts with public access organizations that the organizations comply with the sunshine laws and the Uniform Information Practices Act.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2416, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2416, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hanabusa, Ihara, Matsuura).

SCRep. 2752

Judiciary on S.B. No. 3195

The purpose of this bill is to amend the garnishment law to specify that rental income is to be included under the definition of "wages" and is not to be characterized as a debt.

Your Committee received testimony in favor of this measure from an attorney and numerous individuals. Testimony in opposition to the measure was received from Maui Collection Service, Inc.; Credit Associates of Maui, Ltd.; Hawaii Providers Network, Inc.; and the President of the Hawaiian Collectors Association.

Your Committee finds that a judgment creditor, by obtaining a judgment against a debtor and procuring a garnishment of rental income, is permitted to attach one hundred per cent of the rental income as a debt, but is restricted to a percentage of the debtor's

personal income as specified by statute. As a result, in many situations, persons who rely on rental income to pay their mortgages on personal residences are often unable to pay those mortgages and are forced into foreclosure.

Your Committee finds, however, that it is the mortgage lender's expectation that the rental income will be used by the borrower to pay the mortgage. This is preferable to foreclosure from the lender's perspective, since foreclosing on the borrower's real property is considered a remedy of last resort. Foreclosures on personal residences also further weaken Hawaii's struggling economy.

Your Committee agrees with the intent of this bill, and finds that characterizing rental income as personal income or wages will help to reduce the number of foreclosures on personal residences in these situations by retaining the home as an asset and giving the borrower the chance to keep the mortgage loan from going into default.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3195 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2753

Judiciary on S.B. No. 13

The purpose of this bill is to allow fees and mileage for process servers to be included in court costs.

Your Committee received favorable testimony from Hawaii Provider's Network, Inc.; Credit Associates of Maui, Ltd.; Maui Collections Service; State Wide Collections; and the Hawaiian Collectors Association.

Presently, legal service of process is provided by the sheriff's office and private process servers. The fees and mileage for process servers, however, are not included in court costs. Unlike the sheriff's office, fees and mileage is an expense to the process server. This bill levels the playing field by treating fees and mileage costs as court costs for both the sheriff's office and private process servers.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 13 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2754

Judiciary on S.B. No. 2442

The purpose of this bill, as received by your Committee, is to allow a caregiver of a child to give consent by executing a prescribed affidavit so that a child may be enrolled in school and receive school-related medical services.

Your Committee finds that there are an increasing number of grandparents and other relatives raising children on behalf of absent parents without having legal custody or guardianship over these children. In Hawaii, a child often resides, at least temporarily, with a grandparent who assumes the responsibility of primary caregiver. Your Committee further finds that because these grandparents and relatives lack legal standing to act on behalf of the absent parent, these primary caregivers often lack the authority to enroll the child in school and to authorize school-related medical care.

Your Committee recognizes that an affidavit procedure is preferable to formal court proceedings that confer to the primary caregiver legal custody of the child. Court proceedings are often burdensome, expensive, and time consuming, and detract from the immediate attention that the child needs to enroll in school and receive school-related medical care such as dental care, immunizations, physical examinations, and medical examinations. Furthermore, the caregiver may not wish to have legal custody of the child, but is willing nonetheless to provide care for the child.

Your Committee notes concerns raised by the Department of Education (DOE) regarding potential legal problems the bill may create for the DOE under section 602 of the 1997 Reauthorization of the Individuals with Disabilities Education Act. However, your Committee finds these arguments unpersuasive, as nine other states have enacted similar educational and medical consent laws.

Testimony in support of this measure was submitted by the Department of Health, Na Tutu Grandparents Raising Grandchildren Coalition, Windward Oahu Family and Community Education, Generations United, and eight concerned grandparents. Testimony in opposition to this measure was submitted by the Department of Education.

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

- (1) Clarifying that once a primary caregiver possesses a notarized affidavit of consent, the primary caregiver must present a copy upon request to the school, the health care provider, or the health care services plan;

- (2) Adding a provision that the primary caregiver provide a statement attesting to the fact that the primary caregiver made reasonable efforts to locate the absent parent, guardian, or legal custodian and failed;
- (3) Providing that the affidavit of consent must be renewed and updated annually;
- (4) Providing that the affidavit of consent is immediately revoked if the minor no longer resides with the primary caregiver;
- (5) Requiring the Department of Education to review its policies regarding admission of students and amend them to recognize hanai or kinship relationships for the purposes of enrollment and school-based medical care and to submit a report to the legislature;
- (6) Deleting the affidavit form to allow for the required essential information to be more easily and readily provided by the caregivers; and
- (7) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2442, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2442, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2755 Judiciary on S.B. No. 3073

The purpose of this measure is:

- (1) To add the habitual driving offense to the implied consent law;
- (2) To define "preliminary alcohol screening device"; and
- (3) To clarify that use of a preliminary alcohol screening device is not a replacement for a breath, blood, or urine test required by the implied consent law.

Your Committee finds that the use of a preliminary alcohol screening device will help the police to more accurately identify drivers who may be under the influence of alcohol. Your Committee further finds that persons who are reasonably suspected of having violated the habitual driving offense should fall within the implied consent law.

Testimony in support of this measure was submitted by the Department of Transportation, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of the Prosecuting Attorney of the County of Maui, and Mothers Against Drunk Driving. Testimony partly in support and partly in opposition to this measure was submitted by the Office of the Public Defender.

Upon further consideration, your Committee has amended this measure by making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3073, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3073, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2756 Judiciary on S.B. No. 2996

The purpose of this bill, as received by your Committee, is to allow limited accessibility of confidential Family Court juvenile records to school officials and persons involved in the treatment and supervision of minors in the areas of child abuse and law enforcement.

Your Committee recognizes that the incidences of school violence in Hawaii are on the rise, and that the Department of Education is tasked with the difficulty of balancing a student's educational needs with the issues of ensuring school safety. While your Committee can appreciate the purpose behind this bill, your Committee believes that, as drafted, the measure is overly broad and could have unintended negative consequences, such as the wider dissemination of information than what was intended.

Your Committee believes that existing laws requiring confidentiality of juvenile records are based upon the principles that juveniles should be afforded additional protections and treated differently from adult offenders, due to the heightened expectations by the court that juvenile offenders may be more readily rehabilitated. Therefore, extra care is needed to avoid adverse effects on juveniles such as labeling, stereotyping, or differential treatment that could result from dissemination of such information. However,

your Committee agrees that under certain situations, information about students who have been adjudicated of serious acts of violence, should be made available to the Department of Education, in order to better protect the student, other students, and staff.

Your Committee finds that section 571-84.6, Hawaii Revised Statutes (HRS), already allows public access to juvenile records of a minor who has been taken into custody for committing serious acts of violence. However, your Committee finds that the process to obtain such information from the Family Court may be a lengthy one. Therefore, it is your Committee's intent that Family Court work collaboratively with the Department of Education to create a more expeditious process for release of information for education-related purposes.

Testimony in support of this measure was submitted by the Department of Education, the Department of Education Windward Oahu District Office, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Hawaii State Teachers Association, Hawaii Association of Independent Schools, and the Hawaii Coalition Against Legalized Gambling. Testimony in opposition to this measure was submitted by the Judiciary and the Office of the Public Defender. The Office of Youth Services provided comments on this measure.

Upon further consideration, your Committee has amended this measure by deleting its substance. More specifically, your Committee has amended this bill by:

- (1) Amending section 571-84.6, HRS, to require the Family Court to provide reasonable access to all records relating to juveniles that are open for public inspection to the Department of Education and for Family Court to expedite the release of the requested information;
- (2) Amending section 571-84.6, HRS, to include acts that result in substantial bodily injury;
- (3) Requiring the Department of Education to establish safeguards that protect the confidentiality and integrity of the information received from Family Court;
- (4) Requiring the Department of Education, in collaboration with the Family Court, to establish policies and procedures for the dissemination of the confidential information received from Family Court;
- (5) Requiring the Department of Education to report its findings and recommendations to the legislature prior to the convening of the 2001 regular session; and
- (6) Changing the effective date to August 1, 2001 and providing that the Act be repealed on June 30, 2003 and that section 571-84.6 be reenacted in the form in which it read before the approval of the Act.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2996, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2996, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 2757 Judiciary on S.B. No. 2374

The purpose of this bill is to:

- (1) Amend assault in the first and second degrees to increase the applicable penalties;
- (2) Amend assault in the third degree to incorporate recklessly causing substantial bodily injury;
- (3) Create a new offense of assault in the fourth degree which incorporates the existing elements of assault in the third degree; and
- (4) Amend provisions relating to mandatory minimum terms and extended terms for offenses against children by raising the applicable age from "eight" to "twelve years of age or younger."

Your Committee is gravely concerned about the continued high incidence of child abuse in our community and finds that present provisions in the penal code are woefully inadequate to provide appropriate punishment for or deterrence to child abuse. In recognition of the serious limitations under current law, in 1999, the legislature adopted H.B. 273, C.D. 1, which created three new graduated offenses of child abuse, which were classified as A, B, and C felony offenses based upon the defendant's state of mind and the extent of injury to a victim who was twelve years of age or younger. At that time, the legislature heard compelling arguments from the prosecutors indicating that jurors were reticent to convict parents who were charged with intentionally or knowingly abusing their children because the jurors found it difficult to believe that any parent would purposefully injure their child. Thus, H.B. 273, C.D. 1 was enacted to address the concerns of jurors by allowing that a parent's reckless actions that resulted in injuries to a child be charged as a serious felony offense.

Unfortunately, the Governor subsequently vetoed the bill. Based upon his veto message, the Governor's primary concern appeared to be that the prohibited conduct covered by the new offenses of child abuse already is prohibited under present assault statutes and that, therefore, the new offenses are unnecessary, as the only purpose is to increase penalties when the victim is twelve or younger. The Governor also expressed concern that these new child abuse offenses would not be lesser included offenses of attempted murder.

While appreciating the Governor's concerns, your Committee notes that other criminal statutes recognize the need for special protection for minors. For example, section 712-1241, Hawaii Revised Statutes (HRS), makes it a class A felony offense for distributing to a minor any dangerous drug in any amount. Section 712-1244, HRS, makes it a class A felony offense for distributing any harmful drug in any amount to a minor. In addition, promoting child abuse in the first degree is also a class A felony. Your Committee also notes that the criminal statutes confer "special protection" to correctional workers and educational workers under section 707-711 (Assault in the Second Degree), HRS.

Furthermore, your Committee notes that there are instances under the penal code in which, because of the need to address particular concerns, the legislature has seen fit not to provide for lesser included offenses, including assault in the second degree under sections 707-711(1)(c) (correctional workers) and 707-711(1)(e) (educational workers). Your Committee does not view this alone as an overwhelming obstacle, although it would obviously require the prosecutor to exercise care in making charging decisions.

Accordingly, your Committee firmly believes that stronger measures are needed to sufficiently safeguard children, who are most at risk of being harmed by the reckless actions of adults.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu and the Honolulu Police Department. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Upon further consideration, your Committee has amended this measure by making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2374, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2374, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 2758

Judiciary on S.B. No. 2352

The purpose of this bill is to codify computer crimes for the more complete protection of the public.

Your Committee finds that as society becomes more dependent on computers the extent to which it may be harmed through misuse of computers becomes greater and more serious. Both business and personal use of computers has increased exponentially, making more people vulnerable to more different kinds of attack, whether it be vandalism, financial wrongdoing, or cyberstalking.

A more comprehensive computer crimes law is necessary to better protect the public. Virginia has developed a model act that addressed many of today's concerns about computers and privacy, safety, and reliability. Your Committee finds that the Virginia model provides a good starting point for protecting the people of Hawaii.

The bill as received by your Committee was modeled closely on the Virginia bill. Your Committee has amended the bill to follow the Virginia model even more closely, by:

- (1) Deleting the section of taking by computer;
- (2) Deleting the section on internet service providers;
- (3) Deleting the section defining the term "harm";
- (4) Adding sections on theft of computer services and personal trespass by computer; and
- (5) Moving the section on forgery from the forgery part to the computer crimes part.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2352, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2352, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2759

Judiciary on S.B. No. 2466

The purpose of this bill, as received by your Committee, is to require installation of screening mechanisms on all public school or public access computers to prohibit access by minors to pornographic material.

Your Committee finds that there is growing community concern regarding the increased opportunities provided through electronic means for children to intentionally or unintentionally be exposed to pornographic materials. Your Committee agrees that there should be a state policy regarding how to prohibit or limit access by children to certain types and forms of information. However, your Committee also acknowledges that during the last decade, the legislature has been supportive of providing increased autonomy to the Board of Education and the Department of Education to establish policy with regards to the administration of the public school system, which also includes the state library system. Thus, your Committee is reticent, at this time, to mandate through statute what should more appropriately be a policy developed and adopted by the Board of Education for implementation throughout the public schools and libraries.

Upon further consideration, your Committee has amended this measure by deleting its contents and substituting therefor the following provisions:

- (1) Requesting that the Board of Education develop and implement a policy regarding access by minors to and screening of pornographic materials on public access computers;
- (2) Requiring that the policy developed comply with constitutional protections;
- (3) Suggesting mechanisms for achieving the goals of the measure that the Board may consider in developing the policy;
- (3) Requesting that the Board adopt such policy no later than January 1, 2001; and
- (4) Requesting that the Board of Education submit a report to the legislature regarding the implementation of the policy, any public response to the policy, and any recommendations regarding legislation which might be necessary to support and enforce the policy.

Testimony in support of this measure was submitted by the Superintendent of Education, the Honolulu Police Department, Hawaii Family Forum, Hawaii Christian Coalition, Hawaii Catholic Conference, Hawaii Catholic Legislative Advocacy Source, and 15 private individuals. Testimony in opposition to this measure was submitted by the State Librarian, the American Civil Liberties Union of Hawaii, and three public librarians. Comments on this measure were submitted by Common Cause Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2466, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2466, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 2760 (Majority) Judiciary on S.B. No. 862

The purpose of this bill is to permit the medical use of marijuana by persons with certain medical conditions.

Your Committee finds that modern medical research has discovered a beneficial use for marijuana in treating or alleviating the pain or other symptoms associated with certain debilitating illnesses such as cancer, glaucoma, human immunodeficiency virus, acquired immune deficiency syndrome, multiple sclerosis, epilepsy, and crohn's disease. There is sufficient medical and anecdotal evidence to support the proposition that these diseases and conditions may respond favorably to a medically controlled use of marijuana.

Your Committee is aware of the legal problems associated with the legal acquisition of marijuana for medical use. However, your Committee believes that medical scientific evidence on the medicinal benefits of marijuana should be recognized. Although federal law expressly prohibits the use of marijuana, your Committee recognizes that a number of states are taking the initiative in legalizing the use of marijuana for medical purposes. Voter initiatives permitting the medical use of marijuana have passed in California, Arizona, Oregon, Washington, Alaska, Maine, and the District of Columbia.

In a recent poll conducted by Honolulu-based QMark Research and Polling, an overwhelming majority of Hawaii voters (77%) are in favor of allowing seriously or terminally ill patients to use marijuana for medical purposes. Your Committee intends to follow the will of its citizens and join other states in this initiative for the health and welfare of its citizens. However, your Committee does not intend to legalize marijuana for other than medical purposes. The passage of this Act and the policy underlying it does not in any way diminish the legislature's strong public policy and laws against illegal drug use.

Your Committee strongly suggests that, should marijuana be legalized for medicinal purposes, every effort should be made to partner with existing national research efforts studying the efficacy of using marijuana for treating the terminally ill and those with debilitating medical conditions.

Testimony in support of this measure was submitted by the Department of Health, the Governor's Committee on HIV/AIDS, the American Civil Liberties Union of Hawaii, Advocates for Consumer Rights, the AIDS Community Care Team, Citizens Advocating

Responsible Education, the Drug Policy Forum of Hawaii, Hawaii Nurses Association, the Kōkua Council, the Life Foundation, the Libertarian Party of Hawaii, the Religion of Jesus Christ, and eleven interested individuals. Testimony in opposition to this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of the Prosecuting Attorney of the County of Maui, the Honolulu Police Department, the Board of Medical Examiners, Hawaii Medical Association, and a concerned citizen.

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

- (1) Amending the definition of "adequate supply" to mean a reasonable amount between 1 and 10.5 ounces, but no more than a sixty-day supply;
- (2) Amending the definition of "debilitating medical condition" to include Crohn's disease;
- (3) Amending the definition of "marijuana" to include the meaning of marijuana as defined in section 712-1240, Hawaii Revised Statutes (HRS);
- (4) Amending the definition of "physician" to include those persons also licensed under chapter 460, HRS;
- (5) Amending the definition of "primary caregiver" to include an individual who has agreed to manage the well-being of no more than three qualifying patients at any one time and including a parent, guardian, or person who has legal custody;
- (6) Deleting the definition of "parent" as it is unnecessary;
- (7) Changing the term "written documentation" to "written certification";
- (8) Adding that the authorization for medical use of marijuana shall not apply to medical use of marijuana in any moving vehicle and in the workplace;
- (9) Adding a provision that requires the qualifying patient to register with the Department of Health and providing that the Department of Health provide reasonable access to the records for official law enforcement purposes ;
- (10) Clarifying the provisions that afford protection to physicians who provide written certification to a qualifying patient for the medical use of marijuana;
- (11) Providing that law enforcement agencies who seize live marijuana plants as evidence shall not be responsible for the care and maintenance of such plants;
- (12) Deleting the provisions that allowed a physician, who is called to testify in a criminal proceeding, to give testimony in private in the judge's chambers;
- (13) Amending section 712-1240.1, HRS, to include an affirmative defense for the medical use of marijuana; and
- (14) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 862, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 862, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, 1 (Sakamoto). Excused, 1 (Anderson).

SCRep. 2761

Ways and Means on S.B. No. 445

The purpose of this short form bill is to effectuate its title.

Your Committee has amended this bill by inserting provisions that, among other things, will abolish a number of special and revolving funds, and provide that all moneys needed to meet operating expenses of their respective programs will be allocated by the Legislature through appropriations out of the state general fund or from the proceeds of bond sales.

In addition, this bill changes the amount of reserves that are allowed to accumulate in these special and revolving funds.

It is not the intent of your Committee to jeopardize the receipt of any federal aid nor to impair the obligation of the State or any agency thereof to the holders of any bond issued by the State or by any agency. Rather, it is the intent of your Committee to initiate a serious discussion about the necessity and advisability of maintaining these special and revolving funds when, in fact, they contribute to the erosion of legislative oversight of budgetary matters.

Your Committee is aware of the fact that these provisions were originally drafted in 1997, and that this bill contains references to a number of laws that have been repealed or substantially amended since 1997. In the interest of expediency, your Committee has

chosen to focus on the policy issues surrounding the maintenance of these special and revolving funds, and to leave the technical nuances to be corrected later.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 445, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 445, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (D. Ige, Nakata).

SCRep. 2762 Ways and Means on S.B. No. 2075

The purpose of this bill is to appropriate funds for the Good Beginnings Alliance Initiative provided that the funds are matched by the private sector.

Your Committee finds that the Good Beginnings Alliance Initiative is a public-private partnership that assist in early childhood development.

Your Committee has amended this measure by changing the appropriation figure to a blank amount for the purposes of continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2075, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2075, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, Nakata, Taniguchi, Anderson).

SCRep. 2763 Ways and Means on S.B. No. 2163

The purpose of this bill is to require twenty-four-hour aeromedical services for the County of Hawaii by a permanently assigned paramedic crew.

Your Committee finds that the Big Island's aeromedical unit is not fully staffed for twenty-four-hours a day operations due to a lack of sufficient funding. Given the geographic expanse, mountainous terrain, and poor road conditions in many parts of the Big Island, a critically ill patient in a remote area may be required to wait a significant period of time for ground transportation in an emergency situation.

Your Committee finds that the State has an obligation to provide for the health and safety of persons on the Big Island in medical emergencies, and finds that a twenty-four-hour aeromedical service as provided in this bill will significantly improve emergency medical services on the Big Island.

Upon further consideration, your Committee has changed the effective date of the bill to July 1, 2010 to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2163, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2163, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, Nakata, Taniguchi, Anderson).

SCRep. 2764 Ways and Means on S.B. No. 2486

The purpose of this measure is to establish a mandatory cigarette stamp tax system as a means to assess, collect, and enforce the cigarette and tobacco tax.

Your Committee received testimony in support of this measure from the Department of Taxation (DOTAX), Attorney General, Department of Health (DOH), Honolulu City and County Department of Budget and Fiscal Services, Hawaii Medical Service Association, and Legislative Information Services of Hawaii. Informational testimony was provided by the Tax Foundation of Hawaii.

This measure is intended to enhance the State's collection of cigarette and tobacco taxes. Your Committee finds that enforcement of the current system of collecting cigarette and tobacco taxes is sporadic, haphazard, and ineffective, resulting in uncollected potential tax revenue. The current system of filing of returns by licensed dealers is in effect a system of voluntary compliance. Persons may try to sell cigarettes and tobacco without obtaining a license, or could have a license and not file a return or understate the income on the return.

Your Committee further finds that obtaining actual proof of large-scale black market cigarette sales is nearly impossible, due to the nature of the activity which is necessarily surreptitious and to the limitation of available resources. However, your Committee believes that actual proof of the magnitude of the black market is unnecessary, judging from anecdotal evidence existing and continuing over a fifteen year period that a black market exists. Recent increases in the cigarette tax contributes to the temptation to enter the black market.

Your Committee further finds that enforcement of a mandatory cigarette tax stamp system need not be overly burdensome or expensive to administer. Any additional costs will more than likely be offset by additional tax revenues. Any administrative rules can be adopted within the time frame provided for by the effective date of this Act.

For obvious health reasons, your Committee believes that this measure will supplement efforts of the State to deter smoking, especially among youth. This measure will fit in nicely with the efforts of the DOH under chapter 328L, Hawaii Revised Statutes, relating to Hawaii tobacco settlement moneys, in tobacco prevention and control.

Your Committee has amended this measure on the recommendation of the Attorney General:

- (1) Providing for a stamping license system for wholesalers and dealers to purchase and affix stamps;
- (2) Giving the Attorney General exclusive jurisdiction over enforcement, and deleting references to county liquor commissions and police;
- (3) Increasing the price of the stamps to 1.7 percent of the denominated value, to be comprised of .2 percent for the cost of the stamps, and 1.5 percent for the cost of enforcement;
- (4) Clarifying the forfeiture provision to specify the disposition of the property and the proceeds from the sale;
- (5) Adding new definitions to apply to the new amendments;
- (6) Clarifying that the Attorney General has inspection authority of books and records kept for tobacco tax purposes;
- (7) Deleting references to arrest procedures, administrative procedures for violation, administrative appeal procedures, and claims for return of seized cigarettes;
- (8) Deleting appropriations to the county liquor commissions and reporting by the liquor commissions;
- (9) Deleting the specific appropriation amount and leaving an unspecified appropriation amount to the DOTAX;
- (10) Making an unspecified appropriation to the Attorney General for the purposes of this measure; and
- (11) Making technical, nonsubstantive changes for clarity to improve understanding of the text, for preferred drafting style, for proper Ramseyer formatting, and for the renumbering of new statutory sections and sections within the measure.

Your Committee notes that the Attorney General has been given the duty of enforcing the stamp provisions in this measure. The Attorney General will improve the efficacy of this measure, particularly concerning provisions relating to forfeiture which is part of the penal code. Your Committee believes that amending the forfeiture statutes would improve the capabilities of the Attorney General in enforcing the provisions of this measure. Your Committee suggests that consideration be given to this matter as the measure proceeds through the legislative process.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2486, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2486, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2765

Ways and Means on S.B. No. 2496

The purpose of this bill is to change the allocation of tobacco settlement moneys in the Hawaii tobacco settlement special fund and to clarify the expenditure of those moneys by the Department of Health.

This measure changes the amount allocated for the emergency and budget reserve fund from forty per cent to twenty per cent, and the amount allocated to the Department of Health from thirty-five per cent to fifty-five per cent. This measure also requires the Department of Health to expend ten per cent of those moneys received to support early childhood education and care, and ten per cent to support substance abuse treatment services for pregnant women, families, and teenagers; provided that the Department of Health may transfer a portion of these moneys to the Department of Human Services for the same purposes.

Upon further consideration, and for purposes of promoting further discussion, your Committee has amended this bill to change the following percentages to blank amounts by deleting the proposed:

- (1) Twenty per cent to be transferred to the emergency and budget reserve fund (on page 1, line 5 and page 2, line 1);
- (2) Fifty-five per cent to be appropriated to the Department of Health (on page 1, line 8 and page 2, line 9);
- (3) Ten per cent to be spent for early childhood education and care and youth programs (p. 2, line 15); and
- (4) Ten per cent to be spent for substance abuse and treatment services for pregnant women (p. 2, line 21).

Your Committee particularly wishes to emphasize and clarify that the amendments made to this bill do not signal any reduction in your Committee's commitment to fight against increased tobacco use. On the contrary, your Committee remains steadfast in its resolve to support efforts to prevent tobacco use and remedy its deleterious effects while at the same time effectively reallocating resources to address pressing health and education issues such as substance abuse and early childhood education and care.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2496, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2496, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (M. Ige, Iwase, Kawamoto, Taniguchi, Anderson).

SCRep. 2766**Ways and Means on S.B. No. 2858**

The purpose of this bill is to make an emergency appropriation for the state medical assistance program.

Specifically, the bill appropriates \$4,075,000 in general funds and \$4,243,025 in other federal funds for fiscal year 1999-2000 to be used for health care payments for aged, blind, and disabled Medicaid recipients.

Your Committee finds that a critical emergency exists in the funding of the medical assistance program serving the aged, blind, and disabled populations. There has been an unanticipated increase in costs for nursing facility care and in the cost of new pharmaceutical drugs. This measure is necessary to prevent a reduction or discontinuance of direct medical services for Medicaid recipients.

The emergency appropriation will enable the continuance of reimbursements to Medicaid health care providers, such as hospitals, nursing facilities, pharmacists, clinics, medical suppliers, and individual practitioners who service Medicaid recipients.

Your Committee has made a technical nonsubstantive amendment for purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2858, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2858, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun, D. Ige, Iwase, Nakata, Anderson).

SCRep. 2767**(Majority) Ways and Means on S.B. No. 2880**

The purpose of this bill is to expand the potential uses of the environmental response revolving fund to provide financial support to a greater variety of environmental protection programs.

Your Committee finds that the environmental response revolving fund was created to fund the State's response to catastrophic hazardous substance spills. Allowable use of this fund is being expanded to include support for certain environmental protection programs that address environmental contamination that may have resulted from petroleum or petroleum-based products.

The expanded support for environmental protection programs created by this measure is not intended to authorize increased use of the fund to support all environmental concerns, but to further increase support for environmental protection programs that focus on petroleum or petroleum-based concerns.

Your Committee finds that many environmental concerns are directly traceable to petroleum-based products, and the expansion of use authorized by this measure will provide significant support to the State's effort to protect our environment and fragile natural resources where the concerns are specifically related to petroleum or petroleum-based products.

Your Committee has amended this bill by:

- (1) Deleting sections 1 and 3 of the bill; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2880, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2880, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, 1 (M. Ige). Excused, 6 (D. Ige, Iwase, Nakata, Tam, Taniguchi, Anderson).

SCRep. 2768 (Joint/Majority) Commerce and Consumer Protection, Labor and Environment, and Ways and Means on S.B. No. 2793

The purpose of this measure is to address concerns regarding the excessive and improper use of overtime compensation intended solely for the purpose of increasing retirement benefits under Chapter 88, Hawaii Revised Statutes (HRS).

Testimony in support of the measure was received from the Department of Budget and Finance. The State of Hawaii Organization of Police Officers, the United Public Workers, the Hawaii Government Employees Association, the Honolulu Police Department, and a number of public employees opposed the measure. The Employees' Retirement System provided comments on the fiscal impact of the proposal.

Currently, overtime pay is included in the calculation of "average final compensation" as defined in section 88-21, HRS. The assignment of overtime work is left to the discretion of the public employer and is considered a management right under section 89-9(d), HRS. Regretfully, public employers have been unable to unilaterally curtail the practice among certain employees of increasing overtime work simply to boost retirement benefits.

Your Committees find that any limitations or cap which may be imposed to curtail this undesirable practice is a joint concern of public employers and employees, and should be made a permissive subject of collective bargaining under section 89-9, HRS. Accordingly, public employers and exclusive bargaining agents are encouraged to negotiate over the subject matter. Collective bargaining provisions limiting or capping the amount of overtime compensation which may be included in the calculation of "average final compensation" as defined in section 88-21, HRS, shall be binding on the Employees' Retirement System.

Your Committees find that no excluded officer or employee should be permitted to increase his or her average final compensation as defined in section 88-21, HRS, by the assignment of overtime which is intended for the purpose of increasing retirement benefits. Appropriate measures to reduce or eliminate the same practice within bargaining units as defined in section 89-6, HRS, should be a permissive subject of collective bargaining. Public employers and exclusive bargaining representatives are encouraged to negotiate over the subject matter and overtime compensation which is contrary to such negotiated provisions should not be included in the calculation of "average final compensation" as defined in section 88-21, HRS. A similar prohibition shall be applicable to excluded personnel under section 89C-2(7), HRS.

Your Committees have amended the bill by deleting its substance and inserting therefor, amendments that:

- (1) Amend the definition of "average final compensation" in section 88-21, HRS;
- (2) Amend section 89-9, HRS, to enable the employer and exclusive bargaining representative to negotiate methods by which to reduce and eliminate the excessive use of overtime;
- (3) Amend section 89C-2, HRS, to prohibit excluded employees from boosting their average final compensation calculation through the excessive use of overtime;
- (4) State that the negotiability and exclusion of overtime covered in paragraphs (2) and (3) only affect public employees who are first hired into public service after January 1, 2001;
- (5) Require the Department of Human Resources Development to analyze other public and private sector pension and compensation systems and develop alternative legislative models that address whether overtime should be calculated in determining an employee's retirement benefits; and
- (6) Insert a defective effective date of July 1, 2010, in the measure to ensure that discussion on the issue will continue into conference.

Your Committees note that it is not the intent of the Committees or the measure to in any way impair or inhibit the provision of necessary services to the public. Your Committees strongly believe that important police and fire operations should not be hindered or diminished in any way as a result of this measure. Your Committees also note that there are potentially many other legislative models that could effectively address the issue of reducing or eliminating the excessive use of overtime which is intended to improperly increase an employee's average final compensation and that your Committees will diligently consider the options provided by the Department of Human Resources Development when this measure goes into conference negotiations.

With regard to the amendment that requires the Department of Human Resources Development to develop and submit an analysis of other public and private sector pension and compensation systems and develop alternative models addressed in item (5), your Committees request that the Department of Human Resources Development submit their findings to the Senate not later than April 3, 2000 so that the Legislature will have more remedial options to consider during conference negotiations.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection, Labor and Environment, and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2793, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2793, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 14. Noes, 4 (Buen, M. Ige, Kawamoto, Anderson). Excused, 3 (Chumbley, Chun, Hanabusa).

SCRep. 2769 (Joint/Majority) Commerce and Consumer Protection and Ways and Means on S.B. No. 2802

The purpose of this Administration-sponsored measure is to provide a new mechanism by which health benefits are established, managed, and paid for public employees by creating an employer-union health benefit trust fund to replace the Hawaii Public Employees Health Fund.

Testimony in support of the measure was received from the Department of Budget and Finance and the Department of Human Resources Development. The Hawaii State Teachers Association, the Hawaii Government Employees Association, and the United Public Workers supported the measure with reservations. The Public Employees Health Fund took no position.

Specifically, the measure abolishes the Hawaii Public Employees Health Fund and replaces it with a single employer-union trust that would be jointly managed by public employers and employee organizations.

Under the employer-union health benefit trust fund concept contained in the measure, public employers would pay a defined dollar contribution per employee, rather than a percentage, to the employer-union health benefit trust fund to provide health benefit coverage. The employer-union health benefit trust fund would then negotiate with insurance providers for plans and rates, with the intent of maximizing value for both the employer and the employees.

Your Committees find that although the measure, as received, envisions a single employer-union health benefit trust fund, currently, there are public employee organizations that already operate their own health benefits program for its members. These public employee organizations' health benefits plans provide their members with benefits tailored to their needs and in many cases, at a lower cost.

In light of these findings, your Committees believe that public employee organizations, to a certain extent, should be allowed to retain their autonomy with regard to managing health benefits plans for their members and has therefore amended the measure to enable the creation of subordinate employer-union health benefits trust funds under the umbrella of a master employer-union health benefits trust fund. Each of the subordinate employer-union health trust funds will serve active employees and retirant-beneficiaries.

Under the amended measure, exclusive representatives (unions) would be able to establish subordinate health benefit trust funds, under the single employer-union trust fund proposed by Administration. The primary function of the union health benefit trust funds would be to define and provide employee-beneficiaries with health benefits programs, in recognition of and in concert with, the Administration's proposed health benefits defined contribution program model.

The amended proposal also creates a trust fund to accumulate moneys for the purpose of funding future health benefit costs of retiree beneficiaries. The Administration's proposal did not include any vehicle or means by which moneys could be accumulated to fund future health benefit costs of retiree beneficiaries.

To guarantee an employee's or retiree's ability to access the best benefits plan available and to promote competition between employer-union health benefits trust funds, your Committees have also added provisions to clarify that the plans offered should be available to all public employees and to allow employees to join an employer-union health benefits trust fund other than that which the employee's union provides. This transfer may occur only once a year. A take-all-comers mandate will be in place for each employer-union health benefits trust fund.

The amended measure also authorizes the subordinate trust funds to make available voluntary employee benefits (no cost to employers) and empowers the Insurance Commissioner to regulate employer-union health benefits trust funds.

Your Committees believe that, as a vehicle for keeping the discussion on the employer-union health benefit trust concept alive, the model of governance provided under the amended measure would be more flexible and therefore, more readily able to deal with the rapidly increasing costs of health benefits while remaining sensitive to the needs of the employee-beneficiaries.

Your Committees have amended the measure by inserting a defective date of enactment of July 1, 2010, for the purpose of ensuring further discussion during the legislative session.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2802, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2802, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 15. Noes, 1 (M. Ige). Excused, 4 (Chun, Hanabusa, Iwase, Anderson).

SCRep. 2770 Ways and Means on S.B. No. 1427

The purpose of this bill is to classify aquaculture production transactions as "wholesale" transactions for general excise tax purposes.

Your Committee finds that the assessment of the general excise tax for aquaculture producers appears to be determined arbitrarily, and is often detrimental to the profitability of aquaculture farms in Hawaii. Additionally, aquaculture producers face stiff foreign competition that do not have similar tax expenses.

This bill assists aquaculture producers by leveling the playing field to ensure that aquaculture production transactions are taxed at the wholesale rate of one-half of one per cent.

Your Committee has amended the bill by changing the effective date to July 1, 2010 to allow for further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1427, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1427, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Chun, D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2771 Ways and Means on S.B. No. 2910

The purpose of this bill is to make the commercial fisheries special fund permanent.

Your Committee finds that, over the past four years, the commercial fisheries special fund has served to improve the management of commercial fishing and related licensing programs. Based on the fund's success, and with assurances from the Department of Land and Natural Resources that ceded land revenue issues will be addressed appropriately, your Committee finds that it is in the public interest to make the commercial fisheries special fund permanent.

Your Committee has amended the bill by deleting the amount appropriated and by making technical changes which have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2910, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2910, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2772 Ways and Means on S.B. No. 2911

The purpose of this bill is to exempt debt service of the boating special fund from the central services fee.

Your Committee finds that the boating special fund was not assessed a central services fee when it was under the administration of the Harbors Division of the Department of Transportation. But after the fund's transfer to the Department of Land and Natural Resources, the central services five per cent surcharge was initiated.

This bill would reinstitute the same central services fee policy for the boating special fund that was in place before the fund's transfer. The bill exempts the amount of the boating special fund's debt service from consideration in determining the central services fee. Your Committee finds that the Division of Boating and Ocean Recreation which operates solely from boating fund revenues will be better able to provide services and improve facilities for the boating public.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2911 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun, D. Ige, Anderson).

SCRep. 2773 Ways and Means on S.B. No. 2877

The purpose of this bill is to make an emergency appropriation for child and adolescent mental health.

Specifically, this bill appropriates additional general fund and special fund moneys to the Department of Health for fiscal year 1999-2000 to allow the child and adolescent mental health division to continue to provide services to certain emotionally disturbed children and adolescents.

This bill is recommended by the Governor for immediate passage in accordance with the state constitution.

According to the Department of Health, unanticipated increases in the cost to serve children and adolescents who are severely emotionally disturbed, and obligations associated with the consent decree in *Felix v. Cayetano* will increase the expenditures of the Child and Adolescent Mental Health Division beyond amounts authorized for fiscal year 1999-2000.

Your Committee has amended this bill by:

- (1) Requiring a minimum of ten per cent of the funds appropriated under this bill and expended by the Department of Health for any new treatment or service programs, to be expended for the purpose of conducting process and outcome evaluations of these programs;
- (2) Requiring these process and outcome evaluations to be conducted for the Department of Health by an independent evaluator;
- (3) Requiring the Department of Health to submit reports of these process and outcome evaluations to the Legislature prior to the convening of the Regular Session of 2002; and to the Auditor, at any time, upon the request of the Auditor; and
- (4) Directing the Auditor to monitor the conduct of these process and outcome evaluations and to report its findings and recommendations to the Legislature or the Department of Health, or both, whenever or as deemed necessary.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2877, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2877, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Chun, D. Ige, Nakata, Tam, Taniguchi, Anderson).

SCRep. 2774

Ways and Means on S.B. No. 2434

The purpose of this bill is to create a substance abuse multi-agency coordinating council to be administratively attached to the Department of Health to develop a statewide integrated policy to set the general direction for substance abuse prevention and treatment programs.

The bill also creates a substance abuse programs revolving fund in the Department of Health to be used solely to support the operations of the substance abuse multi-agency coordinating council and any substance abuse programs and services designated by legislative appropriations. The revolving fund is to receive moneys collected by the Department of Taxation pursuant to the Liquor Tax Law (chapter 244D, Hawaii Revised Statutes) and the Cigarette and Tobacco Tax Law (chapter 245, Hawaii Revised Statutes).

The bill further increases:

- (1) The liquor permit application and renewal fee from \$2.50 to \$500;
- (2) The duplicate liquor permit fee from 50 cents to \$50;
- (3) The gallonage tax on six categories of liquor to unspecified amounts;
- (4) The wholesaler or dealer cigarette and tobacco license fee from \$2.50 to \$250; and
- (5) The excise tax on cigarettes from five cents to an unspecified amount for each cigarette.

All moneys collected from the permit and license fees (paragraphs (1) and (4) above) are to be deposited into the substance abuse programs revolving fund. The bill also requires ten per cent of all moneys collected under "section 244D-17" and "section 245-15" relating to the Liquor Tax Law and the Cigarette and Tobacco Tax Law, respectively, are to be deposited into the substance abuse programs revolving fund.

This bill further requires that moneys collected pursuant to violations of certain drug laws are to be deposited into the substance abuse programs revolving fund instead of the drug demand reduction assessments special fund. The bill additionally requires twenty-five per cent of the moneys to be appropriated into the emergency and budget reserve fund from the tobacco settlement moneys (forty per cent) to be deposited into the substance abuse programs revolving fund and appropriates a blank amount to be deposited into the substance abuse programs revolving fund.

The bill also repeals the state advisory commission on drug abuse and controlled substances and related sections in the Hawaii Revised Statutes while revamping the Department of Health's duties and responsibilities with regard to substance abuse. The bill finally appropriates a blank amount for fiscal year 2000-2001 to implement integrated case management for substance-abusing criminal offenders and appropriates a blank amount of the substance abuse programs "special" fund for substance abuse treatment services for criminal offenders. The bill takes effect upon approval except that parts III, IV, and VI, relating to the revolving fund and the appropriations are to take effect on July 1, 2000.

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

- (1) Deleting sections 3 and 4 of the bill relating to increases in liquor fees and the gallonage tax;
- (2) Deleting sections 6 and 7 of the bill relating to increases in cigarette and tobacco license fees and the cigarette excise tax;
- (3) Amending section 321- in section 2 to change the substance abuse programs revolving fund to the substance abuse programs special fund;
- (4) Amending sections 5 and 8 of the bill to reflect that moneys collected under section 244D-17, and 245-15, Hawaii Revised Statutes, are to be deposited into the special fund.

Your Committee is aware and agrees that substance abuse is Hawaii's most pressing public health problem. Your Committee agrees that this bill, as amended, will contribute to an effective statewide drug control policy, stimulate and encourage interagency collaboration, and directly address the issue of developing and implementing an integrated substance abuse treatment policy and program for criminal offenders.

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

Your Committee believes that the amendments made to this bill reflect a shift to a more effective strategy to address substance abuse and that this measure provides a superior vehicle for improving efforts to achieve an integrated, statewide approach to the problem of substance abuse.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2434, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2434, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (M. Ige, Iwase, Kawamoto, Taniguchi, Anderson).

SCRep. 2775 Ways and Means on S.B. No. 2427

The purpose of this bill is to appropriate funds to compensate victims of crime under chapter 351, Hawaii Revised Statutes, the crime victims' compensation law.

Your Committee has amended the bill by deleting a redundant appropriation provision, by deleting the amount appropriated, and by including reference to chapter 351, Hawaii Revised Statutes, relating to crime victim compensation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2427, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2427, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun, D. Ige, Iwase, Nakata, Anderson).

SCRep. 2776 Ways and Means on S.B. No. 2433

The purpose of this bill is to authorize the Director of Public Safety, with the approval of the Governor, to enter into contracts with private entities to manage in-state correctional facilities constructed after the effective date of this bill.

This bill further requires that the Director appoint a state monitor to oversee all aspects and operations of the facility and to report to the Director any conditions that the monitor perceives to be a threat to the safety of the inmates, the employees, and the public. The bill also specifies that certain contractual provisions be included in the contract awarded to the private entity.

In addition, this bill repeals section 353-16.3, Hawaii Revised Statutes, which grants the Governor the authority to negotiate with an out-of-state jurisdiction to develop a Hawaii correctional facility in that other jurisdiction. This bill also repeals section 353-16.36, Hawaii Revised Statutes, regarding contracts for construction of correctional facilities by private entities, and inserts the material in that repealed section as new language in section 353-16.35, Hawaii Revised Statutes.

Your Committee finds that continued overcrowding in the State's correctional facilities has reached the point at which the State can no longer afford to postpone its need for the construction of a new prison and the additional public security it will provide. Overcrowded facilities leave the State highly vulnerable to exposure for civil rights violations and security risks. Your Committee finds that this bill will help to reduce prison overcrowding by facilitating the construction of in-state correctional facilities to be managed by private entities.

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

- (1) Deleting references in section 2 of the bill to chapter 343, Hawaii Revised Statutes (environmental impact statements), and county ordinances;
- (2) Deleting section 4 of the bill, which repealed section 353-16.3, Hawaii Revised Statutes (development of out-of-state Hawaii correctional facilities); and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2433, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2433, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, Nakata, Taniguchi, Anderson).

SCRep. 2777 Ways and Means on S.B. No. 2469

The purpose of this measure is to continue the development of School-to-Work by refining Hawaii's School-to-Work law.

Specifically, this bill amends the powers of the School-to-Work Executive Council and provides that the Department of Education shall appoint staff and that the Executive Council shall act as the advocacy board for the School-to-Work system. The measure also appropriates funds to the School-to-Work Executive Council.

Your Committee finds that School-to-Work gives students opportunities to have hands-on learning experiences in the work place and helps them see the connection between what they learn in school and the work place. This measure will allow further development of School-to-Work activities that will prepare Hawaii's students for successful careers and create a skilled workforce that moves our economy forward.

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

- (1) Deleting the provision making the Executive Council an advisory council to the Board of Education and the Department of Education;
- (2) Providing that the Executive Council shall seek state, federal, and private resources, advise the DOE on staff appointments and contracts;
- (3) Deleting the provision requiring the DOE to provide "major staff services" for the council;
- (4) Deleting language requiring the School-to-Work staff to provide intermediary services for employers and educational institutions concerning work-based curricula and placement;
- (5) Deleting language that transferred all rights, powers, functions, duties of the Executive Council to the Department of Education;
- (6) Appropriating funds to the Executive Council, instead of the "school-to-work opportunities pilot project"; and
- (7) By making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2469, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2469, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Nakata, Taniguchi, Anderson).

SCRep. 2778 Ways and Means on S.B. No. 2838

The purpose of this measure is to establish the Access Hawaii Committee to provide oversight of the Internet portal manager.

In addition, this measure authorizes the setting of charges for value added electronic services that will be collected by the portal manager.

Testimony in support of the measure was received from the Governor's Special Advisor on Technology Development, Department of Accounting and General Services, Hawaii State Public Library System, the Judiciary, Department of Commerce and Consumer Affairs, and High Technology Development Corporation.

Your Committee finds that the expansion of the Internet has fundamentally transformed society and the conduct of business. In order to better serve citizens and businesses in the new economy and reduce the digital divide, government must expand access to

information and government services over the Internet to ensure access for everyone. Towards this end, the State entered into a contract with a vendor to establish, develop, operate, maintain, and expand an Internet portal to increase electronic access and commerce among Hawaii residents, businesses, and government entities.

Your Committee agrees that establishing the Access Hawaii Committee will provide needed oversight of the portal manager's activities, including the collection of statutory fees on behalf of a government agency and collection of charges for value added electronic services, which includes the ability to transact business over the Internet.

Your Committee received several testimonies expressing concerns about the "digital divide" and the importance of allowing the general public access to the Internet portal. Your Committee finds that public libraries are places where Hawaii residents are already accustomed to visit for help in finding information and where the digital divide is most efficiently and economically addressed.

Your Committee amended the measure as follows:

- (1) In section 2 of the measure, adding the ability to transact business over the Internet portal as one of the "value added electronic services";
- (2) In section 4 of the measure, adding a subsection requiring the Access Hawaii Committee to assist the Hawaii state public library system in providing access to the Internet portal and advice on related issues; and
- (3) Adding a new section to provide funding to the public library system for Internet access computers and connections, digitalization equipment, and Internet kiosks to provide the general public greater access to information on the Internet;
- (4) Adding three members to the Access Hawaii Committee, a member of the Senate to be chosen by the President of the Senate, a member of the House of Representatives to be chosen by the Speaker of the House, and a representative of the Judiciary to be chosen by the Chief Justice; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2838, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2838, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Chun, D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2779

Ways and Means on S.B. No. 3122

The purpose of this bill is to improve the administration and regulation of noncommercial piers in Hawaii.

Your Committee finds that the proliferation of illegal noncommercial piers in the State has been a long standing problem that has been mired in neglect and bureaucratic red tape. The inability of the State to administer and regulate the numerous piers that dot our shoreline has resulted in the perpetuation of the illegal status of some of these piers and the loss to the State and to public land trust beneficiaries of revenues that would have been collected but for the piers' illegality.

This bill would resolve these problems by authorizing the Board of Land and Natural Resources to act on its own initiative, pursuant to established terms and conditions, without the prior approval of the Governor and the Legislature, to systematically rectify the legal status of, and require appropriate lease payments for noncommercial piers situated on state lands.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3122, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, Iwase, Anderson).

SCRep. 2780

(Majority) Ways and Means on S.B. No. 791

The purpose of this bill is to establish a two-year intervenor pilot project fund, administered by the PUC to assist intervenors in electric utility cases before the commission.

Your Committee finds that electricity is probably the single most relied upon public utility, for making our community habitable. This power source is needed to operate everything from heating and cooking food in microwaves and ranges, to entertainment centers containing televisions and sound systems. Computers, telephones, water heaters, and many other appliances rely on electricity. When there is a proceeding before the PUC regarding electricity rates, intervenors may help present expert testimony and other evidence. This measure is designed to fund a pilot project to help intervenors who need financial assistance to participate in these proceedings.

Your Committee has amended this bill by replacing the contents of the earlier draft. While the overall purpose has been retained, your Committee has expanded the legislative findings and purpose section and established this program as a two-year pilot project

fund to enable the project to proceed and be evaluated in a report to the Legislature. An appropriation of \$500,000 from the public utilities commission special fund into the public utilities commission intervenors pilot project fund is designed to start up this project.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 791, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 791, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, 2 (Buen, M. Ige). Excused, 2 (Chun, Anderson).

SCRep. 2781 Ways and Means on S.B. No. 3132

The purpose of this measure is to establish an information technology initiative special fund.

In addition, this measure requires that percentages of the budgets from the State, Department of Education, and University of Hawaii be allocated to fund technology in state government and increases the amount to a level of unspecified percentages by 2005. This measure also requires state agencies to make budgets and reports available online.

Testimony in support of the measure was received from the Governor's Special Advisor on Technology Development, Department of Commerce and Consumer Affairs, Department of Accounting and General Services, High Technology Development Corporation, and Hawaii State Public Library System. Testimony in opposition to the measure was received from the Department of Budget and Finance and the Attorney General.

Your Committee finds that Hawaii was one of the pioneers in legislative access through electronic technology. However, in recent years, general funding for information technology has declined substantially. Consequently, effective government services for the development of digital infrastructures have been impacted.

Your Committee agrees that funds for an information technology initiative special fund to enable state agencies to provide services or make information available online in order to improve delivery of these services are needed.

Your Committee amended the measure as follows:

- (1) Clarifying that the purpose of the measure is to establish a special fund, whose funds do not revert to the general fund. The funds are to provide executive departments with procurement flexibility in conducting two year pilot projects for electronic delivery of electronic services.
- (2) Allowing other moneys, such as private funds and federal funds, to be deposited into the special fund;
- (3) Requiring the Department of Commerce and Consumer Affairs and the Office of Information and Telecommunication Services of the Department of Education, in addition to the Information and Communication Services Division of the Department of Accounting and General Services, to develop procedures for the submission of competitive proposals for funding information technology projects; and
- (4) Deleting the proposed new section added to chapter 37, Hawaii Revised Statutes, that required percentages of the budgets from the State, Department of Education, and University of Hawaii, be allocated to fund technology in state government; and
- (5) Adding a new section allowing state agencies to pursue and conduct two-year pilot projects related to electronic delivery of government services.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3132, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3132, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Chun, D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2782 (Majority) Ways and Means on S.B. No. 1242

The purpose of this bill is to appropriate funds to implement the legislative analyst law.

The bill also transfers to the analyst the responsibility of overseeing new special and revolving funds presently done by the Auditor, and provides an appropriation for the Office of the Auditor.

Your Committee finds that the Legislature is heavily dependent on volunteer services from the executive branch to support the work of its money committees. Hawaii is the only state in the nation that utilizes staff on temporary loan from executive agencies to provide this type of work. Other states have established nonpartisan professional fiscal analysis offices in the legislative branch to analyze the economic impact of existing and proposed programs. The lack of this kind of support puts the Legislature at a disadvantage in providing appropriate legislative oversight.

Your Committee has amended the bill by:

- (1) Including trust fund and trust accounts in the type of funds to be analyzed by the Legislative Analyst;
- (2) Providing for an earlier deadline for the Legislative Analyst to report on new funds and accounts;
- (3) Deleting the requirement that the Legislative Analyst review and make recommendations on the operation of state programs;
- (4) Adding criteria to those the Legislative Analyst is to consider;
- (5) Deleting the appropriation to the Auditor for the fiber optic cable system and substituting a blank appropriation for studies;
- (6) Deleting the appropriation for the Legislative Analyst;
- (7) Making an appropriation for Council of State Government dues; and
- (8) Changing the appropriations and effective date to July 1, 2000.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1242, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, 1 (M. Ige). Excused, 5 (D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2783 Ways and Means on S.B. No. 2420

The purpose of this measure is to add a new chapter to Hawaii Revised Statutes to establish a new economy technology scholarship act.

Testimony in support of the measure was received from the Governor's Special Advisor on Technology Development, University of Hawai'i, Department of Accounting and General Services, High Technology Development Corporation, Workforce Development Council, Hawai'i Technology Trade Association, and Hawaii Educational Networking Consortium.

Your Committee finds that the urgent demand for computer literate and highly trained technology workers in all businesses in this State is not being filled by the various short term courses and degree programs that are currently available.

Your Committee agrees that the new economy technology scholar pilot program should be established to (1) create a sustained pool of highly trained technology workers in the shortest time possible and (2) encourage Hawaii students to pursue higher education and training in science and technology fields that are essential to the economic development of this State.

To expedite development of a technologically-literate workforce, the Department of Business, Economic Development, and Tourism should solicit information from the High Technology Development Corporation and other agencies to determine where there are shortages of technology workers, and how best to prepare Hawaii residents for the new economy.

Your Committee amended the measure as follows:

- (1) Amending the definition of "approved educational institution" to include public or private post-secondary educational institutions and vendor educational programs provided by vendor certified training organizations. By expanding this definition, your Committee intends to meet the demand for technology workers by enabling students to complete their training or programs in the shortest period possible by allowing them to access all available programs;
- (2) Adding a definition for "vendor educational programs";
- (3) Making the new economy technology scholarship program a five year pilot program within the Department of Business, Economic Development, and Tourism, which is the lead agency for expanding Hawaii's e-business niche in the global economy;
- (4) Allowing grants awarded under the program to be limited to funds otherwise matched by external entities;
- (5) Allowing the Department of Business, Economic Development, and Tourism to cooperate with private or foundation funding sources, in order to qualify the State to receive funds made available under the Higher Education Act of 1965;
- (6) Deleting references to the post-secondary education commission;
- (7) Adding a repeal date of June 30, 2005; and

- (8) Making technical, nonsubstantive amendments for consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2420, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2420, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Nakata, Taniguchi, Anderson).

SCRep. 2784 Economic Development on Gov. Msg. No. 168

Recommending that the Senate advise and consent to the nomination of the following:

NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

G.M. No. 168 ROBERT K.U. KIHUNE, for a term to expire June 30, 2004,

Your Committee received testimony in support of this nomination from the Mayor of the County of Hawaii, and three members of the board of directors and the executive director of the Natural Energy Laboratory of Hawai'i Authority.

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment to assist in administering the functions of the Natural Laboratory of Hawai'i Authority. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the board of the Natural Energy Laboratory of Hawai'i Authority (NELHA).

Your Committee notes the following specific qualifications of the nominee:

Robert K.U. Kihune, retired Vice Admiral, United States Navy, brings extensive managerial and command experience to the board. During his thirty-five year military career, Admiral Kihune held positions with hundreds of thousands of military and civilian personnel and multi-billion dollar budgets under his command. On his retirement in 1994, Admiral Kihune became the executive director of NELHA, a position he held until December 1995, when he assumed the position of CEO of Waimea Enterprises, Inc. While at NELHA he conducted a complete review of the organization, and his recommendations for changes brought about a thirty-three per cent reduction in personnel and cut expenses from \$2,500,000 in 1995 to \$1,900,000 in 1996.

Your Committee finds that NELHA has made substantial progress toward self-sufficiency as the result of the efforts of Admiral Kihune, and believes he will bring the same measure of success as a member of the board of directors.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (M. Ige, Slom).

SCRep. 2785 Judiciary on Gov. Msg. No. 147

Recommending that the Senate advise and consent to the nomination of the following:

RICHARD W. POLLACK, gubernatorial nominee to the Circuit Court of the First Circuit, for a term of Ten Years,

Upon review of the background information submitted by the nominee, your Committee finds that Richard W. Pollack holds a B.A. degree with honors from the University of California at Santa Barbara and a J.D. degree from the Hastings School of Law. Mr. Pollack has served as the State Public Defender since 1987, and has been with the Public Defender's Office for twenty years. He is also an adjunct professor at the University of Hawaii's William S. Richardson School of Law, where he has been teaching for the past ten years. In addition, Mr. Pollack's professional and community activities include: the National Legal Aid and Defender Association, Hawaii State Bar Association, Hawaii State Judicial Conference, Board of Directors for Hoala School, the Aloha United Way Fund Drive, Professionals for Drug Free Kids Project, and Mililani Mauka Elementary School's School Community-Based Management Program.

Testimony in support of the nominee was submitted to your Committee by: the US Army Engineer District Counsel; the Federal Public Defender; the Department of Budget and Finance; a retired associate justice of the Hawaii Supreme Court; two retired circuit court judges; the Hawaii State Bar Association; ILWU Local 142; forty-two members of the Office of the Public Defender; the Department of the Prosecuting Attorney for the County of Maui; the Department of the Prosecuting Attorney for the County of Hawaii; three faculty members from the University of Hawaii's William S. Richardson School of Law; twenty-nine members of the legal community; and thirteen private citizens. Testimony in support of the nominee indicated that Mr. Pollack is fair-minded, intelligent, possesses a legendary command of Hawaii case law, and is a very hard-working individual that is highly qualified to be a judge in the First Circuit Court. Further, testifiers acknowledged that Mr. Pollack is level-headed, thoughtful, and someone who will

strive to uphold the highest standards as a member of the Judiciary. Testimony in opposition was submitted by the Prosecuting Attorney for the City and County of Honolulu citing concerns regarding Mr. Pollack's lack of recent trial and court experience and potential bias. However, several testifiers in support of the nominee spoke to the concerns raised in opposing testimony and assured the Committee that Mr. Pollack would not have any problems assuming his role as a jurist.

Your Committee members diligently questioned the nominee regarding his thoughts on continuing education for circuit court judges, and the importance of judicial performance review. In addition, your Committee questioned Mr. Pollack regarding the concerns of potential biases towards Public Defenders, his lack of experience in the court room, and his lack of experience with the civil justice system. Your Committee believes that the nominee more than adequately responded to the Committee's inquiries, and further offered thoughtful visions of his role as a judge in the First Circuit Court.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 2786 Judiciary on Gov. Msg. No. 152

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 152 ALLICYN HIKIDA TASAKA, for a term to expire June 30, 2004;

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, is willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon her professional credentials, integrity, and a desire to make Hawaii better through her participation on the Hawaii Civil Rights Commission.

Your Committee notes the following specific qualifications of the nominee:

Allicyn Hikida Tasaka holds a B.A. degree in communications from the University of Washington, and currently is the executive director for the Hawaii State Commission on the Status of Women. She is a member of several professional and community affiliations including: the Asian American Journalists Association; the International Association of Business Communicators; the Public Relations Society of America, Hawaii Chapter; the Hawaii Society for Health Care Marketing and Public Relations; Hawaii Association of Broadcasters; the Japanese American Citizens League, Honolulu Chapter; the American Civil Liberties Union, Hawaii Chapter; and the Aloha United Way.

Testimony in support of the nominee was submitted by: U.S. Congressman Abercrombie; U.S. Congresswoman Mink; the Office of the Lieutenant Governor; members of the State House of Representatives; members of the Hawaii Civil Rights Commission; members of the Hawaii State Commission on the Status of Women; the State Department of Labor and Industrial Relations; the State Department of Public Safety; the Department of Community Services for the City and County of Honolulu; the University of Hawaii at Manoa; the Oahu County Chair of the Democratic Party; the American Friends Service Committee; the Craine Institute of Neuropsychology Community; the Hawaii Coalition for Affordable Long Term Care; the Hawaii State AFL-CIO; the Hawaii Women's Coalition; the Women's Legislative Coalition; the Hawaii Women's Political Caucus; Island Insurance Companies; the Japanese American Citizens League; the Keiki Injury Prevention Coalition; the National Association of Social Workers; Parents and Children Together; the Violence Prevention Consortium; Hawaii Women Lawyers; and eighteen private citizens. All testimony unanimously supported the nomination of Ms. Tasaka by indicating that she is an outstanding community leader who possesses a high level of integrity, enthusiasm, and competence which highly qualifies her for the position to which she has been nominated.

Your Committee diligently questioned the nominee who appeared before the Committee about her role on the Civil Rights Commission and believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Tanaka).

SCRep. 2787 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 158

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

G.M. No. 158 MICHAEL N. GOSHI, for a term to expire June 30, 2000;

PATRICK K. KOBAYASHI, for a term to expire June 30, 2002; and

MICHAEL N. GOSHI and LORI ANN C. LUM, for terms to expire June 30, 2004,

Upon the review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering the duties and responsibilities of the Hawaii Community Development Authority. Your Committee further finds that the nominees have been appointed based on their professional credentials, integrity, and a desire to make Hawaii better through their participation with the Hawaii Community Development Authority.

Your Committee notes the specific qualifications of the nominees:

Michael N. Goshi is a registered architect in the State of Hawaii and the Territory of Guam and a principal partner of Design Partners Incorporated, an architectural firm whose current projects include hotel resort, master planned community development, commercial retail, educational, elderly care, environmental facilities and specialized technical facilities for the federal government. Mr. Goshi is also a member of the American Institute of Architects and the National Council Architectural Registration Board.

Your Committee received testimony in support of Mr. Goshi from the Hawaii Community Development Authority, Castle and Cooke Homes Hawaii, Inc., the Chairperson of the Hawaii Chapter of the American Institute of Architects, the Senior Pastor of the Nuuanu Congregational Church, and a private citizen.

Lori Ann C. Lum is currently employed as the public affairs director for Watanabe, Ing, and Kawashima, and is also the president of Lori Lum & Associates, a marketing, public affairs, and business development consulting firm. Ms. Lum possesses an extensive background in marketing in the resort and hotel industry and is actively involved in community service as a board member of the Child and Family Service and the Juvenile Diabetes Foundation, and is currently the Chair of the Authority.

Your Committee received testimony in support of Ms. Lum from the Hawaii Community Development Authority, Castle and Cooke Homes Hawaii, Inc., the Halekulani Hotel, the Child and Family Service, the Juvenile Diabetes Foundation, and three private citizens.

Patrick K. Kobayashi is currently employed as a project coordinator for the Makai Village Partnership, as a vice president of General Services, Inc. Mr. Kobayashi graduated from Georgetown University with a Bachelor's Degree in Business Administration, majoring in real estate development. As part of his involvement with the community, Mr. Kobayashi currently serves on the Georgetown Alumni Association and has served on the Mid Pacific Institute's Alumni Board.

Your Committee received testimony in support of Mr. Goshi from the Hawaii Community Development Authority and the President of Mid Pacific Institute.

Your Committee diligently questioned the nominees about their role and vision as prospective members of the Hawaii Community Development Authority and believes that the nominees adequately responded to your Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Matsuura).

SCRep. 2788 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 161

Recommending that the Senate advise and consent to the nominations of the following:

HAWAIIAN HOMES COMMISSION

G.M. No. 161 WONDA MAE AGPALSA, for a term to expire on June 30, 2003; and

MILTON PA, for a term to expire on June 30, 2004,

Upon review of the qualifications and other background information submitted by the nominees, your Committee finds that the aforementioned nominees have worked and will continue to work with compassion and commitment in administering the responsibilities placed upon them by the State and the Hawaiian Homes Commission Act of 1920, as amended.

Your Committee finds that the nominees are well-respected members of the Hawaiian community with a long history of community activism and service.

Testimony in supporting the nomination of Wonda Mae Agpalsa was received from the Chairperson of the Hawaiian Homes Commission. Testimony supporting the nomination of Milton Pa was received from the Chairperson of the Hawaiian Homes Commission, the State Council of Hawaiian Homestead Associations, the Kalamaula Hawaiian Homestead Association, the Hoolehua Homesteaders Association, and three private citizens.

Your Committee finds that Wonda Mae Agpalsa is a Project Coordinator for First Hawaiian Bank and has already served one term as a Hawaiian Homes Commissioner representing the island of Oahu. Her expertise in mortgage lending and banking is an asset to the Commission.

Your Committee finds that Milton Pa is a retired employee of the Department of Education with thirty-five years of service. He is or has been a member of numerous professional and community organizations such as the National Retired Teachers Association, the National Education Association, the Hawaii State Teachers Association, the Association of Hawaiian Civic Clubs, the Hoolehua Homesteaders Association, and the Maui County Cultural Resources Commission.

Your Committee diligently questioned the nominees regarding their vision of the purpose, goals, and direction of the Hawaiian Homes Commission. Based on this discussion, your Committee believes that the nominees will ably discharge their duties as commissioners.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Matsuura).

SCRep. 2789 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 167

Recommending that the Senate advise and consent to the nominations of the following:

MOLOKAI IRRIGATION SYSTEM WATER USERS ADVISORY BOARD

G.M. No. 167 GEORGE W. MAIOHO and PAUL K. ELIA, for terms to expire June 30, 2004,

Upon review of the qualifications and other background information submitted by the nominees, your Committee finds that the aforementioned nominees have worked and will continue to work with compassion and commitment in administering the responsibilities placed upon them as board members of the Molokai Irrigation System Water Users Advisory Board.

Your Committee finds that the nominees are well-respected members of the Molokai community with a long history of community activism and service.

Your Committee finds that George W. Maioho is employed as a Ranch Manager by the Kapualei Ranch on Molokai and is a director or member of many organizations such as the Hikiola Cooperative, Lokahi Pacific, Na Puuwai, Inc., the Molokai Livestock Cooperative, and the Molokai 4-H Club.

Your Committee finds that Paul K. Elia is a farmer on the island of Molokai and currently serves as a board member on the Molokai-Lanai Soil and Water Conservation District Board, the Molokai Agricultural Committee, the Hoolehua Homestead Association, and the Molokai Habitat. Mr. Elia has also been a Scoutmaster for the Boy Scouts of America.

Based on these qualifications, your Committee believes that the nominees will ably discharge their duties as board members.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Matsuura).

SCRep. 2790 (Majority) Water, Land, and Hawaiian Affairs on Gov. Msg. No. 164

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 164 LYNN P. MCCRORY, for a term to expire June 30, 2004,

Upon the review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment to assist in administering the duties and responsibilities of the Board of Land and Natural Resources. Your Committee further finds that the nominee has been appointed based on her professional credentials, integrity, and a desire to make Hawaii better through her participation with the Board of Land and Natural Resources.

Your Committee notes the specific qualifications of the nominee:

Lynn P. McCrory is the President and Chief Operating Officer of Pahio Management, Inc., a resort management company specializing in managing vacation ownership resorts and wholly-owned condominiums in Hawaii. Ms. McCrory is also a member of numerous professional and community organizations such as the Hawaii Hurricane Relief Fund, the Kauai Economic Development Board, the Kauai North Shore Business Council, the Kauai Business Council, and the American Resort Development Association.

Your Committee received testimony in support of Ms. McCrory from the Representative of the Fourteenth District of the State House of Representatives, the Chairperson of the Board of Land and Natural Resources, the Deputy Director for the Commission on Water Resource Management, the Administrator of the Land Division, the State Parks Administrator, the Administrator and an employee of the Division of Aquatic Resources, an employee of the Division of Forestry and Wildlife, three members of the Kauai County Council, the County of Kauai's Planning Department, the Nature Conservancy of Hawaii, ARC of Kauai, Ching Young Store, Inc., the Kauai North Shore Business Council, the Kauai Economic Development Board, Textron Systems Kauai, Kauai Electric, Pacific Management Consultants, Inc., East and West Kauai Soil and Water Conservation Districts, the Maui member of the Board of Land and Natural Resources, Kodani and Associates, Inc., Molokai Ranch, the ILWU, Local 142, the Makai Village Partnership, Princeville Resort, the Maui Economic Development Board, Belles, Graham, Proudfoot, and Wilson, the Kauai Visitors Bureau, Alexander and Baldwin Properties, Inc., Ventures Associates, Inc., Ameritech, the Economic Development Alliance of Hawaii Inc., and sixteen private citizens.

Testimony in opposition to Ms. McCrory's nomination was submitted by the Hawaii Chapter of the Sierra Club, the Kauai Group of the Sierra Club, Hawaii's Thousand Friends, the Limu Coalition, and seven private citizens.

Your Committee diligently questioned the nominee about her role and vision as a member of the Board of Land and Natural Resources and believes that the nominee adequately responded to your Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Nakata). Excused, 1 (Kanno).

SCRep. 2791 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 165

Recommending that the Senate advise and consent to the nominations of the following:

LAND USE COMMISSION

G.M. No. 165 BRUCE A. COPPA, for a term to expire June 30, 2000; and

BRUCE A. COPPA and LAWRENCE N.C. ING, for terms to expire June 30, 2004,

Upon the review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering the duties and responsibilities of the Land Use Commission. Your Committee further finds that the nominees have been appointed based on their professional credentials, integrity, and a desire to make Hawaii better through their participation with the Land Use Commission.

Your Committee notes the specific qualifications of the nominees:

Bruce A. Coppa possesses over twenty years of professional experience in community/industrial relations, marketing, finance, labor negotiations, safety, job training, operations, and management in Hawaii's construction industry. He is active in state and county level government affairs relating to land use planning, compensation and benefit issues, transit, and housing and public works projects. Mr. Coppa also has extensive community and professional voluntary service, including directorships, trusteeships, and board memberships in local construction industry associations and programs.

Your Committee received testimony in support of Mr. Coppa from the Department of Agriculture, the Department of Labor and Industrial Relations, the Department of Business, Economic Development, and Tourism, the Mayor of Maui County, the City and County of Honolulu's Department of Transportation, the Convention Center Authority, the Chamber of Commerce of Hawaii, Hawaiian Dredging and Construction Company, the Queen's Medical Center, the Waikiki Health Center, Foodland Supermarket, Ltd., Colliers, Monroe, Friedlander, Inc., the Hawaii Employers' Mutual Insurance Company, Inc., Agro Resources, Inc., the Democratic

Party of Hawaii, the Hawaii Business Roundtable, the Hawaii Carpenters Union, the Hawaii Operating Engineers Industry Stabilization Fund, the Honolulu Board of Realtors, the OmniTrak Group, Inc., the Laborers-Employers Cooperation and Education Trust, the Pacific Management Consultants, Inc., the Nature Conservancy of Hawaii, the Hawaii Hotel Association, Bank of Hawaii, Matson, a subsidiary of Alexander and Baldwin Inc., Hidano Construction, Inc., and five private citizens.

Testimony in opposition to Mr. Coppa's nomination was submitted by the Hawaii Chapter of the Sierra Club, and three private citizens.

Lawrence N.C. Ing is an attorney with the law firm of Ing, Horikawa, Kuwada, and Jorgensen and resides on the island of Maui. Mr. Ing possesses an extensive legal background in both the public and private sector, concentrating on real property/rezoning, corporations/partnerships, and estate planning and probate issues. As for community service, Mr. Ing is currently involved with the Maui Family YMCA, the J. Walter Cameron Center, the Maui Chinese Cultural Society, the Advisory Board for Central Pacific Bank, the Maui Chapter of the University of Hawaii Alumni Association, and is currently serving as the vice chairman of the State Land Use Commission.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Kanno).

SCRep. 2792 Ways and Means on S.C.R. No. 12

The purpose of this Concurrent Resolution is to endorse as state policy, certain key community outcomes to implement an outcomes-oriented approach to intergovernmental service delivery.

Specifically, this Concurrent Resolution endorses the following as key outcomes:

- (1) A safe, nurturing social environment;
- (2) A healthy, natural environment;
- (3) A thriving, diverse, sustainable economy;
- (4) Educated people; and
- (5) Civic vitality.

This Concurrent Resolution further encourages public and private agencies committed to improving the well-being of Hawaii's peoples to utilize these outcomes as a basis for policy and program development, planning, and for budgeting.

Your Committee finds that the Legislature recognized the importance of measuring progress towards shared outcomes through the establishment of the Hawaii Performance Partnerships Board by Act 160, Session Laws of Hawaii 1999, and the adoption of House Concurrent Resolution No. 38 in 1998. A memorandum of agreement has been executed between the federal, state, county, community, and business sectors to encourage and facilitate cooperation to redesign and test an outcomes-oriented approach to intergovernmental service delivery.

Your Committee finds that the acceptance of a common set of desired outcomes, compatible with statutory mandates, will enable state, county, and community agencies to focus on achieving positive results that exemplify Hawaii's uniqueness.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 12, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Iwase).

SCRep. 2793 Labor and Environment on H.B. No. 2895

The purpose of this measure is to require environmental impact statements (EIS) to disclose the effects of the proposed action on the cultural practices of the community and State and to amend the definition of "significant effect" to include adverse effects on cultural practices.

Testimony in favor of this measure was received from the Office of Environmental Quality Control, Office of Hawaiian Affairs, Kauai Sierra Club, Kupuna Advisory Council, Kohanaiki 'Ohana, Life of the Land, Ahupua'a Action Alliance, Hawaii Audubon Society, Hawaii Sierra Club, Association of Hawaiian Civic Clubs, Hawaiian Environmental Coalition, Annette's Adventures, and three individuals. Comments were received by the Environmental Center.

Your Committee finds that the state constitution, other state laws, and the courts impose on government agencies a duty to promote and protect cultural beliefs, practices, and resources of native Hawaiians as well as other ethnic groups. This measure incorporates that duty into the EIS law. Your Committee believes that due consideration of the effects of human activities on native Hawaiian culture and the exercise thereof is necessary to ensure the continued existence, development, and exercise of native Hawaiian culture.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2895, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Kanno).

SCRep. 2794 Commerce and Consumer Protection on Gov. Msg. No. 150

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF BARBERING AND COSMETOLOGY

G.M. No. 150 KENNETH R. JOYNER, LANCE M. MARUGAME, and RICHARD Y. MITSUMORI, for terms to expire June 30, 2004,

The Department of Commerce and Consumer Affairs and an individual submitted testimony in support of the nominations.

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that Kenneth R. Joyner, Lance M. Marugame, and Richard Y. Mitsumori have the necessary character, experience, and qualifications to serve on the State Board of Barbering and Cosmetology (Board), and are willing to serve without compensation.

With respect to the specific qualifications of the nominees, your Committee notes as follows:

Kenneth R. Joyner is a small business owner who has operated his own hair salon for over twenty-five years. Mr. Joyner has participated in examination workshops and attended national meetings on standardized training and licensing requirements.

Lance M. Marugame is a graduate of the Honolulu Barber School, has been an instructor at the school, and has owned and managed his own hair salon since 1975. Additionally, Mr. Marugame has participated in the legislative process on licensing issues.

Richard Y. Mitsumori, who is a public member of the Board, assisted the Board in a recent project by developing a reporting format.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 2795 Commerce and Consumer Protection on Gov. Msg. No. 151

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF CHIROPRACTIC EXAMINERS

G.M. No. 151 ROBERT E. KLEIN, D.C., for a term to expire June 30, 2004,

The Hawaii State Chiropractic Association testified in support of the nomination.

Upon review of the testimony and the statement submitted by the nominee, your Committee finds that Robert E. Klein, D.C., has the necessary character, experience, and qualifications to serve on the State Board of Chiropractic Examiners, and is willing to serve without compensation.

Dr. Klein graduated from the National College of Chiropractic and did postgraduate study at the Los Angeles College of Chiropractic. He has been an instructor at the National College of Chiropractic and for the American Red Cross. For the last twenty years, Dr. Klein has had a general practice in chiropractic. He is licensed to practice in four states, including Hawaii. Dr. Klein belongs to numerous professional organizations and has held multiple offices and directorships in state and county chiropractic associations.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 2796 Commerce and Consumer Protection on Gov. Msg. No. 154

Recommending that the Senate advise and consent to the nomination of the following:

CREDIT UNION ADVISORY BOARD

G.M. No. 154 BARTON M. SAXTON, for a term to expire June 30, 2004,

The Hawaii Credit Union League submitted testimony in support of the nomination.

Upon review of the testimony and the statement submitted by the nominee, your Committee finds that Barton M. Saxton has the necessary character, experience, and qualifications to serve on the Credit Union Advisory Board (Board), and is willing to serve without compensation.

Mr. Saxton has a bachelor's degree in finance and almost twenty years of experience in the financial industry, including in his present position as chief executive officer for Oahu One Credit Union. He previously served for two terms on the Board and has served as Board Chair. Mr. Saxton is knowledgeable about regulatory and legislative developments affecting credit unions and has been a strong advocate for consumer services and financial education.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 2797 Commerce and Consumer Protection on Gov. Msg. No. 157

Recommending that the Senate advise and consent to the nomination of the following:

ELEVATOR MECHANICS LICENSING BOARD

G.M. No. 157 GERALD M. YAMAMOTO, for a term to expire June 30, 2004,

The Department of Commerce and Consumer Affairs submitted testimony in support of the nomination.

Upon review of the testimony and the statement submitted by the nominee, your Committee finds that Gerald M. Yamamoto has the necessary character, experience, and qualifications to serve on the Elevator Mechanics Licensing Board (Board), and is willing to serve without compensation.

Mr. Yamamoto has a history of public and community service, serving in the Hawaii National Guard, as president of the Kalakaua School Support Group, and on the Board of Managers for the Kalihi Young Men's Christian Association. He has been a public member of the Board since July, 1996, and has served on various Board committees working on issues related to application and examination requirements and administrative rules.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 2798 Commerce and Consumer Protection on Gov. Msg. No. 166

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF MEDICAL EXAMINERS

G.M. No. 166 PATRICIA L. BLANCHETTE, M.D., for a term to expire June 30, 2004, and

RONALD Y. FUJIMOTO, D.O., and DAVID T. LEE, D.O., for terms to expire June 30, 2003,

The Department of Commerce and Consumer Affairs, Hawaii Medical Association, and two individuals submitted testimony in support of the nominations.

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that Patricia L. Blanchette, M.D., Ronald Y. Fujimoto, D.O., and David T. Lee, D.O., have the necessary character, experience, and qualifications to serve on the Board of Medical Examiners (Board), and are willing to serve without compensation.

Dr. Patricia L. Blanchette is a professor at the John A. Burns School of Medicine at the University of Hawaii and founder of the school's geriatric medicine program. She has served on the Board since July, 1996, and is currently the Board Chair. Dr. Blanchette is the Board's delegate to national meetings and has assisted in the review and drafting of legislation and administrative rules.

Dr. Ronald Y. Fujimoto is Medical Director and a family practitioner with the Kuhio Medical Center in Lihue, Hawaii. He was Chair of the Board of Osteopathic Examiners until its repeal in July, 1999, and has served on the Board of Medical Examiners since August, 1999.

Dr. David T. Lee practices cardiology and vascular medicine with Cardiology Associates, Inc., and also serves in the United States Army Medical Corps, Individual Ready Reserve Unit. Dr. Lee has served on the Board since September, 1999.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Inouye, Matsuura).

SCRep. 2799

Judiciary on Jud. Com. No. 1

Recommending that the Senate advise and consent to the nomination of the following:

BARBARA P. RICHARDSON, judicial nominee to the District Court of the First Circuit, for a term of Six Years,

Upon review of the background information submitted by the nominee, your Committee finds that Barbara P. Richardson holds a B.S. degree in economics from Stanford University and a J.D. degree from the University of California, Hastings College of Law. Ms. Richardson has served as a Per Diem Judge since 1986, and has been in private practice since 1991. In addition, Ms. Richardson's professional and community activities include: the State Board of Taxation Review for Oahu; the Committee for Judicial Education for Per Diem Judges; the International Dyslexia Association; the Junior League of Honolulu; the Punahou School Parent Faculty Association; and Board member of Seabury Hall.

Testimony in support of the nominee was submitted to your Committee by: the Administrative Judge for the District Court of the First Circuit; the Department of the Prosecuting Attorney for the City and County of Honolulu; the Hawaii State Bar Association; two members of the legal community; and three private citizens. Testimony in support of the nominee indicated that Ms. Richardson is fair, well organized, honest, and a hard worker. Further, testifiers acknowledged that Ms. Richardson is thoughtful, intelligent, and is highly qualified for the position of District Court Judge in the First Circuit. Testimony in opposition was submitted by one private citizen.

Your Committee members diligently questioned the nominee regarding the qualities she will bring to the district court; her thoughts on the importance of judicial performance review for judges; types of judicial education programs that judges most urgently need; and confidentiality of juvenile records. In addition, your Committee questioned Ms. Richardson regarding the concerns raised in the testimony submitted in opposition. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 2800

Judiciary on Jud. Com. No. 2

Recommending that the Senate advise and consent to the nomination of the following:

ALEY K. AUNA, JR., judicial nominee to the District Family Court of the Third Circuit, for a term of Six Years,

Upon review of the background information submitted by the nominee, your Committee finds that Aley K. Auna, Jr. holds a B.S. degree from Brigham Young University, Hawaii and a J.D. degree from the University of Hawaii's William S. Richardson School of Law. Mr. Auna has served as a Deputy Attorney General with the Department of the Attorney General assigned to the Family Law Division and Social Services Division in Hilo since 1988. He previously was an associate with the law firms of Dixon and Okura in Hilo and Bruce M. Clark in Honolulu. In addition, Mr. Auna's professional and community activities include: Alumni Board Member of Brigham Young University, Hawaii; Court Annexed Arbitration Program; Children in Transition Program; Hawaii Island Teen Court Judge; Children's Advocacy Center of East Hawaii Interagency Advisory Committee; Hawaii County Bar Association; and Pukahi District, Boy Scouts of America.

Testimony in support of the nominee was submitted to your Committee by: ten staff members of the Department of Human Services from East Hawaii; a District Family Court Judge from the Third Circuit; the Mayor of the County of Hawaii; a Council Member for the County of Hawaii; a former Council Member for the County of Hawaii; a Council Member for the City and County of Honolulu; the Prosecuting Attorney for the County of Hawaii; the Hawaii State Bar Association; a Captain of the Hawaii County Police Department; BYU Hawaii; Hawaii Electric Light Company; Kim Insurance Agency; T & T Electric, Inc.; twelve members of the legal community; and eleven private citizens. All testimony unanimously supported the nomination of Mr. Auna by indicating that he is compassionate, fair, and possesses the highest level of moral courage and integrity. Further, testifiers acknowledged that Mr. Auna is a man of great wisdom, of patient temperament, and is highly qualified for the position of District Family Court Judge in the Third Circuit.

Your Committee members diligently questioned the nominee regarding the qualities he will bring to the district family court; his thoughts on how to improve victim's rights; domestic violence; disclosure of juvenile records; and criminal history checks. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 2801 Judiciary on Jud. Com. No. 3

Recommending that the Senate advise and consent to the nomination of the following:

TERENCE T. YOSHIOKA, judicial nominee to the District Family Court of the Third Circuit, for a term of Six Years,

Upon review of the background information submitted by the nominee, your Committee finds that Terence T. Yoshioka holds a B.A. degree from University of Hawaii at Manoa and a J.D. degree from the University of Washington School of Law. Mr. Yoshioka is presently a partner in the law firm of Nakamoto, Yoshioka and Okamoto in Hilo. Upon his admission to the Bar in 1969, Mr. Yoshioka was employed with the Office of the Corporation Counsel, County of Hawaii, and subsequently began his private practice of law. In addition, Mr. Yoshioka's professional and community activities include: Hawaii Public Defender Council; Instructor of Business Law at the University of Hawaii at Hilo; Hospice of Hilo; the University of Hawaii at Hilo's College Athletic Boosters Club; Hilo Junior Golf Boosters; Japanese Chamber of Commerce and Industry; Hawaii Island Golf Association; and Cub Scouts of America.

Testimony in support of the nominee was submitted to your Committee by: a District Family Court Judge of the Third Circuit; the Mayor of the County of Hawaii; the Council Chair of the County of Hawaii; the Prosecuting Attorney for the County of Hawaii; the Hawaii State Bar Association; HGEA/AFSCME Local 152; KTA Super Stores; twelve members of the legal community; and one private citizen. All testimony unanimously supported the nomination of Mr. Yoshioka by indicating that he is a thoughtful, well respected, and honorable individual. Further, testifiers acknowledged that Mr. Yoshioka will bring a wealth of knowledge and experience along with an ideal judicial temperament to the position of District Family Court Judge in the Third Circuit.

Your Committee members diligently questioned the nominee regarding the qualities he will bring to the district family court; his recommendations on how to improve the current laws pertaining to child support and custody; his knowledge on issues related to divorce; and his mediation skills. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 2802 Labor and Environment on H.B. No. 2565

The purpose of this measure is to repeal the garment industry homework laws.

Testimony in support of this measure was received from the Office of the Lieutenant Governor, Department of Labor and Industrial Relations, and the Legislative Information Services of Hawaii.

Currently, a garment manufacturer must obtain a certificate from the Department of Labor and Industrial Relations if workers sew at home. In the last three years, only one certificate has been issued. Your Committee finds that this measure is part of the administration's SWAT effort to eliminate unnecessary regulation.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2565 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Kanno).

SCRep. 2803 Labor and Environment on H.B. No. 2526

The purpose of this measure is to make the public notice and public hearing of used oil permits discretionary rather than mandatory.

Testimony in support of this measure was received from the Department of Health and the Environmental Center.

The issuance, reissuance, or modification of hazardous waste permits require public notice and may require a public hearing. Used oil permits are categorized under hazardous waste although for the most part, used oil is not hazardous material. This measure carves out an exception for used oil permits under the hazardous waste laws by requiring a public notice or public hearing, or both, only if the Director of Health determines it is in the public interest.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2526, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Kanno).

SCRep. 2804 Health and Human Services on H.B. No. 536

The purpose of this Act is to extend the repeal date of the Good Beginnings Alliance to June 30, 2010.

Your Committee received testimony in support of this measure from the Office of the Governor, Department of Health, Department of Human Services, Good Beginnings Alliance, Hawaii Association for the Education of Young Children, Hawaii Chapter American Academy of Pediatrics, and a private individual.

This measure also expands the membership of the interdepartmental council and the representation of the board of directors of the Good Beginnings Alliance.

The Good Beginnings Alliance was established by Act 77, Session Laws of Hawaii 1997, as a temporary program for the State to contract with a private nonprofit corporation for the purposes of coordinating policy, disbursing public funds, and implementing community plans for providing early childhood education and care services.

In 1998, the Legislature established the Joint Legislative Committee on Early Childhood Education and Care (JLC) in H.C.R. No. 120, to encourage the development and implementation of policies that integrate early childhood education, care, protection, and health services. The JLC recommended, among other things, that the Good Beginnings Alliance be made a permanent coordinating structure that cuts across existing social service systems to coordinate early childhood services for families with children.

Your Committee believes that through the good beginnings alliance, it will be able to continue to monitor the development of a coordinated system that is dedicated to enhancing and developing early childhood education and care services.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 536, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2805 Health and Human Services on H.B. No. 540

The purpose of this measure is to provide state-funded medical assistance to legal immigrants.

Your Committee received testimony from the Department of Human Services (DHS), Healthcare Association of Hawaii, Hawaii State Primary Care Association, Hawaii Catholic Conference, Na Loio, and Kalihi-Palama Health Center.

This measure also:

- (1) Changes from ten per cent to an unspecified percentage the amount of tobacco settlement moneys to be transferred from the Department of Health to the DHS for the Children's Health Insurance Program (CHIP);
- (2) Makes an unspecified appropriation to provide state-funded medical assistance to legal immigrants; and
- (3) Makes an unspecified appropriation to fund CHIP up to three hundred per cent of the federal poverty level for Hawaii.

The intent of increasing the ten per cent transfer of moneys from the DOH for use by CHIP is to fund the medical assistance to legal immigrants.

The federal enactment of the Personal Responsibility and Work Opportunities Act of 1996 deprived medical assistance using federal moneys to legal immigrants who were otherwise income qualified for other public assistance. Many legal scholars, courts, and attorney generals have pronounced the federal law to be unconstitutionally discriminatory.

The intent of this measure is to correct the injustice of the federal law by applying CHIP to cover medical assistance to legal immigrants. For this purpose, the ten per cent allocation to CHIP from the tobacco settlement moneys will have to be increased.

The effect of this measure is to increase the numbers of uninsured children covered by CHIP and to provide health insurance to all permanent legal immigrants in Hawaii.

Your Committee has amended this measure by:

- (1) Requiring the DHS to provide state-funded medical assistance;
- (2) Changing from August 22, 1999 to August 22, 1996, the date which legal permanent residents become eligible;
- (3) Extending eligibility to persons from member countries of the Compact of Free Association;
- (4) Deleting eligibility for people residing in the United States with the knowledge or permission of the Immigration and Naturalization Service; and
- (5) Making technical, nonsubstantive changes to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 540, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 540, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2806

Health and Human Services on H.B. No. 1846

The purpose of this measure is to make an appropriation to continue the coordination and implementation of the Good Beginnings Alliance initiative.

Your Committee received testimony in support of this measure from the Office of the Governor, Department of Human Services, Hawaii State Commission on the Status of Women, Hawaii Association for the Education of Young Children, Hawaii Business Roundtable, Good Beginnings Alliance, Institute for Native Pacific Education and Culture, and a private individual.

The Good Beginnings Alliance, established by Act 77, Session Laws of Hawaii 1997, is an incorporated nonprofit entity that works through four good beginnings county councils and an interdepartmental council. The good beginnings alliance partners work to implement strategies in good beginnings county plans and in the state early childhood master plan that support progress towards the child outcomes and key indicators and benchmarks of those outcomes.

In order to continue the development and coordination of quality early childhood education and care services, your Committee finds that this public-private partnership requires public funding to match the private funding acquired to date.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1846, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2807 Health and Human Services on H.B. No. 2273

The purpose of this measure is to make an appropriation to the Hawaii Children's Trust Fund (Fund).

Your Committee received testimony in support of this measure from the Healthy Babies Healthy Mothers, Hawaii Community Foundation, Hawaii Children's Trust Fund Coalition, Keiki Injury Prevention Coalition, Kapiolani Health, Hawaii Children's Trust Fund Advisory Committee, Adult Friends for Youth, and two private individuals. Testimony in opposition was received from the Department of Health and the Department of Budget and Finance.

The Fund is established by statute in chapter 350B, Hawaii Revised Statutes. The purpose of the Fund is to make expenditures to private agencies to prevent child abuse and neglect. The Fund is administered by the Hawaii Community Foundation and serves as a medium for a public-private partnership for family strengthening and to prevent child abuse and neglect.

Your Committee finds that the Fund fulfills a pressing need by ameliorating poor conditions for Hawaii's most vulnerable population in identifying and funding programs that have effective outcomes.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2273, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2808 Health and Human Services on H.B. No. 2277

The purpose of this measure is to clarify that any expenditure of moneys by the Department of Health (DOH) of tobacco settlement moneys for health promotion and disease prevention programs shall not supplant or diminish the funding of programs by the State's general fund.

Your Committee received testimony in support of this measure from the DOH, Hawaii State Primary Care Association, American Association of Retired Persons, and a private individual. Testimony in opposition was received from the Department of Budget and Finance.

Your Committee finds that the Governor is reducing the budget of the DOH for health programs in an amount equal to the tobacco settlement moneys allocated to the DOH. This measure clarifies your Committee's original intent in enacting chapter 328L, Hawaii Revised Statutes, providing for the disposition of the Hawaii tobacco settlement moneys, that the tobacco settlement moneys would be in addition to budgeted moneys so that there would be more funding for health programs. Your Committee believes that it would be anomalous for the State to receive a windfall of moneys intended for health programs if those programs do not benefit with more funding.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2277, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2809 Health and Human Services on H.B. No. 2506

The purpose of this measure is to require the Department of Human Services (DHS) to develop standards to assure the reputable and responsible character of prospective parents.

Your Committee received testimony in support of this measure from the DHS and Attorney General.

This measure includes requirements that the DHS conduct criminal history record checks and obtain affidavits from prospective adoptive parents concerning any criminal convictions.

Your Committee finds that current law does not require checks into the criminal history of applicants for adoption. The sole requirement under current law that relates to the character of the prospective adoptive parents is that the family court must be satisfied that the petitioners are fit and proper persons. (Section 578-8(a), Hawaii Revised Statutes (HRS)). The DHS must conduct an investigation as to the fitness of petitioners, but current law does not authorize a criminal history record check by the DHS.

This measure also allows the DHS to deny an application for adoption, based on conviction of a crime other than a traffic violation involving a fine of \$50 or less, if the DHS finds that the criminal history record of either of the prospective adoptive parents poses a risk to the health, safety, or well-being of the child. Because this provision confers authority on the DHS to deny an adoption, this

measure includes a requirement that the DHS develop standards to assure the reputable and responsible character of prospective adoptive parents. Your Committee urges the DHS to adopt objective standards pursuant to administrative rule.

Your Committee has amended this measure by adding a conforming statutory amendment to authorize the Hawaii Criminal Justice Data Center to release the information to the DHS.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2506, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2506, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2810 Health and Human Services on H.B. No. 2510

The purpose of this measure is to clarify that foster board allowances will be paid to either the foster parents or to an accredited institution of higher learning if the child is a student there.

Your Committee received testimony in support of this measure from the Department of Human Services (DHS).

According to testimony of the DHS, the DHS has had difficulty finding a foster parent willing to be a conduit for the foster board allowance when a foster child is attending an institution of higher education. This measure requires the DHS to make payments directly to the educational institution.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2510 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2811 Health and Human Services on H.B. No. 2512

The purpose of this measure is to allow the Department of Human Services (DHS) to administratively increase the assistance allowance.

Your Committee received testimony in support of this measure from the DHS and a private individual.

Current law allows the DHS to only reduce the assistance allowance paid to non-exempt households with minor dependents under the temporary assistance to needy families or TANF program, in order to provide work incentives. This measure is intended to allow the DHS to increase the allowance payments in order to meet the financial needs of families as it deems proper. Your Committee finds that increasing the assistance allowances may be necessary as an incentive for families to get jobs, particularly in cases where being employed might entail added expenses such as clothing and transportation.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2512 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2812 Health and Human Services on H.B. No. 2514

The purpose of this measure is to clarify the rights of the Department of Human Services (DHS) in probate to the priority of payments from the estate.

Your Committee received testimony in support of this measure from the DHS.

This measure provides that if the assets of the estate are insufficient to pay all claims in full, then the DHS is:

- (1) Second in line for payment of burial expenses;
- (2) Fourth in line for payment of last illness expenses of the decedent; and
- (3) Sixth in line for any other claim against the estate for payments relating to social services or medical assistance payments.

This measure is intended as a means by which the State can recoup the moneys it has paid for a person's last illness medical expenses and burial. Your Committee finds that last illness and burial expenses can be substantial and that the State should try to collect back as much as it can from available assets for this purpose.

Your Committee has amended this measure by making technical, nonsubstantive changes to correct a statutory cross reference and conform to Ramseyer formatting.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2514, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2514, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2813 Health and Human Services on H.B. No. 2517

The purpose of this measure is to make an emergency appropriation for the state medical assistance program.

Your Committee received testimony in support of this measure from the Department of Human Services, Hawaii Long Term Care Association, and Healthcare Association of Hawaii.

Your Committee finds that a critical emergency exists in the funding of the medical assistance program serving the aged, blind, and disabled populations. There has been an unanticipated increase in costs from nursing facility care and in the cost of new pharmaceutical drugs. The increase reflects an unusually high escalation over last year's budget. This measure is necessary to prevent a reduction or discontinuance of direct medical services for Medicaid recipients.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2517, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2814 Health and Human Services on H.B. No. 2524

The purpose of this measure is to allow the Department of Health (DOH) to adopt rules and charge fees to regulate the sale of prophylactics through vending machines and require that they be stocked with adequately labeled and scientifically approved devices only.

Your Committee received testimony in support of this measure from the DOH.

This measure also clarifies existing law by deleting the requirement for a permit from the DOH to vend prophylactics from a coin-operated machine.

According to testimony of the DOH, this measure is consistent with the Administration's SWAT efforts to reduce the number of unnecessary permits that businesses are required to obtain.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2524 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2815 Health and Human Services on H.B. No. 2525

The purpose of this measure is to revise the prescription drug laws.

Your Committee received testimony in support of this measure from the Department of Health (DOH).

The intent of this measure is to:

- (1) Improve patient care by liberalizing the requirements for dispensing prescription drugs and medical oxygen, without compromising public health;
- (2) Remove refill restrictions on out-of-state prescriptions which impede access to needed prescription medications for visitors and local residents with mainland physicians; and

- (3) Clarify requirements for verification of drug prescription orders.

After hearing testimony from the DOH, your Committee is satisfied that this measure is in the best interest of the public and will not harm the public safety or welfare.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2525, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2816 Health and Human Services on H.B. No. 2531

The purpose of this measure is to make an emergency appropriation for the Hawaii Health Systems Corporation (HHSC).

Your Committee received testimony in support of this measure from the HHSC, Chamber of Commerce of Hawaii, HGEA-AFSCME, and a private individual.

Your Committee finds that this emergency appropriation request is necessary to ensure that the HHSC can repay the State for moneys advanced to pay retroactive and current fiscal year collective bargaining increase payments to state employees working for the HHSC.

Your Committee has amended this measure to clarify the purpose of the appropriation.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2531, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2531, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2817 Health and Human Services on H.B. No. 2536

The purpose of this measure is to make emergency appropriations of \$17,735,924, out of the general fund, and \$378,646 out of the child and adolescent mental health special fund, and \$38,866 out of the behavioral health administration special fund, for services to emotionally disturbed children and adolescents.

Your Committee received testimony in support of this measure from the Department of Health (DOH) and HGEA-AFSCME.

This measure is to fund services required under the Felix case, now pending in litigation in the United States District Court. The expenditures are necessary for the State to comply with court-ordered mandates to bring the State up to constitutionally acceptable standards for the provision of services to emotionally disturbed children and adolescents.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2536, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Education and Technology.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2818 Health and Human Services on H.B. No. 2542

The purpose of this measure is to make an emergency appropriation for the State's Medicaid home and community based services for the developmentally disabled or mentally retarded program. The measure also authorizes increases in the federal matching funds.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Department of Human Services (DHS), State Planning Council on Developmental Disabilities, Hawaii Disability Rights Center, and ARC in Hawaii.

The amount of the appropriation is \$367,268, to the DOH for the State's share of matching federal funds. The additional funds would support current clients, provide for the admission of more people into the program, and address issues raised by a federal lawsuit against the State.

Your Committee has amended this measure on the recommendation of the DOH and the DHS by:

- (1) Substituting updated figures as follows:

- (A) The sum of \$10,836,549 as the State's match on a 50-50 basis for federal funds. This new figure is the same as the interdepartmental transfer of funds to the DHS for this purpose under paragraph (3) of section 3 of this measure; and
- (B) The sum of \$958,472 as additional State funds to meet a new federal matching formula of 51.01 per cent of federal funds effective October 1, 1999, and approximately 53.85 per cent effective October 1, 2000. The additional funds are to enable the State to presently bill the federal government for reimbursement for moneys already spent for the maximum amount of reimbursement possible; and

(2) Making a technical, nonsubstantive amendment for preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2542, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2542, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2819 Health and Human Services on H.B. No. 2746

The purpose of this measure is to appropriate funds to maintain the operations of peer education programs in twenty-six schools, and to fund the establishment of peer education programs in ten additional schools.

Your Committee received testimony in support of this measure from the Department of Education, Hawaii State Commission on the Status of Women, Adult Friends for Youth, Hawaii State Teachers Association, American Cancer Society, Kapiolani Health, Kailua Intermediate School, Ilima Intermediate School, Keiki Injury Prevention Coalition, and 95 private individuals.

The peer education program was established in 1988 to address such serious teen health issues as pregnancy, sexually transmitted diseases, substance abuse, violence, and suicide. The department of health has assumed the lead in the program by establishing broad-based, systemic, adolescent health prevention programs in the State's secondary schools. Your Committee believes that this is a necessary program that has become an essential component in our public school system, resulting in well-adjusted teens who are able to contribute to society.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2746, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2820 Judiciary on H.B. No. 2414

The purpose of this bill is to appropriate additional funds to pursue the asbestos property damage litigation in fiscal year 1999-2000.

Your Committee finds that this appropriation will allow the State to pay experts and consultants, whose work is crucial to the State's ability to present the necessary proof of product identification in this litigation.

Testimony in support of this measure was submitted by the Attorney General.

Upon further consideration, your Committee has amended this measure by inserting a provision to justify exceeding the general fund expenditure ceiling.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2414, H.D. 1, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2414, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 2821 Judiciary on H.B. No. 2829

The purpose of this bill, as received by your Committee, is to:

- (1) Appropriate an unspecified amount for the Elections Appointment and Review Panel to carry out its responsibilities under section 11-2.7, Hawaii Revised Statutes; and
- (2) Specify that the Panel may remove the Chief Election Officer only for good cause.

Your Committee finds that the Panel was given significant additional duties by Act 141, Session Laws of Hawaii 1999, but was not given any additional funding to carry out those duties. Specifically, the Panel is now required to establish performance standards for the operation of elections and the chief election officer; to review the operation of elections and performance of the chief election officer under those standards and conduct biennial evaluations; to make recommendations to the chief election officer and the legislature based on those evaluations; and to establish policies for administration of an election observer program. Previously, the Panel was only responsible for selecting and appointing the chief election officer.

Your Committee earlier expressed concerns about the Panel's plan to spend \$5,000 on public relations. Your Committee continues to await a satisfactory explanation of this item.

Testimony in support of this measure was submitted by the Attorney General and by the Panel.

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

- (1) Adding a provision extending by twenty days the deadline for the Panel to report to the legislature the findings and recommendations from its biennial review of elections operations and the performance of the chief election officer; and
- (2) Making a technical, non-substantive change for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2829, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2829, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 2822 Health and Human Services on H.B. No. 1836

The purpose of this measure is to provide that pregnant women are covered by the Uniform Health Care Decisions Act.

Your Committee received testimony in support of this measure from the Executive Office on Aging, Hawaii State Commission on the Status of Women, Healthcare Association of Hawaii, Hawaii Women's Coalition, Hawaii Women Lawyers, Hawaii Medical Association, and a private individual. Testimony in opposition was received from the Hawaii Right to Life, Hawaii Catholic Conference, Christian Voice of Hawaii, and a private individual.

This measure repeals the exclusion from chapter 327E, Hawaii Revised Statutes (HRS), for a patient who is diagnosed as pregnant by the attending physician. Your Committee believes that an advance health care directive by a woman should be valid if she later becomes pregnant or if she executes a directive during her pregnancy. A woman should have the right to predetermine her medical treatment, including treatment during her pregnancy, if she should lack capacity to make a health care decision for herself.

Your Committee believes that future measures concerning advanced health care directives should require that the optional form under section 327E-16, HRS, include a statement that if a woman becomes pregnant then the woman may make provisions for her unborn fetus.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1836 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2823 Health and Human Services on H.B. No. 2774

The purpose of this measure is to prohibit discrimination in public places for a woman who is breastfeeding.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii State Commission on the Status of Women, Hawaii Civil Rights Commission, Kaiser Permanente, Mothers Care for Tomorrow's Children, Hawaii Women Lawyers, Papa Ola Lokahi, Hawaii Nurses' Association, Healthy Mothers Healthy Babies, Kokua Kalihi Valley, Kapiolani Health, Kapiolani Medical Center, Kauai Medical Clinic, University of Hawaii at Manoa, American Civil Liberties Union Hawaii, and thirteen private individuals. Informational testimony was received from two private individuals.

Your Committee finds that women should be allowed to breastfeed in public places. Your Committee further finds that prohibiting breastfeeding in public places is a discriminatory practice based on sex.

Breastfeeding has been scientifically proven to be medically beneficial to the health of the infant and mother. As more new mothers are working mothers, this measure is particularly apropos to the workplace. The American Academy of Pediatrics

recommends breastfeeding for at least the first twelve months of a child's life. Your Committee believes that breastfeeding should be encouraged and that this measure is a step in that direction.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2774 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2824 Health and Human Services on H.B. No. 3016

The purpose of this measure is to make an appropriation to provide necessary funds to the Department of Human Services (DHS) to raise the income eligibility for the medically needy program.

Your Committee received testimony in support of this measure from the DHS, Healthcare Association of Hawaii, Life Foundation, and two private individuals.

The "medically needy program" is a Medicaid option which Hawaii has chosen to implement. The program is for aged and disabled persons who are ineligible for the standard Medicaid program because their income levels exceed 100 per cent of the federal poverty level. In essence, this is a gap group that is not income qualified but has significant medical expenditures. The medically needy program utilizes a "spend-down" provision and a "medically needy" (MN) income standard. The dollar amount by which net countable monthly income exceeds the MN income standard is the spend-down requirement, so that a person who incurs monthly medical expenses that are more than the spend-down requirement will be provided medical coverage for the remainder of the month.

A typical situation is a person who is disabled from a terminal illness and whose income exceeds the maximum amount allowable to qualify for Medicaid. That person has medical bills that would reduce the person's income to below the qualifying amount for Medicaid, but still that person would not qualify for medical assistance unless the State has implemented the medically needy program.

The DHS has the authority to raise the qualifying income level for the medically needy program to 130 per cent of the assistance allowance "subject to the appropriation of state funds and availability of federal matching assistance". (Section 346-14(16), Hawaii Revised Statutes) This measure is intended to make an appropriation to accomplish that result.

Your Committee has amended this measure by changing the appropriated amount from \$1 to \$2, to affirm to the commitment of this Committee to provide this appropriation.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3016, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3016, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2825 Water, Land, and Hawaiian Affairs on H.B. No. 1939

The purpose of this measure is to enable the Kahoolawe Island Reserve Commission to hire its own attorneys.

The Kahoolawe Island Reserve Commission testified in support of the measure.

Your Committee finds that exempting the Kahoolawe Island Reserve Commission from the law that prohibits state agencies from utilizing the legal services of any attorneys other than those employed by the Attorney General will ensure that the cleanup of Kahoolawe proceeds on schedule by enabling the Kahoolawe Island Reserve Commission to hire specialized, highly technical, legal expertise beyond what the Attorney General may be able to provide.

Your Committee has amended the measure by making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1939, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1939, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Tanaka).

SCRep. 2826 Water, Land, and Hawaiian Affairs on H.B. No. 2309

The purpose of this measure is to authorize a land exchange in the North Kona area of the island of Hawaii between the State and Earl E. Bakken.

Testimony in favor of the measure was received from the Hawaii Leeward Planning Conference, a representative of Mr. Bakken, and five private citizens.

Testimony in opposition was submitted by the Kona Hawaiian Civic Club.

The Department of Land and Natural Resources took no position on the proposed land exchange.

Your Committee finds that the measure authorizes a land exchange that involves private lands located on the coast of Kiholo Bay, North Kona District, on the island of Hawaii for public lands located inland of Kiholo Bay, North Kona, Hawaii.

Your Committee believes that these private lands, found at the location identified as TMK (3) 7-1-02:02, have significant recreational, environmental, and cultural value to the people of Hawaii. This shoreline property has an extensive coastal strand, mature vegetation, and anchialine pools adjacent to a fine black sand beach fronting Kiholo Bay. The private parcel is also surrounded by public lands and the public acquisition of this private parcel would effect a consolidation of holdings of public lands and improve access from mauka public lands to the shoreline.

Kiholo Bay is a significant and productive marine ecosystem and is a major area for green sea turtles to rest and feed. The significant environmental value of the bay was recognized by the State, when it designated Kiholo Bay as a fishery management area, with specific restrictions to protect the sea turtles.

Your Committee also finds that the general area of Kiholo Bay has historical importance as the location of an historical fishing village that was once the abode of Kamanawa, who along with his twin brother, Kame'eiamoku, are the two great chiefs and supporters of King Kamehameha who appear on the official shield of the Hawaiian Kingdom. The great Kiholo Fishpond, built for King Kamehameha, was located in this area, before it was destroyed by lava in the 1850's.

Earl E. Bakken has proposed to exchange these private lands for a nine-acre parcel of public land at the location identified as a portion of TMK (3) 7-1-02:08, inland of Kiholo Bay, North Kona, Hawaii. These public lands are of significantly less public value as they have very limited recreational resources, and are located inland of the important and productive coastal ecosystem. This parcel of public land is located inland and adjacent to the Bakken's current residence, a single-family home. The land is to be used for a caretaker's residence.

Your Committee has amended the bill by:

- (1) Placing a one-year time limit on executing the exchange; and
- (2) Stating that the lands received by the State in the exchange shall assume the same public land status as the lands transferred to Mr. Bakken.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2309, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2309, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 2827

Water, Land, and Hawaiian Affairs on H.B. No. 2501

The purpose of this measure is to provide the Department of Hawaiian Home Lands (DHHL) with the flexibility to set the interest rate on loans from the Hawaiian Home Loan Fund and other loan sources by:

- (1) Authorizing DHHL to adjust interest rates by administrative rule; and
- (2) Lowering the minimum interest rate on such loans from two and one-half percent to zero percent.

The Ahupua'a O O'ahu testified in support of the measure. The DHHL supported the intent of the measure but asked that it be amended to raise the minimum interest rate from zero percent to two and one-half percent, to reflect the original position of the administration-sponsored measure. The Kawaihae Hawaiian Homes Community Association opposed the measure.

Your Committee finds that Section 215 of the Hawaiian Homes Commission Act of 1920, as amended, established in law, a loan interest rate of two and one-half percent. This statutorily established rate requires the DHHL to provide a qualified loan applicant with this exceptionally low interest rate, regardless of the applicant's ability to pay.

Your Committee believes that the measure would provide the DHHL with the flexibility to set by rules adopted pursuant to Chapter 91, Hawaii Revised Statutes, the interest rates on loans from the Hawaiian Home Loan Fund and other loan sources. Rates would be based on interest rates in the marketplace and the needs and financial qualifications of the loan applicant.

Based on the testimony of the DHHL, your Committee has amended this bill by raising the minimum interest rate from zero percent to two and one-half percent.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2501, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2501, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Tanaka).

SCRep. 2828 (Joint) Water, Land, and Hawaiian Affairs and Labor and Environment on H.B. No. 2504

The purpose of this measure is to transfer the responsibility of authorizing Department of Hawaiian Home Lands' employment contracts that retain the services of contracted employees beyond the statutory limit of six years from the Governor to the Chairperson of the Hawaiian Homes Commission.

Testimony in support of the measure was received from the Department of Hawaiian Home Lands. The Kawaihae Hawaiian Homes Community Association testified in opposition to the measure.

Your Committees find that transferring the authority to approve employment contract extensions for persons whose expertise are deemed vital to the success of the Department of Hawaiian Home Lands makes good managerial sense. Implementation of the measure would expedite the contract negotiation and employment processes of the Department of Hawaiian Home Lands.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2504 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Chun, Fukunaga, Ihara, Kanno, Tanaka).

SCRep. 2829 Water, Land, and Hawaiian Affairs on H.B. No. 2574

The purpose of this measure is to direct the moneys generated by the disposition of mineral and water rights into the Department of Land and Natural Resources' Special Land and Development Fund and to authorize the Commission on Water Resource Management to use the moneys contained in that fund for its programs.

The Department of Land and Natural Resources supported this measure. The Office of Hawaiian Affairs testified in opposition to the measure.

Your Committee finds that since 1994, the Commission on Water Resource Management's budget has been reduced by eighteen percent. While the Special Land and Development Fund accounts for roughly six percent of the Commission's funding, the remaining ninety-three percent of its budget is derived from state general funds. As such, during these fiscally trying times, the Commission's budget has constantly been a target for further cutbacks.

Your Committee believes that a consistent source of funding through the redirection of moneys generated by the disposition of mineral and water rights into the Special Land and Development Fund would allow the Commission to not only base more of its budget needs on that fund, but also enable it to fully carry out its responsibilities and to implement monitoring, management, enforcement, and resource protection programs/activities that are necessary to sustain the State's limited water resources.

Your Committee has amended the bill by changing the effective date of the measure from July 1, 2000, to July 1, 3000.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2574, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2574, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Anderson).

SCRep. 2830 Water, Land, and Hawaiian Affairs on H.B. No. 2733

The purpose of this measure is to establish a Hawaiian Home Lands Trust Individual Claims Compensation Commission (Commission) to evaluate funding mechanisms to compensate native Hawaiian beneficiaries who have successfully asserted claims against the State under Chapter 674, Hawaii Revised Statutes.

The Attorney General testified in support of the intent of the measure. The Department of Hawaiian Home Lands offered comments on the measure. The Native Hawaiian Legal Corporation, the State Council of Hawaiian Homestead Associations, and the attorney representing individual claimants who are currently in litigation in state circuit and federal district courts over this matter testified in opposition to the measure.

Your Committee believes that individual claimants who put their faith in the process established and subscribed to by the State pursuant to the enactment of chapter 674, Hawaii Revised Statutes, were unceremoniously denied resolution of, and compensation for, their successful claims through the Attorney General's retraction of participation in the resolution process and the subsequent veto of the extension of the review process by the Governor last year.

Your Committee believes that the claimants who successfully engaged the claims review process should be compensated and that the State should honor its commitment to "let the process run its course."

Your Committee has amended the measure by:

- (1) Adding provisions which extend the Hawaiian Home Lands Trust Individual Claims Review Panel's authority until December 31, 2002; and
- (2) Changing the unspecified effective date of the measure to July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2733, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2733, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 2831 Water, Land, and Hawaiian Affairs on H.B. No. 2768

The purpose of this measure is to provide for infrastructural improvements in the Kikala-Keokea region of the island of Hawaii for persons of Hawaiian ancestry who were displaced by lava flows.

Testimony in support of the measure was received from the Department of Land and Natural Resources (DLNR), the Housing and Community Development Corporation of Hawaii, and the Office of Hawaiian Affairs.

Your Committee finds that Act 314, Session Laws of Hawaii 1991, as amended, authorized the Department of Land and Natural Resources to negotiate and enter into long-term leases with persons of Hawaiian ancestry who were dispossessed or displaced from their homes at Kalapana as a result of the volcanic eruptions on the island of Hawaii. Act 314 also authorized the Department of Land and Natural Resources to subdivide and provide for the creation of a residential subdivision in the Kikala-Keokea homestead area for persons who receive long-term leases from the Department of Land and Natural Resources.

Your Committee also finds that to assist those persons displaced by volcanic eruptions in the Kalapana area, the Legislature also enacted Act 242, Session Laws of Hawaii 1991 to provide low interest loans for those persons to rebuild their homes in the Kikala-Keokea area. Unfortunately, neither of the two acts provided for the infrastructural improvements necessary for the area to become habitable.

Your Committee believes that this measure is necessary to assist the Kikala-Keokea residents in finally being able to enjoy basic infrastructural amenities and that concerns over added costs to the State are negligible in that the measure proposes to utilize funds that were originally appropriated in 1991.

Your Committee has amended the measure by:

- (1) ~~Inserting language~~ to section 4 of the measure to require that all the moneys received or collected by DLNR shall be deposited into the Infrastructure Development Fund; and
- (2) Deleting the specific amount appropriated in section 3 of the measure;
- (3) Recasting the language in section 6 to more appropriately effectuate the measure's intent; and
- (4) Changing the effective date to July 1, 1999, for purposes of continuing discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2768, H.D. 1, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as H.B. No. 2768, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 2832 Water, Land, and Hawaiian Affairs on H.B. No. 2836

The purpose of this measure is to authorize the use of a portion of conveyance tax proceeds to fund watershed management projects.

The Department of Land and Natural Resources (DLNR), the Land Use Research Foundation of Hawaii, the Board of Water Supply of the City & County of Honolulu, and the Nature Conservancy of Hawaii testified in support of the measure. The Tax Foundation commented on the measure.

Your Committee finds that with over half of Hawaii's remaining natural lands in private ownership, the Legislature in 1991, established the natural area partnership program and the forest stewardship program to provide incentives for private landowners to provide long-term protection of important natural resources on private lands. These incentives were in the form of state matching funds to landowners willing to dedicate their lands to conservation.

The Legislature also provided for a permanent, dedicated source of funding for the programs by earmarking twenty-five per cent of the conveyance tax revenues for these programs. The Legislature's intent was to enhance private participation in the protection and management of conservation lands.

Since the inception of the natural area partnership and forest stewardship programs, significant efforts have given rise to another innovative public-private undertaking involving the collaboration of major landowners and stakeholders to protect thousands of acres of critical watershed areas. This effort began with the formation of the East Maui Watershed Partnership in 1991, followed by West Maui Watershed Partnership in 1998, and Koolau Watershed Partnership and East Molokai Watershed Partnership in 1999. Collectively, these partnerships involve some 260,000 acres of land and include an array of major landowners and government agencies including the United States Fish & Wildlife Services, National Park Services, the DLNR, the Department of Hawaiian Home Lands, county boards of water supply, and numerous other agencies.

Your Committee believes that, just as the natural area reserves system needed funds to accomplish its goals, so too does the protection of critical watershed areas.

Your Committee has amended the measure by:

- (1) Amending both versions of Section 247-7, Hawaii Revised Statutes, one that will expire on June 30, 2001, and the other that will take effect on July 1, 2001;
- (2) Adding the Youth Conservation Corps that is established under Chapter 193, Hawaii Revised Statutes, as one of the programs that will benefit from the proceeds of the conveyance tax allocation;
- (3) Giving the Chair of DLNR discretionary authority to disburse conveyance tax allocations to the specified programs;
- (4) Amending the effective date of the measure to reflect the insertion of the prospective change in statutory language; and
- (5) Making a technical, nonsubstantive amendment for the purpose of style.

The measure, as received by your Committee, amended the version of Section 247-7, Hawaii Revised Statutes, that is to be repealed on June 30, 2001, and section 2 of Act 170, Session Laws of Hawaii 1998, which amended the same section of law but is effective after June 30, 2001.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2836, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2836, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Anderson).

SCRep. 2833 Water, Land, and Hawaiian Affairs on H.B. No. 3001

The purpose of this measure is to allow the Board of Land and Natural Resources to lease, by direct negotiation and without recourse to public auction, state-owned submerged lands or lands beneath tidal waters for private residential noncommercial piers without the approval of the Governor or the Legislature.

The Department of Land and Natural Resources and two individuals testified in support of the measure. One private citizen testified in opposition.

Your Committee finds that the Department of Land and Natural Resources has initiated a project to bring piers into conformance with state laws and to ensure appropriate revenue generation for beneficiaries of the Public Land Trust. The major components of this program, which now focuses on Kaneohe Bay, are to:

- (1) Identify the approximately two hundred illegal piers;
- (2) Process a master Conservation District Use Application (CDUA), including an environmental assessment (EA) for those illegal pier owners willing to participate in the program;
- (3) Resolve the status of those illegal piers whose owners choose not to participate in the program through the normal departmental penalty system;
- (4) Issue revocable permits or easements for the use of state-owned submerged lands; and
- (5) Waive back rent or fines for those who participate in the program.

Your Committee believes that the program offers participants the opportunity to legalize their piers without having to pay the costs of hiring a consultant to prepare a CDUA and EA and is a fair compromise for all parties involved.

Your Committee wishes to make clear its intent that support of the measure should not be equated as support for the proliferation of private piers in Kaneohe Bay or the streamlining of the permit process to authorize such piers in Kaneohe Bay.

Your Committee has amended the measure by clarifying that upon the expiration of the five-year time limit in which the Board of Land and Natural Resources will have the authority to enter into such lease agreements, the lease agreements and any lease extensions authorized by the measure shall remain exempt from section 171-36(a)(9), Hawaii Revised Statutes, relating to the public access requirements for private noncommercial piers situated on state-owned submerged lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3001, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3001, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Anderson).

SCRep. 2834 Judiciary on Gov. Msg. No. 155

Recommending that the Senate advise and consent to the nomination of the following:

DEFENDER COUNCIL

G.M. No. 155 DANA S. ISHIBASHI, for a term to expire June 30, 2002;

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, is willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Defender Council.

Your Committee notes the following specific qualifications of the nominee:

Dana S. Ishibashi holds a B.A. degree from the University of Hawaii at Manoa, and a J.D. degree from the University of Hawaii's Richardson School of Law. He has been in private practice since 1992, and is a member of several professional and community affiliations including: the Permanent Committee of the Hawaii Rules of Penal Procedure; the 1994 HSBA Criminal Justice Section Secretary; Kalihi Palama Community Mental Health Center; and the DHS Vocational Rehabilitation Services for the Blind.

Testimony in support of the nominee was submitted by the State's Chief Deputy Public Defender and a deputy Public Defender. All testimony unanimously supported the nomination of Mr. Ishibashi by indicating that he is a hard worker, a zealous advocate for his clients, and a person of high moral character which highly qualifies him for the position to which he has been nominated.

Your Committee diligently questioned the nominee about his qualifications, what qualities he would look for in a new Public Defender, and his passion for equal rights issues. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 2835 Health and Human Services on H.B. No. 1275

The purpose of this measure is to require all hospitals to conduct a security and safety assessment to examine trends of aggressive or violent behavior at the facility.

Your Committee received testimony in support of this measure from the Hawaii Nurses' Association, Healthcare Association of Hawaii, and HGEA-AFSCME.

This measure also requires hospitals to develop a security plan from the assessment, to provide sufficient security personnel, and to report criminal assaults against on-duty hospital personnel to local law enforcement authorities.

Your Committee finds that hospital security is sorely lacking. Hospital workers are vulnerable to attacks on the premises at all hours of the day and night. Because of the accessibility of hospital premises, any member of the public can walk in at any time with criminal intentions. Your Committee believes that this measure will provide a modicum of added safety for hospital workers and is not burdensome to hospitals.

Your Committee has amended this measure by:

- (1) Clarifying that the members of the hospital security committee include nursing staff who are involved in direct patient care; and
- (2) Requiring the hospital security committee to compile aggregate statistics on violent incidents and maintain certain information.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1275, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1275, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2836 Health and Human Services on H.B. No. 1387

The purpose of this measure is to modify the composition of the State Board of Nursing (Board).

Your Committee received testimony in support of this measure from the Board of Nursing and Hawaii Nurses' Association.

This measure would allocate the nine members of the Board as follows:

- (1) Six would be registered nurses, one of whom would be recognized as an advanced practice registered nurse in this State;
- (2) One would be a licensed practical nurse; and
- (3) Two would be public members.

Current law provides for five registered nurses, two licensed practical nurses, and two public members. The intent of this measure is to provide for representation of advanced practice registered nurses on the Board.

Your Committee finds that advanced practice registered nurses should be included on the Board because they are specified by statute as deserving of special recognition in licensure. In addition, advanced practice registered nurses would bring another perspective, and greater education and expertise to the Board.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1387, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 2837 Health and Human Services on H.B. No. 2534

The purpose of this measure is to clarify payments from the State to critical access hospitals.

Your Committee received testimony in support of this measure from the Department of Health (DOH), Department of Human Services, Hawaii Health Systems Corporation, Hawaii Long Term Care Association, Healthcare Association of Hawaii, HGEA-AFSCME, and a private individual.

Critical access hospitals are hospitals included in the federal Rural Plan by the federal Health Care Financing Administration and approved as a critical access hospital by the DOH in accordance with federal law. The purpose of the program is to preserve rural hospitals by increasing the Medicare reimbursement for rural hospitals converting to critical access hospitals.

The Balanced Budget Act of 1997 (Public Law 105-33) established the Medicare Rural Hospital Flexibility Program (RHFP) to assist states and rural communities in improving access to essential health services through the establishment of limited services hospitals and rural health networks. The program created the critical access hospital as a limited service hospital eligible for Medicare certification and reimbursement. Medicare reimbursement will be for "reasonable costs" which is anticipated to be greater than the current reimbursement formula. In response to the program, the State has develop a rural health plan to guide the implementation of the RHFP.

This measure is intended to optimize the benefits of the RHFP by changing the methodology for calculating Medicaid reimbursements to critical access hospitals to a cost basis, using Medicare reasonable cost principles.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2534, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2838 (Joint) Health and Human Services and Labor and Environment on H.B. No. 2511

The purpose of this measure is to allow the Department of Human Services (DHS) to employ civil service and non-civil service personnel to service waiver programs.

Your Committees received testimony in support of this measure from the DHS and Healthcare Association of Hawaii.

This measure would allow personnel employed for waiver programs to be exempt from civil service, at the discretion of the DHS.

Waiver programs are exceptions to federal social service program initiatives which the State must comply with in order to receive federal funding. If the State desires to conduct a demonstration project, such as QUEST, that departs from federal regulations, the State must obtain a waiver in order to receive federal funding. The waiver usually is limited for a duration not exceeding a specified number of years.

According to testimony of the DHS, this measure will allow the Adult and Community Care Services Branch more flexibility as to the type of personnel it needs to provide a continuum of services for eligible disabled individuals in the Medicaid waiver home- and community-based programs as well as state-funded programs.

Your Committees are aware of the lack of an effective date for this measure, but notes that Attorney General Opinion No. 86-12 states that a bill without an effective date is effective upon approval. Your Committees have no reason to amend this bill which would result in an unnecessary conference.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2511, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Chumbley, M. Ige, Iwase, Kanno, Anderson).

SCRep. 2839 Health and Human Services on H.B. No. 2513

The purpose of this measure is to require the Department of Human Services (DHS) to cause the cremation of all unclaimed corpses.

Your Committee received testimony in support of this measure from the DHS and Office of Veterans Services.

This measure clarifies the authority of the DHS to dispose of unclaimed corpses by cremation rather than by burial. This measure also provides for immunity from criminal prosecution for a person or public or private agency for the cremation, and the DHS in authorizing the cremation.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2513, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Anderson).

SCRep. 2840 Judiciary on H.B. No. 2022

The purpose of this bill is to amend various provisions of the Hawaii Revised Statutes (HRS) and the Session Laws of Hawaii pursuant to chapter 23G, HRS, to correct errors, update references, clarify language, and delete obsolete or unnecessary provisions.

Your Committee finds that all of the statutory amendments proposed by this measure are of a purely technical nature and either contain no substantive changes to the law, or, if they have any substantive effect, are done simply to correct the types of errors noted.

Testimony in support of this measure was submitted by the Legislative Reference Bureau, the Hawaii State Public Library System, the Chamber of Commerce of Hawaii, and the General Contractors Association of Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2022 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 2841 (Joint) Ways and Means and Health and Human Services on H.B. No. 2551

The purpose of this bill is to correct a defective fiscal year reference to permit funds already appropriated from the tobacco settlement special fund for the Department of Health to be expended for this fiscal year.

Your Committees find that Act 304, Session Laws of Hawaii 1999, intended to make two appropriations, one for fiscal year 1999-2000, and another for fiscal year 2000-2001. However, there was a typographical error in the reference to the first fiscal year, causing the appropriation to be made for the fiscal biennium, 1999-2001, instead. The Governor has requested that the typographical error be fixed to allow the Department of Health to expend the funds immediately to allow the Department to provide much needed health services to the public.

As affirmed by the record of votes of the members of your Committees on Ways and Means and Health and Human Services that is attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2551, H.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 6 (D. Ige, M. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 2842 Economic Development on H.B. No. 1969

The purpose of this measure is to appropriate funds to match federal funds for the establishment of manufacturing extension programs (MEP) in Hawaii.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism, Maui Economic Development Board, Inc., Hawaii Manufacturing Extension Partnership, Hawai'i Fashion Industry Association, Hawai'i Forest Industry Association, A.I.R. Inc., Arturo's, CRT Consulting, Carolynn K's Toffee, Honolulu Sauce Company, Jungle Jerky, Maui Net, Oils of Aloha, and Tahitian Goddess. One individual gave oral testimony in support.

Your Committee has heard that the Hawaii MEP recently became a stand-alone program, locally administered, and is no longer part of a regional program. As such, the appropriation to match federal dollars is particularly important to ensure that the federal funds in this highly competitive program do not go to other states.

Your Committee finds that the Hawaii MEP has contributed significantly to the local economy through its support of local manufacturers, and that the federal matching funds are important to continued growth in a wide range of manufacturing enterprises.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1969, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2843 Economic Development on H.B. No. 1994

The purpose of this measure is to appropriate funds for agricultural research and development by the Hawaii Agriculture Research Center (HARC).

Testimony in favor of this measure was submitted by the Department of Agriculture, College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa, HARC, Alexander and Baldwin, Inc., Aloha Farms, Inc., Garst, Gay & Robinson, Inc., Hawaii Farm Bureau, Hawai'i Forest Industry Association, Pineapple Growers Association of Hawaii, Hawaii Manufacturing Extension Partnership, and one individual.

Your Committee has heard that in agriculture, as in any business, research and development is an ongoing process that does not end until the business ceases to exist. While agriculture may not be thought of as producing a product that follows a typical production cycle, in fact it does so. Agriculture's products may look the same to customers, but there are continuing changes that rely on research and development.

Your Committee has also heard that in this research and development process, cooperative relations are essential, and that HARC works closely with a number of private and public entities within the industry. Your Committee is strongly supportive of the benefits provided by HARC and notes that HARC is also committed to leveraging and matching state funds with dollars from private and federal sources as well. Your Committee has amended this measure to restore the appropriation to \$1,000,000.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1994, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1994, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 2844 Economic Development on H.B. No. 2406

The purpose of this measure is to allow employees of an authorized federal agency under a cooperative agreement with the Department of Agriculture (DOA) to carry out the same duties as employees of DOA.

Your Committee received testimony in support of this measure from the Board of Agriculture.

This measure also replaces an obsolete chapter reference with the appropriate current chapter reference in section 141-1, Hawaii Revised Statutes, relating to the duties of the DOA.

Your Committee finds that this measure will allow the DOA to enter into cooperative agreements for the conduct of specific actions such as inspections and seizures. The duties would relate to the effective prosecution of pest control, animal disease control, and regulation of import and intrastate movement of regulated articles. An example of a cooperative program is the inspection of interisland passengers and cargo by the United States Department of Agriculture when DOA inspectors are absent.

Your Committee has amended this measure by removing the brackets around the subparagraph headings.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2406, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2406, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2845 Economic Development on H.B. No. 2407

The purpose of this measure is to make an emergency appropriation for the Department of Agriculture (DOA).

Your Committee received testimony in support of this measure from the DOA and the Hawaii Community Development Authority.

This measure makes an appropriation from the general fund and authorizes the issuance of general obligation bonds. The appropriation and the bonds are for the purpose of providing the necessary moneys and authorization to relocate the measurement standards program of the DOA and to construct a new building to accommodate the measurement standards and commodities program of the quality assurance division of the DOA. The relocation is necessary as part of the Hawaii Community Development Authority's redevelopment of Kakaako on Oahu.

Your Committee has amended this measure by:

- (1) Clarifying the lapsing of unexpended and unencumbered funds at the end of the applicable fiscal years; and
- (2) Making technical, nonsubstantive changes for preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2407, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2407, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2846 Economic Development on H.B. No. 2569

The purpose of this measure is to enact permanently the commercial fisheries special fund.

Your Committee received testimony in support of this measure from the Board of Land and Natural Resources. Testimony in opposition was received from the Office of Hawaiian Affairs.

The commercial fisheries special fund was enacted by Act 220, Session Laws of Hawaii 1996, with a repeal date of June 30, 2001. This measure codifies Act 220 into the Hawaii Revised Statutes, without the repeal date. The commercial fisheries special fund receives moneys from various fees and penalties associated with commercial fishing activities. Moneys from the fund are used for the conservation, improvement, monitoring, and management of commercial fishing in the State. Your Committee believes that commercial fishing programs should continue to benefit directly from fees and other moneys paid by commercial fishers.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2569, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (M. Ige, Taniguchi).

SCRep. 2847 Economic Development on H.B. No. 2607

The purpose of this measure is to expand and clarify high technology business incentive provisions in the State tax law.

Testimony in favor of this measure was submitted by the Department of Taxation and High Technology Development Corporation. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that this measure would enhance the tax benefits provided in Act 178, Session Laws of Hawaii (SLH) 1999, for qualified high technology businesses, and that the proposed changes are in response to industry recommendations to enhance those incentives.

Your Committee previously heard and passed the companion measure, S.B. No. 2948, S.D. 1, and has amended this measure to incorporate the changes made to the Senate bill, with technical changes to conform the bill to the preferred drafting style. These technical changes include splitting section 235-2.4, Hawaii Revised Statutes (HRS), into two sections, 235-2.4 and 235-2.45. Section 235-2.4, HRS, is often amended, has become unwieldy, and the preferred drafting style requires that the entire section be set out for any amendment. As a precedent, Act 19, SLH 1985, performed a similar split.

In addition, your Committee has made amendments to conform the language in the definition of "computer data" in section 235-9.5, and section 235-110.9, HRS, and to change the effective date to apply to taxable years beginning after December 31, 1999.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2607, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2607, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2848 Economic Development on H.B. No. 2801

The purpose of this measure is to require the Department of Agriculture to conduct mandatory survey and sampling of Porcine Respiratory and Reproductive Syndrome in the swine industry and to appropriate funds to do so.

Testimony in favor of this measure was submitted by the Department of Agriculture, College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa, and Hawaii Farm Bureau. The Office of Information Practices submitted comments.

Your Committee has heard that the proposed survey requires a sampling of approximately 4,200 swine from 261 herds on six islands. The department has testified that costs of this survey are primarily for sampling kits at \$3 each, and for travel costs to all islands. In its deliberations, your Committee has expressed its intent that the pork producers should not bear the major costs associated with this procedure.

Your Committee previously heard and passed S.B. No. 3007, S.D. 1, a Senate companion, and has amended this measure to incorporate changes made by the Senate, which would clarify the release of data collected as a result of the survey and sampling. In light of the concerns noted above regarding costs to the industry, your Committee has also amended this measure to restore the appropriation of \$62,300.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2801, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2801, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2849 Economic Development on H.B. No. 2802

The purpose of this measure is to authorize issuance of an unspecified amount of special purpose revenue bonds to assist the Hawaii Food Resource Center in planning and building a multi-function food processing facility on Oahu.

Testimony in favor of this measure was submitted by the Department of Agriculture, Office of Hawaiian Affairs, and First Commercial Kitchen. The Hawaii Manufacturing Extension Partnership presented oral testimony in support.

Your Committee finds that this measure would provide a venue for small food businesses and micro-enterprises to start their ventures at a low cost, by using the necessary kitchen and safety equipment, as well as the technical assistance, which would be available through the Hawaii Food Resource Center. Your Committee believes such opportunities are vital to the further diversification of the growing food products business in Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2802 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2850 Economic Development on H.B. No. 2996

The purpose of this measure is to allow the Department of Agriculture to make class E agricultural loans to qualified food manufacturers and class G agricultural loans to part-time farmers.

Your Committee received testimony in support of this measure from the Board of Agriculture.

The intent of this measure is to provide an economic stimulus for new farmers, part-time farmers, and food manufacturers or processors of Hawaii-grown agricultural products or who use Hawaii-grown agricultural products as an ingredient in the manufacturing process.

Your Committee finds that a substantial number of individuals and families are undertaking agricultural production on a part-time basis to supplement earnings obtained from full-time employment by one or more members of the household. Government agricultural loans tend to be tailored for full-time farming, leaving entrepreneurial start-up farmers with little initial capital to begin their farming.

Your Committee further finds that diversified agriculture, or the cultivation of Hawaii-grown produce, should be encouraged as an industry to replace the sugar industry. Providing loans to qualified food manufacturers will make it easier to sell agricultural products out-of-state.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2996, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2851 Economic Development on H.B. No. 2997

The purpose of this measure is to increase the authorization for aquaculture loans.

Your Committee received testimony in support of this measure from the Board of Agriculture, Hawaii Aquaculture Association, Oceanic Institute, and Mangrove Tropicals.

This measure increases the amounts that the Department of Agriculture may loan from the aquaculture loan revolving fund, as follows:

- (1) Class A loans for farm ownership from \$100,000 to \$400,000;
- (2) Class B loans for aquaculture farm activities from \$75,000 to \$400,000;
- (3) Class C facility loans from \$250,000 to \$500,000; and
- (4) Class C operating loans from \$150,000 to \$300,000.

This measure also increases the loan period for operating loans from three to seven years.

Your Committee finds that the costs of starting and running an aquaculture business have increased. Aquaculture in Hawaii tends to be technology intensive, and therefore is capital intensive. This measure makes loan limits for aquaculture equivalent to general agriculture. Your Committee believes that this measure will encourage the development of the aquaculture industry in Hawaii, which is an economic stimulus. It is the intent of your Committee to particularly help entrepreneurs and small companies, which is the traditional base of Hawaii's aquaculture industry.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2997 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2852 Labor and Environment on H.B. No. 2528

The purpose of this measure is to clarify the penalties for violations of Hawaii's water protection laws.

Testimony in support of this measure was received from the Department of Health and the Sierra Club.

Your Committee finds that while current federal drinking water law imposes a daily penalty against water suppliers for each ongoing violation, chapter 340E, Hawaii Revised Statutes (HRS), which comprises Hawaii's drinking water regulations, is not clear with respect to this type of penalty. This measure clarifies the language in section 340E-8, HRS, to conform with the penalties imposed by federal law.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2528, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Kanno).

SCRep. 2853 Labor and Environment on H.B. No. 2529

The purpose of this measure is to expand the mandatory certification laws over public water systems to allow for distinct certification requirements for water treatment plant and distribution system operators.

Testimony in support of the measure was received from the Department of Health.

A distribution system operator does not perform the same functions as a water treatment plant operator. Your Committee finds, however, that federal law requires that the State certify distribution system operators, and that failure to meet this requirement would result in a 20 percent reduction in the Drinking Water State Revolving Fund moneys which is available to the State annually through the year 2003. This measure expands the mandatory certification laws over public water systems, which encompass both treatment plants and distribution systems, to allow for distinct certification requirements for water treatment plant and for distributions system operators. Your Committee is in agreement that certification requirements should match the respective responsibilities.

Your Committee amended the measure by replacing the entire contents with SB 2870, S.D. 1, which is a similar measure on safe drinking water, and which:

- (1) Defines a "public water system";
- (2) Removes the definition of "water treatment plant";
- (3) Requires the certification board to define "water treatment plant" and "distribution system";
- (4) Adds "complexity" among the factors the board considers when classifying all public water systems, water treatment plants, and distribution systems;

- (5) Places distribution systems only under the "supervision" of a certified operator and not under "direct supervision"; and
- (6) Specifies that no person shall be held in violation of section 340F-6, Hawaii Revised Statutes (HRS), and section 340F-8, HRS, until the date specified in rules adopted under section 340F-7, HRS, classifying distribution systems and providing for certification of operators.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2529, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2529, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Kanno).

SCRep. 2854 Labor and Environment on H.B. No. 3021

The purpose of this measure is to protect Hawaii's groundwater and drinking water from contamination by methyl tertiary-butyl ether (MBTE) by:

- (1) Prohibiting the sale of gasoline containing MBTE for use in motor vehicles, effective July 1, 2001; and
- (2) Establishing fines for violations and depositing these fines into the Environmental Response Revolving Fund.

Testimony in support of the measure was received from the Department of the Attorney General, Department of Health, and City and County of Honolulu Board of Water Supply. Chevron Products Company provided comments on the measure.

Your Committee finds that since 1979 when MBTE was added to gasoline to boost octane levels and to provide cleaner burning fuels, traces of MBTE have appeared in groundwater. This is cause for concern because MBTE has been reported to cause cancer in laboratory animals.

Your Committee agrees that until the Environmental Protection Agency has evaluated the available information to estimate the potential cancer risk to humans whose drinking water may contain traces of MBTE, the sale of gasoline containing MBTE should be prohibited.

Your Committee amended the measure to change the effective date to July 1, 2000.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3021, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3021, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Kanno).

SCRep. 2855 Judiciary on H.B. No. 2410

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

Your Committee received testimony in favor of this measure from the Attorney General.

The Attorney General noted that since the introduction of the bill, six new claims have been resolved for an additional \$1,105,031.37, and the interest computed for the Naeole v. D'Enbeau judgment in the amount of \$1,900.00 should be deleted. With these changes, the total general fund appropriation becomes thirty claims that total \$1,921,444.74.

Your Committee has amended this bill by:

- (1) Adding the six new claims recommended by the Attorney General;
- (2) Deleting the interest compounded for the Naeole v. D'Enbeau judgment;
- (3) Making a technical correction with respect to the Taylor-Rice v. Leigh, et al. judgment. The bill incorrectly added the amount of judgment (\$1,592,213.10) and interest (\$66,422.10) as equaling \$658,635.20; the total judgment should instead be \$1,658,635.20;
- (4) Dividing the judgments and settlements by department, and adding subtotals, section totals, and a grand total; and
- (5) Changing the effective date from upon approval to July 1, 2000.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2410, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2410, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 2856 Judiciary on H.B. No. 2423

The purpose of this bill is to establish a reporting requirement for tobacco product manufacturers to assist the Attorney General in the enforcement of the terms of the Master Settlement Agreement, codified as Chapter 675, Hawaii Revised Statutes.

Your Committee finds that, under the terms of legislation passed last year in accordance with Hawaii's settlement with certain tobacco manufacturers, the tobacco manufacturers who did not participate in the settlement are required to deposit payments into escrow based on the level of their Hawaii sales. To ensure that the non-settling manufacturers deposit the correct amount into escrow, the State needs a mechanism to verify the amount of tobacco products sold by them in Hawaii. This bill provides such a mechanism. However, your Committee does not intend to require tobacco manufacturers who did participate in the settlement to report their sales under this proposed law.

Testimony in support of this measure was submitted by the Attorney General.

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

- (1) Adding an exception to the reporting requirement for those tobacco manufacturers who participated in the settlement agreement, to relieve them of what would become double reporting requirements; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2423, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 2857 Judiciary on H.B. No. 2646

The purpose of this bill is to authorize trustees to: split a trust into separate trusts; apply the antilapse provisions presently applicable to wills to revocable living trusts providing for distribution upon the settlor's death; include trusts in a provision making anti-contest provisions unenforceable where the contest was reasonable; change the procedures for disposition of unclaimed assets; provide for apportionment of expenses connected with estate taxes; and raise the financial ceiling for small estates from \$60,000 to \$100,000.

Your Committee finds that this measure would make changes to probate law which were proposed and are supported by practitioners in that area of law. Your Committee believes that this measure will make the probate process more efficient and more accessible to those with small estates.

Testimony in support of this measure was submitted by the Judiciary and four attorney members of the Committee on Uniform Probate Code and Probate Court Practices.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2646, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 2858 Judiciary on H.B. No. 2648

The purpose of this bill, as received by your Committee, is: to require that the court, upon sentencing a defendant to probation or deferring a plea of guilty or nolo contendere, order the defendant to pay a probation service fee of \$100 for a term of over a year or \$50 for a term of a year or less; and to establish the probation services special fund.

Your Committee finds that the probation offender population in Hawaii has increased by about ten percent in the last five years, yet the resources allocated to the program have been reduced in conjunction with general budget reductions. Thus, probation officers are now required to provide more investigative and supervision services, for more high-risk offenders, with fewer resources. Your Committee finds that the proposed fees will not approach fully reimbursing the State for the money spent on probation services, but will help to defray the costs of administration. Your Committee further finds that a probation fee may have a useful effect with

regards to offender reform by emphasizing that they must take responsibility for their offenses and for the costs incurred due to their criminal acts.

However, your Committee believes that the inclusion of defendants who have agreed to deferred acceptance of a guilty or nolo contendere pleas in the general probation offender is inappropriate. Your Committee notes that although such defendants, like probation offenders, are assessed as to risk and supervised through the probation administration, as a group they present a low risk of re-offending. For this reason, significantly fewer resources are required for supervision of defendants who have agreed to deferred pleas than for offenders sentenced to probation. Your Committee believes that, in fairness, the burden of probation service fees should fall on those who present a higher risk of re-offending and are, therefore, heavier users of probation resources.

Testimony in support of this measure was submitted by the Judiciary and the Department of the Prosecuting Attorney of the City and County of Honolulu. Testimony partially supporting and partially opposing this measure was submitted by the Crime Victim Compensation Commission. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

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

- (1) Deleting language that would have given payment of the probation service fee priority over payment of child support and victim restitution;
- (2) Deleting language requiring defendants entering deferred guilty or nolo contendere pleas to pay the probation service fee;
- (3) Increasing the fee amount from \$100 to \$150 for probation of over a year, and from \$50 to \$75 for probation of a year or less;
- (4) Deleting a provision that would have added the probation service fee into the list of discretionary conditions of probation under section 706-624; and
- (5) Deleting the appropriation for fiscal year 2001-2002, which is beyond the current biennium budget period.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2648 H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2648, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 2859

Judiciary on H.B. No. 2653

The purpose of this measure is to authorize the waiver of filing fees when victims of crime seek civil enforcement of court-ordered restitution.

Your Committee finds that this measure is needed to remove unintended barriers toward a crime victim's recovery of restitution. With the passage of Act 269, Session Laws of Hawaii 1998, crime victims were provided with an enhanced means of recovering restitution awarded in criminal cases by permitting them to use civil enforcement proceedings to collect the restitution. The primary objective of Act 269 was to facilitate the recovery of restitution for victims and to restore them without the burden of additional court proceedings and costs. Your Committee further finds that with the implementation of Act 269, courts were obligated under a separate statute to impose a mandatory \$225.00 filing fee upon the victims when they sought civil enforcement of court-ordered restitution. Your Committee believes that by waiving the mandatory filing fees, crime victims will be further empowered in their struggle to achieve financial recuperation from their victimization.

Testimony in support of this measure was submitted by the Judiciary and the Department of the Prosecuting Attorney of the City and County of Honolulu.

Upon further consideration, your Committee has amended this bill by amending subsection (3) of section 706-647, Hawaii Revised Statutes, instead of subsection (1), to clarify the intended exemption.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2653, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2653, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 2860

Education and Technology on H.B. No. 283

The purpose of this measure is to propose an amendment to the State Constitution to change the status of the nonvoting public high school student member on the Board of Education to that of a voting member, except that the student member will not be allowed to vote on personnel matters.

Testimony in support of the measure was received from the Hawaii State Student Council, Roosevelt High School Parent, Teacher, Student Association, and four individuals. Testimony in opposition to the measure was received from the Board of Education.

Your Committee agrees that because students are products of Hawaii's public schools and are direct consumers of decisions made by the Board, the high school student member of the Board of Education should be allowed to vote on non-personnel matters.

Your Committee notes that concerns were raised regarding the eligibility of a student member of the Board to vote on Board issues, when the student is not a Hawaii resident or a U.S. citizen, but believes that concerns would be addressed more appropriately by the Committee on Judiciary.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 283, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Tam).

SCRep. 2861 Education and Technology on H.B. No. 284

The purpose of this measure is to statutorily establish the Hawaii State Student Council (Council) consisting of student representatives from each school district.

Specifically, the measure requires that:

- (1) The Council conduct an annual conference of secondary students;
- (2) The Council determine the method of selecting the student member of the Board of Education;
- (3) The Council appoint a conference committee to plan and coordinate the annual student conference; and
- (4) The Department of Education (DOE) assign a staff member to assist the Council as a staff advisor to the conference committee.

Testimony in support of the measure was received from the Department of Education, Hawaii State Student Council, and three individuals. Oral testimony was provided by one individual.

Your Committee finds that because the Hawaii State Student Council is not part of the Hawaii Revised Statutes (HRS), it is prone to be cut from the DOE's budget at any time. The statutorily recognition as provided by this measure would decrease the possibility of its dissolution or elimination from the educational budget.

Your Committee amended the measure by:

- (1) Deleting the section regarding the annual student conference and incorporating its contents into the section regarding the Hawaii state student council in order to streamline the measure and to provide flexibility for the conference; and
- (2) Removing the "part-time or full-time" language, to simply require the DOE to assign a staff member to assist the Council.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 284, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 284, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Bunda).

SCRep. 2862 Education and Technology on H.B. No. 1914

The purpose of this measure is to appropriate funds to develop a reading program at Highlands Intermediate School based on the design of America's Choice, a comprehensive school reform program.

Testimony in support of the measure was received from the Department of Education and Highlands Intermediate School.

Your Committee finds that 60% of incoming 7th graders to Highlands Intermediate School were not reading at grade level and need to become better readers before entering high school. This program would aim to strengthen reading abilities of students who are not reading at grade level.

Your Committee agrees that developing a reading course for all students will bring their reading levels up to the levels needed to successfully further their public school education.

Your Committee amended the measure by:

- (1) Changing the appropriation amount to \$2; and
- (2) Requiring Highlands Intermediate to develop, and transmit to the Department of Education, a report delineating the processes, methods, and structures used, including lessons learned, in developing the reading program.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1914, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1914, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Bunda).

SCRep. 2863 Education and Technology on H.B. No. 2098

The purpose of this measure is to require private schools, in cooperation with the Hawaii Criminal Justice Data Center, to conduct criminal history verifications of employment applicants to positions involving close proximity with children.

Testimony in support of the measure was received from the Attorney General, Sex Abuse Treatment Center-Kapi'olani Medical Center for Women and Children, Hawaii Association of Independent Schools, and one individual.

Your Committee finds that in 1999, the Legislature, through Act 73, made national and state criminal history checks conducted by the Department of Education on potential employees mandatory rather than discretionary. At that time, however, due to new federal guidelines, the Federal Bureau of Investigations files could only be accessed through a government agency, thereby precluding access by private schools. Accordingly, Act 73, continued the discretionary status for criminal history check by private schools. In the meantime, the Attorney General has been working with the Hawaii Association of Independent Schools (HAIS) to develop a procedure that would allow private schools to obtain information from national background checks through the Hawaii Criminal Justice Data Center (HCJDC). This procedure, which is incorporated in this measure, enables the private schools to comply with the same mandatory requirement for criminal history checks that is imposed on the public schools.

Your Committee further finds that the HAIS estimates that private schools would be conducting about 200 to 300 background checks annually. Based on this estimate, the impact on the resources of the HCJDC would be minimal. Any appreciable increase in requests from the HAIS, however, would require re-evaluation by the Attorney General to ensure that the HCJDC is able to provide information to all its clients in a timely manner.

Finally, your Committee notes that concerns were raised regarding the potential conflict that may arise in the event that this measure is enacted and the federal government still denies access to such information by private schools who are mandated to conduct the checks. If such a conflict occurs, your Committee prevails upon the Attorney General to again work with the HAIS to find a solution.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2098, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Bunda).

SCRep. 2864 Water, Land, and Hawaiian Affairs on H.B. No. 755

The purpose of this measure is to give more flexibility to homestead lessees by:

- (1) Allowing lenders to accept the leased property as security for loans by setting aside the succession provision of the lease for the duration of the loan; and
- (2) Making the leases more freely available to members of the lessee's family other than the ones enumerated in the succession provision in section 171-99(e), Hawaii Revised Statutes.

The Department of Land and Natural Resources and an individual testified in support of the measure. The Office of Hawaiian Affairs testified in support of the intent of the measure.

Your Committee finds that lessees are required to reside on the land, pay taxes as if the land was held in fee simple, and meet the lease conditions regarding clearing and cultivation. Because the leasehold cannot be used as collateral, lessees have had difficulty financing home construction and repairs.

Your Committee has amended the measure by:

- (1) Allowing lessees to purchase the fee interest to homestead lease for \$1;
- (2) Eliminating cash freehold agreements with respect to homestead leases; and
- (3) Reinstating the succession provision in section 171-99(e), Hawaii Revised Statutes, which has been redesignated as subsection (c) in this measure, to ensure that the leased lands stay in the possession of the successors of the original lessees.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 755, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 755, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Kanno).

SCRep. 2865 Water, Land, and Hawaiian Affairs on H.B. No. 1902

The purpose of this measure is to allow the Commission on Water Resource Development, as a condition for the issuance of permits pursuant to the State Water Code, to require the use of dual line water supply systems in new industrial and commercial developments located in designated water management areas.

Testimony in support of the measure was received from the Commission on Water Resource Management and the Department of Health. The Land Use Research Foundation testified in opposition to the measure.

Your Committee finds that under a dual line water supply system, potable and nonpotable water are distributed through parallel but separate distribution lines. Such a system would reduce the use of potable water for nonpotable uses in areas where potable water resources are scarce. Your Committee also finds that the County of Maui already has implemented a dual line water system program that is similar to the one envisioned in this measure.

Your Committee has amended the measure by charging the county boards of water supply, instead of the Department of Health, with the primary responsibility of adopting nonpotable water distribution standards for dual line water supply systems. The measure, as amended, also requires the county boards of water supply to work in consultation with the Department of Health when developing their standards.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1902, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1902, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Tanaka).

SCRep. 2866 Water, Land, and Hawaiian Affairs on H.B. No. 2573

The purpose of this measure is to consolidate certain special funds under the jurisdiction of the Department of Land and Natural Resources to realize cost savings.

The measure accomplishes this by abolishing the Department of Land and Natural Resources' Industrial Park Special Fund and directing the moneys collected thereunder, as well as fees and fines collected under Chapter 183C (Conservation Districts), Hawaii Revised Statutes, into the Department of Land and Natural Resources' Special Land and Development Fund.

Additionally, this measure appropriates funds out of the special land and development fund to carry out the purposes of the fund.

Testimony in support of the measure was received from the Department of Land and Natural Resources. The Office of Hawaiian Affairs testified in opposition to the measure.

Your Committee believes that the special fund consolidation recommended by the measure will not adversely impact any programs currently funded by either special fund and will result in the more efficient fiscal management of the programs and funding mechanisms under the Department of Land and Natural Resources' jurisdiction.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2573, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2573, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Anderson).

SCRep. 2867 Water, Land, and Hawaiian Affairs on H.B. No. 2576

The purpose of this measure is to establish a Water Resource Management Fund for the Commission on Water Resource Management (Commission) to use for water-related activities.

The Department of Land and Natural Resources, the Board of Water Supply of the City and County of Honolulu, and the Nature Conservancy of Hawaii testified in support of the measure. The Office of Hawaiian Affairs submitted comments on the measure.

Your Committee finds that since 1994, the Commission on Water Resource Management's budget has been reduced by eighteen percent. While the Special Land and Development Fund accounts for roughly six percent of the Commission's funding, the remaining portion of its budget is derived from state general funds. As such, during these fiscally trying times, the Commission's budget has constantly been a target for further cutbacks.

Your Committee believes that a consistent source of funding through the establishment of a Water Resource Management Fund would allow the Commission to fully carry out its responsibilities and to implement monitoring, management, enforcement, and resource protection programs/activities that are necessary to sustain the State's limited water resources.

Your Committee has amended the measure by making a technical, nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2576, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2576, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Anderson).

SCRep. 2868 Water, Land, and Hawaiian Affairs on H.B. No. 2762

The purpose of this measure is to clarify the current law to make records of the Department of Land and Natural Resources confidential if deemed sensitive by an island burial council or the Hawaii Historic Places Review Board.

Testimony in support of the measure from the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Your Committee finds that the confidentiality of description and location information, especially for burial and other cultural sites, is a highly sensitive issue within the Hawaiian community. The final resting place of the ancestors of Native Hawaiians has always been sacred and consequently, hidden to protect its sanctity. Descriptions and sketches of specific burial locations that are available to the public through the Department of Land and Natural Resources, though not intended to do so, have provided information that enabled desecration and looting.

Your Committee believes that the protection of historic sites from desecration provides a legitimate basis to prohibit public disclosure of specific locations and descriptions of burial sites.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2762 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 2869 Judiciary on H.B. No. 2418

The purpose of this bill is to change the expiration date on the state identification card to coincide with a cardholder's birthday, and to provide an option for cardholders over sixty-five to renew by mail.

Your Committee finds that having state identification cards expire all at once creates severe administrative problems. The cardholders, whose cards all expired at the end of 1999, came in en masse to renew the cards during the last two weeks of December, resulting in enormous lines and delays. Your Committee believes that use of a cardholder's birthday as the expiration date will ensure that future card renewals will be more evenly spread out through the year. Your Committee further finds that the requirement that all cardholders come in person to renew their cards presents particular problems for some elderly cardholders. Your Committee believes that allowing cardholders over sixty-five years old to renew their cards by mail will make the process easier for the cardholders and the State, without seriously impairing the accuracy of the information and photograph on the card.

Your Committee heard testimony that disabled persons, too, find it difficult to stand in line to renew their cards. However, your Committee also heard testimony that the Attorney General makes every effort to accommodate disabled persons and serve them first.

Your Committee also notes that non-elderly disabled persons may change more in appearance over a six year period than would elderly persons.

Your Committee heard testimony that the Attorney General intends to send out letters to cardholders asking them to renew their cards on their birthdays, rather than on the printed expiration date of the card. Your Committee encourages the Attorney General to do this, as having cardholders renew over the course of the year preceding the printed expiration date will help avert another card expiration crisis. However, your Committee believes that having an actual expiration date that is different from the expiration date on the card will create confusion, whether the actual expiration date is before or after the date printed on the card.

Testimony in support of this measure was submitted by the Attorney General, the Executive Office on Aging, the Disability and Communication Access Board, and Government Efficiency Teams, Inc.

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

- (1) Adding a provision that the fee shall be reduced for senior citizens;
- (2) Adding language describing the fee reduction to the purpose section of the bill;
- (3) Deleting a provision that would have made the statutory expiration date for current cards occur before the expiration date printed on the cards; and
- (4) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2418, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2418, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 2870 Judiciary on Gov. Msg. No. 208

Recommending that the Senate advise and consent to the nomination of the following:

MICHAEL D. WILSON, gubernatorial nominee to the Circuit Court of the First Circuit, for a term of Ten Years,

Upon review of the background information submitted by the nominee, your Committee finds that Michael D. Wilson holds a B.S. degree from the University of Wisconsin and a J.D. degree from Antioch School of Law. Mr. Wilson has served as the Director of the Department of Land and Natural Resources, and is currently the Executive Director for the Division of Consumer Advocacy. Mr. Wilson's professional and community activities include: the Western Association of Fish and Wildlife Agencies; the American Inns of Court Barristers; Save Our Bays and Beaches; the Ad Hoc Committee to Save the North Shore; Mount Olomana Association; the Parents Ad Hoc Committee to Stop Violence; the Sandy Beach Initiative Coalition; Hawaii's Thousand Friends; and Education Is Not Forgotten.

Testimony in support of the nominee was submitted to your Committee by: the Office of the Federal Public Defender; sixteen staff members of the State Department of Commerce and Consumer Affairs; the State Department of Hawaiian Home Lands; the State Department of Human Resources Development; the State Department of Human Services, the State Department of Land and Natural Resources; the Public Utilities Commission; a Deputy Corporation Counsel for the City and County of Honolulu; the Hawaii State Bar Association; Retired Justice Frank Padgett; one faculty member from the University of Hawaii's William S. Richardson School of Law; thirty-three members of the legal community; and four private citizens. All testimony unanimously supported the nomination of Mr. Wilson by indicating he is intelligent, honest, fair, and possesses an excellent judicial demeanor. Further, testifiers acknowledged that Mr. Wilson has the requisite character, integrity, and human understanding that makes him highly qualified to be a judge in the First Circuit Court.

Your Committee members diligently questioned the nominee regarding the unique qualities he will bring to the circuit court, his thoughts on creating special classes of crimes for offenses perpetrated on vulnerable populations, domestic violence, dangerous drugs, and felony murder statutes. In addition, your Committee questioned Mr. Wilson regarding his recommendations on how to improve victim's rights, the State's tort laws regarding immunity from liability for counties that administer beach parks, and how he will utilize judicial restraint to balance his passion for policy making. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 2871**Labor and Environment on H.B. No. 1893**

The purpose of this measure is to highlight the importance of reducing greenhouse gas emissions in the State by amending the State's energy facility system planning objectives and State policies to reflect this goal.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, the Hawaii Renewable Energy Alliance, and the Sierra Club. Comments on this measure were received from the Environmental Center of the University of Hawaii at Manoa and Hawaiian Electric Company.

Your Committee has amended this measure by:

- (1) Replacing "minimization" of greenhouse gas emissions with the "reduction, avoidance, or sequestration" of those gases; and
- (2) Adding "avoid or sequester" in the new provisions added regarding support actions that reduce green house gases.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1893, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1893, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Kanno).

SCRep. 2872**(Joint) Labor and Environment and Commerce and Consumer Protection on H.B. No. 2289**

The purpose of this measure is to include services rendered by a physical therapist assistant in the definition of "medical care", "medical services", or "medical supplies" so as to be compensable under workers' compensation.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs, Rehabilitation Hospital of the Pacific, Healthcare Association of Hawaii, Hawaii Chapter American Physical Therapy Association, Kapiolani Community College Health Science Department, and the Hawaii State Chiropractic Association. Testimony in opposition to this measure was received from Hawaii Employers' Mutual Insurance Company, Inc., Hawaii Insurers Council, and American Massage Therapy Association. Comments were provided by ILWU Local 142.

Currently, services rendered by a physical therapist assistant are not reimbursable under workers' compensation. Your Committees are in agreement that this measure will provide patients with better access to treatment and rehabilitative care.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2289 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Bunda, Chumbley, Fukunaga, Ihara).

SCRep. 2873**Labor and Environment on H.B. No. 2530**

The purpose of this measure is to require public notice for air pollution control matters to be published once, instead of twice a week, in the county affected by the proposed action.

Testimony in support of this measure was received from the Department of Health (DOH), Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, and the Environmental Center.

According to DOH, the current publication requirement of twice weekly appears to have been an inadvertent error in the revision of section 342B-13, Hawaii Revised Statutes, proposed by the administration bill (SB1285 of 1997) which became Act 2, Session Laws of Hawaii 1998. To promote cost-savings and competition with public notices, Act 2 deleted references to "newspaper" to allow placement of notices in weekly publications. The reference to "twice weekly" implies that the notice must be published twice in a week and this appears inconsistent with past practice and the intent of Act 2.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2530, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Kanno).

SCRep. 2874**Labor and Environment on H.B. No. 2556**

The purpose of this measure is to delete the requirement that the period between safety inspections for regulated equipment be not less than five months, thereby requiring inspections every seven months.

Testimony in opposition to this measure was received from the Department of Labor and Industrial Relations (DLIR), the Department of Accounting and General Services, Legislative Information Services of Hawaii, Hawaii Chapter CCIM, Institute of Real Estate Management in conjunction with the Commercial Real Estate Coalition, Hawaii Council of Associations of Apartment Owners, Scheibert Energy Company, Building Owners and Managers Association, and an individual.

Currently, the period between inspections of regulated equipment is mandated by statute. DLIR testified however that this compromises public safety. Scarce resources are diverted conducting inspections which may not be necessary. Your Committee agrees that while the inspection of regulated equipment such as boilers, pressure systems, escalators and elevators is essential to public safety, DLIR is better suited to set equipment inspection frequencies. DLIR will be able to allocate its limited resources for inspections based on equipment need as opposed to legislative mandate.

Accordingly, your Committee has amended this measure by deleting the entire provision mandating inspection frequencies for regulated equipment, thereby giving DLIR discretionary authority to determine the period between inspections.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2556, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2556, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Kanno).

SCRep. 2875 (Joint) Labor and Environment and Health and Human Services on H.B. No. 3022

The purpose of this measure is to make an appropriation for training and certification of income qualified individuals to be trained to receive a child development associate credential to facilitate quality care in a family child care setting.

Your Committees received testimony in support of this measure from the Department of Human Services, Office of Community Services, and People Attentive to Children.

This program is part of the federal Head Start program which will provide 80 percent of the funding. Private pre-schools receiving Head Start moneys are required to have qualified teachers. Your Committees find that there should similarly be qualified child care providers in homes. The appropriation will pay for tuition for welfare mothers to become child care providers. Training is provided by the community college system of the University of Hawaii.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3022, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Chumbley, M. Ige, Iwase, Kanno, Anderson).

SCRep. 2876 Commerce and Consumer Protection on H.B. No. 1882

The purpose of this measure is to authorize a reexamination of the Public Utilities Commission (PUC).

Testimony on the measure was submitted by the PUC, Consumer Advocate, Maui County Council, Life of the Land, Na Leo Pohai, Hawaii Renewable Energy Alliance, and an individual.

Previous management audits of the PUC revealed organizational, procedural, and staffing deficiencies that resulted in the enactment of legislation to address these problems. More than ten years have passed since the last management audit of the agency, and during that time the area of utility regulation has grown and become more technologically complex. Therefore, an updated audit of the PUC is warranted in order to assess the adequacy of the current regulatory process in addressing emerging and complex utility issues.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1882, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2877 Commerce and Consumer Protection on H.B. No. 1970

The purpose of this measure is to clarify that the sale of a prepaid telephone calling card is subject to taxation under the general excise tax law as tangible personal property, and not under the public service company tax law.

The Department of Taxation, Tax Foundation of Hawaii, AT&T, and GTE submitted testimony on the measure.

Currently, telephone carriers charge consumers public service company taxes and general excise taxes when a prepaid calling card is used for local, intrastate, interstate, and international calling service. Since carriers generally do not know the retail price of the card being used by the caller, its tax calculations are imprecise. Further, since the public service company tax is applied only when the card is used, the State receives such revenues only to the extent the card is used, and no public service company tax revenues are realized on unused cards or unused portions of a card.

Additionally, some retailers in the State charge consumers general excise tax on the sale of prepaid calling cards. Therefore, some consumers using prepaid calling cards are taxed twice, when the card is purchased and when the card is used.

This measure, by clarifying that prepaid telephone calling services are taxable at the point of sale, allows for simplified and more precise tax calculations and eliminates the imposition of multiple taxes on consumers purchasing and using a calling card in the State. Further, the State's receipt of tax revenues would not be dependent upon calling card usage. Finally, by adopting this measure, Hawaii would be in conformity with thirty states and the District of Columbia which tax prepaid telephone calling services service at the point of sale.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1970, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2878 Commerce and Consumer Protection on H.B. No. 1982

The purpose of this measure is to update State law regarding the disclaimer of property interests by enacting the Uniform Disclaimer of Property Interests Act (UDPIA).

The State Commission to Promote Uniform Legislation submitted testimony on the measure.

Disclaimers are used to reallocate interests in estates, trusts, and other types of property interests allocated at death, and are often used to obtain more favorable tax treatment. This measure adopts the Uniform Disclaimer of Property Interests Act (1999) which replaces three separate disclaimer acts promulgated in 1978, including an earlier version of the UDPIA. The UDPIA authorizes the making of disclaimers, specifies the type of interests that may be disclaimed, and establishes when disclaimers are effective and the effects of a disclaimer on the distribution of the disclaimed property interest. Additionally, the Act clarifies that trustees and other fiduciaries may use disclaimers, powers of appointment may be disclaimed, and unfair distributions of interests are avoided when disclaimers are used.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1982 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2879 Commerce and Consumer Protection on H.B. No. 2148

The purpose of this measure is to establish consistency between the penalty provisions relating to motor vehicles and the penalty provisions relating to motorcycles and motor scooters.

The Insurance Commissioner and Consumer Lawyers of Hawaii submitted testimony on the measure.

The motor vehicle insurance code permits a driver operating a motor vehicle without insurance to raise a good faith defense based on lack of knowledge or proof of insurance. The motorcycle and motor scooter insurance code contains no such defense. This measure would make the laws consistent by establishing a good faith defense for the operators of motorcycles and motor scooters.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2148 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 2880 Commerce and Consumer Protection on H.B. No. 2218

The purpose of this measure is to facilitate the promotion of Hawaii as a captive insurance domicile.

Testimony in support of the measure was submitted by the Insurance Commissioner and Hawaii Captive Insurance Council Corporation.

Since the enactment of Hawaii's captive insurance law in 1986, the State and the private sector have worked together to develop a regulatory framework and supporting infrastructure for the establishment of a captive insurance industry.

Captive insurance companies are risk-financing facilities that insure the risks of a parent or affiliated company, or other specialized risks. They are valued for their flexibility and ability to insure risks at cost-effective rates as well as for their ability to insure risks not normally covered by traditional insurance companies. Hawaii is a leading captive insurance domicile in the Asian-Pacific region and is poised to become a major domicile in the global captive insurance industry.

Your Committee finds that the State may take advantage of these opportunities by promoting its status as a captive insurance domicile and the flexibility and effectiveness of its regulatory scheme. This measure enables the State to undertake promotional activities by requiring that ten per cent of the moneys from the captive insurance administration fund be transferred to the insurance regulation fund and used for the purpose of promoting Hawaii as a captive insurance domicile. The development of Hawaii's captive insurance industry will further diversify the State's economic base and enhance its financial services industries.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2218, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 2881 Commerce and Consumer Protection on H.B. No. 2468

The purpose of this measure is to clarify the responsibilities of the Consumer Advocate and the Public Utilities Commission (PUC) regarding the receipt of and assistance with consumer complaints and inquiries relating to public utilities.

Testimony on the measure was received from the Consumer Advocate, PUC, and Hawaiian Electric Company, Inc.

This measure requires the PUC to operate as a central clearinghouse for the receipt of consumer complaints and inquiries regarding public utilities and requires the Consumer Advocate to assist consumers in the handling of complaints before the PUC. This measure will allow for the more efficient handling of consumer complaints by clarifying the roles of the respective agencies.

Upon further consideration, your Committee has amended this measure to clarify that the Consumer Advocate's role is to counsel, rather than assist utility customers with their complaints. This clarification more accurately reflects the Consumer Advocate's current responsibilities with respect to consumer complaints involving complaint filing procedures and guidance regarding the validity of a claim.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2468, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2468, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2882 Commerce and Consumer Protection on H.B. No. 2472

The purpose of this measure is to clarify various provisions of the insurance code, establish a general notice requirement for policy cancellations and nonrenewals, and increase certain financial requirements and penalties for insurance licensees.

Testimony on the measure was received from the Insurance Commissioner (Commissioner), Hawaii Independent Insurance Agents Association, and American Council of Life Insurers.

This measure makes clarifications throughout the insurance code with respect to terminology, the requirement of an appointment from an insurer to solicit or place policies, record sharing and retention, the Commissioner's authority to contract for professional services, payment of tax refunds out of the general fund, requirements for persons adjusting losses in the State during a catastrophe, premium rates, and the laws applicable to fraternal benefit societies. Additionally, the measure establishes a ten-day and thirty-day notice requirement for policy cancellations and nonrenewals, respectively, increases minimum irrevocable trust fund requirements for alien insurers, increases penalties and fines, and requires escheated funds to be deposited into the general fund, rather than the insurance regulation fund.

This measure is substantially similar to S.B. No. 2813, S.D. 1, a measure passed out earlier by your Committee, with the differences between the two measures being primarily technical in nature. However, since the Senate measure more accurately reflects language in the Hawaii Revised Statutes (HRS), this measure has been amended to incorporate certain technical amendments

contained in S.B. No. 2813, S.D. 1, that were made for the purposes of style and accuracy. Additionally, the measure has been amended by:

- (1) Establishing specific monetary fines for persons who knowingly violate the licensing requirements of section 431:9-201, HRS; and
- (1) Making other technical amendments not contained in the Senate measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2472, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2472, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Kanno).

SCRep. 2883 Commerce and Consumer Protection on H.B. No. 2474

The purpose of this measure is to conform state law to federal law with respect to permitting felons to engage in the business of insurance.

The Insurance Commissioner (Commissioner) submitted testimony on the measure.

Federal law requires a person convicted of a felony to request the consent of the Commissioner to conduct the business of insurance. State law has no similar requirement. This measure would conform state law to federal law by requiring a person convicted of a felony to request the Commissioner's written consent prior to engaging in the business of insurance.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2474, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Kanno).

SCRep. 2884 Commerce and Consumer Protection on H.B. No. 2986

The purpose of this measure is to allow the State Comptroller (Comptroller) to establish a captive insurance company to insure the general liabilities of the State.

The Department of Accounting and General Services and the Insurance Commissioner (Commissioner) submitted testimony on the measure.

Currently, the State pays out of the State Risk Management Revolving Fund almost \$5,000,000 in premiums per year to insure its property and casualty liability risks. Additionally, approximately \$10,000,000 in a revolving fund is used to cover policy deductibles of between \$50,000 and \$3,000,000 per occurrence of loss, and each year millions of dollars in General Fund appropriations are required to replenish this revolving fund.

By establishing a captive insurance company to insure its risks, the State would realize a savings in its insurance costs and retain control over insurance reserves. The establishment of a state-owned captive insurance company would also provide a mechanism for insuring other risks of the State in the future, including those related to the operations of the State's airports and medical facilities, and allow for the centralized management of the State's self-insured risks, including in the area of workers' compensation.

Your Committee finds that a study of the feasibility and cost effectiveness of establishing a state-owned captive insurance facility is advisable since the costs of a state-owned facility related to maintaining insurance reserves should be less than current costs, and the State could choose to exempt a state facility from the payment of insurance premium taxes, thereby further lowering the facility's operating expenses. Therefore, your Committee has amended this measure to appropriate \$100,000 for a feasibility study to be conducted by the Commissioner and to make this measure effective on July 1, 2000.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2986, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2986, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 2885 (Majority) Transportation and Intergovernmental Affairs on H.B. No. 1691

The purpose of this measure is to exempt certain foreign diplomatic and consular mission members from the general excise, transient accommodations, and use taxes.

Testimony in support of the measure was received from the U.S. Department of State, and the Career Consular Corps in Hawaii. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee finds that this measure will bring Hawaii into conformity with the rest of the United States, as Hawaii currently is the only State that does not grant these exemptions.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1691, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Bunda, Iwase, Taniguchi).

SCRep. 2886 Transportation and Intergovernmental Affairs on H.B. No. 1757

The purpose of this measure is to remove the trailer exemptions from the prohibitions relating to possession or consumption of intoxicating liquor in motor vehicles.

Testimony in support of the measure was received from the Department of Transportation, and the Honolulu Police Department.

Your Committee finds that removing the trailer exemptions will bring Hawaii back into compliance with the federal requirements for open container laws and will assure the receipt of federal highway construction funds.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1757, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Iwase).

SCRep. 2887 Transportation and Intergovernmental Affairs on H.B. No. 1761

The purpose of this measure is to close a loophole in the law requiring that motor carriers subject to regulation by the Public Utilities Commission (PUC) hold a valid certificate or permit issued by the PUC under Chapter 271, Hawaii Revised Statutes, before advertising as a motor carrier, by expanding the prohibition against commercial broadcasting by any and all communications media.

Testimony in support of this measure was received from the PUC and the Hawaii Transportation Association.

Your Committee finds that this measure will update the law so that it reflects current use of the Internet as an advertising medium, and encompasses the use of any new types of broadcasting media.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1761 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Iwase).

SCRep. 2888 Transportation and Intergovernmental Affairs on H.B. No. 2243

The purpose of the measure is to appropriate funds for the care and maintenance of veterans cemeteries in Hawaii.

Testimony was received in support of the measure from the Office of Veteran Services, a Hawaii County Council Member, the Department of Parks and Recreation of the County of Hawaii, the Hawaii Island Veterans Memorial Inc., and the Big Island Retired Military Association, Hilo.

Testimony received by your Committee indicated that the counties have had the primary responsibility for establishing and maintaining veterans cemeteries within their respective counties, while the State has provided a small maintenance subsidy. As a result, the cemeteries are suffering from inadequate care and are not receiving maintenance at the level they deserve.

Your Committee has amended the measure by inserting appropriation amounts of \$62,000 for the County of Hawaii, \$25,000 for the County of Kauai, and \$62,000 for the County of Maui.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2243, H.D. 2, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as H.B. No. 2243, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Iwase, Taniguchi).

SCRep. 2889 Transportation and Intergovernmental Affairs on H.B. No. 2354

The purpose of the measure is to appropriate funds for the Fiftieth Anniversary Commemoration of the Korean War Commission.

Testimony in support of this measure was received from the Adjutant General; the 50th Anniversary Commemoration of the Korean War Commission; the Office of Veteran Services; a retired Brigadier General of the Republic of Korea Marine Corps; the Korean War Veterans Association, Hawaii Chapter #1; American Prisoners of War, Hawaii Chapter; Members of the 5th Regimental Combat Team, Korean War Veterans, Hawaii; Disabled American Veterans, Maui Chapter #2; The Chamber of Commerce of Hawaii; and the Society of Military Widows.

Your Committee has amended the measure by changing the appropriation amount from \$1 to \$70,000.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2354, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2354, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Iwase, Taniguchi).

SCRep. 2890 Transportation and Intergovernmental Affairs on H.B. No. 2457

The purpose of the measure is to repeal the Veterans Loan Program.

Testimony in support of the measure was received from the Department of Budget and Finance and Office of Veteran Services.

Your Committee finds that this measure repeals a program that previously involved the issuance of general obligation bonds to purchase, service, and sell veterans' mortgages to encourage the construction of veterans' housing. The program is no longer necessary as the bonds issued are fully matured and the last monthly veterans' loan payment was collected in 1995.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2457 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Iwase, Taniguchi).

SCRep. 2891 Transportation and Intergovernmental Affairs on H.B. No. 2563

The purpose of the measure is to allow the State Fire Council to appoint advisory committees comprised of representatives from each county fire department to assist in coordinating statewide training, data collection, and contingency planning needs for the firefighters.

Oral testimony in support of the measure was received from the State Fire Council.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2563 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Iwase, Taniguchi).

SCRep. 2892 (Majority) Transportation and Intergovernmental Affairs on H.B. No. 2643

The purpose of the measure is to increase the maximum amount of the additional fee assessed for motor vehicle registration to be used for the disposal of abandoned or derelict vehicles.

Testimony in support of the measure was received from the Mayor of Maui County, Mayor of Kauai County, members of the Kauai and Maui Councils, and Hawaii State Association of Counties. Testimony in opposition to the measure was received from Na Leo Pohai, and Catrala-Hawaii.

Your Committee has amended the measure to increase the fee from \$2 to \$5 for all vehicles except U-drive vehicles and to limit the use of the fee only to defray the cost of disposition and other activities of abandoned or derelict vehicles.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2643, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2643, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 2 (Inouye, Slom). Excused, 2 (Bunda, Iwase).

SCRep. 2893 Transportation and Intergovernmental Affairs on H.B. No. 2761

The purpose of the measure is to clarify requirements for special number plates.

Specifically, the measure removes the requirement that an organization applying for a special number plate have at least one hundred members; allows any vehicle owner, not only members, to apply for an approved organization's special number plate; and increases the maximum width of decals from two and one-half inches to three inches.

Your Committee received testimony in support of the measure from the University of Hawaii and Hawaii State Commission on the Status of Women.

Your Committee finds that this measure will simplify the procedures for special number plates and make them more available to the public and various organizations.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2761, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Iwase).

SCRep. 2894 Commerce and Consumer Protection on H.B. No. 1906

The purpose of this measure is to streamline and expedite the review of applications for psychologist licensure.

The Board of Psychology submitted testimony on the measure.

Currently, the Board of Psychology (Board) must evaluate each application for licensure to determine whether the applicant's educational training meets the criteria for a professional psychology training program as defined in chapter 465, Hawaii Revised Statutes, and whether the applicant has satisfied the requirement for supervised experience in health service in psychology. This review can be burdensome on the Board and prolong the application process.

This measure would streamline and expedite the Board's review of applications by establishing that the educational and experiential requirements are satisfied by evidence of a degree from a clinical psychology program approved by the American Psychological Association (APA) and evidence of an APA-approved internship, respectively.

Your Committee finds that since the APA standards for clinical psychology programs are comprehensive and reflect the highest level of psychology training, authorizing the Board to accept educational and experiential equivalencies will not result in a lowering of licensing standards nor put consumers at risk for harm. Further, since there are numerous APA-approved doctoral and internship programs operating throughout the nation, including in the State, a substantial number of applicants should be able to qualify for licensure based on completion of an APA doctoral or internship program, thereby broadening the pool of professionals in the State who are qualified to provide psychological services.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1906, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Ihara).

SCRep. 2895 Commerce and Consumer Protection on H.B. No. 2129

The purpose of this measure is to require secondhand dealers and pawn brokers to legibly record transaction information and to require government issued identification, in the absence of a Hawaii driver's license, to satisfy the identification requirement under section 486M-2, Hawaii Revised Statutes.

Testimony in support of this measure was received from the Honolulu Police Department, and the Hawaii Pawnbrokers' Association.

Your Committee finds that imposing legibility requirements and requiring government issued identification to satisfy the identification requirement for transactions with pawnbrokers or secondary dealers will address the problem of inconsistent record-keeping by pawnbrokers and secondary dealers, which in the event of theft, impedes law enforcement investigations.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2129, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 2896 Commerce and Consumer Protection on H.B. No. 2446

The purpose of this measure is to simplify and facilitate the administration and processing of pension benefits.

Specifically, the measure:

- (1) Amends the service-connected accidental death benefit filing procedure by placing a two-year time limit for claimants to file for such benefits; and
- (2) Allows the Employees' Retirement System to exclude interest on deficiency payments made by contributory plan members.

The Employees' Retirement System supported the measure and stated that if enacted, the measure would not result in a significant increase in employer contributions.

Your Committee finds that placing a two-year time limit to file for service-related accidental death benefits is consistent with the time limit imposed on service-connected disability retirement benefit filings.

Your Committee also finds that with regard to deficiency payments, a deficiency occurs when a contributory member's retirement contribution fails to equal the full amount required by law. Under existing law, interest is calculated and assessed against the deficient amount that the member must pay in order to obtain full retirement benefit credit. Since the existence of the deficiency is usually not the member's fault, your Committee believes that it is unfair to require the member to pay the interest.

Your Committee has amended the measure by adding a section to the measure that authorizes the Employees' Retirement System to establish a benefit restoration plan in order to protect the benefits of current and future retirees and by making technical, nonsubstantive amendments to conform the measure to recommended drafting procedures.

The amendment made by your Committee to enable the Employees' Retirement System to establish a benefit restoration plan was done at the behest of the Employees' Retirement System to address the dilemma created by Section 415 of the Internal Revenue Code of 1986, as amended (IRC), which imposes limits on the annual amount of retirement benefits that retirees may receive from retirement plans.

As a result of the Technical and Miscellaneous Act of 1988 (TAMRA), the Employees' Retirement System elected to allow employees who became members before January, 1990, to retire without the pension benefit limitations established under Section 415, IRC. However, the pension benefits of employees who are members after December 1989, cannot exceed the maximum permitted by this law.

To address this situation, the Small Business Job Protection Act of 1996 (SBJPA), enabled governmental entities to establish a separate benefit plan in order to pay retirees amounts which exceed the pension benefit limits of the law.

Your Committee believes that by establishing a separate plan as permitted by the Section 415(m), IRC, which will be funded on a "plan year-to-plan year" basis, current and future retirees will be able to receive unreduced pension benefits, without pension benefit cutbacks or repayments.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2446, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2446, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Matsuura).

SCRep. 2897 Commerce and Consumer Protection on H.B. No. 2463

The purpose of this measure to enhance consumer protection by clarifying the requirements for recognition as an advanced practice registered nurse (APRN).

The Board of Nursing (Board) and Hawaii Nurses' Association submitted testimony on the measure.

This measure requires an applicant for APRN recognition in Hawaii based on recognition in another state to provide verification that the other state's recognition is unencumbered. This measure also clarifies that nurses not recognized as APRNs by the Board, but certified by a national certifying body, may use the titles issued pursuant to their certification.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2463, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2898 Commerce and Consumer Protection on H.B. No. 2464

The purpose of this measure is to clarify the duties of the Board of Nursing.

The Board of Nursing (Board) and Hawaii Nurses' Association submitted testimony on the measure.

By codifying certain functions currently performed by the Board, this measure makes the laws governing the Board consistent with the Board's practices. Additionally, this measure authorizes the Board to adopt rules relating to the practice of nursing in telehealth, consistent with the national trend.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2464, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2899 Commerce and Consumer Protection on H.B. No. 2469

The purpose of this measure is to allow a designee of the the Director of Commerce and Consumer Affairs to issue subpoenas pursuant to an investigation.

The Department of Commerce and Consumer Affairs submitted testimony on the measure.

Currently, the law authorizes the Director of Commerce and Consumer Affairs to issue subpoenas for the examination of witnesses and the production of documents in investigations conducted by the department, but makes no provision for the delegation of this authority. This measure would authorize the Director to delegate the Director's subpoena-related powers to a designee, thereby enabling the investigatory process to proceed more expeditiously and efficiently.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2469, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Ihara).

SCRep. 2900 Commerce and Consumer Protection on H.B. No. 2486

The purpose of this measure is to update and streamline the examination requirements for chiropractic license applicants.

The Board of Chiropractic Examiners submitted testimony on the measure.

Currently, the board requires applicants for chiropractic licensure to take four of the six examinations constructed by the National Board of Chiropractic Examiners (NBCE) and the state-constructed Chiropractic Licensure Examination (CLE). This measure replaces the CLE with the two sections of the NBCE exam not currently utilized by the Board, thereby making the State's requirements for licensure consistent with the requirements recommended by the NBCE. Additionally, this measure repeals outdated educational requirements and makes other clarifying amendments to the licensure provisions.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2486, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2901**Commerce and Consumer Protection on H.B. No. 2488**

The purpose of this measure is to reduce the waste and costs associated with the disposal of unused prescription drugs.

Testimony on the measure was submitted by the Department of Commerce and Consumer Affairs, Department of Human Services, and Department of Health.

Currently, institutional facilities and supervised living groups either dispose of unused portions of prescription drugs that are no longer needed by its residents, or return the drugs to a pharmacy for disposal. Your Committee finds that this practice is wasteful and costly, especially in view of the increasing costs to the State for drugs provided under the Medicaid program. In the last quarter of 1999 alone, the Department of Human Services spent more than \$1,200,000 for drugs administered in long-term care facilities.

This measure would stem the waste caused by the disposal of unused drugs by allowing institutional facilities and supervised living groups to return unused, unopened drugs to the dispensing pharmacy so that the drugs may be redispensed and redistributed. Conditions for the return of unused drugs are established in the measure to protect the public health and safety.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2488, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2902**Commerce and Consumer Protection on H.B. No. 2736**

The purpose of this measure is to criminalize identity theft.

Testimony in support of this measure was received from the Honolulu Police Department and the Hawaii League of Savings Institutions.

Your Committee finds that this measure will address the growing problem of unauthorized usage of personal information in the furtherance of thefts by creating the tools needed for successful arrests and prosecutions of perpetrators of identity theft.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2736, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 2903**Commerce and Consumer Protection on H.B. No. 101**

The purpose of this measure is to allow a retired state employee who was on temporary loan to the civilian defense agency in 1942 for fingerprint classification, to buy back membership service credit from the Employees' Retirement System (ERS) at the pre-retirement rate of compensation if the retirant applies for the service credit prior to December 31, 2000.

Testimony in support of the measure was submitted by the United Public Workers and oral testimony by a concerned individual. Testimony in opposition to the measure was submitted by the ERS.

Your Committee finds that when Hawaii and the United States were drawn into World War II, a degree of uncertainty and confusion occurred in Hawaii. There were some individuals who, while employed by the Territory of Hawaii, who were temporarily hired or on loan to other agencies such as the Civilian Defense Agency to help in fingerprint classification. After returning to their regular jobs, these employees were given the opportunity to buy back these months for credited service in the employees' retirement system. Eventually, this "buy back" opportunity was repealed. However, your Committee has received testimony stating that there were some employees who were not adequately informed of this right. As a consequence, when these individuals retired, they received less service credit and hence, reduced retirement benefits. This measure was introduced to help rectify the situation for these individuals to allow them to buy back their lost months of temporary hire when it occurred during World War II.

Your Committee has amended the measure by correctly identifying the Territory of Hawaii, not the State of Hawaii, as the employer of public employees in 1942 who are affected by this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 101, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 101, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Ihara).

SCRep. 2904 (Joint) Commerce and Consumer Protection and Government Operations and Housing on H.B. No. 2222

The purpose of this measure is to facilitate a review and recodification of the laws relating to condominium property regimes.

Testimony on the measure was submitted by the Real Estate Commission (REC), Land Use Research Foundation of Hawaii, Community Associations Institute, Hawaii Council of Associations of Apartment Owners, Hawaii Association of Realtors, The Gentry Companies, and an individual.

Your Committees find that in the thirty-nine years since the first condominium law was enacted, the laws governing condominium property regimes have more than quadrupled and been amended in a piecemeal fashion. The statutes have evolved into a body of law that is disorganized, difficult to understand and apply, and unresponsive to changing conditions, thereby making it difficult for condominium associations to effectively self-govern and for consumers to protect their rights. Therefore, your Committees find that a comprehensive review of the condominium laws and the development of a recodified body of law are warranted.

This measure appropriates moneys out of the General Fund to fund the review and recodification process. Upon careful consideration, your Committees have amended this measure to:

- (1) Provide for an appropriation out of the Condominium Management Education Fund, rather than the General Fund; and
- (2) Require the REC to hold a public hearing to receive input and comments from affected parties and individuals.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2222, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2222, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 5 (Bunda, Chun, Ihara, Kanno, Sakamoto).

SCRep. 2905 Economic Development on H.B. No. 1947

The purpose of this measure is to limit the possession, sale, or trade of shark fins unless the fins were taken from a shark landed whole in the State.

Testimony in favor of this measure was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, Kaho'olawe Island Reserve Commission, National Audubon Society, Sierra Club, Hawai'i Chapter, Hawaii Fisherman's Foundation, and two individuals. The Western Pacific Regional Fishery Management Council, and Hawaii Boaters Political Action Association testified in opposition. The Environmental Center, University of Hawai'i at Manoa presented comments.

Your Committee has heard considerable testimony regarding shark finning, and acknowledges the many and varied concerns expressed. Your Committee notes that a previous concern has been addressed by exempting vessels that do not off load cargo in the State or its territorial waters and finds that this measure would address an issue of ongoing controversy in a balanced manner.

Your Committee has amended this measure to make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1947, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1947, H.D. 2, S.D. 1, and be referred to the Committee on Water, Land, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (M. Ige, Taniguchi).

SCRep. 2906 Economic Development on H.B. No. 2023

The purpose of this measure is to allow an agricultural infrastructure improvement tax credit.

Your Committee received testimony in support of this measure from the Mayor of Maui, Maui Department of Water Supply, two Maui County Council Members, Hawaii Farm Bureau, Big Island Farm Bureau, Maui County Farm Bureau, Pineapple Growers Association of Hawaii, Kula Community Association, and a private individual. Testimony in opposition was received from the Department of Taxation. Informational testimony was provided by the Ulupalakua Ranch, Inc., and Tax Foundation of Hawaii.

This measure is intended to expand agricultural opportunities in the aftermath of the drastic decline of the sugar industry. Your Committee finds that farmers need to improve or construct adequate agricultural infrastructures by which to support new agricultural endeavors. An agriculture infrastructure improvement income tax credit would serve to stimulate agriculture by enabling farmers to expand the variety of crops they could grow.

Your Committee further finds that in addition to an infrastructure improvement tax credit, farmers are desperately in need of financial relief from the current drought. A drought mitigation water storage facility tax credit is also necessary to help farmers overcome the present drought and to plan for future droughts.

Your Committee has amended this measure by:

- (1) Inserting ten per cent as the amount of the agriculture infrastructure improvement tax credit;
- (2) Adding a drought mitigation water storage facility income tax credit of ten per cent for the new construction or the repair or improvement of an existing water storage facility;
- (3) Clarifying the purpose clause to accurately reflect the amended measure; and
- (4) Renumbering sections of the measure.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2023, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2023, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2907 Economic Development on H.B. No. 2152

The purpose of this measure is to expand public hunting areas by adding to the definition of "public hunting area" under section 183D-4, Hawaii Revised Statutes: game management areas, forest reserves and surrendered lands, natural area reserves, restricted watersheds, cooperative game management areas, military training areas, unencumbered state lands, designated sanctuaries, and other lands designated by the Board.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and ILWU Local 142.

Your Committee finds that this measure is in support of the public hunting program and the hunting community. Hunters have a crucial role in containing the populations of game mammals, which is essential to maintaining the natural balance of the ecological system. Excessive numbers of game mammals damage forested watersheds and native ecosystems.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2152, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (M. Ige, Taniguchi).

SCRep. 2908 (Majority) Economic Development on H.B. No. 2404

The purpose of this measure is to allow the Department of Agriculture (DOA) to establish and assess fees for aquatic animal and plant health diagnostic services, and to establish an aquaculture development special fund.

Your Committee received testimony in support of this measure from the Board of Agriculture, Hawaii Aquaculture Association, Oceanic Institute, and Mangrove Tropicals.

This measure also allows fees for items or expert services purchased from the DOA relating to aquaculture planning, disease management, and seafood products marketing.

The fees collected by the DOA under this measure will be deposited into the aquaculture development special fund. Expenditures from the fund will be applied towards aquatic disease management programs, and research and development programs and activities for the expansion of the aquaculture industry.

Your Committee finds that aquaculture is maturing as an alternate economic industry for Hawaii. This means that greater reliance will be placed on scientific analysis of diseases or other problems that develop in the industry. Research and development will be of ever-increasing importance as Hawaii competes with other world sources of aquaculture products. Therefore, the creation of the aquaculture development special fund will be invaluable to help promote and improve the State's aquaculture industry. By allowing the DOA to assess fees for diagnostic services related to aquaculture, the fund can be increased over time, with less reliance on legislative appropriations.

Your Committee has amended this measure by making technical, nonsubstantive changes to improve accuracy and understanding of the text.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2404, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2404, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2909 (Majority) Economic Development on H.B. No. 2568

The purpose of this measure is to replace the aina hoomalu special fund with the newly created state parks special fund.

Testimony in support of this measure was received from the Department of Land and Natural Resources (DLNR). Testimony in opposition was received from the Office of Hawaiian Affairs. The Environmental Center, University of Hawai'i at Manoa, submitted comments.

Your Committee has heard that decreasing revenues to support state services has made it difficult for DLNR to administer and operate the State parks system. Your Committee finds that this measure will give DLNR increased flexibility to allocate revenues generated by the State parks system to benefit all state parks.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2568, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (M. Ige, Taniguchi).

SCRep. 2910 Economic Development on H.B. No. 2570

The purpose of this measure is to clarify the permissible amount of deduction and transfer from the boating special fund to the general fund for central service expenses.

Your Committee received testimony in support of this measure from the Board of Land and Natural Resources and HGEA-AFSCME.

This measure provides for a deduction of five per cent of all receipts and deposits in the boating special fund after subtracting any amounts pledged, charged, or encumbered for the payment of bonds and interest. Your Committee finds that this measure will enhance the balance in the boating special fund to provide services and improve facilities used by the boating public that otherwise would have to be generated through user fees. Your Committee further finds that this measure will restore provisions lost in the transfer of the fund from the Department of Transportation to the Department of Land and Natural Resources in 1991.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2570, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (M. Ige, Taniguchi).

SCRep. 2911 Economic Development on H.B. No. 2803

The purpose of this measure is to assist the biotechnology industry by streamlining the procedures and simplifying the requirements for importing microorganisms into the State.

Your Committee received testimony in support of this measure from the Board of Agriculture and the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa.

Specifically, this measure:

(1) Repeals the requirement that:

- (A) The Board of Agriculture maintain a list of prohibited microorganisms, or microorganisms that are prohibited entry into the State; and
- (B) Unlisted microorganisms are to be considered prohibited microorganisms until they are placed on the lists of nonrestricted, restricted, or prohibited microorganisms;

(2) Requires the Board of Agriculture to maintain a list of microorganisms that are select human pathogens allowed entry into the State without a permit but that require notification for possible inspection and monitoring;

- (3) Allows the import and possession of an unlisted microorganism based on the level of risk presented by the import to agriculture, horticulture, the environment, or animal or public health;
- (4) Allows the issuance of an emergency permit without advisory committee review, to authorize the import and possession of a microorganism on the list of restricted microorganisms or an unlisted microorganism for the purpose of remediating an emergency or disaster;
- (5) Defines a "microbial product" as any product manufactured with known cultures of microorganisms for the purpose of bioremediation or bioaugmentation, including products such as microbial pesticides;
- (6) Allows microbial products containing certain strains of microorganisms on the nonrestricted list of microorganisms to enter the State without a permit, but prohibits their importation without a registration;
- (7) Establishes the permit revolving fund, and appropriates \$25,000 from the revolving fund, to facilitate the processing and issuance of permits, to facilitate the amendment of lists of creatures prohibited or allowed for import, for compliance monitoring activities, and for training, personnel, educational workshops, materials, and equipment; and
- (8) Allows user fees to be assessed for the registration of microbial products containing certain strains of microorganisms.

In addition, this measure repeals the requirement that the Board of Agriculture maintain a list of prohibited plants, or plants that are prohibited entry into the State.

Your Committee has amended this measure by making technical, nonsubstantive changes to improve accuracy and understanding of the text, to reflect preferred drafting style, and to correct statutory cross references to conform to the amended measure.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2803, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2803, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2912 Economic Development on H.B. No. 2999

The purpose of this measure is to make clarifying revisions to the definitions to the Right to Farm Act, chapter 165, Hawaii Revised Statutes to strengthen the State's policy statement in support of agricultural operations. The measure also adds silviculture to the definition of farming operation.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farm Bureau, Big Island Farm Bureau, Maui County Farm Bureau, Hawaii Cattlemen's Council, Inc., Hawaii Egg Producers Cooperative, Pineapple Growers Association of Hawaii, Waialua Farmers Cooperative, GARST, Hawaii's Thousand Friends, and a private individual. Informational testimony was received from the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa, and Hawaii Agricultural Research Center.

Your Committee finds that the purpose of right to farm laws is to ensure viability of farming operations by reducing the economic risks and liabilities of farmers when agricultural activities and urban lifestyles come into conflict. With the steady growth of diversified agriculture in Hawaii, there is a shift to smaller farm operations which are vulnerable to legal actions due to their limited resources. Your Committee agrees that a strong policy statement is necessary to protect these farms.

Your Committee has amended this measure by:

- (1) Providing that no farming operation shall be considered a nuisance if it is conducted in a manner consistent with generally accepted agricultural and management practices;
- (2) Requiring a court to award court costs and reasonable attorney fees to defendants for frivolous lawsuits alleging nuisance; and
- (3) Renumbering the sections of the measure.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2999, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2999, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 2913 Economic Development on H.B. No. 3014

The purpose of this measure is to authorize issuance of special purpose revenue bonds in a total amount not to exceed \$19,000,000 to assist Rickmar Properties, Inc., with establishment of a distribution system for chilled water air conditioning.

Testimony in favor of this measure was submitted by Rickmar Properties, Inc. Life of the Land and one individual made oral comments.

Your Committee has heard that nationally, a number of major cities as well as individual facilities such as schools and hospitals, have employed similar district cooling systems to centralize efficient cooling. Your Committee finds this system would support the State goal of reducing dependency on imported oil, and is intended to use brackish water from a well system, thereby reducing the use of fresh water.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3014, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2914 (Joint) Labor and Environment and Economic Development on H.B. No. 2405

The purpose of this measure is to make numerous amendments to Hawaii's Pesticide Law.

Testimony in support of this measure was received from the Department of Agriculture, Hawaii Farm Bureau Federation, and the Hawaii Pest Control Association, Rescue Hawaii, and the Hawaii Agriculture Research Center. Comments were received from the Environmental Center.

Your Committees find that amendments are necessary to bring Hawaii law in closer conformity with federal law, facilitate the expeditious collection of fines, and expand the use of the revolving fund. Specifically, the revisions include: amending the definition of "pest"; adding the definition of "integrated pest management"; allowing the revolving fund to be used for personnel costs and developing integrated pest management strategies; exempting pesticides deregulated by the EPA; and changing penalties from civil to administrative.

Use of the revolving fund for personnel costs raised the following competing concerns:

- (1) Capping personnel costs to preserve program activities; and
- (2) Not capping personnel costs to accommodate collective bargaining negotiations.

Your Committees respectfully request the Committee on Ways and Means to examine the possible alternatives to address the personnel cost dilemma.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2405, H.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 2 (Chumbley, Kanno).

SCRep. 2915 Economic Development on H.B. No. 2438

The purpose of this measure is to clarify and expand the enterprise zone law.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism, Department of Taxation, and Hawaii Agriculture Research Center. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that this measure would offer additional incentives that will contribute to the continued growth of Hawaii's economy. Your Committee previously heard and passed S.B. No. 2779, S.D. 1, the Senate companion to this bill. Your Committee has amended this measure to incorporate those changes made to the Senate measure:

- (1) Changing "manufactured products" to "manufacturing companies" in the definition of a call center;
- (2) Authorizing a business firm to be designated a qualified business on a yearly basis; and
- (3) Making technical changes.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2438, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2438, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2916 Labor and Environment on H.B. No. 2261

The purpose of this measure is to statutorily establish a State Volunteer Services Office within the Office of the Governor.

Testimony in support of this measure was received from the State Volunteer Services, Institute for Human Services, Inc., and Ahupua'a Action Alliance. Testimony in opposition to this measure was received from the State Attorney General.

The State Volunteer Services Office has existed since the early 1980's and serves a worthwhile purpose. Your Committee is in agreement that the office should be established statutorily.

Article V, Section 6 of the State Constitution requires that all state agencies, except for temporary commissions or agencies for special purposes, be placed within a department. Accordingly, your Committee amended this measure by placing the Volunteer Services Office in the Department of Accounting and General Services instead of the Office of the Governor.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2261, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2261, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 2917 (Joint) Water, Land, and Hawaiian Affairs and Economic Development on H.B. No. 1909

The purpose of this measure is to enable the Department of Land and Natural Resources to issue new long term leases to the existing lessees located on Banyan Drive in Hilo, Hawaii.

Testimony in support of the measure was received from the Department of Land and Natural Resources, the Chamber of Commerce of Hawaii, and the Hawaii Naniloa Hotel. The Office of Hawaiian Affairs opposed the passage of the measure.

Your Committees recognize the unique and critical situation facing resort area lessees on Banyan Drive in Hilo, Hawaii. With the majority of the leases expiring in 2015, these lessees are faced with the uncertainty of continued tenancy. Under the current laws, as the end of the lease term nears, the lessees will have fewer incentives to make major investments in improvements to their infrastructure and ensure the long-term maintenance of their facilities. As a result, deterioration of the infrastructure is likely to occur.

Under the measure, Banyan Drive lessees would be exempted from the overall public policy of making public lands available to the highest qualified bidder at auctions. Your Committees believe, however, that in this specific and unique case, an exception to this public policy is justified for the Banyan Drive lessees.

According to the measure, the exception is based on the fact that the State owns virtually the entire Banyan Drive resort area, which represents, approximately eighty per cent of total overnight accommodations in east Hawaii. Banyan Drive is an integrated resort area. All of the existing structures were built as hotels although not all are in hotel use at this time. It is important that the entire Banyan area be maintained as a resort area. Because the State controls so much of the hotel space in east Hawaii, the State has a responsibility to ensure that its actions will not have a harmful impact on the larger community as a whole. Should the State allow the Banyan Drive resort area to deteriorate, including the structures not currently used directly for hotel purposes, if and when the tourism market rebounds, east Hawaii will not be in a position to respond promptly with adequate hotel space. The negative impact would magnify as ancillary industries, dependent on the tourist market, would also suffer. Furthermore, approximately five hundred direct resort jobs would be affected, as well as many other indirect jobs.

In order to protect the State's ability to use the leased lands for other purposes if the need arises, the measure reserves the State's right to do so if the current downturn in visitor activity in the Hilo area turns into a more long-term structural shift in the east Hawaii tourism market.

Your Committees find that the measure would affect fifteen total leases in the Banyan Drive resort area. Of these fifteen leases, there are ten leases covering three resort facilities (Naniloa, Hilo Bay, and Hilo Hawaiian), three leases for each of three apartment/condominium facilities (Country Club, Bayview Banyan, and Reed's Bay), one golf course lease, and one restaurant lease.

Your Committees believe that the measure will enable Banyan Drive lessees to secure long term leases, thereby enhancing their ability to secure capital improvement loans to remain viable.

Your Committees have amended the measure by:

- (1) Designating sections 1 to 5 of the measure as Part I and adding a Part II which requires the Auditor to resolve the issues and controversies surrounding the public land trust by facilitating the completion of a comprehensive inventory of lands that comprise the public land trust; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style and to reflect the addition of the additional part to the measure.

Your Committees find that the Legislature has been asking for a computerized, comprehensive public land trust inventory for a decade. Unfortunately, due to numerous reasons, no such inventory currently exists. Your Committees believe that placing the coordination of public land trust inventory activities in the hands of a neutral and well-respected entity such as the Auditor would facilitate a more expeditious resolution to the problems surrounding the public land trust.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1909, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1909, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Chun, Kanno, Anderson).

SCRep. 2918 (Joint) Water, Land, and Hawaiian Affairs and Government Operations and Housing on H.B. No. 2505

The purpose of this measure is to clarify that the Housing and Community Development Corporation of Hawaii and mortgage lenders contracted to provide mortgage financing are authorized to provide project-based Hula Mae funds for developments on Hawaiian home lands.

Testimony in support of the measure was received from the Department of Hawaiian Home Lands and the Housing and Community Development Corporation of Hawaii.

Your Committees find that the existing statutes relating to housing loans and mortgage programs are unclear as to whether mortgage funds can be set aside for projects on Hawaiian home lands. According to the Department of Hawaiian Home Lands, the U.S. Department of Housing and Urban Development's Office of Litigation and Fair Housing, has opined that the restrictions contained in the Hawaiian Homes Commission Act of 1920, as amended, do not conflict with the Fair Housing Act, hence making the availability of Hula Mae financing for Hawaiian home lands projects accessible and less susceptible to legal challenges on the basis of discrimination.

Your Committees believe that the measure will eliminate the uncertainty as to whether Hula Mae mortgage funds can be set aside for housing projects on Hawaiian home lands.

In supporting the passage of this measure, it is your Committees desire that the Department of Hawaiian Home Lands and the Housing and Community Development Corporation of Hawaii deliberate and establish a ceiling for Hula Mae financing that will be set aside for Hawaiian home lands housing projects.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2505 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 6 (Kanno, Levin, Matsunaga, Nakata, Sakamoto, Anderson).

SCRep. 2919 Water, Land, and Hawaiian Affairs on H.B. No. 2835

The purpose of this measure is to establish a dedicated source of funds to protect, preserve, and enhance important watershed areas.

The Department of Land and Natural Resources, the Nature Conservancy of Hawaii, the Hawaii Society of American Foresters, and the Hawaii Audubon Society testified in support of the measure. The Maui County Department of Water Supply testified in support of the intent of the measure. The Honolulu Board of Water Supply opposed the measure. The Tax Foundation of Hawaii and the Land Use Research Foundation of Hawaii submitted comments.

The measure accomplishes the objective of establishing a dedicated source of funding by:

- (1) Establishing a Watershed Protection Trust Fund (Trust Fund) to fund public and private watershed management projects benefiting water quality, water quantity, and general watershed values within designated watershed areas;
- (2) Establishing a Watershed Protection Trust Fund Review Board (Review Board) to, among other things, identify watershed management areas; and

- (3) Authorizing the Commission on Water Resource Management to assess all county water agencies and private water systems regulated by the Public Utilities Commission.

Your Committee finds that the water assessment imposed under the measure is an unspecified amount per one thousand gallons of water consumed. The proceeds of this assessment would be deposited into a Watershed Protection Trust Fund and used to fund projects or activities that manage and protect watershed management areas. Qualifying projects and activities include:

- (1) Projects or activities that manage and protect watershed management areas including watershed maintenance and enhancement projects within watershed management areas, erosion prevention and control, reforestation, and exclusion of stock; and
- (2) Water and watershed resources monitoring efforts, including but not limited to stream and rainfall gauging, monitoring of wells and ground-water, and aquatic resources studies.

Your Committee recognizes that fresh water is not an infinite resource and that its high quality, quantity, and sustainability are essentially linked to the existence of forested watersheds. By establishing a dedicated source of funds to protect, preserve, and enhance important watershed areas, your Committee believes that the State will be better able to ensure that these essential and sustainable sources of fresh water will exist for future generations' use.

Your Committee has amended the measure by:

- (1) Changing references to "watershed management areas" to "water recharge and protection areas" to broaden the scope of protection of the State's water resources;
- (2) Altering the composition of the Watershed Protection Trust Fund Review Board by deleting as a qualification to serve on the board that a potential board member possess a degree in forest management; and
- (3) Replacing the water consumption assessment with a watershed protection tax of 5 cents per one thousand gallons of water used.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2835, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2835, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Anderson).

SCRep. 2920

Commerce and Consumer Protection on H.B. No. 564

The purpose of this measure is to provide for an equitable solution to providing all qualified public employees with the opportunity to obtain retirement credit for active duty military service.

Specifically, the measure:

- (1) Establishes a rate of one and one-fourth percent for each year of credited membership service for qualifying members of the Employees' Retirement System (ERS), whether contributory or noncontributory, to receive military service credit at no cost;
- (2) Allows certain ERS members to receive a refund for lump sum payments or additional deductions from their compensation made to obtain membership service credit for active military service; and
- (3) Allows qualifying ERS members to purchase additional service credits at specified rates.

The United Public Workers, employees of the Real Property Division of the County of Hawaii, the Hawaii Government Employees Association, and two individuals testified in support of the measure. The ERS submitted comments on this measure.

Your Committee has amended the measure by:

- (1) Adding provisions that allow a surviving spouse or reciprocal beneficiary of a deceased member of the ERS to retain the pension and other retirement benefits obtained from the former spouse's or reciprocal beneficiary's employment if the surviving spouse or reciprocal beneficiary remarries or enters into a new reciprocal beneficiary relationship;
- (2) Rewriting the proposed military service credit language to clarify that, beginning July 1, 2000, for contributory members, the one and one-fourth percent per year service credit is a base allowance credit, and that contributory members shall have a one-time option of purchasing additional allowance credit to raise the military service credit to the level equal to the member's contributory allowance status at the time the military service is credited; and

- (3) Amending the appropriation section of the measure to state that the moneys used to refund the moneys contributory members contributed to purchase their military service credit prior to July 1, 2000, shall be from the ERS, not the general fund.

Your Committee believes that the amended measure adequately addresses the concerns of contributory members who feel that an inequity exists over the fact that noncontributory members are able to receive free military service credit while contributory members must pay for any military service credit they wish to claim.

The amended measure also compassionately addresses the issue of allowing a surviving spouse or reciprocal beneficiary of a deceased member of the ERS to retain the pension and other retirement benefits obtained from the former spouse's or reciprocal beneficiary's employment if the surviving spouse or reciprocal beneficiary remarries or enters into a new reciprocal beneficiary relationship.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 564, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 564, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Matsuura).

SCRep. 2921**Commerce and Consumer Protection on H.B. No. 1933**

The purpose of this measure is to strengthen the laws against unlicensed contracting.

Testimony on the measure was submitted by the Department of Commerce and Consumer Affairs (DCCA), General Contractors Association of Hawaii, Subcontractors Association of Hawaii, Consumer Lawyers of Hawaii, Hawaii Construction Industry Association, and Hidano Construction, Inc.

State law imposes educational, experiential, examination, character, bonding, fee, and insurance requirements on persons applying for a contractor's license. Licensed contractors are also required to comply with contracting laws and regulations, participate in the contractors recovery fund, and pay taxes on income received from contracting.

Consumers who engage the services of an unlicensed contractor have no assurance that the unlicensed individual has the necessary competence, skills, integrity, or is sufficiently financed to complete a job that complies with industry and health and safety standards. Unlicensed contractors not only pose a threat to the health and safety of the general public, but also unfairly compete against licensed contractors who incur greater operating and business costs than unlicensed contractors by virtue of their compliance with the requirements of the law.

Your Committee finds that authorizing the administrative forfeiture of tools and materials used or owned by an unlicensed contractor and establishing unlicensed contracting as an unfair and deceptive practice will strengthen and enhance DCCA's ability to enforce the licensing laws and provide a deterrent to unlicensed activities.

Your Committee further finds that a segment of consumers knowingly hire unlicensed contractors and are a factor in the prevalence of unlicensed contracting activity in this State. Accordingly, your Committee has amended this measure by:

- (1) Adding language to the new section relating to the return of money that authorizes the courts to make an award of all or a portion of the moneys paid by the consumer to the Contractors Education Fund, if the consumer knew that the contractor was unlicensed at the time of the contracting arrangement; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1933, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1933, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Hanabusa, Ihara).

SCRep. 2922**Commerce and Consumer Protection on H.B. No. 2445**

The purpose of this measure is to permit the Public Employees Health Fund to return the employees' share of insurance carrier refunds to beneficiaries based on their years of benefit plan participation.

The Hawaii Public Employees Health Fund, the United Public Workers, and the Hawaii Government Employees Association, testified in support of the measure. The Hawaii State Teachers Association testified in opposition to the measure.

Your Committee has amended the measure by:

- (1) Adding provisions that, for a limited time, enable qualified surviving spouses of deceased employee-beneficiaries of the Public Employees Health Fund who were vested contributory members of the Employees' Retirement System to obtain health benefits;
- (2) Changing the effective date of the measure to July 1, 2020, to promote further discussion and providing for its repeal on June 30, 2021; and
- (3) Making a technical, nonsubstantive amendment to conform the measure to recommended drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2445, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2445, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2923 Labor and Environment on H.B. No. 2476

The purpose of this measure is to make several amendments to the motor vehicle insurance laws.

Testimony in support of the measure was received from the Department of Commerce and Consumer Affairs, Consumer Lawyers of Hawaii, and the Hawaii State Chiropractic Association. Testimony in opposition to this measure was received from the Hawaii Insurers Council, Hawaii Medical Association, State Farm Insurance Companies, Argonaut Insurance Company, Maui Health Center, Honolulu Sports Medical Clinic, Inc., and ten individuals.

This measure specifies that the "Limitation on charges", section 431:10C-308.5, Hawaii Revised Statutes (HRS), governs disputes between the provider and the insurer, requires that the provider and the insurer negotiate a dispute in good faith before submitting the dispute to the commissioner, arbitration, or the court, uniformly references the "workers' compensation supplemental medical fee schedule", and sets a cap on the charges for independent medical examinations.

Your Committee amended this measure by removing the proposed cap on the charges for independent medical examinations. Your Committee also made technical, nonsubstantive changes to reflect existing statutory language.

Your Committee respectfully requests that the Committee on Ways and Means examine the State Insurance Commissioner's recommendation on the percentage cap.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2476, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2476, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 2924 (Majority) Labor and Environment on H.B. No. 2539

The purpose of this measure is to change the state environmental response tax rate levied upon petroleum products and to expand the uses of the environmental response revolving fund for environmental protection programs.

Testimony in support of this measure was received from the Department of Health, Department of Business, Economic Development & Tourism, Department of Land and Natural Resources, Department of Taxation, Hawaii Association of Conservation Districts, Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company. Testimony in opposition to this measure was received from Western States Petroleum Association, Hawaii Agriculture Research Center, Hawaii Transportation Association, Airlines Committee of Hawaii, Hawaii Fueling Facilities Corporation, Kauai Electric and The Gas Company, Tesoro Hawaii Corporation, Chevron, Matson Navigation Company, and the Waialua Farmers Cooperative. Comments were received from the Department of Budget and Finance, Environmental Center, and the Tax Foundation of Hawaii.

Although originally intended for catastrophic hazardous substance spills, use of the environmental response revolving fund has been expanded to include environmental protection programs that address environmental contamination resulting from petroleum or petroleum-based products. Since state revenues have not been available for other environmental protection efforts, your Committee finds it appropriate to adjust the environmental response tax and expand the revolving fund's uses. This measure will establish a "polluter pays" principle to directly fund environmental protection activities.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2539, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 2 (M. Ige, Slom). Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 2925 Labor and Environment on H.B. No. 2554

The purpose of this measure is to require payments from the Special Compensation Fund (SCF) only when the thirty-two week requirement for pre-existing disability is met.

Testimony in support of this measure was received from the Department of Labor and Industrial Relations and the ILWU Local 142.

Since 1982, the thirty-two week threshold applied to permanent partial, permanent total, and death cases. In 1995, the threshold was removed for partial disabilities but retained for permanent total disability and death cases. This measure reapplies the thirty-two week threshold to permanent partial disability cases.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2554, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 2926 (Majority) Labor and Environment on H.B. No. 2984

The purpose of this measure is to increase the minimum wage to \$5.75 per hour and the tip credit to twenty-two cents beginning January 1, 2003.

Testimony in support of a minimum wage increase was received from the Department of Labor and Industrial Relations, Department of Human Services, Hawaii State Teachers Association, Affordable Housing and Homeless Alliance, American Friends Service Committee, and the Retail Merchants of Hawaii. Testimony in support of the minimum wage increase but in opposition to the tip credit increase was received from the Hawaii State AFL-CIO and the ILWU Local 142. Testimony in opposition to the minimum wage increase and the two cents tip credit increase was received from Cheese Burger in Paradise, Outrigger, Livingston Ventures, Kyotaru Hawaii Corporation, Rocky's Pizza, the Old Spaghetti Factory, Cucina di Malia, Maui Tacos, Hawaii Restaurant Association, Edward's at Kanaloa, and Drysdale's. Testimony in opposition to the minimum wage increase was received from the National Federation of Independent Business, Chamber of Commerce of Hawaii, Hawaii Business League, Hawaii Hotel Association, Hawaii Association of Realtors, Alan Wong's Restaurant, Aroma D'Italia Ristorante, Jose's Mexican Cafe & Cantina, Big City Diner, Marco's Grill & Deli, Theo Davies, Legislative Information Services of Hawaii, and the Building Industry Association. Comments were received from Chuck's Steak House and the Center for Labor Education and Research.

Currently, the minimum wage is \$5.25 per hour and the tip credit is twenty cents. Beginning January 1, 2003, this measure raises the minimum wage to \$5.75 per hour and the tip credit to twenty-two cents.

Your Committee amended this measure by changing the effective date of the increase in minimum wage and tip credit to January 1, 2001, and mandating application of the federal minimum wage rate should it exceed the State's minimum wage.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2984, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2984, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Chumbley, Fukunaga, M. Ige).

SCRep. 2927 Labor and Environment on H.B. No. 2555

The purpose of this measure is to allow payment of administrative expenses for the protection and preservation of the Workers' Compensation Special Compensation Fund (Fund) from the fund. This measure also appropriates \$282,595 to the Fund for six full-time equivalent positions.

Testimony in support of this measure was received from the Department of Labor and Industrial Relations (DLIR) and the Hawaii Employers' Mutual Insurance Company, Inc.

Your Committee finds that currently, the workers' compensation law provides for payment of litigation expenses from the Fund. According to DLIR testimony, administrative expenses are also incurred relating to claims adjusting in delinquent employer cases in which the Fund is responsible for benefit payments to claimants and payment for medical services. Further administrative expenses are also incurred in processing benefit checks to claimants who by the workers' compensation law are entitled to benefits from the Fund.

Your Committee finds that this measure allowing these administrative expenses to be paid from the Fund serves the purposes of the Fund in administering workers' compensation claims.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2555, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 2928 (Joint) Commerce and Consumer Protection and Education and Technology on H.B. No. 1884

The purpose of this measure is to advance the State's knowledge and understanding of net metering systems.

Testimony on the measure was submitted by the Public Utilities Commission (PUC), Department of Business, Economic Development, and Tourism, Maui County Council, Life of the Land, Kauai Group Sierra Club, Kauai Renewable Energy Hui, Renewable Energy Services, Inc., Melody Farm, Hawaiian Electric Company, Inc., Kauai Electric, Hawaii Renewable Energy Alliance, and three individuals.

Net metering promotes and encourages the use of renewable energy resources by allowing consumers to offset the cost of electricity purchased from a utility by selling renewable electric power generated within their homes and businesses. The advantages to the State offered by a thriving renewable energy industry include diversification of the State's economic base, a decreased dependence on imported fossil fuels, and a cleaner environment. At least thirty states have recognized the benefits of net metering and adopted some form of net metering program.

This measure intends to further the State's understanding of net metering systems by requiring the PUC to conduct a study on the feasibility of implementing a net metering program in the State that includes data on the Department of Education's renewable energy demonstration project.

Your Committees are aware of the lack of an effective date for this measure, but note that Attorney General Opinion No. 86-12 states that a bill without an effective date is effective upon approval. Your Committees have no reason to amend this bill which would result in an unnecessary conference.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1884, H.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Chumbley, Ihara, Inouye, Tam).

SCRep. 2929 (Joint) Commerce and Consumer Protection and Government Operations and Housing on H.B. No. 1983

The purpose of this measure is to streamline procedures for the conveyance of real property in probate estates by making the Land Court procedures for the transfer and sale of property consistent with the procedures under the probate code.

The Judiciary, Board of Land and Natural Resources, Attorney Members of the Committee on the Uniform Probate Code and Probate Court Practices, and Title Guaranty of Hawaii, Inc., submitted testimony on the measure.

This measure will make Land Court procedures for the transfer and sale of real property in probate estates consistent with the procedures under the probate code by eliminating the requirement of a court order and authorizing the conveyance or sale of Land Court property by the filing of the required documents. Your Committees find that establishing consistent procedures for the treatment of real property in probate estates, regardless of the system of recordation, will reduce probate costs.

This measure also recognizes the right of unincorporated nonprofit associations to hold title under the Land Court registration law consistent with rights granted under the Uniform Unincorporated Nonprofit Association Act and makes other housekeeping amendments to improve the efficiency of Land Court property transactions.

Your Committees further find that concerns were raised that allowing the amendment of a certificate of title by the filing of an affidavit with supporting documents in lieu of petitioning the Land Court, may affect the integrity of the Land Court registration process. Therefore, your Committees have amended this measure by deleting the proposed amendment to section 501-196, Hawaii Revised Statutes, set forth in section 7 of this measure, as received, and replacing it with language that conforms the law to Land Court Rule 65. As amended, the law permits a nonsubstantive amendment to a certificate of title without court approval, or the correction of a clerical error with court approval.

Your Committees have also amended this measure by delaying its effective date to July 1, 2001.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1983, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1983, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 5 (Bunda, Chun, Ihara, Kanno, Sakamoto).

SCRep. 2930 Commerce and Consumer Protection on H.B. No. 2314

The purpose of this measure is to require insurers to provide coverage under a policy notwithstanding the insured's potential claim for damages against a third party.

The Insurance Commissioner, Consumer Lawyers of Hawaii, Hawaii Medical Service Association, and State Farm Insurance Companies submitted testimony on the measure.

This measure will help to clarify an insurer's rights and duties and protect consumers' rights to coverage in cases involving third party claims by:

- (1) Prohibiting an insurer from refusing to provide or limiting coverage to an insured on the basis of an insured's potential claim for damages against a third party, but allowing the insurer to recover benefits paid when the insured recovers damages on the third party claim; and
- (2) Clarifying health care entities' subrogation and lien rights where an insured has recovered damages from a third party.

Upon careful consideration, your Committee has amended this measure by replacing its contents with provisions that amend the Hawaii Hurricane Relief Fund (HHRF) Act. As amended, this measure:

- (1) Clarifies the circumstances under which standard extended coverage endorsements offered by insurers qualify as a comparable coverage for purposes of levying assessments on an insurer's gross direct written premiums for property insurance in the State; and
- (2) Establishes a grant program for HHRF policyholders who install hurricane mitigation devices in their homes.

Your Committee finds that this measure, as amended, will clarify the obligations of insurers under the HHRF and reduce the potential liability of the HHRF in the event of a hurricane by encouraging policyholders to retrofit their homes to mitigate hurricane losses.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2314, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2314, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Kanno).

SCRep. 2931 Commerce and Consumer Protection on H.B. No. 2467

The purpose of this measure is to allow the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (DCCA) to employ its own attorneys.

The DCCA, Public Utilities Commission (PUC), Hawaiian Electric Company, Inc., GTE, Kauai Electric, The Gas Company, and an individual submitted testimony on the measure.

As part of its mandate to represent and protect the interests of consumers of utility services, the Division of Consumer Advocacy is responsible for analyzing applications filed with the PUC by regulated utilities. These analyses require a thorough understanding of theories supporting utility regulation, including those grounded in accounting, engineering, finance, economics, and statistics. Additionally, issues raised in PUC dockets are interrelated and docket proceedings span a number of years. Therefore, the division requires legal counsel who have an understanding of the underlying theories of utility regulation and an institutional knowledge of the issues and their interrelationships.

Currently, the division is provided legal counsel through the Office of the Attorney General. However, a high turnover of deputy attorneys general assigned to the division over the years has made it difficult for the division to retain legal counsel with an understanding of the technical and complex issues involved in utility regulation. This measure will enable the division to hire its own attorneys and to develop the necessary expertise and experience to better protect consumers' interests.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2467, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 2932 Commerce and Consumer Protection on H.B. No. 2487

The purpose of this measure is to ensure the ability of the Hawaii Hurricane Relief Fund (HHRF) to pay claims in the event of a hurricane.

Testimony on the measure was submitted by the HHRF, Department of Budget and Finance, Hurricane Protection Systems, Inc., State Farm Insurance Companies, Building Industry Association of Hawaii, Sun Dancer Industries, and an individual.

This housekeeping measure implements statutory changes recommended by the Department of Budget and Finance's bond counsel that are necessary to enable the post-hurricane issuance of revenue bonds to fund policy claim payments. The measure removes impediments to the pledging of assessments for revenue bonds and provides clarification regarding the total amount of bonds that may be issued.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2487, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Kanno).

SCRep. 2933 (Joint/Majority) Labor and Environment and Health and Human Services on H.B. No. 2154

The purpose of this measure is to transfer the Office of Community Services (OCS) from the Department of Labor and Industrial Relations (DLIR) to the Department of Human Services (DHS).

Your Committees received testimony in support of this measure from the Hawaii Community Action Directors Association, Maui Economic Opportunity, Inc., Kauai Economic Opportunity, Inc., Susannah Wesley Community Center, Na Loio, and Honolulu Community Action Program. Testimony in opposition was received from the DLIR, OCS, Catholic Charities, and twenty private individuals.

The OCS was established within DLIR by Act 305, Session Laws of Hawaii 1985. In House Standing Committee Report No. 312 on H.B. No. 101, the Joint Committee on Human Services and Employment Opportunities and Labor Relations, noted, "Your Committees believe that the functions of the new Office of Community Services are compatible with [the] Department of Labor". The OCS was primarily established to receive federal grants from the Department of Health and Human Services under 42 United States Code, Section 9901 et seq. The main purpose of the federal grants was the "reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient", particularly those trying to transition out of welfare (42 U.S.C. §9901).

Your Committees find that the only objection to the OCS being under the DLIR is the amount of funding received by OCS in the past few years. Testimony indicated that funding has progressively declined in the state budget. Testimony further indicated that the OCS and the DHS have collaborated and will continue to collaborate if the OCS remains under the DLIR.

Your Committees note that much of the funding for the OCS is applied toward purchase of service contracts for community action programs, which are concerned with serving welfare clients and welfare-to-work transition programs, including programs for immigrants. Your Committees further note that some providers prefer to be transferred to the DHS and some to remain at the DLIR.

Your Committees have amended this measure by clarifying the functions of the DHS to include programs currently under the OCS that choose to transfer to the DHS, and providing for the transfer of personnel and material, if any, from the OCS to the DHS relating to the programs being transferred.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2154, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2154, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, 1 (M. Ige). Excused, 3 (Iwase, Kanno, Anderson).

SCRep. 2934 Government Operations and Housing on H.B. No. 2311

The purpose of this measure is to clarify the selection process for procurements for professional services by requiring:

- (1) The consideration of the contractor's experience and professional qualifications of its assigned staff in the project type;
- (2) The past performance on projects of similar scope for project agencies or private industry.

This measure also provides that:

- (1) Contracts awarded shall be posted electronically within thirty days of the award;
- (2) For each fiscal year, all contracts awarded shall be published at least once, including the name of the firm or individual receiving the contract and the dollar amount of the contract.

Your Committee finds that additional clarification beyond the provisions in this measure is required and has amended this measure which was heard on March 23, 2000, as H.B. No. 2311, H.D. 1, proposed S.D. 1. The proposed S.D. 1 added provisions:

- (1) Stating that the purchasing agency shall publish its selection criteria with its notice inviting proposals for contracts for professional services;
- (2) Adding the criteria: the capacity to finish the work in the required time, and the volume of work previously awarded, to the list of major selection criteria;
- (3) Providing that the major selection criteria be considered in descending order of importance and that the screening committee may add sub-criterion within each major criteria;
- (4) Providing that the evaluation will consider the equitable distribution to Hawaii-based contractors in awarding the contracts;
- (5) Providing that contracts under this section shall be posted electronically within three days of the award, and that the name of the agency head making the selection shall also be posted.

Testimony in support of the proposed S.D. 1 was received from the American Institute of Architects, Consulting Structural Hawaii, American Public Works Associations Hawaii Chapter, Consulting Engineers Council of Hawaii, American Society of Civil Engineers, SSFM International, and an individual.

Testimony in opposition of the proposed S.D. 1 was received from the Department of Accounting and General Services and the State Procurement Office.

Your Committee finds that the implementation of a qualifications-based system of procuring professional services and the posting of the results of such a system would help restore the public's faith in government operations.

Your Committee also finds that although it is not appropriate to require the equitable distribution of contracts to Hawaii-based professionals statutorily, procurement officers are encouraged to take equitable distribution into consideration when making contract awards.

Your Committee has amended H.B. No. 2311, H.D. 1, proposed S.D. 1, by:

- (1) Removing the requirement that the screening committee shall consider the equitable distribution of contracts in making contract awards; and
- (2) Deleting the three day requirement for posting records electronically.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2311, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2311, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Levin, Matsunaga, Anderson).

SCRep. 2935

(Majority) Government Operations and Housing on H.B. No. 2716

The purpose of this measure is to facilitate condominium self-governance by clarifying requirements regarding the solicitation of proxies.

Your Committee circulated a proposed S.D. 1 on this measure that replaces the contents of the measure, as received, with language that requires a mortgage holder or court appointed receiver or commissioner to pay to an association of apartment owners (AOAO) the current common expenses chargeable to a foreclosed apartment. The proposed S.D. 1 also establishes a limited priority of an AOAO's lien for unpaid common expenses over mortgage liens.

Testimony on the proposed S.D. 1 was heard on March 23, 2000. The Bank of Hawaii, Hawaii Bankers Association, Hawaii League of Savings Institutions, Community Associations Institute, and Mortgage Bankers Association of Hawaii submitted testimony in opposition to the proposed S.D. 1. Therefore, upon further consideration, your Committee has amended this measure by replacing its contents with the language of S.B. No. 2333, S.D. 2.

As amended, this measure allows AOAOs that have filed a notice of lien against a delinquent apartment to specially assess a purchaser in a foreclosure sale for delinquent assessments chargeable to the apartment, subject to certain conditions and limitations. The amount of the special assessment may not exceed the total amount of unpaid regular monthly common assessments assessed during the six-month period preceding completion of the power of sale foreclosure, and may not exceed \$1,800. The cap on assessments is calculated on an estimated average monthly maintenance fee of \$300 for condominiums in Hawaii, and the estimated average is based on the limited maintenance fee data currently available.

As amended, this measure establishes a drop-dead date for the Act of December 31, 2003.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2716, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2716, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Tanaka). Excused, 4 (Hanabusa, Levin, Matsunaga, Anderson).

SCRep. 2936

Government Operations and Housing on H.B. No. 2846

The purpose of this measure is to reduce the potential for litigation due to inconsistent lease rent responsibility renegotiation provisions in condominium governing documents and condominium apartment leases or ground leases by:

- (1) Giving condominium associations the responsibility of renegotiating lease rents;
- (2) Requiring that the costs of lease rent renegotiations be borne solely by the members of the association whose apartments are in leasehold; and
- (3) Providing that the costs of lease rent renegotiation may be collected in the same manner complying with the same requirements governing the collection of association common expenses.

Testimony in support of this measure was received from the Hawaii Council of Associations of Apartment Owners and the Hale Coalition.

In 1993, the Legislature passed Act 326, Session Laws of Hawaii, which authorized the sale of the leased fee interest in the land under any condominium project, to individual condominium unit lessees. Conversion from lease to fee ownership under this law resulted in associations comprised of both fee simple apartment owners and apartment lessees.

As a result, associations currently facing lease rent renegotiations are now discovering that their governing declarations fail to address or accommodate fee simple apartment owners who are not subject to or interested in lease rent renegotiations. The result is that condominium governing documents incorrectly assume a commonality of the interests of association members in rent renegotiation and fail to state who is responsible for the rent renegotiations which has led to litigation.

Your Committee notes, keeping in mind the intent of the Condominium Property Regime Law to facilitate association self-governance, that:

- (1) This measure should not apply where the lessees are able to organize 100% of their group and raise the funds to pay for the lease rent renegotiation; and
- (2) If a rent renegotiation committee is convened, lessees should be included in the committee.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2846, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Chun, Hanabusa, Levin, Matsunaga).

SCRep. 2937

Government Operations and Housing on H.B. No. 2878

The purpose of this measure is to ensure prompt payment on state projects by contractors to subcontractors, by:

- (1) Specifying that subcontractors provide evidence to contractors of a current trust fund contribution bond, a performance and payment bond, any other bond or form of collateral acceptable to the contractor;

- (2) Imposing penalties on contractors for failing to properly pay amounts owed to subcontractors; and
- (3) Requiring the Procurement Policy Board to adopt rules on prompt payment and retainage.

Testimony in support of this measure was received from the Construction Industry Legislative Organization, the Hawaii Surety Association, the Plumbing and Mechanical Contractors Association of Hawaii, the General Contractors Association of Hawaii, the Subcontractors Association of Hawaii, the Building Industry Association of Hawaii, and the Hawaii Construction Industry Association. Comments on this measure were received from the State Procurement Office.

Your Committee finds that although prompt payment is an important issue for subcontractor protection, the interests of subcontractors would be better served if the contractors are given additional protection when entering into state contracts.

Your Committee has amended this measure by deleting its contents and inserting a new section which amends the Procurement Code to include the following provisions:

- (1) Each procurement officer awarding a state procurement contract shall sign an affidavit attesting as to whether the Department of Budget and Finance has approved the expenditure of money for the contract prior to issuing the notice to proceed;
- (2) If the notice to proceed is issued prior to obtaining such contract approval, the procuring officer shall be subject to the following penalties:
 - (A) \$200 on the first offense;
 - (B) \$1000 on the second offense; and
 - (C) Termination on the third offense.

Your Committee finds that reducing any possibility that a procurement officer will require a contractor to commence work prior to receiving contract approval outweighs placing the burden of proof on the contractor with respect to any alleged violations by procurement officers.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2878, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2878, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Chun, Hanabusa, Levin, Matsunaga).

SCRep. 2938 Education and Technology on H.B. No. 2391

The purpose of this measure is to appropriate funds for parent-community networking centers (PCNC) throughout the State in order to ensure that every public school has sufficient funds for a PCNC program at the school building level.

Additionally, this measure provides funds for more mature PCNCs to expand into teacher-parent partnerships at the classroom level.

Testimony in support of the measure was received from the Department of Education and 217 individuals. Oral testimony in support of the measure was provided by two individuals.

Your Committee finds that funding for establishing PCNCs at the school building level is unequally distributed across the State, with many schools having little or no PCNC funding. In addition, schools with PCNCs need to expand in order to strengthen each classroom unit as a learning community to ensure students' educational success.

Your Committee agrees that the PCNCs provide valuable support in improving school-community relations. Your Committee has amended this measure to change blank appropriation amounts to \$2 for the purposes of further discussion, and to make a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2391, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2391, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 2939 Education and Technology on H.B. No. 2620

The purpose of this measure is to appropriate funds for the payment of judgments against, and settlements entered into by, the University of Hawaii for the satisfaction of claims against the University, its officers, or its employees.

Testimony in support of the measure was received from the University of Hawaii.

Your Committee finds that there is sufficient justification for the payment of the settlements and miscellaneous claims submitted in the proposed measure.

Your Committee amended the measure by:

- (1) Including \$800,000 to pay for waste minimization and pollution prevention and correcting the reference to the \$505,000 payment to the department of health and environmental protection agency instead of referring to docket No. 99-NW-EA-02;
- (2) Clarifying that the funds lapse into the state general fund;
- (3) Adding a new section to require the general counsel of the University to implement procedures for advising all departments and schools of the University on how to avoid future claims; and
- (4) Adding a new section requiring the general counsel of the University to consult with the President of the University before entering into any settlement agreements for awards exceeding \$75,000.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2620, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2620, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Tam).

SCRep. 2940 Commerce and Consumer Protection on H.B. No. 2447

The purpose of this measure is to clarify the Legislature's intent with respect to the calculation of the Employees' Retirement System's excess investment earnings under Act 100, Session Laws of Hawaii 1999.

Testimony in support of the measure was received from the State Department of Budget and Finance and the State Attorney General. The City and County of Honolulu testified in opposition to the measure. The Employees' Retirement System submitted comments.

Your Committee finds that considerable concerns were expressed by the City and County of Honolulu over the calculations prepared by the Employees' Retirement System and its actuary. There is dispute over the interpretation of Act 100, Session Laws of Hawaii 1999, and the application of excess investment earnings. The City and County of Honolulu has challenged this matter in the State Circuit Court.

Your Committee has amended the measure by defecting its effective date to not only ensure further discussion on the issues, but also to consider deferring any action until a decision has been reached by the court.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2447, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2447, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Slom).

SCRep. 2941 (Majority) Commerce and Consumer Protection on H.B. No. 2458

The purpose of this measure is to reduce the State's and counties' employer contributions to the Employees' Retirement System (ERS) by extending the payment schedule for the actuarial present value cost of the early retirement incentive bonus from five years to nineteen years beginning July 1, 1997.

The Department of Budget and Finance testified in support of the measure. The City and County of Honolulu, and the Employees' Retirement System testified in opposition to the measure.

Your Committee finds that in 1994, in order to reduce the payroll costs incurred by the State and county governments, the Legislature enacted Act 212, Session Laws of Hawaii 1994. Act 212 provided an early retirement incentive for public employees with twenty-five or more years of credited service. Act 212 also required the State and counties to liquidate the additional actuarial cost of providing the early retirement incentives over a five year period. This measure would extend that liquidation timeframe from five to nineteen years.

Your Committee believes that extending the timeframe in which the State and the counties may liquidate the additional actuarial cost of providing the early retirement incentives would enable the State to reallocate its limited resources to higher priority cost items in the near term without significantly impacting the solvency of the Employees' Retirement System. However, at the same time it would increase the cost of the overall retirement incentive program to both the State and the counties because additional interest payments would be incurred.

Your Committee has amended the measure by making the effective date of the measure defective to ensure further discussion on the issue and to consider deferring any action until the total cost of extending the timeframe for liquidation has been determined.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2458, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2458, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, 1 (Inouye). Excused, 3 (Bunda, Ihara, Slom).

SCRep. 2942 Economic Development on H.B. No. 1780

The purpose of this measure is to extend the life of the Convention Center Authority (CCA) by repealing the expiration date of the original Act, and to change to an unspecified date the date when outstanding issues and problems must be addressed.

Testimony in favor of this measure was submitted by two members of the CCA board, Hawaii Hotel Association, Maui Hotel Association, The Limtiaco Company, Pacific Marketing Corporation, and three individuals. The Hawaii Tourism Authority, Hawaii Council of Associations of Apartment Owners, Yacht Harbor Towers, Neighbors of the Ala Wai, and twenty individuals submitted testimony in opposition. The Department of Business, Economic Development, and Tourism, McCully-Mo'ili'ili Neighborhood Board No. 8, and two individuals submitted comments.

Your Committee finds that extending the life of the CCA will give the authority additional time to correct any remaining unresolved problems and issues surrounding the operations of the Convention Center.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1780, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Buen, M. Ige).

SCRep. 2943 Economic Development on H.B. No. 1946

The purpose of this measure is to require state agencies to evaluate energy efficiency retrofitting options through performance contracting with all cost savings returned to the agency.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism (DBED&T), Department of Accounting and General Services, Hawaiian Electric Company, Inc., Hawaii Renewable Energy Alliance, Na Leo Pohai of The Outdoor Circle, and Sierra Club, Hawai'i Chapter.

Your Committee finds that under current energy performance contracting practices, a state agency would not have to bear the up-front cost of the evaluation and identification. Performance contracting allows state agencies to implement energy efficiency projects without requiring capital appropriations and provides a means of using private financing to leverage funds routinely appropriated for energy and energy-related measures.

Your Committee also finds that this measure addresses concerns heard regarding a related bill heard previously by this Committee. Your Committee has amended this measure to add a definition for "verification technique" and to make technical changes.

Your Committee further notes that the International Performance Measurement and Verification Protocol of the U.S. Department of Energy, from which this new definition is taken, provides greater explanation of measurement and verification and is available from the Energy, Resources, and Technology Division of DBED&T.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1946, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1946, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Buen, M. Ige).

SCRep. 2944 (Joint) Economic Development and Labor and Environment on H.B. No. 1949

The purpose of this measure is to designate the Department of Land and Natural Resources as the lead state agency for preventing the introduction and carrying out the destruction of alien aquatic organisms through the regulation of ballast water discharges and hull fouling organisms.

Testimony in favor of this measure was submitted by the Department of Land and Natural Resources and Sierra Club, Hawai'i Chapter. The Environmental Center, University of Hawai'i at Manoa submitted comments.

Your Committees find that there are an estimated 350 nonindigenous species of marine and estuarine plants and animals that have been introduced to U.S. coastal waters. Hawaii is particularly vulnerable to introduction of alien aquatic organisms and this measure begins to address the problem.

Your Committees have heard that the department does not currently have funds available for this program and has amended this measure to appropriate \$50,000.

As affirmed by the records of votes of the members of your Committees on Economic Development and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1949, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1949, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 2 (Chumbley, Kanno).

SCRep. 2945 Economic Development on H.B. No. 1956

The purpose of this measure is to:

- (1) Place the small business regulatory review board and the small business defender in the department of budget and finance for administrative purposes instead of the Legislature; and
- (2) Require appointment of the small business defender by the Governor instead of the President of the Senate and Speaker of the House;
- (3) Make the law enacting the Small Business Regulatory Flexibility Act and the small business defender permanent;
- (4) Appropriate funds to the small business defender.

Testimony in favor of this measure was submitted by the Small Business Regulatory Review Board, The Chamber of Commerce of Hawaii, NFIB, Small-Business Economic Revival Force, Hawaii Business League, and Jas. W. Glover, Ltd. The Department of the Attorney General, Department of Business, Economic Development, and Tourism, and Department of Budget and Finance submitted comments.

Your Committee finds that the Hawaii Small Business Regulatory Flexibility Act, Act 168, Session Laws of Hawaii 1998, has become a model throughout the United States. By making this Act permanent, and designating a "home" for the program, with appropriate funding, Hawaii will continue to make strides in improving the climate for small business.

Your Committee has amended this measure to make the appointment of the small business defender by the Governor, subject to section 26-34, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1956, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1956, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Buen, M. Ige).

SCRep. 2946 Economic Development on H.B. No. 2183

The purpose of this measure is to authorize the issuance of special purpose revenue bonds not to exceed \$50,000,000 to assist Worldwide Energy Group, Inc., in planning, design, construction, and operation of the Hawaii Sugar Ethanol Projects on Kauai and other appropriate locations.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism, Worldwide Energy Group, Inc., Gay & Robinson, Inc., and the 'Aina Institute. The Department of Budget and Finance submitted comments.

Your Committee finds that local production of ethanol could provide energy, environmental, and economic benefits to Hawaii, and that the State's Transportation Energy Strategy recommends support for local ethanol production.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2183, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 2947 Economic Development on H.B. No. 2204

The purpose of this measure is to provide an income tax credit to encourage private sector investment in Hawaii-based ethanol production facilities.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism, Alexander & Baldwin, Inc., Gay & Robinson, Inc., E D & F Man Alcohol Inc., Worldwide Energy Group, Inc., and Hawaii Renewable Energy Alliance. The Western States Petroleum Association submitted testimony in opposition. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee finds that ethanol production is appropriate and timely to consider given recent advances in ethanol production technology, substantial federal tax credits, and the need to strengthen the economy, particularly in rural areas.

Your Committee previously heard and approved S.B. No. 2221, and has amended this measure to reflect the language in S.B. No. 2221, S.D. 1, which amends the H.D. 2 version to:

- (1) Make the amount of the credit forty cents;
- (2) Require that all claims for a tax credit under this section be filed on or before the twelfth month following the close of the taxable year for which the credit is claimed;
- (3) Authorize the director to adopt rules pursuant to chapter 91, Hawaii Revised Statutes; and
- (4) Make technical amendments for the purpose of style.

Your Committee further amended the measure by adding a provision to limit a taxpayer's eligibility for the credit to five years.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2204, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2204, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2948 Economic Development on H.B. No. 2793

The purpose of this measure is to carry over to fiscal year 2000-2001 any unexpended or unencumbered funds at the close of fiscal year 1999-2000 for expenses incurred by the agribusiness development corporation and to allow the use of these funds for grants for the development of an agricultural subdivision in the Hamakua district of the island of Hawaii.

Testimony in favor of this measure was submitted by the Agribusiness Development Corporation (ADC), Hawaii Agriculture Research Center, and Hamakua Farm Bureau.

Your Committee finds that five new board members and a new executive director have recently been appointed, and this measure will provide for fiscal continuity in the operations of the ADC under this new leadership.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2793, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Buen, M. Ige).

SCRep. 2949 Economic Development on H.B. No. 2964

The purpose of this measure is to appropriate funds to encourage and support community-based physical improvements that are the result of comprehensive regional community-based economic development planning initiatives.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism, Community-Based Economic Development Program, Hawaii Alliance for Community-Based Economic Development, Empower

O'ahu, Nanakuli Neighborhood Housing Services, Inc., Hale Ku'ai Cooperative, Pacific Gateway Center, Hamakua District Development Council, and Rural South Hilo Community Association.

Your Committee finds that this program builds on the value of grassroots planning to bring improvements to economically distressed communities. Your Committee has heard that through a \$20,000 planning grant from this program, the island of Molokai leveraged these funds to obtain \$2,900,000 in additional funding to develop a community and retail center, as well as bringing \$250,000 a year for the past ten years to Molokai through its status as a Federal Empowerment Zone.

Your Committee is strongly supportive of these community directed efforts.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2964, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Buen, M. Ige).

SCRep. 2950 (Joint) Economic Development and Labor and Environment on H.B. No. 2973

The purpose of this measure is to appropriate funds for miconia eradication in the counties of Hawaii, Kalawao, Kauai, and Maui, and the City and County of Honolulu.

Testimony in favor of this measure was submitted by the Department of Land and Natural Resources, Environmental Center, University of Hawai'i at Manoa, two members of the Maui County Council, Maui Invasive Species Committee, Big Island Invasive Species Committee, Big Island Miconia Control Program, Hawai'i Forest Industry Association, Hawaii Society of American Foresters, Hawaii Association of Conservation Districts, The Nature Conservancy of Hawai'i, Na Leo Pohai of The Outdoor Circle, Sierra Club, Hawai'i Chapter, Hawaii Island Economic Development Board, Maui Hotel Association, and three individuals.

Your Committees find that on Maui and the Island of Hawaii, private-public multi-agency coalitions have organized effective control efforts for miconia. On Maui, total eradication may be possible within two years, while control on the Big Island may require ten years. Continued follow-up treatments at known sites are also needed for Kauai and Oahu to ensure that miconia has been fully eradicated.

Your Committees are fully supportive of these eradication efforts and have amended this measure to restore funding at \$500,000.

As affirmed by the records of votes of the members of your Committees on Economic Development and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2973, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2973, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Chumbley, Kanno, Kawamoto).

SCRep. 2951 Education and Technology on H.B. No. 2073

The purpose of this measure is to replace the five members of the Board of Regents of the University of Hawaii who sit on the Board of Directors for the Research Corporation of the University of Hawaii with two administrators and two faculty members.

Testimony in support of this measure was received from the University of Hawaii and the Research Corporation of the University of Hawaii.

Your Committee finds that changing the composition of the Board of Directors of the Research Corporation of the University of Hawaii as proposed by this measure is a step toward consolidating managerial control of University-related affairs within the University system.

Your Committee, however, believes that two members from the Board of Regents should be maintained. Thus, the measure has been amended by increasing the composition of the Board of Directors from ten to eleven members so as to allow two members each from the Board of Regents, administration, and faculty and by maintaining the five members to be appointed by the governor.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2073, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2073, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Tam).

SCRep. 2952 (Joint) Education and Technology and Labor and Environment on H.B. No. 2280

The purpose of this measure is to continue the development of a school-to-work system in Hawaii, including a mechanism for governance, management, and distribution of federal and state resources.

In doing so, this measure amends the powers of the School-to-Work Executive Council (Council) and appropriates funds for the Council.

Testimony in support of the measure was received from the Board of Education, the Department of Human Services, the Hawaii School-to-Work Executive Council, the Hawaii State Teachers Association, and the Hawaii Chamber of Commerce.

Your Committees find that School-to-Work gives students opportunities to have hands-on learning experiences in the workplace and helps them see the connection between what they learn in school and the work place. This measure will allow further development of School-to-Work activities that will prepare Hawaii's students for successful careers and create a skilled workforce that moves our economy forward.

Your Committees have amended this measure by deleting its contents and inserting S.B. No. 2469, S.D. 2, a companion bill. In doing so, your Committees:

- (1) Removed the authority of the executive council to contract with another state entity for its administrative functions;
- (2) Retained the provision authorizing the appointment of staff, but gave the appointing authority to the DOE with the executive council advising the DOE on such appointments;
- (3) Clarified the executive council's power regarding the federal, state, and private resources as "seeking" rather than "receiving";
- (4) Changed the executive council's authority to execute contracts to an advisory role to the DOE; and
- (5) Changed the role of the executive council from a "governing" board to an "advocacy" board.

Your Committee, however, retained the amendment in the House version which clarified that the board of education and board of regent members are ex officio voting members.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2280, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2280, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, M. Ige, Kanno, Matsunaga, Slom).

SCRep. 2953 Education and Technology on H.B. No. 2409

The purpose of this measure is to address a current budget shortfall in the Information and Communication Services Division caused by an over-collection of federal reimbursements in fiscal years 1996-1997 and 1997-1998.

Testimony in support of the measure was received from the Department of Accounting and General Services (DAGS).

Your Committee finds that the over-collection prompted the federal government to withhold current payments on federally funded programs. This withholding in addition to the Division's increased operating expenses has caused the Division to fall behind in its current budget by \$800,000.

This measure provides the funds necessary to allow the Division to meet its budgetary obligations during the current fiscal year.

Your Committee amended the measure to require DAGS to pursue action against the consultant who made the over-collection and hold it accountable for the resulting loss, and to report to the Legislature no later than twenty days before the regular session of 2001, on the action taken.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2409, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2409, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Tam).

SCRep. 2954 Education and Technology on H.B. No. 2497

The purpose of this measure is to establish the Access Hawaii Committee to provide oversight of the Internet portal manager.

In addition, this measure authorizes the setting of charges for value added electronic services that will be collected by the portal manager.

Testimony in support of the measure was received from the Governor's Special Advisor on Technology Development, Department of Accounting and General Services, Hawaii State Public Library System, Judiciary, Department of Commerce and Consumer Affairs, High Technology Development Corporation, and Office of Information Practices.

Your Committee finds that the expansion of the Internet has fundamentally transformed society and the conduct of business. In order to better serve citizens and businesses in the new economy and reduce the digital divide, government must expand access to information and government services over the Internet to ensure access for everyone. Towards this end, the State entered into a contract with a vendor to establish, develop, operate, maintain, and expand an Internet portal to increase electronic access and commerce among Hawaii residents, businesses, and government entities.

Your Committee agrees that establishing the Access Hawaii Committee will provide needed oversight of the portal manager's activities, including the collection of statutory fees on behalf of a government agency and collection of charges for value added electronic services, which includes the ability to transact business over the Internet.

Your Committee received several testimonies expressing concerns about the "digital divide" and the importance of allowing the general public access to the Internet portal. Your Committee finds that public libraries are places where Hawaii residents are already accustomed to visit for help in finding information and where the digital divide is most efficiently and economically addressed.

Your Committee amended the measure as follows:

- (1) In section 2 of the measure, added the ability to transact business over the Internet portal as one of the "value added electronic services";
- (2) In section 4 of the measure, added a subsection requiring the Access Hawaii Committee to assist the Hawaii state public library system in providing access to the Internet portal and advice on related issues;
- (3) Added a new section to provide funding to the public library system for Internet access computers and connections, digitalization equipment, and Internet kiosks to provide the general public greater access to information on the Internet;
- (4) Added the following members to the Access Hawaii Committee:
 - (a) Up to three directors of government agencies using or planning to use the services of the portal;
 - (b) A member of the Senate to be chosen by the President of the Senate;
 - (c) A member of the House of Representatives to be chosen by the Speaker of the House; and
 - (d) A representative of the Judiciary to be chosen by the Chief Justice;
- (5) Added to the duties of the Access Hawaii Committee the requirement that it support the Hawaii state public library system to increase access to the Internet by the general public and corresponding training for library employees;
- (6) Added a new section to allow government agencies to charge for value added electronic services; and
- (7) Made technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2497, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2497, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Tam).

SCRep. 2955

Education and Technology on H.B. No. 2624

The purpose of this measure is to recodify the statutory authorization for the Seed Distribution Program Revolving Fund (Fund) of the University of Hawaii (UH) by:

- (1) Adding a new section to chapter 304, Hawaii Revised Statutes (HRS), relating to the UH; and
- (2) Repealing the Fund in chapter 150, HRS, relating to the Hawaii Seed Law.

The UH testified in support of this measure.

Your Committee agrees that the seed distribution program would greatly serve the UH and the agricultural community by being a self-supporting, consistent supplier of seeds and has amended this measure by deleting the provision requiring the revolving fund to remit any moneys in excess of \$70,000 to the general fund at the end of each fiscal year.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2624, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2624, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Tam).

SCRep. 2956 Education and Technology on H.B. No. 2760

The purpose of this measure is to amend chapter 256, Hawaii Revised Statutes, to provide clear guidance for the implementation of the college savings program (Program) and to bring the statute within the safe harbor provision of the federal tax code.

Testimony in support of the measure was received from the Department of Taxation, Department of Budget and Finance, University of Hawaii, and TIAA/CREF. Comments on the measure were received from the Tax Foundation of Hawaii.

The Program was established by Act 81, Session Laws of Hawaii 1999, to enable families to benefit from tax incentives provided for qualified state tuition programs under the Internal Revenue Code. Under this program, money can be placed in a savings account for the purpose of meeting college expenses of a designated beneficiary. The tax benefit is that earnings in these accounts are not subject to either federal or state taxes until withdrawal for education expenses. When withdrawn, the income tax rate of the student applies, which is normally lower than the parents' tax rate.

Your Committee has amended the measure by substituting its contents with the provisions of S.B. No. 2796, S.D. 1, which makes technical amendments to the measure.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2760, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2760, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Tam).

SCRep. 2957 Labor and Environment on H.B. No. 2615

The purpose of this measure is to amend state laws regarding the transportation of hazardous materials to conform to federal regulations.

Testimony in support of this measure was received from the Department of Transportation.

Currently, the clause "hazardous waste, hazardous substances, infectious substances, and medical waste" is repeated throughout chapter 286, part XII, Hawaii Revised Statutes. This measure incorporates the clause into the definition of "hazardous material" and deletes the repetitive clause from the chapter. This measure also amends the scope of "transport" to include storage incidental to transportation and makes housekeeping amendments to federal citations.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2615 and recommends that it pass Second Reading and be referred to the Committee on Transportation and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 2958 Judiciary on H.B. No. 1940

The purpose of this bill, as received by your Committee, is to provide an increase in the allowable fees for court appointed attorneys for indigent criminal defendants.

Your Committee finds that current compensation levels for court appointed counsel have not been amended since 1987. Your Committee further finds that current compensation levels are not adequate to fairly compensate court appointed attorneys for their time. Your Committee believes that linking state compensation levels to federal compensation levels for court appointed counsel in Hawaii will help prevent a situation in which a deserved hike in state compensation levels is overlooked year after year.

Testimony in support of this measure was submitted by the Judiciary, the Office of the Public Defender, and the Hawaii Association of Criminal Defense Lawyers. The Department of Budget and Finance submitted comments on this bill.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting the contents of S.B. 2425, S.D. 1. Additionally, your Committee has:

- (1) Made conforming amendments to the compensation levels for court appointed guardian ad litem under section 571-87, Hawaii Revised Statutes;
- (2) Provided \$900,000 be appropriated for fiscal year 2000-2001 to be expended by the Judiciary to accomplish the purposes of this Act;
- (3) Provided \$900,000 be appropriated for fiscal year 2000-2001 to be expended by the Department of Budget and Finance to accomplish the purposes of this Act; and
- (4) Made technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1940, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1940, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Tanaka).

SCRep. 2959 Judiciary on H.B. No. 1984

The purpose of this bill, as received by your Committee, is to:

- (1) Clarify candidate funding available from public funds for the office of the governor, lieutenant governor, or the mayor from 20 percent per election cycle to 10 percent per election, and for state senator, state representative, county council, and prosecuting attorney from 30 percent to 15 percent of the total limit established;
- (2) Remove the ballot issue from the requirements for the organizational report;
- (3) Increase the deadline for filing an organizational report from five to ten days after filing for office;
- (4) Require candidates who withdraw or cease to be candidates to return private contributions to their donors within four years; and
- (5) Provide that in the event of a candidate's death, residual contributions escheat to the Hawaii Election Campaign Fund.

Your Committee finds that the proposed measure will facilitate more efficient administration of campaign finance laws while also ensuring strict compliance by those affected. Your Committee further finds that requiring candidates to eventually run for office or repay their contributors will help prevent abuse of the campaign contribution system.

Testimony in support of this measure was submitted by the Campaign Spending Commission and Common Cause Hawaii.

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

- (1) Inserting a provision cutting the current contribution limits in half;
- (2) Inserting a provision clarifying that in a reapportionment year or whenever an election is being held for a shorter term than is usual for an office, it is the usual, longer term of office that determines the contribution limit for that office;
- (3) Extending the time for candidates who withdraw or cease to be candidates to return donations from four to eight years;
- (4) Amending the requirement that campaign funds escheat to the Hawaii Election Campaign Fund after a candidate's death, to allow the deceased candidate's committee to return funds to private donors within 60 days; and
- (5) Deleting the remaining provisions.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1984, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1984, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Sakamoto, Tanaka, Anderson).

SCRep. 2960 (Joint) Judiciary and Health and Human Services on H.B. No. 2160

The purpose of this bill, as received by your Committees, is to fund services for traumatic brain injury victims by:

- (1) Establishing a dedicated trust fund, the Traumatic Brain Injury Trust Fund (Fund), to provide services and programs relating to traumatic brain injuries; and
- (2) Imposing a \$5 surcharge for speeding violations and for driving under the influence (DUI) of intoxicating liquor or alcohol convictions to be deposited into the Fund.

Your Committees find those who suffer traumatic brain injuries often lack the financial resources to properly treat the injuries. Your Committees further find that the physical, cognitive, and behavioral effects of brain injury make it likely that a person who has suffered a brain injury will face challenges in re-entering the community. Hawaii does not presently have a system to provide, manage, and monitor services for persons who have suffered brain injuries. Similarly, support programs for the families of those who have suffered brain injuries are largely unavailable.

Your Committees believe that a state program to defray the medical costs of brain injury sufferers, and to ease their reintegration into the community, will help both the injured and their families, and the community at large. However, your Committees do not believe that funding this program through additional traffic fines is appropriate. Traffic fines are at a high level at present, and traffic fines and court administrative charges were recently increased. Further, your Committees find that an additional fine of ten percent of the standard fine would cause administrative difficulties for the district courts, which would have to calculate these fines on a case-by-case basis.

Testimony in support of this measure was submitted by the Brain Injury Association of Hawaii, six interested individuals, and a personal injury attorney. The Department of the Attorney General and the Department of Health submitted testimony in support of the intent but expressed some concerns with the bill as drafted.

Upon further consideration, your Committees have amended this measure by deleting its substance and inserting the contents of S.B. 2654, S.D. 1.

As affirmed by the records of votes of the members of your Committees on Judiciary and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2160, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2160, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Iwase, Levin, Sakamoto, Tanaka).

SCRep. 2961 (Joint) Judiciary and Health and Human Services on H.B. No. 2422

The purpose of this bill is to designate a portion of the tobacco settlement proceeds for use by the Department of the Attorney General to enforce the tobacco Master Settlement Agreement and related implementing laws.

In particular, this bill seeks to ensure that legal and enforcement activities continue following the 1998 settlement with the major tobacco products manufacturers by creating the tobacco enforcement special fund to be used by the Attorney General to administer, operate, monitor, and ensure compliance with the Master Settlement Agreement, the state Tobacco Liability Act, tobacco prevention programs, and other requirements. This bill also appropriates an unspecified amount for the current fiscal year to the tobacco enforcement special fund.

Your Committees received testimony in favor of this measure from the Attorney General.

Your Committees find that this bill is necessary to enforce the tobacco Master Settlement Agreement and related laws. Your Committees agree with the Attorney General on the issue of imposing a cap of \$500,000. While the actual amount needed is unknown at this time, a cap of \$500,000 reasonably protects against overfunding and allows for a sufficient amount to cover potential funding shortfalls. Your Committees find that there are many unknown factors that will impact on the personnel and time spent by the Attorney General's office on various enforcement and monitoring activities. However, the activities of that office are critical and extremely time-sensitive to Hawaii receiving its settlement moneys, and any delays for necessary funding could have an adverse effect.

Accordingly, your Committees have deleted the contents of this bill and substituted the substance of the Senate companion measure, S.B. No. 2763, S.D. 1, which your Committees had previously jointly passed but which did not cross over to the House of Representatives. As amended, this bill establishes a \$500,000 cap and provides that the entire source of funding comes directly from the State's emergency and budget reserve ("rainy day") fund established under section 328L-3, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Judiciary and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2422, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2422, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Iwase, Levin, Sakamoto, Tanaka).

SCRep. 2962

Judiciary on H.B. No. 2650

The purpose of this bill is to provide supplemental appropriations and authorizations for the operation of and capital improvements for the Judiciary by amending Act 156, Session Laws of Hawaii 1999, for the 1999-2001 fiscal biennium.

Your Committee finds that the Judiciary supplemental budget is limited in focus and addresses only the most pressing of needs. Your Committee further finds that these requested additional resources are necessary for technological enhancements, essential court services, and a very limited number of positions. The requests are consistent with the Judiciary's mission and respond to public demands to ensure the safety of children and other at-risk family members by providing adequate resources for courtroom staff and support services.

Your Committee would like to highlight two areas of funding for the Judiciary:

- (1) The Maui Drug Court Program; and
- (2) Domestic Violence Support Services.

THE MAUI DRUG COURT PROGRAM

The Drug Court Program was first implemented on Oahu in 1995. Since then, it has proven to be a very effective and cost-efficient alternative to incarceration for nonviolent drug offenders.

To address a growing drug abuse problem on Maui, your Committee supports the Judiciary's efforts to expand the program to that island. Funds have been provided to match the \$90,000 in federal funds earmarked for the program. Additional funds have been provided for a social worker, and \$125,000 has been set aside for substance abuse treatment services.

DOMESTIC VIOLENCE SUPPORT SERVICES

Domestic violence is one of the most serious problems affecting our community. Your Committee finds that we must focus on providing victims and family members the support and intervention services necessary to break this cycle of violence. Domestic violence advocates have espoused the need for a dedicated domestic violence court.

Your Committee believes that a dedicated domestic violence court may not be feasible at this time, but agrees that additional court services to support the increasing number of cases of domestic violence is fundamental to ensuring that domestic violence intervention remains one of our highest priorities.

Therefore, \$222,690 has been appropriated for fiscal year 2000-2001 for the creation of six new positions to support existing family court judges handling domestic violence cases. An additional \$250,000 has been appropriated for fiscal year 2000-2001 for purchase of services related to domestic violence intervention.

Testimony in support of this measure was submitted by the Judiciary, the Community Alliance on Prisons, and Na Kahu Malama Keiki.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting the contents of S.B. 2688. More specifically, your Committee has amended this measure by:

- (1) Providing an additional \$50,000 for fiscal year 2000-2001 to the circuit court to be expended for the Voluntary Alternatives to Incarceration Program;
- (2) Providing an additional \$222,690 for fiscal year 2000-2001 to the family court to be expended for the creation of six new positions to assist with domestic violence cases;
- (3) Providing an additional \$250,000 for fiscal year 2000-2001 to the family court to be expended for purchase of services related to domestic violence intervention;
- (4) Providing an additional \$58,808 for fiscal year 2000-2001 to the district court to be expended for judicial efficiency;
- (5) Adding the designing and construction of the Maui Youth and Family Services Campus Support Building to the list of capital improvement projects; and
- (6) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2650, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2650, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Sakamoto, Tanaka, Anderson).

SCRep. 2963 (Joint) Health and Human Services and Commerce and Consumer Protection on H.B. No. 1834

The purpose of this measure is to extend the actuarial study on long-term care and clarify the requirements for the study, extend the sunset date of the Joint Legislative Committee on Long-Term Care (JLC), and make unspecified appropriations for the JLC expenses.

Your Committees received testimony in support of this measure from the Executive Office on Aging, Coalition for Affordable Long Term Care, Kokua Council, Healthcare Association of Hawaii, Hawaii Catholic Conference, and Faith Action for Community Equity. Informational testimony was presented by the State Insurance Commissioner.

Your Committees find that the need for long-term care, which is already significant, will continue to grow as Hawaii's population ages. Due to the high costs associated with long-term care, more and more families can be expected to endure financial hardships, and even impoverishment, unless a better method of financing long-term care is developed soon. Providing adequate care for the aged and disabled is an economic burden for many people. Long-term care insurance policies offer a means of alleviating that load. However, many people cannot afford those policies and there are usually limits on services and duration of benefits in coverages.

This measure allows the JLC to finish its ongoing work that commenced with Act 339, Session Laws of Hawaii 1997. A major portion of the JLC's work was accomplished with Act 93, Session Laws of Hawaii 1999, which enacted the Long-Term Care Insurance Model Act. But, much more work needs to be done to explore the mechanics of establishing a state-sponsored long-term care system that is effective, cost-efficient, and covers the largest number of people. Your Committees believe that only a state-sponsored system of long-term care, in some form, can adequately provide for Hawaii's elderly and disabled.

Although your Committees defer to the Committee on Ways and Means as to the appropriation amount, your Committees believe that the sum of \$200,000 to \$300,000, is necessary for an actuarial study, depending on whether the JLC is required to contract directly with a qualified actuary, or contract through a third party that could subcontract with an actuary, assist the actuary with gathering data and statistics in Hawaii, and in general manage the scope of the actuary's work so that the legislature can be assured that the actuary's product is responsive to Hawaii's needs. In either case, there needs to be figures from a qualified actuary, and your Committees believe that contracting with a third party is more efficient and economical and would yield the same results.

Your Committees have amended this measure by:

- (1) Inserting a drop-dead date of 2002 for the JLC;
- (2) Clarifying that the JLC contract for an actuarial study to determine costs;
- (3) Clarifying the alternative models to be studied, by deleting reference to front-end and back-end universal programs and inserting comprehensive universal programs capped at the cost equivalent to three years of nursing home services;
- (4) Deleting reference to models of other countries as being unnecessary in view of Act 93, Session Laws of Hawaii 1999, providing for the universal availability of long-term care;
- (5) Inserting a reporting date of 2001 for the actuarial study and a draft legislation date for introduction in the 2002 Regular Session;
- (6) Inserting a fiscal year appropriation date of 2000-2001 for the actuarial study appropriation, and deleting reference to an appropriation for the "fiscal biennium" which your Committees understand to be disallowed by the Department of Budget and Finance, however another appropriation could be submitted for the 2001 Regular Session as a supplement; and
- (7) Deleting the appropriation for the expenses of the JLC to travel to the various islands, inasmuch as this would not occur until 2002, therefore an appropriation could be submitted for the 2001 Regular Session.

Your Committees believe that this measure, as amended, is concise, precise, and effective in achieving what the legislature desires in the actuarial study. As amended, this measure removes much of the confusion and argument over the design of the State's long-term care plan. This measure is intended only to effect a study to design a plan that will be subject to legislative review, modification, and approval.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1834, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1834, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Fukunaga, Hanabusa, Inouye, Iwase).

SCRep. 2964 Health and Human Services on H.B. No. 2279

The purpose of this measure is to establish procedures for analyzing and reporting to the legislature on any measure proposing to expand the scope of practice of health care professionals.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs (DCCA), Chamber of Commerce of Hawaii, and Hawaii Nurses' Association. Testimony in opposition was received from the American Massage Therapy Association, Hawaii Chapter American Physical Therapy Association, Massage Therapists Association, Hawaii State Chiropractic Association, American Massage Therapy Association, Hawaii Dental Hygienists' Association, Hawaii Podiatric Medical Association, American Massage Therapy Association, Clinical Social Work Society of Hawaii, and six private individuals. Informational testimony was presented by the Hawaii Psychological Association, American School of Professional Psychology, Hawaii Medical Association, and Hawaii Psychiatric Medical Association.

This measure is intended to provide the legislature with a thoughtful and meaningful approach to considering measures that expand the scope of practice of a health care professional. Your Committee finds that over the past few years, various groups of health care professionals have sought to expand their scope of practice or limit the scope of practice of other health care professionals. Your Committee further finds that the legislature is at a disadvantage in considering these measures because of a lack of objective review and analysis.

This measure would require a referral procedure by concurrent resolution that would require a study by scope of practice investigative panels appointed by the Director of Commerce and Consumer Affairs. Members of each panel would be representative of the respective health care profession, government agencies, and public persons, substantially affected by the measure. The Department of Commerce and Consumer Affairs would submit to the legislature findings and recommendations of the panels.

Your Committee notes that the procedures proposed by this measure differ from the Hawaii Regulatory Licensing Reform Act of chapter 26H, Hawaii Revised Statutes, which requires an Auditor study for all new regulatory measures being considered for enactment that would subject unregulated professions and vocations to licensure or other regulatory controls. This measure pertains to existing licensed health care professions.

Your Committee has amended this measure by establishing a Health Professionals Advisory Council (Council) within the DCCA rather than a Scope of Practice Investigative Panel (Panel) and clarifying the functions of the Council.

Your Committee notes that the Council fulfills much of the same duties and functions of the Panel, but with less bureaucracy and without the need for a petition. Your Committee is mindful of the objections raised in the testimony, but is satisfied that the amended measure meets those objections.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2279, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2279, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2965 (Joint) Labor and Environment and Transportation and Intergovernmental Affairs on H.B. No. 839

The purpose of this measure is to exempt from the general excise tax the value or gross proceeds received from any county by an operator of a wastewater treatment plant.

Testimony in support of this measure was received from the City and County of Honolulu, Department of Environmental Services and U.S. Filter Operating Services, Inc. (USFOS). Testimony in opposition to this measure was submitted by the Department of Taxation. The Tax Foundation submitted comments on this measure.

Your Committees find that this measure will exempt USFOS from the general excise tax on the value or gross proceeds received from the City and County of Honolulu for the purchase of recycled water from its wastewater treatment plant in Honouliuli, Oahu. According to the testimony of USFOS, the excise tax exemption will amount to approximately \$100,000. USFOS estimates that the general excise tax the company will pay on water sold to private entities will be in excess of \$100,000.

Your Committees find that it is in the public interest to support the efforts of the City and County to meet its federally mandated requirements for reuse of wastewater effluent. In addition, the City and County will be subject to fines and penalties if it does not meet these requirements. The project is scheduled to begin producing water in August, 2000. The public/private partnership between the City and County and USFOS will ultimately result in the beneficial use of approximately ten million gallons per day of recycled water.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 839, H.D. 1 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 6 (Bunda, Chumbley, Fukunaga, Ihara, Inouye, Iwase).

SCRep. 2966 (Joint) Labor and Environment and Transportation and Intergovernmental Affairs on H.B. No. 2559

The purpose of this measure is to increase the number of members of the Hawaii Workforce Development Council from "twenty-nine" to "thirty to thirty-one", designate the legislative and mayoral members as ex officio voting members, and permit the governor, mayors, and department heads to name designees.

Testimony in support of this measure was received from the Department of Labor and Industrial Relations, Department of Human Services, and the Workforce Development Council.

Your Committees are in agreement that these amendments are necessary for the Workforce Development Council to meet quorum requirements and carry out its duties.

Your Committees amended this measure by changing the number of council members from "thirty to thirty-one" to "twenty-nine or thirty-one" members to maintain the private sector majority and to provide the Governor with flexibility. Your Committees also made the corresponding adjustments to the number of private sector representatives from "fifteen to sixteen" to "fifteen or sixteen" to achieve said majority.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2559, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2559, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (Bunda, Chumbley, Fukunaga, Ihara, Inouye, Iwase).

SCRep. 2967 (Joint) Commerce and Consumer Protection and Transportation and Intergovernmental Affairs on H.B. No. 1944

The purpose of this measure is to provide for a more equitable distribution of tax revenues and clarify the tax liabilities of public utilities.

Testimony on the measure was submitted by the Department of Taxation, City and County of Honolulu, County of Maui, Maui County Council, County of Hawaii, Hawaiian Electric Company, Inc., Kauai Electric, The Gas Company, Tax Foundation of Hawaii, County of Kauai, Hawaii County Council, and GTE.

Public utilities are subject to a public service company (PSC) tax on their gross income in lieu of general excise and real property taxation. Currently, the utilities' right of exemption from real property taxes is in jeopardy under pending litigation brought by Hawaii County (County) against the State challenging the exemption's constitutionality in light of the 1978 constitutional amendment that transferred real property taxing powers to the counties. Absent legislative action, if the County succeeds in its lawsuit, utilities may be subject to double taxation upon their real property, and the resulting increase in their operational expenses will likely be passed on to consumers in the form of higher utility rates.

This measure would address the revenue-related concerns of the counties and avoid the inequitable taxation of public utilities by giving the counties the option of sharing in the PSC tax, or foregoing their share in favor of the right to assess real property taxes against public utilities.

Upon careful consideration, your Committees have amended this measure by:

- (1) Inserting language and dates in Section 3 of the Act that would enable the counties to be paid their share of the PSC taxes beginning in fiscal year 2001; and
- (2) Making technical, nonsubstantive changes for the purpose of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1944, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1944, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, D. Ige, Ihara, Iwase, Matsuura).

SCRep. 2968 (Joint/Majority) Commerce and Consumer Protection and Transportation and Intergovernmental Affairs on H.B. No. 2448

The purpose of this measure is to clarify the law relating to the collection of delinquent pension contributions from the counties by:

- (1) Specifying the amount and when each county's share of the Employees' Retirement System (ERS) is due;

- (2) Allowing the State to withhold certain funds if the required amounts are not paid by the prescribed dates; and
- (3) Enabling ERS to charge interest on delinquent rates.

The Department of Budget and Finance and the Employees' Retirement System testified in favor of the measure. Testimony in opposition to the measure was received from the City and County of Honolulu.

Your Committees find that considerable concerns were expressed by the City and County of Honolulu over the timing and appropriateness of this measure, particularly in view of the City and County of Honolulu's law suit against the Employees' Retirement System. The law suit is over the interpretation of Act 100, Session Laws of Hawaii 1999, the application of the excess investment earnings, and how it affects the contribution payments of all the employer jurisdictions. This measure does not allow the court to make a determination on the pending lawsuit.

Your Committees have amended the measure by inserting a flawed effective date to not only ensure further discussion on the issues, but also to consider deferring any action until a decision has been reached by the court.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2448, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2448, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, 1 (Inouye). Excused, 4 (Bunda, D. Ige, Ihara, Iwase).

SCRep. 2969 (Joint) Education and Technology and Health and Human Services on H.B. No. 319

The purpose of this measure is to initiate a pilot project that will extend the workday of school health aides from six and one-half hours per day to eight hours at twelve large public schools throughout the State.

Testimony in support of the measure was received from the Department of Education and HGEA-AFSCME. Testimony in opposition to the measure was received from the Department of Health.

Your Committees find that public schools and society have changed since the school health services program was created as a pilot project in 1970 and enacted as a permanent program in 1978. Today, schools face a variety of problems such as substance abuse, teen pregnancy, family violence, divorce, and gangs, that were not as serious in the past. Many of these problems are initially handled by school health aides, who are statutorily restricted to work only six and a half hours per day. Given the caseload and complexity of issues faced by health aides, these hours are insufficient for them to complete their work.

Your Committees agree that this measure will improve the quality of health services rendered to students. In order to provide a more comprehensive school health program, your Committees expanded the measure by:

- (1) Requiring the Department of Health to provide a registered professional nurse to supervise the school health aides and work with each public school to integrate the health and/or medical needs of students with educational services; and
- (2) Requiring health aides to be employed under conditions relating to hours of work, annual work schedule, vacation, sick leave allowance, personal and funeral leaves, compensation, and grievances as provided by law.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 319, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 319, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, Iwase, Sakamoto, Anderson, Slom).

SCRep. 2970 (Joint) Education and Technology and Health and Human Services on H.B. No. 1917

The purpose of this measure is to require the Department of Education (DOE) and the Department of Health (DOH) to jointly establish a comprehensive school health system.

Your Committees received testimony in support of this measure from the DOH, DOE, HGEA-AFSCME, Hawaii Nurses' Association, Kokua Kalihi Valley, and Hawaii State Primary Care Association.

This measure also:

- (1) Requires the Director of Health, with the assistance of the Superintendent of Education, to establish and operate a demonstration project which shall consist of not less than one comprehensive school health program in each of the seven school districts;
- (2) Establishes a joint DOE and DOH planning committee (joint committee) to coordinate a phased implementation of a comprehensive school health system and comprehensive school health demonstration project;
- (3) Requires the joint committee to report to the Legislature in 2001 on its plan and coordination and the Director of Health to report to the Legislature in 2002 and 2003 on the experience of each comprehensive school health program; and
- (4) Makes an unspecified appropriation for comprehensive health demonstration programs.

This measure is intended to plan for the eventual adoption of a school site based method of preventing health problems in school students, through a comprehensive, multi-faceted, and integrated approach that is based on collaboration among the DOE, DOH, community resource groups, and parents. The intended result is to form a seamless health intervention system encompassing prevention, early intervention, and health care.

Your Committees have amended this measure by:

- (1) Requiring that the principal consult with the joint committee prior to establishing and operating a demonstration project;
- (2) Adding dental hygiene services to the demonstration program;
- (3) Adding that the joint committee is to study the statutorily required work day hours of school health aides and other DOH personnel working in schools, and to report to the legislature;
- (4) Adding a requirement that the appropriate collective bargaining representative designate members to sit on the planning committee; and
- (5) Making a technical, nonsubstantive amendment.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1917, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1917, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, Iwase, Sakamoto, Anderson, Slom).

SCRep. 2971 Education and Technology on H.B. No. 2262

The purpose of this measure is to establish a commission to celebrate the one-hundredth anniversary of the arrival of Koreans in Hawaii and an ethnic celebration trust fund.

Testimony in support of this measure was received from the State Foundation on Culture and the Arts, The 2003 Centennial Committee of Korean Immigration to the United States of America, the Consulate General of the Republic of Korea-Honolulu, and two individuals.

Your Committee finds that members of the Korean community have made significant and substantial contributions to Hawaii since the arrival of the first Koreans in 1903. Koreans' rich culture and proud heritage have been and continue to be positive influences upon life in Hawaii.

This measure will provide a framework for recognizing the many contributions of Koreans to Hawaii's diverse and multicultural society, through a one-hundredth anniversary celebration.

Your Committee has amended the measure to require that chapter 42F, Hawaii Revised Statutes, apply to grants or subsidies made pursuant to this measure.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2262, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2262, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 2972 (Joint) Education and Technology and Economic Development on H.B. No. 2443

The purpose of this measure is to help facilitate the development of a technology industry in Hawaii by making special purpose revenue bonds available to private developers to build the infrastructure necessary for technology companies and for specific types of high technology activities.

This measure amends chapter 206M, Hawaii Revised Statutes, to authorize the High Technology Development Corporation to issue special purpose revenue bonds and special facility revenue bonds to develop high technology projects.

Testimony in support of this measure was received from the Governor's Special Advisor on Technology Development, the Department of Budget and Finance, the High Technology Development Corporation, and the Hawaii Technology Trade Association.

Your Committees find that high technology is a key component to the evolution of Hawaii's economy and that a critical step in developing a strong technology industry in Hawaii is building the infrastructure needed to support the expansion of local technology companies.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2443, H.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Buen, Bunda, M. Ige, Matsunaga, Tam).

SCRep. 2973 (Joint) Education and Technology and Economic Development on H.B. No. 2459

The purpose of the measure is to repeal the Hawaii Telecommunications and Information Industries Act.

Testimony in support of the measure was received from the Department of Budget and Finance.

Your Committees find that the Hawaii Telecommunications and Information Industries Act established the Hawaii information network corporation, also known as HAWAII, INC., to encourage the development and growth of the information industry in Hawaii in accordance with sound principles and practices. Your Committees further find that effective July 1, 1995, the organization was not funded, and has since ceased operations. There are no plans to resurrect or fund the HAWAII INC. at this time, and therefore the Act should be repealed.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2459 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Buen, Bunda, M. Ige, Matsunaga, Tam).

SCRep. 2974 (Joint/Majority) Economic Development and Transportation and Intergovernmental Affairs on H.B. No. 1889

The purpose of this measure is to reduce the user fee of the animal quarantine station by an unspecified percentage of the rate that existed on January 1, 2000, forgive the moneys to be deposited from the animal quarantine special fund into the general fund, and appropriate funds for deposit into the animal quarantine special fund.

Testimony in favor of this measure was submitted by the Department of Business, Economic Development, and Tourism, Hawaii Business Roundtable, Chamber of Commerce, Hawaiian Humane Society, and Hawaii Island Economic Development Board. One individual submitted testimony in opposition. The Department of Agriculture submitted comments.

Your Committees find that the current animal quarantine program continues to generate considerable controversy. Your Committees have heard that it causes undue hardship for Hawaii's military community, as members often do not have time to comply with the new regulations that would allow for shorter quarantine stays once their animals arrive in Hawaii. Your Committees have also heard that any reduction in fees should benefit all users, as the intent of the program is to protect all Hawaii residents from introduction of rabies.

Your Committees acknowledge the issues raised by all concerned. Your Committees previously heard and approved S.B. No. 2134 and have amended this measure to replace its contents with those of the Senate bill. As amended, this measure would provide active duty military personnel with a graduated percentage reduction on all quarantine fees.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1889, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1889, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (M. Ige). Excused, 2 (Bunda, Iwase).

SCRep. 2975 Economic Development on H.B. No. 2403

The purpose of this measure is to repeal the statute establishing the Hawaii aquaculture advisory council.

Testimony in favor of this measure was submitted by the Department of Agriculture and Hawaii Aquaculture Association.

Your Committee finds that due to downsizing and consolidation of aquaculture functions into the Department of Agriculture and the establishment of an effective, statewide industry organization, the Hawaii Aquaculture Association (HAA), the purpose and need for the council has been diminished. Your Committee notes that the HAA has pledged to continue to represent the industry through its affiliated members and to work with the department.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2403 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Kawamoto).

SCRep. 2976 (Joint) Economic Development and Water, Land, and Hawaiian Affairs on H.B. No. 2572

The purposes of this measure are to:

- (1) Limit the number of permits for commercial operations to the number and locations, permit type and vessel and passenger capacity provided in the Kaneohe Bay master plan until applicable rules are adopted by the Department of Land and Natural Resources;
- (2) Require rules to be adopted pursuant to chapter 91, Hawai Revised Statutes (HRS);
- (3) Require all rules to follow the criteria and general management concepts set forth in the master plan and not inconsistent with specific provisions of the master plan;
- (4) Authorize the Kaneohe Bay regional council to recommend changes to the master plan, subject to the approval of the lead agency; and
- (5) Authorize the regional council to include recommended changes to the master plan in its annual report.

Testimony in favor of this measure was submitted by the Office of Hawaiian Affairs, Kaneohe Bay Regional Council, and five individuals. The American Watercraft Association, BOATS/Hawaii, and eight individuals submitted testimony in opposition. The Department of Land and Natural Resources, Kaneohe Bay Cruises, Inc., and one individual submitted comments.

Your Committees find that certain parts of the master plan have already been implemented into law, and to the extent that they are, the rules should follow the law. Your Committees are concerned, however, that for those parts of the plan that have not been implemented or adopted into law, the department should have the authority to adopt such rules as they determine necessary, subject to chapter 91, HRS.

Your Committees have amended this measure accordingly, to delete the content of this bill and replace it with the language in S.B. No. 2913. As amended, this measure:

- (1) Deletes location and vessel capacity from permit criteria; and
- (2) Requires the department to adopt rules in accordance with those provisions of the master plan previously adopted by the legislature, and authorizes the department to consider criteria and general management principles in section 4.9 and 4.10 of the master plan when adopting rules pursuant to chapter 91, HRS, for those provisions not previously adopted by the legislature.

As affirmed by the records of votes of the members of your Committees on Economic Development and Water, Land, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2572, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2572, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 2977 Economic Development on H.B. No. 2753

The purposes of this measure are to:

- (1) Impose a two-year moratorium on the issuance of new permits for commercial marine mammal watching tours off the Waianae Coast;
- (2) Direct the Department of Land and Natural Resources to determine the maximum number of commercial permits that should be authorized in the future and study the feasibility of issuing permits for specific rather than unspecified ocean recreation activities;
- (3) Require a \$1 fee for each paying passenger of mammal watching tours to fund the study; and
- (4) Submit findings and recommendations to the legislature prior to the 2001 regular session.

Testimony in favor of this measure was submitted by the Department of Land and Natural Resources, Oceanwide Science Institute, and four individuals. The Activity Owners Association of Hawaii, Inc., Beyond the Reef, Ltd., Body Glove Cruises, Frogman, Napali Catamarans, McBoat, Kaua'i Sea Tours, Maui Classic Charters, Inc., A Na Pali Eco Adventure, Inc., and Captain Sundown's NaPali Sailing Adventures, submitted testimony in support of the measure if the \$1 fee is deleted. The Small Business Regulatory Review Board testified in opposition. The Environmental Center, University of Hawai'i at Manoa and one individual submitted comments.

Your Committee finds that this is a proactive measure, which seeks a temporary "time out" from any increased activity to determine and establish a balance of needs among the marine mammals, those who fish, and the businesses that provide tours of the area.

Your Committee has amended this measure to:

- (1) Expand the area under consideration to the Waianae coastline from Kaena Point to Ewa;
- (2) Limit existing, outstanding permits to ten;
- (3) Add the feasibility of permits for thrill craft to the study;
- (4) Delete the \$1 charge; and
- (5) Change the reporting date to the 2002 legislative session.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2753, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2753, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 2978 (Joint) Economic Development and Education and Technology on H.B. No. 2955

The purpose of the measure is to support the growth and development of technology in Hawaii by providing an income tax credit for the cost of training the taxpayer or the taxpayer's employees to upgrade their technology-related skills.

Testimony in support of the measure was received from the Governor's Special Advisor on Technology Development, High Technology Development Corporation (HTDC), Hawaii Technology Trade Association, and a student from the University of Hawaii. The Department of Taxation supported the intent of the measure but expressed concerns. The Tax Foundation of Hawaii submitted comments.

Your Committees find that tax credits are an efficient way for Hawaii to provide incentives to businesses and individuals to capitalize on the growth of technology-related industries. By requiring the creation or acquisition of a new job, the proposed tax credit isolates the total cost of this program and gives incentives for continuing education in areas where the skills are in demand.

As affirmed by the records of votes of the members of your Committees on Economic Development and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2955, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Buen, Bunda, M. Ige, Matsunaga, Tam).

SCRep. 2979 Labor and Environment on H.B. No. 2519

The purpose of this measure is to require that all Flexible Spending Account (FSA) contributions, interest earned, and forfeited balances be held in trust. The measure also allows the funds to be held in trust outside the state treasury and requires that the interest earned on the contributions and forfeited participant balances be used to defray administrative fees associated with managing the FSA.

Testimony in support of this measure was received from the Department of Human Resources Development (DHRD), University of Hawaii, the United Public Workers, the Hawaii Government Employees Association, the Hawaii State Teachers Association, and Comprehensive Financial Planning, Inc.

Your Committee finds that DHRD is in the process of implementing the FSA option for state employees effective July 1, 2000. Because of the increased record-keeping required for FSAs, the State must hire an administrator to manage the program. The cost of this administrator must be charged to employees enrolled in the program. Your Committee believes that allowing interest earnings and participant forfeitures to be used to pay administrative costs will minimize the cost of FSAs to the employee.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2519, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 2980 (Majority) Education and Technology on H.B. No. 149

The purpose of this measure is to propose an amendment to the State Constitution that would allow the Governor, with the advice and consent of the Senate, to appoint Board of Education (BOE) members, rather than having them publicly elected.

Testimony in support of the measure was received from the Hawaii Business Roundtable and UPW. Testimony in opposition was received from the BOE, Hawaii Congress of Parents, Teachers, and Students, and two private individuals.

Your Committee finds that accountability in Hawaii's public education system is ambiguous. Although the BOE is responsible for setting public education policies, the Governor and the Legislature, through their respective powers, are able to establish policies that may contradict the BOE's policies.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 149, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Tam). Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 2981 (Joint) Education and Technology and Labor and Environment on H.B. No. 1875

The purpose of this measure is to include student and professional accountability in the existing law on educational accountability for the Department of Education (DOE).

In addition, the measure requires the following:

- (1) Development of consequences for observed performance and annual data on student, school, and system performance, including rewards and recognition for those schools that meet or exceed their goals, assistance to those that fall short, and sanctions for those that continue to fail to meet their goals;
- (2) Establishment of a statewide student assessment program that provides annual data on student, school, and system performance at selected benchmark grade levels;
- (3) Teachers and administrators to seek continuous professional growth and development, which shall be subject to evaluation and appropriate consequences;
- (4) Establishment of an explicit link between professional evaluation results and individual accountability for professional development by requiring these evaluation results to be used to prescribe appropriate consequences;
- (5) The DOE to submit summaries of each school's standards implementation design to the Legislature and the Governor prior to each Regular Session; and
- (6) Exemption of the DOE's accountability system from collective bargaining negotiations.

Testimony in support of the measure was received from the Governor, Department of Education, The Chamber of Commerce of Hawaii, Hawaii Congress of Parents, Teachers and Students, Hawaii Business Roundtable, and 30 individuals. Oral testimony supporting the measure was provided by one individual. HGEA-AFSCME and one individual provided testimony opposing the measure. HSTA provided comments on the measure.

Your Committees find that although there are many principals, teachers, administrators, and staff persons in the public schools who are doing a good job, the public school system itself needs improvement.

Your Committees agree that an effective accountability system, independent of the current collective bargaining requirements of chapter 89, Hawaii Revised Statutes, and clearly linked to authority is essential to improving Hawaii's public schools. Such an accountability system will afford a public accounting to other significant partners in the educational process.

Your Committees amended the measure by replacing its contents with S.B. 2837, S.D. 1, which does the following:

- (1) Requires the development of a collaborative process with stakeholders, including representatives of appropriate bargaining units, parents, administration, and students, to define the roles, responsibilities, and obligations of each;
- (2) Requires the development of an accountability system that allows students to provide input into the quality of their education regarding teachers and school administration;
- (3) Requires the establishment of a statewide annual student assessment program that provides annual data on student, school, and system performance in core subjects at each grade level in terms of student performance relative to statewide content and performance standards;
- (4) Maintains the requirement that comprehensive school profiles or reports be made available to all, including the public;
- (5) Requires the DOE to submit a report of the specifics of the design of the comprehensive accountability system and fiscal requirements and legislative actions needed to create the system, prior to each Regular Session; and
- (6) Exempts the implementation of the DOE's accountability system from collective bargaining negotiations until June 30, 2003.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1875, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1875, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, M. Ige, Kanno, Matsunaga, Slom).

SCRep. 2982 Education and Technology on H.B. No. 2096

The purpose of this measure is to appropriate funds for 260 full-time equivalent permanent teacher positions in the Department of Education.

Testimony in support of the measure was received from the Department of Education, Hawaii State Teachers Association, and Hawaii Speech-Language Hearing Association Public School Caucus.

Your Committee finds that the State is obligated under the *Felix v. Cayetano* consent decree to improve services to special education students in this State. Funding under this measure is intended to implement the recommendation of the Felix Management and Accountability Study. The Felix Management and Accountability Study recommends a change in the formula for allocating regular education teachers so that each special education student is counted as one whole regular education student.

Your Committee has amended this measure by:

- (1) Changing the appropriated amount to \$2; and
- (2) Deleting references to the number of positions to be funded.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2096, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2096, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 2983 (Joint) Education and Technology and Labor and Environment on H.B. No. 2701

The purpose of this measure is to establish a renewable energy demonstration project in the Department of Education for one public school in each school district.

This project will involve the installation of photovoltaic systems and energy storage devices in one public school in each school district.

Testimony in support of the measure was received from the Department of Education and Department of Business, Economic Development, and Tourism. Testimony in opposition to the measure was received from Kauai Electric. The Department of Accounting and General Services provided comments on the measure.

Your Committees find that the feasibility and cost effectiveness of installing photovoltaic systems (solar panels) and energy storage devices in public schools needs to be explored, not only as an energy alternative but also to determine a school's potential to be insulated from power outages and to act as an emergency shelter during natural disasters.

Your Committees have made technical, nonsubstantive amendments to the measure.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2701, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2701, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, M. Ige, Kanno, Matsunaga, Slom).

SCRep. 2984 Transportation and Intergovernmental Affairs on H.B. No. 1758

The purpose of the measure is to give the Department of Transportation an additional year to effectuate Act 175, Session Laws of Hawaii 1999, which provides for a statewide driver education program and behind the wheel driver training program.

Your Committee received testimony in support of the measure from the Department of Transportation.

Your Committee has amended the measure by adding a new section to require that when a person is at least sixteen years of age but under eighteen years of age and has been granted a license, the person must have a licensed driver at least twenty-one years of age in the motor vehicle after 11:00 p.m. or before 5:00 a.m., and that all occupants of the motor vehicle during that time must wear seatbelts.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1758, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1758, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Iwase).

SCRep. 2985 Transportation and Intergovernmental Affairs on H.B. No. 1763

The purpose of the measure is to require bicycle riders under eighteen years old to wear bicycle helmets.

Testimony in support of the measure was received from the Department of Health, Department of Transportation, Honolulu Police Department, Disability and Communication Access Board, Peoples Advocacy For Trails Hawaii (PATH), and Hawaii Bicycling League.

Your Committee finds that requiring the use of a bicycle helmet by persons under eighteen years of age will reduce the number of injuries substantially.

Your Committee has amended the measure by deleting the reference to the National Highway Traffic Safety Administration, and the Childrens' Safety Network. Your Committee has also deleted the language referring to a trailer towed by the bicycle as unnecessary, because current law prohibits bicycles from towing anything. Finally, your Committee has deleted the provision that a helmet must be purchased within ten days after the date of the citation in order for the \$25 fine to be waived.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1763, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1763, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Iwase).

SCRep. 2986 (Joint) Transportation and Intergovernmental Affairs and Judiciary on H.B. No. 1759

The purpose of the measure is to extend the photo red light imaging and photo speed imaging detector demonstration project to July 1, 2003, and to make additional changes regarding project procedures and parameters including:

- (1) Extending the time period for a citation to be sent following an incident from forty-eight hours to three days;
- (2) Conferring the powers of the police to provide oversight and services for the project to the director of transportation and his officers, employees, agents, and representatives;

- (3) Establishing a photo enforcement revolving fund to be administered by the department of transportation to pay for the costs of the demonstration project;
- (4) Allowing the department of transportation instead of the counties to establish a photo speed imaging detector system or a photo red light imaging system and to contract with appropriate providers;
- (5) Allowing an authorized contractor, in addition to the police, to operate the photo speed imaging detector equipment;
- (6) Including monitoring of high occupancy vehicle lanes in the definition of "photo technology system"; and
- (7) Requiring the department, in consultation with the police to submit an interim report to the legislature before the convening of the regular session of 2001.

Testimony in support of the measure was received from the Department of Transportation, Honolulu Police Department, Office of the Public Defender, Chamber of Commerce, and a citizen.

Your Committees find that this measure will provide sufficient time for contractors to recover their investment, allow the Department of Transportation to generate useful data about the demonstration project, and provide the legislature with sufficient time to enact appropriate permanent legislation. Your Committees further find that this measure will significantly increase the number of uncontested traffic citations for moving violations, improve public compliance with traffic laws, and reduce the number of traffic accidents, injuries, and deaths.

Your Committees have amended this measure by deleting its contents and inserting S.B. No. 2952, S.D. 1, a companion bill. In so doing your Committees:

- (1) Inserted a purpose clause;
- (2) Removed the reference to a violation of designated uses of high occupancy vehicle lanes; and
- (3) Extended the photo enforcement revolving fund appropriation from the fiscal year 2001 to the fiscal year 2003.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1759, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1759, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 5 (Bunda, Inouye, Iwase, Sakamoto, Tanaka).

SCRep. 2987 (Joint) Transportation and Intergovernmental Affairs and Commerce and Consumer Protection on H.B. No. 1762

The purpose of the measure is to clarify the scope of entities subject to civil penalties for failing to comply with the motor carrier law.

Written testimony in support of the measure was received from the Public Utilities Commission. The Hawaii Transportation Association presented oral testimony in support of the measure.

Your Committees find that this measure will ensure that any and all persons who engage the services of motor carriers of property or passengers are also subject to civil penalties for failing to comply with the motor carrier laws.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1762 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, D. Ige, Ihara, Iwase, Matsuura).

SCRep. 2988 Transportation and Intergovernmental Affairs on H.B. No. 1881

The purpose of the measure is to consolidate and conform offenses relating to operating a vehicle while under the influence of intoxicants.

Testimony in support of the measure was received from the Department of Transportation, Judiciary (with concerns), Prosecuting Attorney of the City and County of Honolulu (with proposed amendments), Honolulu Police Department, Hawaii Medical Association, and MADD. A member of the Governor's Impaired Driving Task Force submitted testimony in support of the concept, but raised strong concerns over contents of the measure.

Your Committee finds that this measure will conform the penalties for driving under the influence of drugs with the penalties for driving under the influence of intoxicating liquor to provide that both offenses are treated more uniform and consistent.

Your Committee has amended the measure by redefining and expanding the definition of operating a vehicle under the influence of an intoxicant and has changed the effective date to January 1, 2002, to allow for the administrative transition. Your Committee has also made technical amendments to the measure for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1881, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1881, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Iwase, Taniguchi).

SCRep. 2989 (Joint) Transportation and Intergovernmental Affairs and Commerce and Consumer Protection on H.B. No. 2349

The purpose of the measure is to allow an insurer to recover the amount of covered loss deductible that would have applied from its insured whose conduct resulted in the inapplicability of the covered loss deductibles.

Testimony in support of the measure was received from the Department of Commerce and Consumer Affairs and Consumer Lawyers of Hawaii.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2349, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, D. Ige, Ihara, Iwase, Matsuura).

SCRep. 2990 Transportation and Intergovernmental Affairs on H.B. No. 2691

The purpose of the measure is to conform the penalties for driving under the influence of drugs with those for driving under the influence of intoxicating liquor.

Testimony in support of the measure was received from the Department of Transportation, Honolulu Police Department, Prosecuting Attorney of the City and County of Honolulu, and MADD. Testimony in opposition to the measure was received from a citizen.

Your Committee recognizes that in 1993, the legislature made amendments to the penalties of driving under the influence of intoxicating liquor to reduce penalties for first time offenders and provide legislative intent that a first time offense is a constitutionally "petty offense." As a result, offenders are not entitled to a jury trial. However, the corresponding amendments were not made to the driving under the influence of drugs offense, and the issue of whether a jury trial is available has been in question. By conforming the penalties for both offenses, the issue of a right to a jury trial will be clarified.

Your Committee has amended the measure by:

- (1) Reducing the number of hours of community service from not less than 100 hours to not less than 80 hours, and the fine from not more than \$1,500, to not more than \$1,000 for an offense that occurs within five years of a prior conviction;
- (2) Reducing the fine from not more than \$2,500 to not more than \$1,000 for an offense that occurs within five years of two prior convictions; and
- (3) Making a technical, nonsubstantive amendment to reflect proper ramseyer style.

The substantive amendments restore current law to keep the imprisonment and fines in conformity with a petty misdemeanor.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2691, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2691, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Inouye, Iwase).

SCRep. 2991 Transportation and Intergovernmental Affairs on H.B. No. 2727

The purpose of this measure is to expedite the process of shipping vehicles interisland by repealing the requirement that registered owners of a vehicle, with an outstanding loan, obtain a notarized statement from the creditor before shipping the vehicle between the islands.

Testimony in support of the measure was received from Young Brothers, Limited. Testimony in opposition to the measure was received from the County of Hawaii Police Department, Honolulu Police Department, Maui County Police Department, and Hawaii Bankers Association.

Your Committee finds that current law makes it difficult for businesses as well as individuals to ship their vehicles for purposes of work, relocation, or short vacations.

Your Committee has amended the measure by inserting a "drop dead" provision to repeal the amendments to the measure 5 years from July 1, 2000.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2727, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2727, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Iwase).

SCRep. 2992 Health and Human Services on H.B. No. 2156

The purpose of this measure is to make an appropriation for basic dental services for adults.

Your Committee received testimony in support of this measure from the Department of Health (DOH), State Planning Council on Developmental Disabilities, Hawaii State Primary Care Association, Institute for Human Services, Inc., Hawaii Catholic Conference, Health Care For The Homeless Project, Kalihi-Palama Health Center, Office for Social Ministry, Kokua Council, Hawaii Nurses' Association, Kokua Kalihi Valley, and Hawaii Dental Hygienists' Association. Testimony in opposition was received from the ARC In Hawaii and AlohaCare.

In 1996, basic dental services for adults enrolled in Medicaid and QUEST programs were terminated. Since 1996, only emergency dental services have been covered by these programs. Many low-income adults in these programs are unable to pay out-of-pocket expenses for basic dental services, such as filling cavities or teeth cleaning. Therefore, these individuals elect not to seek these needed services and often suffer serious health consequences. There are also many indigent adults who do not qualify for either Medicaid or QUEST benefits and who are also in need of basic dental care services.

For those on welfare, dental care has been identified as an essential need and factor in their ability or inability to secure employment. Therefore, restoring basic dental services for indigent adults is in line with current welfare reform.

Your Committee encourages the Department of Human Services to restore dental services for adults as soon as possible, and to work with the United States Department of Health and Human Services to accommodate these services within the current state budget ceiling.

Your Committee intends the appropriation to the DOH to be used to create capacity in select communities currently lacking dental services for indigent adults and other target populations, and to support community health centers and other safety net providers with established dental programs. In addition, the DOH is encouraged to develop a project to provide a fee-for-service program for disabled individuals unable to obtain basic dental services.

Your Committee has amended this measure by:

- (1) Removing the proviso in the appropriation to the DOH that dental services be provided through community-based health centers and dental services providers;
- (2) Adding an appropriation of \$1 for the DHS to reinstate the provision of basic dental services for adults in the Medicaid and QUEST programs;
- (3) Changing the purpose section to reflect the amended measure; and
- (4) Renumbering the sections in the measure.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2156, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2156, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Anderson).

SCRep. 2993 Education and Technology on H.B. No. 1873

The purpose of this measure is to provide the Department of Education (DOE) with the authority and incentive to pursue additional resources to improve Hawaii's public schools by:

- (1) Exempting the DOE's federal and trust funds from the requirements of the state budgetary allotment system; and
- (2) Prohibiting general fund offsets in the event that federal or trust fund receipts are greater than appropriations.

Testimony in support of the measure was received from the Department of Education, Hawaii State Teachers Association, The Hawaii Business Roundtable, The Chamber of Commerce of Hawaii, and Hawaii Association of Realtors. Testimony in opposition to the measure was received from the Department of Budget and Finance.

Your Committee substantially amended this measure by replacing its entire contents with S.B. No. 2835, S.D. 1, and S.B. No. 2474, S.D. 1, which do the following:

- (1) Allow the DOE to retain federal impact aid, federal department of defense funds, and federal indirect overhead reimbursements it receives, instead of depositing them into the general fund;
- (2) Allow the DOE to retain a certain amount of indirect overhead reimbursements and require the DOE to prepare an annual report for the legislature, as prescribed by the Director of Finance, on the amount of indirect overhead moneys retained and expended;
- (3) Establish a grants research and application revolving fund for depositing and expending the indirect overhead reimbursements and require the DOE to prepare for the legislature an annual report on the status of this fund, including a list of grant applications and awards received;
- (4) Allow the Superintendent of Education to approve trust fund expenditures up to available revenues;
- (5) Appropriate funds from the federal grants research and revolving fund for the DOE to carry out the purposes of the measure, including the creation and hiring of necessary staff;
- (6) Require the Governor, if the funds retained in item (1) exceed the authorized appropriation in the General Appropriations Act or the Supplemental Appropriations Act, to allow the DOE to:
 - (A) Increase the federal fund expenditure ceiling for EDN 100, school based-budgeting; and
 - (B) Retain the full amount of the general fund offset created by increased impact aid receipts to further carry out the purposes of EDN 100;
- (7) Require the DOE to submit to the legislature a report on the exact amount and specific nature of federal impact aid and federal department of defense funds received; and
- (8) Clarify that the intent of the measure is not to jeopardize the receipt of any federal aid or impair the obligation of the State to holders of any bonds issued by the State.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1873, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1873, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 2994 Education and Technology on H.B. No. 1876

The purpose of this measure is to amend the State Constitution to add a nonvoting military-representative member to the Board of Education.

Testimony in support of the measure was received from CINCPAC, Hawaii Business Roundtable, and two individuals. Testimony in opposition to the measure was received from the Board of Education.

Your Committee finds that military service members and their families constitute a large presence in Hawaii. Because military service members usually do not change their voter registration each time they move, they are unable to vote in elections for members of the Board of Education (BOE). Consequently, military service members have no way to voice their concerns and needs regarding the public school education system in Hawaii.

Your Committee agrees that adding a nonvoting member from the armed forces to the BOE will improve the communication and information flow between the public education system and military service members and their families.

Your Committee amended the measure by requiring the governor to select a member of the armed forces, from a list submitted by the highest ranking senior officer of the armed forces in Hawaii, to serve as a nonvoting member of the BOE.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1876, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 2995 Education and Technology on H.B. No. 1905

The purpose of this measure is to establish a pilot project that requires moneys collected by any public school from rental fees for usage of facilities, to be deposited with that school rather than in the general fund.

Testimony in support of the measure was received from the Department of Education.

Your Committee finds that currently, rental fees and service charges applicable to the use of public school buildings, facilities, and grounds are determined by the Superintendent of Education to recover costs. Of the net receipts, 70% is allocated to the school and 30% to the district office to assist schools that service type 1 and type 2 users paying no rental fee for use of facilities.

The Department of Education (DOE) expressed concerns of inequities that may arise if schools, in their discretion, are permitted to rent facilities on their own. Therefore, your Committee requests that the DOE develop guidelines to ensure the fair use of school facilities for non-profit agencies, including type 1 and type 2 users. Type 1 users are organizations such as the Parent, Teacher, Student Association; school community-based councils; DOE inservice workshops; A+ programs; and primary and general elections. Type 2 users are organizations such as federal, state, and county agencies; non-profit community organizations; youth athletic teams; private pre-school and after school programs endorsed by the DOE; public hearings and meetings; and other educational or recreational activities approved by the school where no fees are assessed or collected. It is your committee's intent that communities continue to support these organizations.

Your Committee amended the measure by:

- (1) Reducing, from 80% to 70%, the net receipts collected by a public school from rental fees for usage of facilities;
- (2) Adding a requirement that 30% of the net receipts be allocated to the district office to assist schools that service type 1 and type 2 users;
- (3) Deleting all references to the Department of Accounting and General Services;
- (4) Subjecting type 1 and type 2 users to the rental fee schedule set by the DOE rather than the fee schedules set by the schools;
- (5) Allowing a school to reduce rental fees in view of any improvements made by a renter; and
- (6) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1905, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1905, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 2996 Education and Technology on H.B. No. 2040

The purpose of this measure is to make an appropriation for the Department of Education's (DOE) safety risk management alliance pilot program (program).

Your Committee received testimony in support of this measure from the DOE, Hawaii State Teachers Association, and two private individuals. Informational testimony was presented by the Hawaii Youth Services Network.

The program will assist secondary schools by more effectively addressing school safety concerns from a law enforcement perspective, thereby allowing principals to concentrate on implementing standards-based education. In order to improve academic achievement, students must first feel safe in school.

The program requires each participating high school to have a professional security officer, acting as a school safety manager, on campus to be directly in charge of security attendants.

Your Committee has amended this measure by increasing the appropriation amount to \$2.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2040, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2040, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 2997 Education and Technology on H.B. No. 2060

The purpose of this measure is to provide the University of Hawaii (UH) Community Colleges with the flexibility necessary to manage resources and operations effectively and efficiently by authorizing them to deposit, disburse, and account for tuition, fees, and charges related to programs under various special and revolving funds, comprehensively under the Community Colleges Special Fund.

Testimony was not received for this measure.

Your Committee substantially amended the measure by replacing its entire contents with S.B. No. 2962, S.D. 1, which had a public hearing and was passed by this Committee, to:

- (1) Establish a procedure for service of process upon the UH;
- (2) Clarify that legal services formerly provided by the Department of the Attorney General are to be provided by the UH's General Counsel;
- (3) Allow the UH to prepare for the review of the UH's General Counsel, a list of all uncollectible accounts, which, if determined to be uncollectible, shall be entered into a special record and deleted from the accounts receivable of the university;
- (4) Exempt the UH from the requirement that it receive the Attorney General's approval prior to acquiring real property; and
- (5) Require that all UH settlements, judgments, and indemnification claims be paid from legislative appropriations.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2060, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2060, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Tam).

SCRep. 2998 Education and Technology on H.B. No. 2062

The purpose of this measure is to provide the University of Hawaii with additional flexibility in managing its resources.

This measure enables the University, until June 30, 2002, to:

- (1) Carry over unexpended general funds for operating purposes for one additional fiscal year; and
- (2) Use these retained funds for instructional programs.

This measure also exempts the University from the provisions of section 37-42, Hawaii Revised Statutes (HRS), which requires departments to limit expenditures of appropriated funds to allotment ceilings established by the Governor for each department.

Testimony in support of the measure was received from the University of Hawaii and Hawaii Association of Realtors. The Department of Budget and Finance opposed the measure.

Your Committee finds that the proposal to carry forward general fund appropriations would facilitate better operational expenditure planning and assure more effective and efficient expenditure of public funds once they are allotted.

Your Committee agrees that the carry forward provision of this measure will assist the University to move closer to its goal of achieving full autonomy in the administration of appropriated funds and allow it to better respond to the needs of the public. The Department of Budget and Finance expressed concerns about allowing the University to incur obligations in excess of any allotment, which would effectively exempt the University from section 37-42, HRS, and would require the State to cover excess University expenditures at the expense of other executive departments.

Upon further consideration, your Committee amended the measure to:

- (1) Broaden the use of carryover funds to apply to any University program;
- (2) Remove section 5 of the measure, which exempted the University from the requirement of section 37-42, HRS, that it not incur obligations in excess of an allotment; and
- (3) Remove the reference in section 6 of the measure, reenacting section 37-42, HRS, as it is unnecessary in light of these amendments.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2062, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2062, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 2999 Education and Technology on H.B. No. 2087

The purpose of this measure is to allow limited access to confidential Family Court juvenile records by school officials and persons involved in the treatment and supervision of minors in the areas of child abuse and law enforcement.

Testimony in support of the measure was received from the Department of Education, Hawaii State Teachers Association, Hawaii Association of Independent Schools, and one individual. Testimony in opposition to the measure was received from the Judiciary, Department of Human Services, ACLU Hawaii, and Catholic Charities Child Sexual Assault Treatment Program.

Your Committee recognizes that the incidences of school violence in Hawaii are on the rise, and that the Department of Education is faced with the difficulty of balancing a student's educational needs with the issues of ensuring school safety. While your Committee can appreciate the purpose behind this bill, your Committee believes that, as drafted, the measure is overly broad and could have unintended negative consequences, such as the wider dissemination of information than what was intended.

Your Committee believes that existing laws requiring confidentiality of juvenile records are based upon the principles that juveniles should be afforded additional protections and treated differently from adult offenders, due to the heightened expectations by the court that juvenile offenders may be more readily rehabilitated. Therefore, extra care is needed to avoid adverse effects on juveniles such as labeling, stereotyping, or differential treatment that could result from dissemination of such information. However, your Committee agrees that under certain situations, information about students who have been adjudicated of serious acts of violence, should be made available to the Department of Education, in order to better protect the student, other students, and staff.

Your Committee finds that section 571-84.6, Hawaii Revised Statutes (HRS), already allows public access to juvenile records of a minor who has been taken into custody for committing serious acts of violence. However, your Committee finds that the process to obtain such information from the Family Court may be a lengthy one. Therefore, it is your Committee's intent that Family Court work collaboratively with the Department of Education to create a more expeditious process for release of information for education-related purposes.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting the contents of S.B. No. 2996, S.D. 2. More specifically, your Committee has amended this bill by:

- (1) Removing the findings and purpose section;
- (2) Amending section 571-84.6, HRS, to require the Family Court to provide reasonable access to all records relating to juveniles that are open for public inspection to the Department of Education and for Family Court to expedite the release of the requested information;
- (3) Amending section 571-84.6, HRS, to include acts that result in substantial bodily injury;
- (4) Requiring the family court to provide written notice to the Department of Education of a minor adjudicated or taken into custody under section 571-84.6(b) or (c), HRS, including the minor's full name, address, and date of birth;
- (5) Requiring the Department of Education to establish safeguards that protect the confidentiality and integrity of the information received from Family Court;
- (6) Requiring the Department of Education, in collaboration with the Family Court, to establish policies and procedures for the dissemination of the confidential information received from Family Court;
- (7) Requiring the Department of Education to report its findings and recommendations to the legislature prior to the convening of the 2001 regular session; and

- (8) Changing the effective date to August 1, 2001, and providing that the Act be repealed on June 30, 2003, and that section 571-84.6 be reenacted in the form in which it read before the approval of the Act.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2087, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2087, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 3000 Education and Technology on H.B. No. 2285

The purpose of this measure is to fulfill the requirements of the State constitutional mandate by providing funds for the Hawaiian studies program.

Specifically, this measure provides funds for a resource teacher for each school district and a supervisor to lead and coordinate the resource teachers. The Office of Hawaiian Affairs is to provide support services for the program.

Testimony in support of the measure was received from the Department of Education, Office of Hawaiian Affairs, Ka Lahui Hawaii, and seven individuals.

Your Committee finds that the Hawaiian studies program (Program) in the state public school system is the result of the 1978 state constitutional mandate under Article X, section 4, which required the State to promote the study of Hawaiian culture, history, and language by providing a Hawaiian education program and by using community experience as a suitable and essential means to further this program. The program no longer has resource teachers.

Your Committee agrees that the funds provided by this measure are necessary to fulfill the requirements of the constitutional mandate.

Your Committee amended the measure by changing the appropriation amount to \$2.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2285, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2285, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 3001 Education and Technology on H.B. No. 2491

The purpose of this measure is to provide flexibility to the Department of Education (DOE) to set school lunch prices.

Your Committee received testimony in support of this measure from the DOE.

This measure authorizes the DOE to set the price for a school lunch that ensures that moneys received are up to one-third of the cost of preparing the lunch, rounded to the nearest 25 cents and adjusted in the first year of a fiscal biennium. According to testimony of the DOE, this formula would yield a price of \$1 beginning the next school year. The current school lunch price is 75 cents.

Your Committee notes that under the current law, the school lunch program is subsidized by the federal government and the State's general fund, and the price is limited to a maximum of \$1. Although this is expected to continue even with this measure, the amount of the subsidy is expected to be less with this measure because it provides for a mechanism for cost-sharing of the price of school lunches among the federal government, the State, and students. Your Committee has changed the effective date to July 1, 2000.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2491, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2491, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3002 Education and Technology on H.B. No. 2566

The purpose of this measure is to clarify that the operation of the literacy and lifelong learning program is performed by the public libraries in the State and to repeal the sections on public-private partners for the literacy trust fund and the advisory alliance for literacy and lifelong learning.

Testimony in support of this measure was received from the Hawaii State Public Library System.

Your Committee finds that the Hawaii State Public Library System has subsumed literacy programs into a central office of the Library Development Services. Accordingly, duties of the state librarian, as provided in section 312-8, Hawaii Revised Statutes, should be amended to reflect this change. Your Committee has amended this measure by deleting as unnecessary section 312-8(a)(3), HRS, requiring the library to serve as a clearinghouse for information as unnecessary.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2566, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2566, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 3003 (Joint) Education and Technology and Ways and Means on H.B. No. 2820

The purpose of this measure is to propose amendments to article VII, section 12 and article X, section 12, of the Hawaii Constitution, to authorize the issuance of special purpose revenue bonds to finance the construction and renovation of educational facilities at independent not-for-profit elementary schools, secondary schools, universities, and colleges.

Testimony in support of the measure was received from the Hawaii Association of Independent Schools and Chaminade University. The Department of the Attorney General submitted concerns about the measure. The Department of Budget and Finance submitted comments on the measure.

Your Committees have concerns about using special purpose revenue bonds to assist private schools in constructing and renovating their educational facilities because of this State's strong history against appropriating public funds for private schools and because of the uncertainties raised by possible violations of the Establishment Clause, Free Exercise Clause, and the First Amendment of the U.S. Constitution.

Upon further consideration, your Committees amended the measure by removing its contents and instead requesting the Legislative Reference Bureau to conduct a study on how private schools may be able to work together to create a consortium to finance the construction and renovation of educational facilities at independent, not-for-profit elementary schools, secondary schools, universities, and colleges in Hawaii.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2820, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2820, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 8 (Bunda, Chumbley, Chun Oakland, M. Ige, Iwase, Matsunaga, Nakata, Taniguchi).

SCRep. 3004 Education and Technology on H.B. No. 2822

The purpose of this measure is to make an appropriation for the school administrator program of the Department of Education (DOE).

Your Committee received testimony in support of this measure from the DOE, HGEA-AFSCME, and Joint Leadership Council on Teacher Morale.

This measure would ensure an adequate pool of educational officers. The school administrator program provides practical on-the-job training to prospective school administrators in an internship process that pairs them with seasoned educational officers.

Your Committee has amended this measure by inserting the sum of \$2 for the appropriation.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2822, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2822, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3005 Education and Technology on H.B. No. 3002

The purpose of this measure is to authorize the Director of Finance to issue general obligation bonds to finance the renovation of playground equipment to ensure compliance with national guidelines and standards, including the United States Consumer Product Safety Commission; the American Society for Testing and Materials; and the Americans with Disabilities Act.

Testimony in support of the measure was received from the Department of Education, Hawaii State Teachers Association, Disability and Communication Access Board, Hawaii Congress of Parents, Teachers, and Students, and Keiki Injury Prevention Coalition. The Department of Accounting and General Services provided comments on the measure.

Your Committee finds that playground equipment at many schools has been condemned as unsafe, inaccessible, or both. Many parent organizations are unable to raise enough money for new equipment and safe surfaces.

Your Committee agrees that this funding will help ensure that Hawaii's children have safe environments in which to play.

Your Committee has amended this measure by requiring the appropriated moneys to be used for:

- (1) The planning, design, and establishment of approval standards for equipment; and
- (2) The development of a process for schools to ensure compliance with the applicable guidelines and facilitate the annual bulk purchase of such equipment.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3002, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3002, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 3006 Government Operations and Housing on H.B. No. 2088

The purpose of this measure is to ensure that contracts awarded under Chapter 103D, Hawaii Revised Statutes, are those that best serve the State.

Specifically, the measure amends Chapter 103D, Hawaii Revised Statutes, by:

- (1) Requiring that when contracts are awarded in high capitalization industries and other industries where contract awards have a substantial effect on competition in the marketplace, the evaluation of bids must include consideration of the effect on costs, availability, and quality of the goods and services provided under the contract; and
- (2) Allowing a contract to be awarded to an offeror other than the lowest bidder.

Testimony in opposition to the measure as received by your Committee was received from the Hawaii Construction Coalition and a private citizen.

While your Committee believes that the purpose of the measure is important, it also believes that preventing any negative impacts from questionable contributions provided by contractors competing for state contracts to specific political offices requires more immediate attention.

In light of this belief, your Committee has amended the measure by deleting its substance and inserting therefor, provisions of a proposed S.D.1 which prohibits persons who make contributions to candidates for the office of the governor, lieutenant governor, mayor, or the county council, or to a political action committee or political party, from receiving state contracts under Sections 103D-303 and 103D-304, Hawaii Revised Statutes.

Testimony in support of the proposed S.D.1 was received from the Campaign Spending Commission, the Hawaii School Bus Association, and Common Cause Hawaii. The Department of Accounting and General Services opposed the proposed S.D.1.

Your Committee finds that disallowing persons who make contributions to high ranking elected officials removes the perceived taint of politics from the procurement process and provides the general public with more reasons to trust their elected officials, government, and the electoral process in general.

Your Committee has amended the proposed S.D.1 by clarifying that:

- (1) Persons who contribute to the governor, lieutenant governor, or any mayor, county council member, non-candidate committee, or political party shall be prohibited from receiving state contracts under sections 103D-303 and 103D-304, Hawaii Revised Statutes;
- (2) Adding enforcement and penalty provisions for violating the provisions set forth in the proposed S.D.1.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2088, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2088, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Levin, Matsunaga, Anderson).

SCRep. 3007**Government Operations and Housing on H.B. No. 2104**

The purpose of this measure is to facilitate the development of low-income rental housing in the State.

Testimony in support of the measure was submitted by the Governor's Office, Housing and Development Corporation of Hawaii, Hawaii Investors for Affordable Housing, Inc., Affordable Housing and Homeless Alliance, Hawaii Catholic Conference, and The Arc in Hawaii. The Department of Budget and Finance submitted comments on the measure.

This measure authorizes the issuance of general obligation bonds and an appropriation to the Rental Housing Trust Fund for the development of low-income rental housing in the State.

Upon careful consideration, your Committee has amended this measure by replacing its contents with the language of S.B. No. 2386, S.D. 1. As amended, this measure:

- (1) Authorizes the issuance of \$43,000,000 in general obligation bonds to fund the renovation of state-owned public housing that includes renovations to bring public housing into compliance with the Americans with Disabilities Act; and
- (2) Makes an appropriation from the State's general revenues to fund the day-to-day repair and maintenance of state-owned public housing.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2104, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2104, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Chun, Hanabusa, Levin, Matsunaga).

SCRep. 3008**Government Operations and Housing on H.B. No. 2425**

The purpose of this measure is to ensure that projects created and established as condominium property regimes conform to the underlying county zoning provisions and development ordinances and are consistent with the purposes of adopted county land use policies and State land use law. The measure also requires that a declaration asserting conformance with county ordinances be filed according to the methods required by the bureau of conveyances and land court.

Testimony in support of this measure was received from the Office of Planning of the Department of Business, Economic Development, and Tourism, two members of the County Council of the County of Hawaii, Hawaii's Thousand Friends, and an individual.

Your Committee finds that although condominium property regimes should conform to county regulations, the scope of this measure should be limited to avoid infringing upon the activities of the Housing and Community Development Corporation of Hawaii and other state agencies, and to avoid conflict with definitions set forth in state department or agency rules.

Your Committee has amended this measure by:

- (1) Providing that the requirements of this measure shall not apply to state agencies which are exempt by statute;
- (2) Deleting the definition of apartment;
- (3) Amending the effective date of this measure so that it takes effect on its approval; and
- (4) Making technical, nonsubstantive amendments to conform this measure to the preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2425, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2425, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Chun, Hanabusa, Levin, Matsunaga).

SCRep. 3009**Government Operations and Housing on H.B. No. 2429**

The purpose of this measure is to focus financial housing assistance to persons who earn fifty per cent or less of the median family income through participation in the Rent Supplement Program (Program).

This measure:

- (1) Conforms the definition of "qualified resident" in section 201G-128, Hawaii Revised Statutes (HRS), with section 201G-112, HRS, to include persons living with other household members to whom they are not married but with whom they are cohabiting;
- (2) Includes "very low" income households or persons earning fifty per cent or less of the median family income as Program participants;
- (3) Defines a "qualified tenant" of the Program to include single persons regardless of age or disability or lack thereof;
- (4) Expands the income limits for Program participation from the National Housing Act requirements to include a "very low" income standard;
- (5) Raises a Program tenant's rental contribution to thirty per cent and establishes a time-table for the implementation of this increase; and
- (6) Deletes statutory provisions for establishing the priority of persons applying for Program participation.

Testimony in support of this measure was received from the Governor's Office, the Housing and Community Development Corporation of Hawaii (HCDCH), the Hawaii Catholic Conference, the Affordable Housing and Homeless Alliance, and The Arc of Hawaii.

Your Committee finds that rent supplements in Hawaii have been extremely effective in preventing homelessness for low-income elderly and disabled people. However, budgetary cuts have severely reduced this effectiveness and lead to a waiting list for affordable, subsidized rental housing for these groups.

Upon further consideration, your Committee amended the measure to:

- (1) Reinstate the requirement that a Program tenant's rental contribution be one-fifth of the tenant's annual income, in order to ensure that more of these subsidies remain available to those who really need it;
- (2) Removing the section requiring increases in the rent contribution and the section requiring compliance with rent supplement program increases; and
- (3) Authorizing the HCDCH to increase the rent contribution amount set forth in section 201G-234, Hawaii Revised Statutes, after conducting public hearings to determine whether or in what amount the rent contribution should be increased, up to a maximum of thirty per cent.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2429, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2429, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Chun, Hanabusa, Levin, Matsunaga).

SCRep. 3010

Government Operations and Housing on H.B. No. 2432

The purpose of this measure is to assist members of partnerships, limited liability companies, or S corporations to claim the low-income housing tax credit.

In addition, the measure allows a taxpayer to claim the state credit without claiming the federal credit.

Testimony in support of this measure was received from the Department of Taxation and Housing and Community Development Corporation of Hawaii.

The State low-income housing tax credit program helps create affordable housing for persons earning less than 60 per cent of the median income by providing preferences for projects consisting of units which will be available to families with substantially lower incomes. The intent of the program is to attract investors who provide equity to build these projects in return for tax credits for a period of ten years.

Your Committee finds that under current law, investors may claim the State low-income housing tax credit only if they also claim the the federal low-income housing tax credit. By allowing investors to claim the tax credit whether or not they claim the federal tax credit, the State will realize an increase in the development of affordable rental housing.

Your Committee also finds that the need for low income housing may be reduced if more attention is given to the State's struggling economy. Although the business sector has been crying for relief from taxes and government regulation, our economy is suffering due to a lack of spending. The net income of families must be increased to facilitate spending and stimulate the economy and this could take place by increasing the standard income tax deductions as follows:

- (1) \$10,000 in the case of a joint return;
- (2) \$8,685 in the case of a head of a household;
- (3) \$5,000 in the case of an individual who is not married;
- (4) \$5,000 in the case of a married individual filing a separate return.

Your Committee also finds that the personal exemption for individual taxpayers instead of being multiplied by \$1,040 should be multiplied by \$5,000 for the first two exemptions, and by \$2,500 for all additional exemptions. These changes would assist individuals and further stimulate the economy. Unfortunately, your Committee finds that this measure cannot be the vehicle for these changes.

Your Committee has amended this measure to make technical changes to conform the bill to the preferred drafting style. Your Committee notes that one of the technical changes is to split Section 235-2.4, Hawaii Revised Statutes (HRS), into two sections, 235-2.4 and 235-2.45. Section 235-2.4, HRS, is often amended, has become unwieldy, and the preferred drafting style requires that the entire section be set out for any amendment. As a precedent, Act 19, Session Laws of Hawaii 1985, performed a similar split.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2432, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2432, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Chun, Hanabusa, Levin, Matsunaga).

SCRep. 3011

(Joint) Government Operations and Housing and Education and Technology on H.B. No. 2451

The purpose of this measure is to finance future repairs and maintenance of state facilities by:

- (1) Creating a Repairs and Maintenance Special Fund; and
- (2) Depositing into the Repairs and Maintenance Special Fund one and one-half percent of all general obligation bond and state educational facilities improvement special fund appropriations for capital improvements designated for the construction cost element.

Testimony in support of the measure was submitted by the Department of Accounting and General Services, the Department of Education, and the Hawaii State Teachers Association. Comments were submitted by the Department of Budget and Finance.

Your Committees have amended the measure by:

- (1) Recasting the name and purpose of the proposed special fund to the School Priority Repairs and Maintenance Special Fund that would be funded by general obligation bond and other revenues to provide a dedicated source of funding for high priority school facility repair and maintenance projects;
- (2) Requiring the Comptroller to hold public informational hearings whenever a restriction of funds from the School Priority Repairs and Maintenance Special Fund is recommended; and
- (3) Adding an unspecified general obligation bond issuance section and a general fund appropriation section to fund the School Priority Repairs and Maintenance Special Fund.

Your Committees believe that the amended measure speaks to a longstanding problem over the deficient amount of funds available for school repair and maintenance projects.

Your Committees also believe that in order for school repair and maintenance projects to be completed in a timely manner, moneys authorized by the Legislature for these purposes must be fully released and at the disposal of the agency responsible for carrying out the school repair and maintenance project. The Administration's practice of withholding funds contained in the executive budget for such school repair and maintenance projects severely curtails an agency's ability to meet its goals and objectives, not to mention a school's ability to educate students in a safe learning environment. Therefore, your Committees believe that it is inappropriate for the Governor to restrict moneys for school repair and maintenance projects without providing the public with an explanation as to why the funds are to be restricted.

As affirmed by the records of votes of the members of your Committees on Government Operations and Housing and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2451, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2451, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 6 (Bunda, Chumbley, Chun, Hanabusa, Levin, Matsunaga).

SCRep. 3012 Government Operations and Housing on H.B. No. 2588

The purpose of this measure is to enable the State to pay vendors on a more timely basis by eliminating duplicative preaudit reviews currently being performed by both the Comptroller and the respective departments.

This measure allows the Comptroller to delegate the preaudit responsibility for proposed payment amounts below \$1,000 to the executive branch departments which shall then preaudit the proposed payments to determine the propriety of the expenditures and compliance with applicable laws, executive orders, and rules that may be in effect.

Testimony in support of this measure was received from the Lieutenant Governor, the Department of Accounting and General Services, the Department of Human Services, the Department of Land and Natural Resources, Government Efficiency Teams, and NFIB Hawaii.

Your Committee finds that eliminating duplicative audits by the Comptroller for proposed payments below a specific amount will increase government efficiency by allowing the Comptroller to focus on larger proposed expenditures which affect a greater number of Hawaii's residents.

Your Committee finds, however, that the amount set forth in this measure which triggers the Comptroller's right to delegate the preaudit to the respective departments requires additional information and departmental feedback and for that reason, your Committee has amended this measure to leave the amount blank.

Your Committee has also amended this measure to assess a one-time five per cent penalty against the State for each failure to promptly pay contractors for services or goods tendered under section 103-110, Hawaii Revised Statutes, which shall force the State to expedite the review and audit process for state procurement contracts.

In order to ensure that this measure is an appropriate step towards maximizing government efficiency, your Committee requests that the Office of the Governor, the Office of the Lieutenant Governor, the Attorney General's Office, and the Department of Budget and Finance submit timetables for their respective interdepartmental review and approval processes that include support and justification for the implementation of this measure.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2588, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2588, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Levin, Matsunaga, Anderson).

SCRep. 3013 (Joint) Education and Technology and Labor and Environment on H.B. No. 1874

The purpose of this measure is to improve accountability for educational resources by establishing an interagency educational accountability working group to review agency administrative rules, policies, procedures, and practices, and temporarily suspend these, to allow the Department of Education to restructure and reallocate its resources to support student achievement.

Testimony in support of the measure was received from the Department of Education, Department of Accounting and General Services, HSTA, The Chamber of Commerce of Hawaii, and Hawaii Business Roundtable. HGEA-AFSCME provided testimony in opposition to the measure.

Your Committees find that the Board of Education (BOE) and Superintendent of Education are most responsible for the success of Hawaii's public education system and should be held accountable for educational outcomes in this State. However, because Hawaii maintains a statewide public school system, responsibility for various support functions for Hawaii's public education system are assigned to a number of state agencies, who have competing goals and objectives.

Your Committees agree that establishing an interagency educational accountability working group to review agency administrative rules, policies, procedures, and practices, and to make recommendations to the BOE to temporarily suspend these, will support improved accountability for educational resources in this State. However, your Committees are concerned that the working group will be comprised of too many state agents and requests that more stakeholders, such as parents and students, be included in the working group.

Your Committees amended the measure as follows:

- (1) Subjecting the suspension of rules, policies, procedures, and practices to BOE approval;
- (2) Requiring the working group to make recommendations on rules, policies, procedures, and practices to be suspended during the 2001-2003 fiscal biennium; and
- (3) Requiring the working group to submit a report to the BOE regarding its recommendations.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Labor and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1874, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1874, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Bunda, Fukunaga, Ihara, Matsunaga).

SCRep. 3014 Education and Technology on H.B. No. 2388

The purpose of this measure is to expand the Department of Education's zero tolerance policy regarding possession of intoxicating alcohol, illicit drugs, dangerous weapons, and switchblades, to include the sale, consumption, or use of intoxicating liquor or illicit drugs and the sale and use of a dangerous weapon or switchblade.

Testimony in support of this measure was received from the Department of Education, Department of the Attorney General, and Hawaii Teachers Association. One individual submitted testimony in opposition to the measure.

Your Committee finds that in 1996, the legislature adopted a zero tolerance policy which provided that a principal may suspend a student who is found to be in possession of a dangerous weapon, intoxicating liquor, or illicit drugs. The constitutionality of that act was challenged in *James P. and Lucille P. v. Paul LeMahieu and Robert Ginlack* (Civil No. 99-00861 DAE LEK). In that case, a minor was suspended from school for attending a school-related function, held off-campus, while under the influence of alcohol. The federal district court granted the plaintiff's request for an injunction because Act 90, Session Laws of Hawaii 1996, only prohibited the "possession of...intoxicating liquor...while attending school." The court found that the defendants did not have evidence of a statutory violation since the minor did not "possess intoxicating liquor while attending school," even if the minor did consume liquor prior to the school event. At worst, the minor was guilty of being intoxicated at a school function, which is not covered by the present statute.

Your Committee believes that it is appropriate to expand the zero tolerance policy to include those situations in which a student may have consumed intoxicating liquor during school or prior to a department-supervised activity held on or off school property.

Your Committee amended this measure by:

- (1) Adding a legislative findings and purpose section;
- (2) Clarifying that a student may be suspended from school for the possession, sale, or use of a dangerous weapon or switchblade knife while attending school or while attending department-supervised activities held on or off school property;
- (3) Clarifying that a student may be suspended from school for the possession, sale, consumption, or use of intoxicating liquor or illicit drugs while attending school or while attending department-supervised activities held on or off school property;
- (4) Specifying that in any case of exclusion from school, the due process procedures set forth in Hawaii Administrative Rules, Title 8, Chapter 19, shall apply; and
- (5) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2388, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2388, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 3015 (Joint) Education and Technology and Health and Human Services on H.B. No. 2521

The purpose of this measure is to clarify the school health requirements.

Your Committees received testimony in support of this measure from the Department of Health (DOH), Department of Education (DOE), and Hawaii Nurses' Association.

This measure:

- (1) Changes proof of receiving the required immunizations from a certification to a documentation;
- (2) Changes proof of receiving the required physical examination from certification to report;
- (3) Changes the DOE's forms for immunization and physical examination from health certificate to student's health record;
- (4) Deletes the provision regarding the procedures for acceptance by a school official of immunization records;
- (5) Requires DOE to adopt rules for physical examination requirements; and
- (6) Requires the DOE to establish rule standards for documentation and compliance with school health requirements.

This measure would update DOE health requirements concerning immunizations and physical examinations. According to the DOH, current law unnecessarily inconveniences parents and physicians because of a lack of uniformity and efficiency. This measure would also have the effect of allowing electronic filing of school health reports by physicians.

Your Committee has amended this measure by:

- (1) Adding a provision requiring the DOE rather than the DOH to be responsible for occupational and physical therapy;
- (2) Changing the effective date to July 1, 2020; and
- (3) Making a technical, nonsubstantive change for preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2521, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2521, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, Iwase, Sakamoto, Anderson, Sлом).

SCRep. 3016 Education and Technology on H.B. No. 2536

The purpose of this measure is to make an emergency appropriation for child and adolescent mental health.

This measure appropriates additional general fund and special fund moneys to the DOH for fiscal year 1999-2000 to allow the child and adolescent mental health division to continue to provide services to certain emotionally disturbed children and adolescents.

This measure is recommended by the Governor for immediate passage in accordance with the state constitution.

Your Committee received testimony in support of this measure from the Department of Health (DOH).

According to the DOH, unanticipated increases in the cost to serve children and adolescents who are severely emotionally disturbed, and obligations associated with the consent decree in *Felix v. Cayetano* will increase the expenditures of the Child and Adolescent Mental Health Division beyond amounts authorized for fiscal year 1999-2000.

Your Committee also received testimony from many Pearl City residents and community organizations expressing concern about the proposal from the DOH to establish a juvenile sex offender treatment facility on the campus of Waimano Home.

The Chair of the Pearl City Neighborhood Board testified that the DOH did not hold informational meetings in the community until after the State was committed to constructing the \$1.5 million facility at Waimano Home. Additionally, the DOH master plan for Waimano Home, completed in 1992 with extensive community input, made no reference to a juvenile sex offender treatment facility.

Other testifiers pointed out that the request for proposal (RFP) issued by the DOH for a contractor to operate the facility did not include any requirements for security measures to ensure the protection of students and the community. In fact, the RFP only provides for client safety and security and requires that seclusion and restraint are not to be used and further states that the goal is to establish services in the least restrictive environment.

Your Committee also notes that the 1995 Hawaii Juvenile Sex Offender Master Plan, created jointly by the DOH, the Department of Human Services (DHS), the Department of Education (DOE), the Office of Children and Youth, and the Judiciary, states the following:

- (1) Juvenile justice and/or social service systems have a primary responsibility to protect the safety and well-being of the community from further victimization by adolescents who have exhibited sexually abusive behavior;
- (2) Community safety takes precedence over any other conflicting consideration, and ultimately is in the best interest of the sexually abusive youth;

- (3) Treatment providers must be responsible to society; and
- (4) Community protections must be the highest priority.

It is clear that the DOH violated all of these provisions of the Master Plan in planning for the Waimano facility.

Your Committee further notes that returning youthful sexual offenders to Hawaii to receive services will increase the cost of providing services. In addition to the \$1.5 million in construction funds, the DOH responded that they currently pay \$400 per student per day to provide services on the mainland, and is budgeting \$500 per student per day for services in Hawaii.

Your Committee finds that while the DOH acted legally in the development of this facility, it violated every moral tenet of community involvement and public trust. Furthermore, your Committee agrees with the community that placing such a facility adjacent to two schools is unacceptable.

Accordingly, upon further consideration, your Committee has amended this measure by:

- (1) Providing that for the purposes of the child and adolescent mental health program and for the program for services provided to certain emotionally disturbed children and adolescents:
 - (A) None of the appropriations shall be expended for any sex offender treatment programs located within 3,000 feet of a school campus in Hawaii; and
 - (B) A minimum of ten per cent of the funds appropriated and expended by the Department of Health for any new treatment or service programs, shall be expended for the purpose of conducting process and outcome evaluations of these programs;
- (2) Requiring these process and outcome evaluations to be conducted for the Department of Health by an independent evaluator;
- (3) Requiring the Department of Health to submit reports of these process and outcome evaluations to the Legislature prior to the convening of the Regular Session of 2002; and to the Auditor, at any time, upon the request of the Auditor;
- (4) Directing the Auditor to monitor the conduct of these process and outcome evaluations and to report its findings and recommendations to the Legislature or the Department of Health, or both, whenever or as deemed necessary; and
- (5) Prohibiting the Department of Health from relocating any emotionally disturbed child or adolescent from the mainland to Hawaii unless the service provider agrees that it is in the best interests of the child and treatment is less costly in Hawaii.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2536, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.B. No. 2536, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3017 Education and Technology on H.B. No. 2763

The purpose of this measure is to increase the qualified pool of teachers on Kauai by appropriating funds for a teacher education program and graduate level outreach program on Kauai.

Testimony in support of the measure was received from the Department of Education, University of Hawai'i, HSTA, and one individual.

Your Committee finds that due to factors such as geographic isolation, travel distances, and scarcity of affordable housing, Kauai has an acute shortage of qualified public school teachers in critical areas, including math, science, special education, career and technical education, and counselor education. Based on similar factors, Maui County will soon face its own critical teacher shortage. Your Committee believes that funding teacher education programs for Kauai as well as Maui County will facilitate addressing their needs for qualified teachers.

Your Committee amended the measure to explain the growing teacher shortage in Maui County and to appropriate funds for a teacher certification program in Maui County. The appropriation for Kauai was changed to \$2.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2763, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2763, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3018

Education and Technology on H.B. No. 2066

The purpose of this measure is to expand and strengthen the University of Hawaii's revenue base by authorizing the deposit of revenues generated from University of Hawaii real property into the facilities use revolving fund.

Testimony in support of this measure was received from the University of Hawai'i and Hawaii Association of Realtors. Testimony in opposition to this measure was received from The Associated Students of the University of Hawai'i at Manoa.

Your Committee finds that the University intends to use its assets, including real property, to expand entrepreneurial activities and thereby generate increased revenues. This measure will provide the necessary fiscal vehicle to facilitate this effort.

Testimony raised concerns with respect to how this measure affects ceded lands. Your Committee notes that this measure does not change the University's obligations with respect to ceded lands. Rather this measure is intended to provide a mechanism for the University to use its real property. In doing so, your Committee expects the University to manage the land trust in an appropriate manner and use unexpended funds for general administration or overhead purposes.

Upon further consideration, your Committee amended the measure by:

- (1) Adding a purpose section to clarify that this measure does not change ceded lands rights and obligations;
- (2) With respect to the sale or lease of the University's real property, requiring the University to comply with all statutory and common law requirements in the disposition of ceded lands; and
- (3) Changing the use of unexpended revenues or funds to administrative or overhead costs, instead of for the general benefit of the university.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2066, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2066, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Slom).

SCRep. 3019

(Joint) Education and Technology, Commerce and Consumer Protection, and Economic Development on H.B. No. 2901

The purposes of this measure are to:

- (1) Consolidate state agencies that support technology-related businesses;
- (2) Allow qualified high technology businesses to sell their unused net operating loss carryover to any other taxpayer;
- (3) Expand the income tax exclusion for royalties and other income from high technology businesses;
- (4) Allow partnership investors the flexibility of allocating the high technology business investment tax credit among partners without regard to their proportionate interests in their partnership investment vehicle;
- (5) Make the high-technology business investment tax credit and the tax credit for increasing research activities refundable to the taxpayer or allow the credits to be used against the taxpayer's income tax liability in subsequent years until exhausted;
- (6) Conform the state tax credit for increasing research activities with the federal tax credit;
- (7) Allow the board of trustees of the employees' retirement system (ERS) to invest ten percent of ERS funds in qualified high technology businesses;
- (8) Appropriate funds for education, workforce development, and University of Hawaii research and training;
- (9) Exempt members of the governor's special advisory council for technology development from the senate confirmation process and from the need to file a disclosure of financial interest with the state ethics commission; and
- (10) Promote Hawaii, through a coordinated statewide effort, as an Internet and server-friendly place to conduct electronic commerce, including entering into appropriate public-private sector business partnerships.

Testimony in favor of this measure was submitted by the Governor's Special Advisor on Technology Development, High Technology Development Corporation, University of Hawai'i, Hawaii Business Roundtable, Hawai'i Technology Trade Association, Salomon Smith Barney Inc., and one individual. The Department of Business, Economic Development, and Tourism, Department of Taxation, Employees' Retirement System (ERS), Hawaii Strategic Development Corporation, Natural Energy Laboratory of Hawaii

Authority, National Defense Center of Excellence for Research in Ocean Sciences, Tax Foundation of Hawaii, Hawaii Venture Capital Association, Venture Investment Associates, Inc., Big Island Business Council, and one individual submitted comments.

Your Committees find that this measure would continue and build on the work begun with Act 178, Session Laws of Hawaii (SLH) 1999, to encourage the growth of technology related businesses in Hawaii. Your Committees have heard broad support for many of the concepts in this measure that would continue the momentum to create an environment for a flourishing high technology industry. Your Committees have also heard that the primary concern of many of those who testified is the proposed consolidation of state agencies under one entity, and notes that under Act 178, SLH 1999, the Governor's Special Advisor on Technology Development already has the authority to develop a plan for reorganization or consolidation of state high technology agencies. Your Committees believe it would be more prudent, and ultimately more efficient to give the Special Advisor time to develop such a plan, and to work with all parties involved to ensure that their concerns have been addressed to the extent possible.

Your Committees have amended this measure to:

- (1) Delete Part I, the consolidation of state agencies that support technology-related businesses;
- (2) Delete the expansion of the royalty provision to any person, which is a far broader category than the current qualified high technology business;
- (3) Authorize the ERS to make investments in Hawaii qualified high technology businesses or venture capital investments deemed appropriate by the board, and add limited liability companies to the definition of "venture capital investment";
- (4) Change the expending agency for the millennium workforce development funds from the Department of Labor and Industrial Relations to the University of Hawaii;
- (5) Delete Part VIII, the exemption of members of the governor's special advisory council for technology development from the senate confirmation process and from the need to file a disclosure of financial interest with the state ethics commission;
- (6) Amend the Hawaii tourism authority's provisions regarding techno-tourism to include marketing Hawaii's technology assets and as a high technology destination;
- (7) Establish the maka'ainana technology program discussed in further detail below;
- (8) Require the governor's special advisor for technology development to report to the 2001 legislature on the status of the initiatives undertaken as a result of this Act; and
- (9) Make technical, nonsubstantive amendments.

Your Committees have added a new part to the measure to create the maka'ainana technology program. This program will provide a vehicle for small investors to invest venture capital in high technology businesses doing a majority of their activities in this State. Your Committees find that to be an investor in these companies, currently, an individual needs \$2,000,000 in net assets and an annual income of \$250,000 or more. Your Committees also find that there is insufficient venture capital moneys in Hawaii. By providing a vehicle for small investors, investing amounts up to \$20,000, more venture capital will be available in Hawaii. The maka'ainana technology program will be run by the Hawaii strategic development corporation that will either form a separate corporation to act as a regulated investment company (mutual fund) under the Internal Revenue Code or may use private companies based on requests for proposals.

In order to encourage investment, the maka'ainana program may offer an investment vehicle that allow an income tax credit not to exceed \$5,000 or twenty-five per cent of the investment or may offer an investment vehicle where no credit is offered but the income distributed by the program is tax exempt from Hawaii income taxes. In order to prevent an individual from obtaining the tax credit and immediately withdrawing the investment a recapture of credit is included in the tax credit provisions.

Your Committees believe that the maka'ainana program will help to involve Hawaii citizens in encouraging high technology companies to form in Hawaii.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Commerce and Consumer Protection and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2901, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2901, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Noes, none. Excused, 4 (Bunda, Hanabusa, Kawamoto, Matsunaga).

SCRep. 2020

Economic Development on H.B. No. 2959

The purpose of this measure is to assist Hawaii's television and film industry to promote Hawaii to the world by:

- (1) Establishing a Hawaii television and film development loan guarantee program, to be administered by a board attached to the department of business, economic development, and tourism;
- (2) Establishing a Hawaii television and film development special fund to provide grants and loans for eligible Hawaii projects;
- (3) Establishing the procedures and safeguards for the program;
- (4) Changing from four per cent to an unspecified percentage the tax credit for costs incurred in the State in production of motion picture or television films; and
- (5) Appropriating from the tourism special fund any amounts from the transient accommodations tax revenues in excess of \$60,000,000.

Testimony in favor of this measure was submitted by the Honolulu Film Office. The Hawaii Tourism Authority, Hawaii Hotel Association, Maui Hotel Association, and Outrigger Enterprises, Inc., presented testimony in opposition. The Department of Business, Economic Development, and Tourism, Department of Budget and Finance, Department of Taxation, Mayor of the County of Hawaii, County of Kauai Office of Economic Development, County of Maui Office of Economic Development, Tax Foundation of Hawaii, and two individuals submitted comments.

Your Committee finds that while there is broad consensus for the importance of supporting the film and television industry in Hawaii, there is a considerable difference of opinion as how best to do so. Your Committee has heard particular concerns with regards to the proposed use of a portion of the transient accommodations tax that is now earmarked for the Hawaii tourism authority. Your Committee believes that television and film productions that use Hawaii locations can be an effective marketing tool for tourism, but also acknowledges the concerns of the tourism industry in implementing such a policy.

Your Committee has amended this measure to:

- (1) Amend the purpose section to establish a loan guarantee program, and encourage the Hawaii tourism authority to provide funding for these entertainment projects that promote Hawaii to the world;
- (2) Add a statutory findings and purpose section to the new part establishing the loan guarantee program;
- (3) Clarify that an "eligible Hawaii project" means that seventy-five per cent of the budget for production costs of the project is used for purchases or leases of goods or services from Hawaii vendors;
- (4) Establish the program under the authority of the department of business, economic development, and tourism and its film industry branch;
- (5) Clarify that the guaranteed amount shall not exceed ninety per cent of the total qualified amount, or \$900,000;
- (6) Delete five proposed new sections: Hawaii television and film development board, Hawaii television and film development special fund, indemnity requirement, violation and penalty, and limitations in program;
- (7) Retain the current tax credit of four per cent of the costs for motion picture and television film productions and deleting those amendments from the measure;
- (8) Delete the appropriation section; and
- (9) Make technical amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2959, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2959, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

SCRep. 3021

Government Operations and Housing on H.B. No. 2582

The purpose of this measure is to improve governmental efficiency and to reduce the costs of government by expediting the procedures required to repeal obsolete or unauthorized administrative rules.

Current procedures for the repeal of administrative rules, whether effective or not, include requiring advance notice, providing a public hearing, and distributing copies of proposed rules to be adopted, amended, or repealed.

This measure provides an expedited repeal process stating that for agency rules which have become either obsolete or unauthorized, the agency need only:

- (1) Give thirty days public notice at least once statewide of the proposed date of repeal and of:
 - (A) A list of the sections, chapters, or subchapters being repealed; and
 - (B) A statement of where, and during what times the rules for which the repeal is proposed may be reviewed in person; and
- (2) Post the full text of the proposed sections, chapters, or subchapters to be repealed on the Internet.

Testimony in support of this measure was received from the Office of the Lieutenant Governor, Department of Accounting and General Services, Department of Business, Economic Development, and Tourism, Small Business Regulatory Review Board, Government Efficiency Teams, Inc., Building Industry Association of Hawaii, Hawaii Business Roundtable, Land Use Research Foundation of Hawaii, Common Cause Hawaii, Small-Business Economic Revival Force, and Isemoto Contracting Co. Ltd. Hawaii's Thousand Friends submitted testimony in opposition.

Your Committee finds that this measure will help to eliminate the potential confusion caused by keeping null and void and unnecessary rules on the books. Your Committee is in full support of this effort and has amended this measure to:

- (1) Change thirty days to an unspecified number for the statewide public notice requirement;
- (2) Require a public hearing on any obsolete or unauthorized rule to be repealed only if there is a protest; and
- (3) Incorporate the repeal of specific rules contained in H.B. No. 2581, H.D. 1, that are unnecessary and contained in H.B. No. 2587, H.D. 1, that are null and void.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2582, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2582, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Hanabusa, Levin, Matsunaga, Anderson).

SCRep. 3022

(Majority) Labor and Environment on H.B. No. 2171

The purpose of this measure is to provide employees who work six or more consecutive hours with a meal break.

Testimony in support of this measure was provided by the Department of Public Safety, Center for Labor Education & Research, ILWU Local 142, Hawaii State Teachers Association, Healthy Mothers Healthy Babies Coalition of Hawaii, Hawaii State AFL-CIO, Hawaii Nurses' Association, Hawaii Building & Construction Trades Council AFL-CIO, Kokua Kalihi Valley, Kapiolani Medical Center, and three individuals. Testimony in opposition to this measure was received from the Chamber of Commerce of Hawaii, Hawaii Business League, Hawaii Hotel Association, Ogden Energy Group, Inc., Society for Human Resource Management, and the Legislative Information Services of Hawaii. Comments were provided by the Department of Labor and Industrial Relations and the Hawaii Civil Rights Commission. Oral testimony was provided by one individual.

Currently an employer is not mandated by law to provide its employees with a meal break. This measure requires that an employee working six or more hours be provided a meal interval of at least thirty consecutive minutes or two periods of at least fifteen consecutive minutes each unless express provisions for employee breaks are contained in a collective bargaining agreement or company policy. The measure is inapplicable to employees providing health, transportation, or public safety services.

Your Committee is in agreement that a meal period permits the employee to recuperate from the rigors of employment, contributes to sound mental health, decreases the likelihood of workplace violence and occupational injuries, and improves employee concentration thereby enhancing productivity.

Your Committee amended the measure by:

- (1) Requiring that an employee working "five" or more continuous hours be provided an unpaid meal break of not less than thirty minutes;
- (2) Removing the company policy exemption;
- (3) Permitting waiver of the meal break period by mutual consent;
- (4) Deleting the exceptions made for employees providing health, transportation, or public safety services; and
- (5) Placing the statute in chapter 378, Hawaii Revised Statutes.

Your Committee respectfully requests the Committee on Ways and Means to address the difficulties associated with enforcing mutual consent and the possibility of including appropriate remedies for violations of the meal break law.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2171, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2171, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 2 (M. Ige, Slom). Excused, 2 (Fukunaga, Ihara).

SCRep. 3023 (Majority) Commerce and Consumer Protection on H.B. No. 1883

The purpose of this measure is to lessen the State's dependence on imported fossil fuels and stimulate the development of renewable energy resources in the State by requiring electric utilities to implement renewables portfolio standards.

Testimony on the measure was submitted by the Consumer Advocate, Department of Business, Economic Development, and Tourism, Kauai County Council, Maui County Council, The Solaray Corporation, Puna Geothermal Venture, Ogden Energy Group, Inc., Life of the Land, Environmental Center, Hawaiian Electric Company, Inc., Sierra Club, Hawaii Chapter, Kauai Electric, Hawaii Renewable Energy Alliance, Powerlight Corporation, Zond Pacific, Inc., and an individual.

Your Committee finds that the use of renewable energy offers economic and environmental advantages over the use of fossil fuels. This measure would stimulate the demand for renewable energy generation by establishing a market for renewable energy resources. The production of energy from locally available resources is one of the goals of the State Energy Plan and the implementation of renewables portfolio standards has been identified as the single most effective means of accomplishing that goal.

Upon careful consideration, your Committee has amended this measure by replacing its contents with the contents of S.B. No. 2345, S.D. 2, a similar measure passed out earlier by the Senate. As amended, this measure:

- (1) Expands the definition of "qualified electric utility company" to include utilities with electricity sales in excess of four hundred million kilowatt-hours per year;
- (2) Includes waste-to-energy in, and excludes ocean thermal energy conversion from, the definition of "renewable energy";
- (3) Specifies minimum renewables portfolio standard percentages and annual percentage point increases;
- (4) Deletes the provisions relating to solar renewables portfolio standards;
- (5) Allows utilities to accumulate renewable energy credits;
- (6) Provides that the Act takes effect upon approval; and
- (7) Makes technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1883, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1883, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Co-Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Bunda, Hanabusa, Inouye).

SCRep. 3024 (Joint) Commerce and Consumer Protection and Judiciary on H.B. No. 2188

The purpose of this measure is to require flexibility and accountability in the rulemaking process.

Testimony on the measure was submitted by the Department of Commerce and Consumer Affairs, Department of Business, Economic Development, and Tourism, Department of the Attorney General, Small Business Regulatory Review Board, The Chamber of Commerce of Hawaii, Kona-Kohala Chamber of Commerce, Building Industry Association of Hawaii, Big Island Business Council, Land Use Research Foundation of Hawaii, and Small Business Economic Revival Force.

This measure requires state agencies to use flexible approaches in adopting, amending, and repealing rules, and to ensure that its rules are in concert with the spirit and intent of the law and bear a reasonable nexus to the law. The measure also delays the sunset of the Hawaii Small Business Regulatory Flexibility Act by four years.

Your Committees find that the rulemaking process inherently involves a review and analysis to determine whether a proposed rule effectuates an underlying statute and bears a rational nexus to the statute. Therefore, this measure establishes no new rulemaking requirements.

Your Committees further find that the definition of head of the agency established in section 3 of this measure, as received, overlaps with the existing definition of agency in chapter 91, Hawaii Revised Statutes, and requires other clarification. Therefore,

your Committees have amended this measure by deleting sections 1 to 3 of the measure as received. The measure, as amended, extends the sunseting of the Hawaii Small Business Regulatory Flexibility Act, but makes no other amendments to the laws relating to administrative rulemaking.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2188, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2188, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 4 (Bunda, Ihara, Kanno, Sakamoto).

SCRep. 3025 (Joint/Majority) Health and Human Services and Commerce and Consumer Protection on H.B. No. 2392

The purpose of this measure is to require all health insurance policies to provide coverage for outpatient diabetes self-management training, education, equipment, and supplies.

Your Committees received testimony in response to the proposed Senate Draft as follows:

- (1) Diabetes: Department of Health, Hawaii Nurses' Association, Hawaii Association of Diabetes Educators, Diabetes Advocacy Alliance of Hawaii, Queen's Health Management, Papa Ola Lokahi, and six private individuals; and
- (2) Mental health: State Insurance Commissioner, Mental Health Association in Hawaii, National Association of Social Workers, Kaiser Permanente, Hawaii Medical Service Association, Hawaii Medical Association, Queen's Health Management, and Equal Insurance Coalition.

Your Committees find that diabetes is one of the most prevalent diseases in Hawaii. Much of the treatment for diabetes involves self-management, however health insurance policies do not usually provide coverage for education instruction, including visits to physicians for consultation on managing the condition.

Your Committees further find that effective outpatient self-management by diabetics results directly in a significant reduction in both the economic and human devastation wrought by the disease. There is ample evidence that tight control of blood sugar levels through patient self-management can dramatically lower the incidence of complications, increase life expectancy, and significantly enhance the quality of life of diabetics. In addition, studies show that providing diabetics with the appropriate supplies and training for self-management results in a decrease in health care services utilization and costs.

Your Committees have amended this measure by:

- (1) Adding a clarification to the assessment amount paid by health insurers annually to the Insurance Commissioner, to effect the intent of the legislature in Act 127, Session Laws of Hawaii 1999, that all health insurers pay for the costs of regulation;
- (2) Clarifying the coverage for diabetes self-management training, education, equipment, and supplies as to the provision of services;
- (3) Deleting an exception to the prohibition against discriminatory rates in mental health insurance benefits for health insurance policies covering employers with twenty-five or fewer employees and government employee health benefit plans;
- (4) Inserting a provision to amend Act 121, Session Laws of Hawaii 1999, relating to establishment of the Hawaii mental health insurance task force; and
- (5) Changing the effective date to:
 - (A) Upon approval for the mental health task force; and
 - (B) For the diabetes coverage, July 1, 2001, or the earliest date after July 1, 2001, at which group policies are renewed, whichever is later.

Your Committees note that with regard to the assessment, it was not the legislature's intent to provide an exemption to any health plan, and the bifurcated assessment is intended to provide the smaller plans with time to budget moneys for future assessments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2392, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2392, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, 1 (Slom). Excused, 5 (Bunda, Fukunaga, Hanabusa, Inouye, Iwase).

SCRep. 3026**(Joint) Commerce and Consumer Protection and Judiciary on H.B. No. 2961**

The purpose of this measure is to prohibit the importation, distribution, and sale of cigarettes intended for export or use outside the United States.

The Department of Health submitted testimony on the measure.

Your Committees find that cigarettes intended for foreign export or sale are being imported and sold in the State at below the cost of cigarettes legally in the market, and that cigarette and tobacco taxes are not being paid on these transactions. This measure would help to stem the loss of tobacco tax revenues to the State by prohibiting the sale of export cigarettes, authorizing the forfeiture of illegally sold cigarettes, and establishing civil and criminal penalties and a private right of action for violations of the prohibition.

Your Committees further find that this measure will aid in smoking prevention efforts by making the less expensive, untaxed cigarettes less available to minors.

Upon careful consideration, your Committees have amended this measure by replacing its contents with the language of S.B. No. 3179, a substantially similar measure passed out earlier by your Committees. As amended, this measure:

- (1) Contains additional provisions relating to cigarette tax stamps, documentation of foreign cigarettes, suspension of a tax license, additional civil penalties, definition of "importer" and "package", and the redesignation of sections in chapter 245, Hawaii Revised Statutes; and
- (2) Takes effect upon its approval.

Additionally, your Committees have made technical, nonsubstantive amendments to the measure for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2961, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2961, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 4 (Bunda, Ihara, Kanno, Sakamoto).

SCRep. 3027**Education and Technology on H.B. No. 2492**

The purpose of this measure is to allow the Department of Education (DOE) to retain and carryover up to five per cent of the appropriations not only for EDN 100, School-Based Budgeting, but also for EDN 150, Comprehensive School Support Services Program.

In addition, the measure:

- (1) Requires the DOE to submit a report to the Director of Finance and the Legislature identifying the total amount of funds to be carried over into the next fiscal year;
- (2) Requires any appropriation retained to be used exclusively for EDN 100 and EDN 150; and
- (3) Allows the DOE to transfer, upon the Governor's approval, funds from EDN 100 to supplement EDN 150.

Testimony in support of the measure was received from the Department of Education and HSTA.

Your Committee finds that EDN 150 was created in 1999 to facilitate reporting and tracking of expenditures for special education and the Felix Consent Decree. This measure will ensure that there are sufficient resources to meet current special education needs in Hawaii. By permitting retention of appropriations to EDN 150, your Committee intends to distribute as much money directly to schools as possible.

Upon further consideration your Committee amended the measure to:

- (1) Limit funds retained by EDN 150 to appropriations that have been distributed to the schools;
- (2) Remove the section that allowed the DOE to transfer funds from EDN 100 to supplement EDN 150; and
- (3) Make technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2492, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2492, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3028 (Joint) Transportation and Intergovernmental Affairs and Water, Land, and Hawaiian Affairs on H.B. No. 2185

The purpose of this measure is to provide an alternative for transportation in West Maui when Honoapiilani Highway is impassable by authorizing the development of fifteen acres of the Olowalu Sanitary Landfill site as a heliport.

The Department of Transportation, the Mayor of the County of Maui, the Council Chair of the Maui County Council, testifying as an individual councilmember, and Landtec, Inc. testified in support of the measure. The Department of Land and Natural Resources has no objections to the measure. Two Maui councilmembers, Life of the Land, Lahaina Pure Water Company, and fifteen private citizens and organizations testified in opposition to the measure. The Department of Health deferred to the Maui County Council on the issue. The West Maui Taxpayers Association requested that amendments be included to ensure that any proposed development of the Olowalu Sanitary Landfill go through the permit approval and public hearing process.

Your Committees find that the West Maui community is frequently isolated by brushfires, high waves, and major traffic accidents when it becomes necessary to close Honoapiilani Highway, which is the major route for ingress and egress to other parts of Maui. This situation causes inconvenience, and sometimes economic loss, for residents, prevents visitors from leaving or arriving at hotels, and prevents emergency medical services from operating properly.

Your Committees have amended the measure by requiring that:

- (1) The Maui County Council approve, instead of disapprove, the development of a heliport at the Olowalu Sanitary Landfill site;
- (2) Any heliport development at the Olowalu Sanitary Landfill site be subject to environmental impact statement requirements of Chapter 343, Hawaii Revised Statutes; and
- (3) Any consideration or decision making on the development of the Olowalu Sanitary Landfill site be done at a public hearing.

Your Committees believe that the amended measure provides the County of Maui with the necessary flexibility to develop a heliport at the Olowalu Sanitary Landfill site as it deems appropriate, while concomitantly providing adequate safeguards to ensure that the public's concerns are ameliorated.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Water, Land, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2185, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2185, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 5 (Bunda, Chun, Iwase, Kanno, Taniguchi).

SCRep. 3029 Education and Technology on H.B. No. 2490

The purpose of this measure is to allow the Hawaii Teacher Standards Board (Board) to extend credentials on a case-by-case basis to teach beyond the existing three-year limit.

The measure also restricts this credential extension authority to a maximum of two, one-year extensions per teacher.

Testimony in support of the measure was received from the Department of Education and the Hawaii Teacher Standards Board. Testimony in opposition to the measure was received from the HSTA. Oral testimony was provided by one individual.

Your Committee finds that currently, teachers hired under a credential are generally in shortage fields or in geographic areas that are difficult to fill. The extension of time to obtain their credentials is critical because these teachers have to complete their teacher education programs and competency test requirements while on-the-job.

Your Committee agrees that this measure will support the intent of Act 240, Session Laws of Hawaii 1995, which is "to provide every child in Hawaii with a teacher who is qualified to practice the profession of teaching...and to establish public confidence in the teaching profession." The measure will have a positive impact on the Department of Education (DOE) because teachers hired under a credential would be allowed, on a case-by-case basis, to obtain an extension of credentials from the DOE based upon the Board's recommendation in order to complete the requirements for licensure while continuing to demonstrate satisfactory on-the-job performance. Replacing these individuals during this period of critical teacher shortages would be difficult and may negatively impact student learning because of the disruptions that might occur in their learning process.

Your Committee amended the measure to:

- (1) Allow the Board to make recommendations to the DOE on the granting of extensions of credentials on a case-by-case basis;
- (2) Add as a condition precedent to obtaining a credential extension, that the teacher be actively pursuing and satisfactorily progressing in the licensing requirements;
- (3) Require individuals seeking extensions to include the following in their written requests:
 - (A) Documentation, that the individual maintains, of passing scores for basic skills tests or documented efforts to pass such tests; and
 - (B) Documentation of passing scores for applicable subject matter content tests, unless the subject is included in the teacher preparation program;
- (4) Require the DOE to grant extensions of credentials based on recommendations of the Board;
- (5) Require the DOE to report to the Regular Session of 2001 on the number of extensions requested and granted; and
- (6) Make technical, nonsubstantive amendments for drafting style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2490, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2490, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Stom).

SCRep. 3030 Education and Technology on Gov. Msg. No. 140

Recommending that the Senate advise and consent to the nomination of the following:

JOSEPH F. BLANCO, gubernatorial nominee as Special Advisor for Technology Development, for a term to expire June 30, 2003,

Testimony in support of the nomination was received from the Department of Business, Economic Development, and Tourism, Department of Taxation, Department of Commerce and Consumer Affairs, GA Morris, Inc., 101 Things To Do, Joan Bennet and Associates, Inc., Hawaii Health Systems Corporation, and three individuals.

Upon review of the testimony and the statement submitted by the nominee and having diligently questioned the nominee, your Committee finds that Joseph F. Blanco has the necessary character, experience, and qualifications to continue to serve as Special Advisor for Technology Development.

Since his appointment in September 1999 as Special Advisor for Technology Development, Mr. Blanco forged strong partnerships between the public and private sectors, such as creating a statewide telemedicine network in collaboration with the Harry and Jeanette Weinberg Foundation. Additionally, Mr. Blanco established two new technology-based industries in Hawaii - widebody aircraft maintenance and aviation training. Using his strong management and negotiating skills, Mr. Blanco successfully negotiated and brought both the Miss Universe Pageant and the television series Baywatch to Hawaii.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Tam).

SCRep. 3031 Education and Technology on Gov. Msg. No. 170

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 170 WALTER NUNOKAWA, Ph.D., for a term to expire June 30, 2000; and

CHARLES KAWAKAMI and WALTER NUNOKAWA, Ph.D., for terms to expire June 30, 2004,

Testimony in support of the nomination of Charles Kawakami was received from United States Senator Daniel K. Inouye, State Representative Hermina Morita, HGEA-AFSCME, HGEA-AFSCME Kauai Division, Kauai Economic Development Board, Kauai Business Council, Kaua'i Chamber of Commerce, Hawaii Food Industry Association, and 17 individuals. Testimony in support of nominee Walter Nunokawa was received from two individuals.

Upon review of the testimony and the applications submitted by the nominees and having diligently questioned the nominees, your Committee finds that Charles Kawakami and Walter Nunokawa, Ph.D., have the necessary character, experience, and qualifications to serve on the Board of Regents of the University of Hawaii.

Charles Kawakami is the president of Big Save, Inc. As a seasoned and experienced businessman, Mr. Kawakami used his innovation and marketing ability to steer his business through difficult economic times on Kauai. Mr. Kawakami is a current member of the Workforce Development Council and has provided his retail expertise for Kauai's interests. Mr. Kawakami was appointed to serve on the Oversight Committee of the Rural Economic Transition Assistance-Hawaii which made recommendations on the disbursement of federal funds to aid in the development of diversified agriculture.

Walter Nunokawa, Ph.D. is a retired professor of the Department of Psychology at the University of Hawaii. Dr. Nunokawa has over 47 years of teaching experience at the university level and has been involved in various professional and community activities, including the Advisory Council at Kaiser High School and the Advisory Council of Queen Liliuokalani Trust. While at the University of Hawaii, Dr. Nunokawa published numerous articles of his research and participated in numerous activities, such as Special Education and Counselor Training, the Equal Educational Opportunity Task Force, Psychology Department committees, and various tenure and promotion committees.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chumbley, Tam).

SCRep. 3032 Education and Technology on Gov. Msg. No. 207

Recommending that the Senate advise and consent to the nomination of the following:

WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION

G.M. No. 207 CLYDE T. KODANI, for a term to expire June 30, 2004,

Testimony in support of the nomination was received from the Kauai Economic Development Board, Kauai Business Council, and Kaua'i Chamber of Commerce.

Upon the review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, who will work with compassion and commitment to assist in administering the duties and responsibilities of the Western Interstate Commission for Higher Education. Your Committee further finds that the nominee has been appointed based on his background, integrity, and a desire to make Hawaii better through his participation with the Commission.

Your Committee notes the specific qualifications of the nominee:

Clyde T. Kodani is a consulting civil engineer with his own business, Kodani & Associates, Inc. Since 1993, Mr. Kodani has been a member of the Board of Regents of the University of Hawaii and is the current vice chair. Additionally, in 1999, Mr. Kodani became a member of the Board of Directors for The Research Corporation of the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Tam).

SCRep. 3033 Judiciary on Gov. Msg. No. 3

Recommending that the Senate advise and consent to the nomination of the following:

EARL I. ANZAI, gubernatorial nominee as Attorney General for a term to expire December 02, 2002,

Upon review of the resume, vision statement, and other background information submitted by the nominee, your Committee finds that Earl I. Anzai holds a B.A. and a M.A. degree in economics from the University of Hawaii at Manoa and a J.D. degree from the University of Hawaii's Richardson School of Law. Mr. Anzai has served as the Acting Attorney General since July 1994, and previously served as the State Director of Budget and Finance from 1995 to 1999. Mr. Anzai has also served as Chief Counsel for

several state legislative committees and was the Planning Program Coordinator for the Oahu Metropolitan Planning Organization from 1967 to 1977.

Testimony in support of the nominee was submitted to your Committee by: the State Department of Commerce and Consumer Affairs; the State Department of Education; the State Department of Health; the State Department of Human Services; the State Department of Land and Natural Resources; the State Department of Public Safety; the State Department of Budget and Finance; the Office of Hawaiian Affairs; the Office of Youth Services; the Kaho'olawe Island Reserve Commission; the General Counsel for the University of Hawaii at Manoa; the Hawaii State Bar Association; HGEA/AFSCME; UPW; HSTA; the Estate of James Campbell; a former member of the House of Representatives; twenty-two members of the legal community; and four private citizens. The testimony in support indicated that Mr. Anzai possesses an impressive legal background and recognized dedication to public service. He is honest, exhibits the highest degree of ethical conduct, and is a straight shooter. Testimony given by the various state agency directors in attendance, indicates that Mr. Anzai has made significant progress in addressing the concerns raised about the administration of the prior Attorney General, and that the agencies have been provided with excellent service from the Attorney General's Office since Mr. Anzai's tenure began. Testimony in opposition was submitted to your Committee by three private citizens.

Your Committee members diligently questioned the nominee regarding his administrative qualifications, his visions and priorities for the Department of the Attorney General, his viewpoints on criminal issues, and related policy issues presently before the Legislature. In addition, your Committee questioned Mr. Anzai regarding concerns expressed about potential conflicts with his personal friendships and about a Hawaiian Airline's negotiation which took place in July 1994. Your Committee believes that the nominee adequately responded to the Committee's inquiries. However, your Committee hopes that Mr. Anzai will give equal attention and due diligence to the criminal justice aspects in his position as chief law enforcement officer of the State.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 3034 (Joint/Majority) Commerce and Consumer Protection and Ways and Means on H.B. No. 1869

The purpose of this measure is to provide a new mechanism by which health benefits for public employees are established, managed, and paid by creating an employer-union health benefit trust fund to replace the Hawaii Public Employees Health Fund.

Specifically, the measure:

- (1) Establishes the Hawaii Employer-Union Health Benefits Trust Fund (Trust Fund), to be placed under the Department of Budget and Finance for administrative purposes, to provide public employees and their dependents with a health benefits plan, a long-term care benefits plan, and group life insurance benefits;
- (2) Establishes a Board of Trustees of the Trust Fund (Board of Trustees) composed of ten trustees to serve in an advisory capacity to the Trust Fund;
- (3) Establishes a Board of Directors of the Trust Fund to be composed of three directors appointed by the Board of Trustees to administer and carry out the purposes of the Trust Fund;
- (4) Compensates the Board of Directors of the Trust Fund (Board of Directors) with an annual base rate and provides for a bonus, depending upon the performance of the Trust Fund;
- (5) Designates the Attorney General as the legal adviser to the Board of Trustees and Board of Directors;
- (6) Repeals the Health Fund, Chapter 87, Hawaii Revised Statutes;
- (7) Provides for the transfer of Health Fund staff, appropriations, and other assets to the Trust Fund;
- (8) Requires the Governor to appoint all members of the Board of Trustees by December 29, 2000, who would then be required to appoint the three members of the Board of Directors by July 1, 2001;
- (9) Requires the Board of Directors to develop and issue rules, policies, and procedures, and contract for health benefits plans and group life insurance plans that will become effective on July 1, 2002;
- (10) Authorizes the Health Fund to extend current health benefit and life insurance plan contracts through June 30, 2002; and
- (11) Appropriates an unspecified amount to hire necessary staff.

Testimony in support of the intent of the measure was received from the Hawaii Stated Teachers Association-Retired.

The Hawaii Government Employees Association, the United Public Workers, and the Oahu Retired Teachers Association submitted comments on the measure. The Hawaii State Teachers Association opposed the measure.

Under the measure's employer-union health benefit trust fund concept, which is based on the Administration's health benefits governance model, public employers would pay a defined dollar contribution per employee, rather than a percentage, to the employer-union health benefit trust fund to provide health benefit coverage. The employer-union health benefit trust fund would then negotiate with insurance providers for plans and rates, with the intent of maximizing value for both the employer and the employees.

Your Committees find that although the measure, as received, envisions a single employer-union health benefit trust fund, currently, there are public employee organizations that already operate their own health benefits program for their members. These public employee organizations' health benefits plans provide their members with benefits tailored to their needs and in many cases, at a lower cost.

In light of these findings, your Committees believe that public employee organizations, to a certain extent, should be allowed to retain their autonomy with regard to managing health benefits plans for their members and have therefore amended the measure by deleting its substance and inserting provisions that enable the creation of subordinate employer-union health benefits trust funds under the umbrella of a master employer-union health benefits trust fund. Each of the subordinate employer-union health trust funds will serve active employees and retirant-beneficiaries.

Under the amended measure, exclusive representatives (unions) would be able to establish subordinate health benefit trust funds, under the umbrella of a single employer-union trust fund. The primary function of the union health benefit trust funds would be to define and provide employee-beneficiaries with health benefits programs, in recognition of and in concert with, the Administration's proposed health benefits defined contribution program model.

The amended proposal also creates a trust fund to accumulate moneys for the purpose of funding future health benefit costs of retiree beneficiaries. The Administration's proposal did not include any vehicle or means by which moneys could be accumulated to fund future health benefit costs of retiree beneficiaries.

To guarantee an employee's or retiree's ability to access the best benefits plan available and to promote competition between employer-union health benefits trust funds, your Committees have also added provisions to clarify that the plans offered should be available to all public employees and to allow employees to join an employer-union health benefits trust fund other than that which the employee's union provides. This transfer may occur only once a year. A take-all-comers mandate will be in place for each employer-union health benefits trust fund.

The amended measure also authorizes the subordinate trust funds to make available voluntary employee benefits (at no cost to employers) and empowers the Insurance Commissioner to regulate employer-union health benefits trust funds.

Your Committees believe that, as a vehicle for keeping the discussion on the employer-union health benefit trust concept alive, the model of governance provided under the amended measure would be more flexible and therefore, more readily able to deal with the rapidly increasing costs of health benefits while remaining sensitive to the needs of the employee-beneficiaries.

Your Committees have also amended the measure by inserting a defective date of enactment of July 1, 2020, for the purpose of ensuring further discussion during the legislative session.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1869, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1869, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, 2 (Anderson, Slom). Excused, 8 (Bunda, Chun, D. Ige, M. Ige, Ihara, Matsuura, Nakata, Tam).

SCRep. 3035 (Majority) Ways and Means on Gov. Msg. No. 159

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII PERFORMANCE PARTNERSHIPS BOARD

LORRAINE H. AKIBA, for a term to expire December 2, 2002;
 IRVING LAUBER, for a term to expire June 30, 2004;
 KATHRYN S. MATAYOSHI, for a term to expire December 2, 2002;
 TARA LULANI MCKENZIE, for a term to expire June 30, 2004;
 RANDOLPH G. MOORE, for a term to expire June 30, 2004;
 JANIS A. REISCHMANN, for a term to expire June 30, 2004;
 FAITH SERENO REX, for a term to expire June 30, 2004;
 LLOYD I. UNEBASAMI, for a term to expire June 30, 2002; and
 RUTHANN S. YAMANAKA, for a term to expire June 30, 2004.

Your Committee finds that the federal government has empowered federal agencies that award grants or that enter into intergovernmental agreements with state agencies to provide incentives, such as decreased state matching funds, waived regulations, or additional federal funds, in exchange for measuring progress toward shared goals.

Your Committee also finds that the Hawaii Performance Partnerships Board was established pursuant to part IV of Act 160, Session Laws of Hawaii 1999, to:

- (1) Propose key community outcomes of well-being for the residents of the State to the Legislature, and report to the Legislature and the citizens of Hawaii on progress in attaining the outcomes adopted by the Legislature;
- (2) Execute an agreement between the federal government, the state executive branch, and representatives of philanthropy and community service organizations to encourage intergovernmental partnerships with federal agencies and state, county, and community organizations for the purpose of measuring results in exchange for fiscal and regulatory flexibility in achieved shared goals;
- (3) Increase the use of performance measurement initiatives in each state agency through the Governor's cabinet; and
- (4) Increase the number of performance partnerships between federal, state, county, and community-based agencies through the Governor's cabinet.

By volunteering to serve on the Hawaii Performance Partnerships Board, these nominees have demonstrated their desire to make Hawaii a better place to live, and their commitment to improving the operations of state government.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.

Record of Votes for Lorraine H. Akiba:

Ayes, 7. Noes, 1 (Kawamoto). Excused, 5 (Chun Oakland, M. Ige, Iwase, Nakata, Taniguchi).

Record of Votes for all other nominees:

Ayes, 7. Noes, none. Excused, 6 (Chun Oakland, D. Ige, M. Ige, Iwase, Nakata, Taniguchi).

SCRep. 3036 Labor and Environment on Gov. Msg. No. 156

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TRUSTEES, DEFERRED COMPENSATION PLAN

G.M. No. 156 LLOYD Y. KIMURA, for a term to expire June 30, 2004,

Upon the review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, who will work with compassion and commitment to assist in administering the duties and responsibilities of the Board of Trustees of the Deferred Compensation Plan. Your Committee further finds that the nominee has been reappointed based on his experience and valuable contributions as a current trustee.

Your Committee notes the specific qualifications of the nominee:

Lloyd Y. Kimura has twenty-three years of experience as an accountant. He has served as a member of the State Board of Accountancy. Currently, Mr. Kimura serves as trustee or treasurer for various community organizations including the ILWU Pension Fund, American Cancer Society, and Ka Lima O Maui.

Your Committee received testimony in support of Mr. Kimura from the Department of Human Resources Development,

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 3037 Labor and Environment on Gov. Msg. No. 205

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF CERTIFICATION OF OPERATING PERSONNEL IN WASTEWATER TREATMENT PLANTS

G.M. No. 205 WAYNE SALAS and ROBERT O. VALENTINE, for terms to expire June 30, 2004,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering the duties and responsibilities of the Board of Certification of Operating Personnel in Wastewater Treatment Plants. Your Committee further finds that the nominees have been appointed based on their professional credentials.

Your Committee notes the specific qualifications of the nominees:

Wayne Salas was employed by the City and County of Honolulu as a Wastewater Treatment Plant Worker in 1986. Since then, Mr. Salas has been promoted to assistant operator, operator IV, supervisor III, and supervisor IV. In addition, Mr. Salas is presently a Staff Sergeant in the Hawaii Air National Guard with more than twenty years of service: ten years as a structural repair specialist and more than ten years as an F-15 Crew Chief. Mr. Salas is a team player willing to take on new challenges. Such traits were recognized in his nomination as Non-Commissioned Officer of the Year for his National Guard Unit and selection as Supervisor of the Year for the Treatment and Disposal Division.

Mr. Valentine is being nominated for a second term. He graduated with honors with an Associate of Science degree in Machine Technology. He began working for the Laie Water Reclamation Facility in 1986. Mr. Valentine has been a wastewater treatment plant operator since 1987 and currently holds a Grade 4 Hawaii certificate. He has been a supervisor and direct responsible charge (DRC) since 1992. Mr. Valentine will contribute to the board by providing input from the private sector.

Testimony in support of Mr. Salas and Mr. Valentine was received from the Department of Health.

As affirmed by the records of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 3038 Labor and Environment on Gov. Msg. No. 206

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF CERTIFICATION OF OPERATING PERSONNEL IN WATER TREATMENT PLANTS

G.M. No. 206 STEPHEN C. GREEN and NORA R. MACARIOLA-SEE, for terms to expire June 30, 2004.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering the duties and responsibilities of the Board of Certification of Operating Personnel in Water Treatment Plants. Your Committee further finds that the nominees have been appointed based on their professional credentials.

Your Committee notes the specific qualifications of the nominees:

Stephen C. Green earned a Bachelor of Science degree in Mechanical Engineering, is a licensed professional engineer, and also holds a Certificate (Grade 4) as a wastewater treatment plant operator responsible for three treatment plants. He is currently the State Director for the Hawaii Society of Professional Engineers (HSPE). For the past sixteen years, Mr. Green has been the Chief Field Engineer for the West Hawaii Utilities (dba Waikoloa Utilities).

Ms. Macariola-See has completed both a Bachelor of Science degree in Chemical Engineering and a Masters in Science. She is licensed as a chemical engineer in Hawaii and the Philippines. From 1985, Ms. Macariola-See has acquired experience as a research engineer, graduate research assistant, and environmental specialist. For almost two years, she has been employed as an environmental engineer at the Safe Drinking Water Branch of the Department of Health and has become familiar with state and federal regulations on drinking water. Since 1995, Ms. Macariola-See has been a lecturer at the Filipino-American League of Engineers & Architects' "Engineering-In-Training Review" classes.

Your Committee received testimony in support of Mr. Green and Ms. Macariola-See from the Department of Health.

As affirmed by the records of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 3039 Ways and Means on Gov. Msg. No. 4

Recommending that the Senate advise and consent to the nomination of the following:

NEAL H. MIYAHIRA, gubernatorial nominee to the DIRECTOR OF FINANCE, for a term to expire 12-02-2002,

Your Committee finds that the Director of Finance plays a crucial and pivotal role in the budgetary process between the Legislature and the Administration. Especially during difficult economic times, communication and cooperation between the Legislature and the Executive Branch are essential components of a stable financial plan. Questions previously arose over an over-reliance on restrictions and lapses to yield a balanced budget. However, we are assured that the nominee will not pursue such courses of action, and will provide the sound leadership demonstrated as interim Director of Finance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (D. Ige, Iwase, Nakata, Tam).

SCRep. 3040 Water, Land, and Hawaiian Affairs on S.C.R. No. 2

The purpose of this measure is to request that the Department of Land and Natural Resources acquire Kawaewae Heiau through purchase or land exchange.

Testimony in support of the measure was received from the Department of Land and Natural Resources.

Your Committee finds that Kawaewae Heiau is famous for its part in the legendary escapades of Kamapuaa, the pig god. The Kawaewae Heiau is a luakini type heiau, the largest and most elaborately built type of heiau, which was constructed during the twelfth century for Chief Olopana of the Koolau Poko districts of Kaneohe and Kailua. The heiau is approximately 260 feet in length and 118 feet in width, with walls that are more than six feet thick, varying in height from four feet to nearly ten feet.

Your Committee also finds that this registered historic site has been in the process of restoration since 1988, by various individuals and organizations, including the Queen Emma Hawaiian Civic Club, City Councilman Steve Holmes, the Moanalua Gardens Foundation, Windward Lions Clubs, Boy Scout Troops, Nanakuli Intermediate School students, Sierra Club, the Y.E.S. group, Kamehameha Schools students, Farrington High School students, the Hawaii Nature Center, and the Department of Land and Natural Resources' Youth Conservation Corps.

Your Committee further finds that the location of Kawaewae Heiau and its surrounding area was archaeologically surveyed by the Bishop Museum Anthropology Department in June, 1989 (Project No. 430, Manuscript 061689), revealing several historically significant sites. The Museum's survey report also recommended that due to heavy overgrowth and the existence of possible hidden sites, further detailed surveys should be conducted in the future.

Your Committee believes that such a historically and culturally significant site should be controlled and maintained by the State to ensure its existence in perpetuity for future generations to study and appreciate.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 2, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Kanno).

SCRep. 3041 Water, Land, and Hawaiian Affairs on S.R. No. 1

The purpose of this measure is to request that the Department of Land and Natural Resources acquire Kawaewae Heiau through purchase or land exchange.

Testimony in support of the measure was received from the Department of Land and Natural Resources.

Your Committee finds that Kawaewae Heiau is famous for its part in the legendary escapades of Kamapuaa, the pig god. The Kawaewae Heiau is a luakini type heiau, the largest and most elaborately built type of heiau, which was constructed during the twelfth century for Chief Olopana of the Koolau Poko districts of Kaneohe and Kailua. The heiau is approximately 260 feet in length and 118 feet in width, with walls that are more than six feet thick, varying in height from four feet to nearly ten feet.

Your Committee also finds that this registered historic site has been in the process of restoration since 1988, by various individuals and organizations, including the Queen Emma Hawaiian Civic Club, City Councilman Steve Holmes, the Moanalua Gardens Foundation, Windward Lions Clubs, Boy Scout Troops, Nanakuli Intermediate School students, Sierra Club, the Y.E.S. group, Kamehameha Schools students, Farrington High School students, the Hawaii Nature Center, and the Department of Land and Natural Resources' Youth Conservation Corps.

Your Committee further finds that the location of Kawaewae Heiau and its surrounding area was archaeologically surveyed by the Bishop Museum Anthropology Department in June, 1989 (Project No. 430, Manuscript 061689), revealing several historically significant sites. The Museum's survey report also recommended that due to heavy overgrowth and the existence of possible hidden sites, further detailed surveys should be conducted in the future.

Your Committee believes that such a historically and culturally significant site should be controlled and maintained by the State to ensure its existence in perpetuity for future generations to study and appreciate.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Kanno).

SCRep. 3042 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on S.C.R. No. 14

The purpose of this measure is to urge that Pu'u O Kapolei be placed on the State and National Historic Registers by the Department of Land and Natural Resources.

Testimony in support of the measure was received from the Department of Land and Natural Resources, Ahahui Siwila Hawaii O Kapolei, and a private citizen.

Your Committees find that in ancient times, in the ahupua'a of Honouliuli, on the island of O'ahu, Pu'u O Kapolei was a prominent, renowned volcanic cone rising above the floor of the 'Ewa Plain where a heiau was strategically placed. Unfortunately, as with too many other prehistoric Hawaiian landmarks whose historical and cultural significance were unknown to modern society, the heiau stones were removed from Pu'u O Kapolei and crushed to build roads and other construction sites. On the makai side of Pu'u O Kapolei, there was a large rock shelter where chants tell us the demi-god Kamapua'a brought his grandmother, Kamaunuanoho, and established her reign as ali'i after he conquered most of the island of O'ahu.

Your Committees also find that while Pu'u O Kapolei may have seemed detached, equally distant from mountain and sea, it was ideally located for Kamaunuanoho to accept tribute from travelers bringing taro and sweet potato from 'Ewa in the east, fish from the coastal areas, and bananas from the mountains.

Your Committees believe that as a thriving municipality and population continues to develop around the most significant natural landmark in the City of Kapolei, the historic, legendary, and physical prominence of Pu'u O Kapolei should be appropriately honored with historical research and registration.

Your Committees have amended the measure to correctly refer to the demi-god Kamapua'a's grandmother as Kamaunuanoho, not Kamauluanoho.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 14, as amended herein, and recommend that it be referred to the Committee on Education and Technology, in the form attached hereto as S.C.R. No. 14, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (Bunda, Inouye, Iwase, Kanno, Nakata, Anderson).

SCRep. 3043 Water, Land, and Hawaiian Affairs on S.C.R. No. 66

The purpose of this measure is to request that the Department of Land and Natural Resources review current statutes to determine whether it is illegal and whether it should be illegal to remove and sell sand from public beaches.

The Department of Land and Natural Resources did not support the adoption of the measure due to anticipated problems with enforcement and the lack of personnel to monitor such takings.

Your Committee finds that state coastal zone management laws prohibit the taking of sand from shoreline areas except for personal, noncommercial use of one gallon per person per day. Unfortunately, there have been reports that sand from the Punaluu Black Sand Beach on the island of Hawaii is being removed and sold to tourists by commercial operators. This unlawful taking of sand is in contravention of existing statutes and, if done on a large scale, could jeopardize the quality of the State's beaches as a natural resource.

Your Committee is also cognizant of the concerns raised by the Department of Land and Natural Resources. Enforcement of existing statutes regulating the taking of sand from public beaches for noncommercial purposes, although well-intended, are indeed difficult to enforce. However, your Committee believes that the adoption of this measure would at very least bring the affected parties

to the table to address the concerns of everyone involved and provide a mechanism by which to resolve this issue in an amicable, nonlitigious, environment.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 66, and recommends that it be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Kanno).

SCRep. 3044 Water, Land, and Hawaiian Affairs on S.C.R. No. 69

The purpose of this measure is to request that the Department of Land and Natural Resources conduct a feasibility study on the implementation of water resource management districts that utilize community-based recommendations to determine water allocations and other resource management-related issues.

The Department of Land and Natural Resources supported adoption of the measure.

Your Committee finds that in recent years, issues relating to water resource management on all islands of the State of Hawaii have arisen. As the State's population grows, it is critical that Hawaii residents have a constant and continuous source of water for both potable and nonpotable uses.

Recently, communities have voiced interest in developing and implementing community-based, water resource management districts which would be based on the ancient Hawaiian ahupuaa system of land and resource management. Under this concept, the Commission on Water Resource Management would empower citizens to form local watershed resource management district councils to facilitate productive interaction between residents and other land occupiers within the watershed, nongovernmental agencies with expertise in water resource management, and governmental agencies. If implemented, this form of resource management decision making could result in the development of a common vision for the users of a designated local watershed resource management district and establish a mechanism by which community-based recommendations for watershed resource management may be delivered to public policymaking agencies.

Your Committee believes that this concept of resource management planning has merit and that the feasibility of implementing it should be explored.

Your Committee has amended the measure by changing the reference to the Chairperson of the Board of Land and Natural Resources (BLNR) in the transmittal clause to the Chairperson of the Commission on Water Resource Management (CWRM) to reflect that the Chairperson of BLNR should receive the transmittal of the measure in his capacity as the Chairperson of CWRM.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 69, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 69, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Kanno).

SCRep. 3045 Water, Land, and Hawaiian Affairs on S.C.R. No. 70

The purpose of this measure is to urge the Department of Land and Natural Resources to deed the title of lands leased to lessees in the Maunalaha area of Makiki Heights on the island of Oahu under Act 225, Session Laws of Hawaii 1981, to the lessees as soon as practicable.

Testimony in support of the measure was received from the Maunalaha Valley Community Association. The Department of Land and Natural Resources did not support adoption of the measure.

Your Committee finds that families of Hawaiian ancestry have been living in the Maunalaha region of Makiki Heights for a very long time, some since the Great Mahele. Act 225, Session Laws of Hawaii 1981, authorized the Department of Land and Natural Resources to negotiate and enter into long-term residential leases with residents who met certain specified criteria. However, when the leases were offered in 1983, only thirty leases were executed and only a few lessees have been able to construct new homes. The remaining lessees of Maunalaha currently live in substandard housing, and have not been able to upgrade or rebuild their homes since they are unable to qualify for loans due to the existence of substandard infrastructure and because they do not own the land.

Your Committee also finds that if the lessees were deeded the title of the lands that they currently lease, they would then be able to secure funding to upgrade their dwellings. Your Committee further finds that the Department of Land and Natural Resources has already initiated proceedings to ascertain the feasibility of this proposal and is awaiting an answer from the affected lessees.

Your Committee believes that once a mutually agreed upon settlement is reached, the transfer should occur soon thereafter in order to assist the lessees in expeditiously upgrading their homes and property. Consequently, your Committee recommends adoption of this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 70, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Kanno).

SCRep. 3046 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on S.C.R. No. 77

The purpose of this measure is to request that the Department of Hawaiian Home Lands and the Department of Transportation work cooperatively together to allow public access to Haiku Stairs, in a manner consistent with the underlying purposes for which the land is held.

Testimony in support of the measure was received from the Department of Transportation. The Department of Hawaiian Home Lands had no objections to the adoption of the measure.

Your Committees find that the Haiku Stairs is a unique structure with historical/cultural, educational, and recreational significance for the State of Hawaii which represents an historic feat of civil engineering that showcased an innovative use of natural topography in the construction of the United States Radio Station Haiku.

Your Committees also find that the City and County of Honolulu is undertaking to repair Haiku Stairs for public use in view of its great value for residents and visitors alike. However, access to the Haiku Stairs is over public lands held and managed by the Department of Hawaiian Home Lands and the Department of Transportation, and any project that would open the Haiku Stairs to the public would have to be done with the approval of these two agencies.

Your Committees believe that the restoration of the Haiku Stairs project could not only be of great benefit to the general public, but could also serve as a perfect venue to demonstrate government agencies working cooperatively together.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 77, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (Bunda, Inouye, Iwase, Kanno, Nakata, Anderson).

SCRep. 3047 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on S.R. No. 31

The purpose of this measure is to request that the Department of Hawaiian Home Lands and the Department of Transportation work cooperatively together to allow public access to Haiku Stairs, in a manner consistent with the underlying purposes for which the land is held.

Testimony in support of the measure was received from the Department of Transportation. The Department of Hawaiian Home Lands had no objections to the adoption of the measure.

Your Committees find that the Haiku Stairs is a unique structure with historical/cultural, educational, and recreational significance for the State of Hawaii which represents an historic feat of civil engineering that showcased an innovative use of natural topography in the construction of the United States Radio Station Haiku.

Your Committees also find that the City and County of Honolulu is undertaking to repair Haiku Stairs for public use in view of its great value for residents and visitors alike. However, access to the Haiku Stairs is over public lands held and managed by the Department of Hawaiian Home Lands and the Department of Transportation, and any project that would open the Haiku Stairs to the public would have to be done with the approval of these two agencies.

Your Committees believe that the restoration of the Haiku Stairs project could not only be of great benefit to the general public, but could also serve as a perfect venue to demonstrate government agencies working cooperatively together.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 31, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 5 (Bunda, Inouye, Iwase, Kanno, Anderson).

SCRep. 3048 Water, Land, and Hawaiian Affairs on S.C.R. No. 93

The purpose of this measure is to urge the Governor to appoint the current Office of Hawaiian Affairs (OHA) trustees to fill the remainder of the term until a public election can be held in November, 2000.

Testimony in opposition to the measure was received from a trustee of OHA and the Hawaiian Political Action Council of Hawaii.

Your Committee finds that in 1978, the Constitutional Convention of the State of Hawaii recommended, and in 1980, the electorate ratified, a constitutional amendment that established OHA. OHA was created to be the State agency responsible for the performance, development, and coordination of programs and activities relating to the betterment of conditions of two subclasses of Hawaiian citizenry, native Hawaiians and Hawaiians. As the administrative apparatus under which OHA would be governed, the Legislature created an elected Board of Trustees for OHA. One of the qualifications for being a trustee for OHA was that the trustee be Hawaiian and that in order to vote in the election for trustees, a person must be at least part Hawaiian.

Your Committee also finds that Harold "Freddy" Rice, a citizen without the requisite ancestry to be a Hawaiian under State law, applied to vote in OHA trustee elections. When his application was denied, Mr. Rice sued the State, claiming that the voting exclusion was invalid under the Fourteenth and Fifteenth Amendments. Upon appeal to the U.S. Supreme Court, on February 23, 2000, the U.S. Supreme Court ruled in Rice v. Cayetano that OHA's voting scheme was a violation of the Fifteenth Amendment because OHA is a state agency. In response to this decision, the Attorney General has advised Governor Cayetano that he may be obligated to remove eight of the nine trustees because they were voted into office in an illegal election. Although the Governor believes he has the authority to fill the positions vacated by the U.S. Supreme Court ruling through the appointment process, the Governor has delayed his decision on the matter until he receives more information on the U.S. Supreme Court decision.

Your Committee, responding to the enormous outpouring of dissatisfaction voiced by the Hawaiian people over the U.S. Supreme Court decision, conducted a five island, eight hearing fact-finding trip to hear the concerns of Hawaiians across the State. The almost unanimous opinion of Hawaiians statewide was that if the Governor is required to remove the existing OHA trustees, then the Governor, as an act of good faith and respect to the Hawaiian people, should appoint the elected OHA trustees to serve out the remainder of their terms.

In light of the testimonies received statewide by your Committee, your Committee believes that for the continuity, stability, and integrity of OHA, which is beneficial to the trust, its beneficiaries, and the State as a whole, that the current OHA trustees should fulfill their trust obligations for the remainder of the term until the State can establish a mechanism for compliance with the Fifteenth Amendment.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 93, and recommends that it be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 3049 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on
S.C.R. No. 95**

The purpose of this measure is to urge the federal government to share in the cost of conducting a comprehensive inventory of ceded lands in the State of Hawaii.

Testimony in support of the measure was received from the Office of Hawaiian Affairs and the Ka Lahui Hawaii Political Action Committee.

Your Committees find that in 1959, the Admission Act transferred the title of lands controlled by the Territory of Hawaii to the State of Hawaii. These lands are commonly referred to as the public or ceded land trust. As a condition of admittance, the State of Hawaii was to manage these lands as a public trust, the benefit of which was to be used for purposes delineated in section 5(f) of the Admission Act. One of these purposes requires the State of Hawaii to utilize a portion of the revenues derived from the ceded land trust for the "betterment of conditions of native Hawaiians, as defined under the Hawaiian Homes Commission Act of 1920, as amended". While the Admission Act was fairly explicit as to the types of lands to be conveyed to the State of Hawaii, it was not explicit as to the specific acreages or locations of the lands that actually comprised the ceded land trust.

In other words, while Congress did intend to transfer title of certain federally-controlled lands and lands formerly held by the Territory of Hawaii, no comprehensive inventory of these lands was ever completed prior to the transfer.

In an effort to resolve this problem, the State of Hawaii, the Office of Hawaiian Affairs, and many Hawaiian organizations have long sought assistance from the federal government. Fortunately, the Clinton Administration has taken a sympathetic view of federal responsibilities relating to Hawaiians by enacting Public Law 103-150, commonly referred to as the "Apology Resolution". With this renewed sense of responsibility by the federal government for its past actions and the pressing need for resolving controversies that stem from disputes over what lands are actually included within the ceded land trust authorized by Congress under the Admission Act, your Committees believe that the time is right to request that a collaborative effort to establish a comprehensive ceded land inventory be undertaken by the federal government, the State of Hawaii, and the Office of Hawaiian Affairs.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 95, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 5 (Bunda, Inouye, Iwase, Kanno, Anderson).

SCRep. 3050 (Joint) Water, Land, and Hawaiian Affairs and Judiciary on S.C.R. No. 113

The purpose of this measure is to request that the Office of Hawaiian Affairs (OHA) study possible alternative governance models to succeed the existing elected trusteeship model.

Specifically, the measure asks OHA to include in its study, recommendations on:

- (1) How OHA will be able to remain sensitive to the needs of Hawaiians and native Hawaiians;
- (2) How to ensure that the persons leading OHA in the future will be at least all or part Hawaiian;
- (3) Whether future OHA trustees or directors are to serve full time in their capacity as OHA trustees or directors;
- (4) How to ensure that representation on the OHA board is fairly and equitably distributed; and
- (5) How future trustees or directors of OHA would be more directly accountable to their constituents;

Testimony in support of the measure was received from the Office of Hawaiian Affairs.

Your Committees find that Harold "Freddy" Rice, a citizen without the requisite ancestry to be a Hawaiian under State law, applied to vote in OHA trustee elections. When his application was denied, Mr. Rice sued the State, claiming that the voting exclusion was invalid under the Fourteenth and Fifteenth Amendments to the United States Constitution. On February 23, 2000, the U.S. Supreme Court ruled in Rice v. Cayetano that OHA's voting scheme was a violation of the Fifteenth Amendment because OHA is a state agency. The U.S. Supreme Court's decision was narrowly written and did not call into question the constitutionality of OHA or the trust, only the particular voting mechanism by which the trustees are selected. The resultant impact of the decision is that the State is left with the question of how to manage its trust obligations to the Hawaiian people.

During the month of February, in hearings on the issue before the House of Representatives and the Senate, constituents, and particularly Hawaiians, repeatedly voiced a desire to maintain a system of governance that:

- (1) Ensures that OHA trustees be at least part Hawaiian;
- (2) Requires OHA trustees to serve full time in their capacity as trustees;
- (3) Allows for representation on the OHA board by island; and
- (4) Provides for a mechanism by which trustees would be more directly accountable to their constituents.

In light of the testimony presented, for the continuity, stability, and integrity of OHA, which is beneficial to the trust, its beneficiaries, and the State as a whole, and in light of the Rice v. Cayetano decision, your Committees believe that OHA should be provided with an opportunity to develop a model of governance to succeed the existing elected trusteeship model that addresses the concerns of its constituency so that it may fulfill its trust obligations in a manner which OHA and its beneficiaries deem most prudent.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Judiciary that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 113, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 6 (Chun Oakland, Ihara, Kanno, Matsuura, Nakata, Sakamoto).

SCRep. 3051 (Joint) Water, Land, and Hawaiian Affairs and Judiciary on S.R. No. 56

The purpose of this measure is to request that the Office of Hawaiian Affairs (OHA) study possible alternative governance models to succeed the existing elected trusteeship model.

Specifically, the measure asks OHA to include in its study, recommendations on:

- (1) How OHA will be able to remain sensitive to the needs of Hawaiians and native Hawaiians;
- (2) How to ensure that the persons leading OHA in the future will be at least all or part Hawaiian;

- (3) Whether future OHA trustees or directors are to serve full time in their capacity as OHA trustees or directors;
- (4) How to ensure that representation on the OHA board is fairly and equitably distributed; and
- (5) How future trustees or directors of OHA would be more directly accountable to their constituents;

Testimony in support of the measure was received from the Office of Hawaiian Affairs.

Your Committees find that Harold "Freddy" Rice, a citizen without the requisite ancestry to be a Hawaiian under State law, applied to vote in OHA trustee elections. When his application was denied, Mr. Rice sued the State, claiming that the voting exclusion was invalid under the Fourteenth and Fifteenth Amendments to the United States Constitution. On February 23, 2000, the U.S. Supreme Court ruled in Rice v. Cayetano that OHA's voting scheme was a violation of the Fifteenth Amendment because OHA is a state agency. The U.S. Supreme Court's decision was narrowly written and did not call into question the constitutionality of OHA or the trust, only the particular voting mechanism by which the trustees are selected. The resultant impact of the decision is that the State is left with the question of how to manage its trust obligations to the Hawaiian people.

During the month of February, in hearings on the issue before the House of Representatives and the Senate, constituents, and particularly Hawaiians, repeatedly voiced a desire to maintain a system of governance that:

- (1) Ensures that OHA trustees be at least part Hawaiian;
- (2) Requires OHA trustees to serve full time in their capacity as trustees;
- (3) Allows for representation on the OHA board by island; and
- (4) Provides for a mechanism by which trustees would be more directly accountable to their constituents.

In light of the testimony presented, for the continuity, stability, and integrity of OHA, which is beneficial to the trust, its beneficiaries, and the State as a whole, and in light of the Rice v. Cayetano decision, your Committees believe that OHA should be provided with an opportunity to develop a model of governance to succeed the existing elected trusteeship model that addresses the concerns of its constituency so that it may fulfill its trust obligations in a manner which OHA and its beneficiaries deem most prudent.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Judiciary that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 56, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 6 (Chun Oakland, Ihara, Kanno, Matsuura, Nakata, Sakamoto).

SCRep. 3052 (Joint) Water, Land, and Hawaiian Affairs and Judiciary on S.C.R. No. 207

The purpose of this measure is to urge the Attorney General to amicably and informally resolve, through negotiation and settlement, Kalima v. State of Hawaii, Civil No. 99-4771-12 VSM, pending in the First Circuit Court.

Testimony in support of the measure was received from the Native Hawaiian Legal Corporation and the law firm representing the plaintiffs in this class action suit against the State. The Attorney General submitted comments on the measure.

Your Committees find that Chapter 674, Hawaii Revised Statutes (HRS), established a process to resolve individual claims of breaches of the Hawaiian Home Lands Trust which occurred between August 21, 1959, and June 30, 1988. Under this law, 2,752 native Hawaiian beneficiaries of the Hawaiian Home Lands Trust filed their claims with the Hawaiian Claims Office by the statutory deadline of August 30, 1995. Out of those beneficiary-claimants, 418 claimants completed the Hawaiian Home Lands Individual Claims Review Process and received favorable recommendations from the Individual Claims Review Panel, some of whom have been waiting since 1997 for legislative approval of their damages awards. Another 1,376 claimants were still waiting for their claims to be processed when Governor Cayetano vetoed legislation that would have extended the life of the Hawaiian Claims Office for one more year to complete its work.

Although they were not responsible for any delay in the processing of their claims, claimants were forced to go to circuit court by December 31, 1999, in order to preserve their claims because the State failed to timely process and/or award them compensation.

Your Committees also find that claimants, who faithfully and patiently fulfilled all the requirements set forth in Chapter 674, HRS, in order to process their claims and have been waiting up to six years for any resolution of their claims, must now endure a lengthy and costly court battle with the State.

Currently, a case entitled Kalima v. State of Hawaii, Civil No. 99-4771-12 VSM, is pending in the First Circuit Court on this very matter and it is your Committees' belief that continued and protracted litigation will not only adversely affect the interests of the claimants, but also force the State to incur significant litigation costs and attorneys' fees regardless of the outcome of the litigation. Therefore, it is your Committees' desire to have this matter resolved in a timely manner.

Your Committees have amended the measure by:

- (1) Adding language that requires both the plaintiffs and the State to work together to reach a mutually beneficial solution to this issue, rather than putting the responsibility solely on the State;
- (2) Adding language that includes mediation as an acceptable means by which to ameliorate the problem;
- (3) Adding the plaintiffs' attorneys to the transmittal list; and
- (4) Amending the title of the measure to reflect the abovementioned amendments.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Judiciary that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 207, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 207, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 6 (Chun Oakland, Ihara, Kanno, Matsuura, Nakata, Sakamoto).

SCRep. 3053 Health and Human Services on S.C.R. No. 4

The purpose of this measure is to express the Legislature's strong support for the successful Healthy Start program.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii State Commission on the Status of Women, Healthy Start, Maui Family Support Services, Inc., Catholic Charities, Parents and Children Together, and Hawaii Catholic Conference.

This measure also urges the continued state funding through general fund appropriations to Healthy Start as a sound investment in our children and Hawaii's future.

The Healthy Start program provides home visits to children and families identified as "at risk", support in crises, educational and peer group support, and referrals to community service resources.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 4, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3054 Health and Human Services on S.R. No. 3

The purpose of this measure is to express the Legislature's strong support for the successful Healthy Start program.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii State Commission on the Status of Women, Healthy Start, Maui Family Support Services, Inc., Catholic Charities, Parents and Children Together, and Hawaii Catholic Conference.

This measure also urges the continued state funding through general fund appropriations to Healthy Start as a sound investment in our children and Hawaii's future.

The Healthy Start program provides home visits to children and families identified as "at risk", support in crises, educational and peer group support, and referrals to community service resources.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 3, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3055 Health and Human Services on S.C.R. No. 40

The purpose of this measure is to express the legislature's support of the Hawaii State Commission on the Status of Women (HSCSW).

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Department of Public Safety, HSCSW, Honolulu Department of Community Services, Hawaii Women Lawyers, Volunteer Legal

Services of Hawaii, Hawaii State Coalition Against Domestic Violence, Sex Abuse Treatment Center, Hawaii Coalition for Affordable Long Term Care, University of Hawaii at Manoa, Hawaii Women's Political Caucus, and two private individuals.

The HSCSW is an integral component in educating, coordinating, and disseminating information regarding women, family, and community issues. Working women in particular have a dual commitment to family and work, and their voice is being heard in policy-making decisions, as evidenced by the presence of the HSCSW at the legislature during each Session. The testimony of the HSCSW is strong, clear, and precise. The HSCSW provides a perspective that represents women, families, and children. This kind of input is unique and valuable.

This measure is intended to reaffirm the legislature's commitment to the HSCSW to ensure its continued work in the community.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 40, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 3056 Health and Human Services on S.R. No. 17

The purpose of this measure is to express the legislature's support of the Hawaii State Commission on the Status of Women (HSCSW).

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Department of Public Safety, HSCSW, Honolulu Department of Community Services, Hawaii Women Lawyers, Volunteer Legal Services of Hawaii, Hawaii State Coalition Against Domestic Violence, Sex Abuse Treatment Center, Hawaii Coalition for Affordable Long Term Care, University of Hawaii at Manoa, Hawaii Women's Political Caucus, and two private individuals.

The HSCSW is an integral component in educating, coordinating, and disseminating information regarding women, family, and community issues. Working women in particular have a dual commitment to family and work, and their voice is being heard in policy-making decisions, as evidenced by the presence of the HSCSW at the legislature during each Session. The testimony of the HSCSW is strong, clear, and precise. The HSCSW provides a perspective that represents women, families, and children. This kind of input is unique and valuable.

This measure is intended to reaffirm the legislature's commitment to the HSCSW to ensure its continued work in the community.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 17, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 3057 Health and Human Services on S.C.R. No. 76

The purpose of this measure is to support the efforts of the World Health Organization and Waris Dirie to end the harmful tradition of female genital mutilation.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women.

Female genital mutilation is a horrid tradition practiced most extensively in Africa. There is no place in the modern world for this kind of human indignity that has no justification whatsoever.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 76, and recommends that it be referred to the Committee on Transportation and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 3058 Health and Human Services on S.R. No. 30

The purpose of this measure is to support the efforts of the World Health Organization and Waris Dirie to end the harmful tradition of female genital mutilation.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women.

Female genital mutilation is a horrid tradition practiced most extensively in Africa. There is no place in the modern world for this kind of human indignity that has no justification whatsoever.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 30, and recommends that it be referred to the Committee on Transportation and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 3059 Health and Human Services on S.C.R. No. 88

The purpose of this measure is to request the Department of Health (DOH) to improve statewide diabetes awareness and education, and examine the possibility of establishing a program for free early detection screening for diabetes.

Your Committee received testimony in support of this measure from the DOH, Hawaii Association of Diabetes Educators, Hawaii Medical Association, and a private individual.

Diabetes is one of the most prevalent diseases in Hawaii. Diabetes is a manageable disease once detected, and early detection would prevent the many debilitating effects of this disease such as blindness, heart disease, stroke, kidney failure, limb amputation, and nerve damage. Uncontrolled diabetes can complicate a pregnancy and cause birth defects.

Your Committee has amended this measure on the recommendation of the DOH by:

- (1) Adding a WHEREAS clause stating that health plans do not cover free early detection screening for diabetes;
- (2) Requesting the DOH to convene a task force of health plans, QUEST, and the Hawaii State Primary Care Association to address early detection and screening and changing the title to reflect this request; and
- (3) Adding the Insurance Commissioner and health insurers as recipients of the certified copies of the measure.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 88, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 88, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3060 Health and Human Services on S.C.R. No. 135

The purpose of this measure is to request the Department of Human Services (DHS) to convene a public-private interagency working group to examine ways to advocate the capture and maximization of federal funds to support Hawaii's health and human services programs.

Your Committee received testimony in support of this measure from the Kokua Council, Hawaii Long Term Care Association, Legal Aid Society, Hawaii Coalition for Affordable Long Term Care, and Welfare & Employment Rights Coalition. Informational testimony was presented by the DHS.

The intent of this measure is for Hawaii to evaluate and determine how best to maximize available federal funds to support Hawaii's health and human services programs in a way that uses the resources and abilities of both the public and private sectors. Federal funding is diverse and complex, including matching funds, waivers, and exceptions. Even within established federal programs, such as Medicare, Hawaii may not be receiving its full share of home care and skilled nursing care federal funding compared with other states. Federal moneys could go unclaimed by Hawaii if the State is unable to devote the necessary personnel to plan programs and submit applications, and to provide matching funds.

Your Committee has amended this measure by including the Executive Office on Aging and Kokua Council on the task force and on the list of entities to receive certified copies of this measure, clarifying the correct name of the Welfare and Employment Rights Coalition, and changing the reporting date to December 15, 2000.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 135, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 135, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 3061 Health and Human Services on S.C.R. No. 194

The purpose of this measure is to request the Department of Health (DOH) to provide the legislature with statistical data on number of abortions performed in the third trimester of pregnancy and the number of partial birth abortions, performed in Hawaii each year from 1990 to the present.

Your Committee received testimony in support of this measure from the DOH, Hawaii Catholic Conference, and Hawaii family forum.

The intent of this measure is to provide the legislature with reliable statistics in order to assess related measures coming before the legislature.

Your Committee has amended this measure by adding a transmittal paragraph to transmit the measure to the Director of Health.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 194, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 194, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3062 Health and Human Services on S.C.R. No. 196

The purpose of this measure is to request the Department of Health (DOH) to report to the legislature before the Regular Sessions of years 2001, 2002, and 2003, to evaluate the effectiveness of the strategies in providing successful treatment and outreach that are intended to prevent hospitalization, homelessness, and criminal involvement.

Your Committee received testimony in support of this measure from the DOH.

This measure is intended to assure that the plan of the DOH to transition the Hawaii State Hospital from a predominantly confinement facility to a primarily psychological rehabilitation facility is advisable, in view of the current litigation with the United States Department of Justice.

Your Committee has amended this measure on the recommendation of the DOH by deleting all the WHEREAS paragraphs and inserting one WHEREAS paragraph for clarity.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 196, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 196, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3063 (Joint) Judiciary and Health and Human Services on S.C.R. No. 3

The purpose of this concurrent resolution is to request that the Department of Public Safety and the Department of Human Services work collaboratively to develop a system to identify and track children with incarcerated parents, identify gaps in current services, and identify needed programs and services.

Testimony in support of this measure was submitted by the Department of Public Safety, the Department of Human Services, TJ Mahoney and Associates, the Community Alliance on Prisons. One individual submitted comments.

As affirmed by the records of votes of the members of your Committees on Judiciary and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 3, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 5 (Fukunaga, Ihara, Iwase, Sakamoto, Tanaka).

SCRep. 3064 Judiciary on S.C.R. No. 6

The purpose of this concurrent resolution is to encourage the establishment of a domestic violence court.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Hawaii State Commission on the Status of Women, the Honolulu Police Department, the Domestic Violence Clearinghouse and Legal Hotline, Hawaii State Coalition Against Domestic Violence, Child and Family Service. The Judiciary and an attorney practicing in family law submitted testimony in support of the intent but had some reservations about the establishment of a domestic violence court.

Upon further consideration, your Committee has amended this measure to include references to a domestic violence division as well as a domestic violence court.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 6, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 6, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Tanaka).

SCRep. 3065 Judiciary on S.C.R. No. 26

The purpose of this resolution, as received by your Committee, is to request the Judiciary to study the feasibility of establishing a drug court in Hilo.

Testimony in support of this measure was submitted by the Judiciary, the Department of Public Safety, and the Community Alliance on Prisons.

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

- (2) Changing the location to be studied as a proposed drug court from Hilo to two sites, the islands of Hawaii and Kauai; and
- (3) Amending the title to reflect that change.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 26, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 26, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Tanaka).

SCRep. 3066 (Joint) Judiciary and Transportation and Intergovernmental Affairs on S.C.R. No. 54

The purpose of this resolution is to request the Hawaii Supreme Court Standing Committee on Hawaii Rules of Evidence to study, in consultation with the Department of Transportation and the Department of Civil Engineering of the University of Hawaii at Manoa, the fairest evidentiary treatment of computer analysis of photographs to determine locations, distances, and dimensions of physical evidence of the scene of a traffic accident.

Testimony in support of this measure was submitted by the Judiciary, the Department of Transportation, and the Honolulu Police Department.

As affirmed by the records of votes of the members of your Committees on Judiciary and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 54, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (Bunda, D. Ige, Ihara, Iwase, Sakamoto, Tanaka).

SCRep. 3067 (Joint) Judiciary and Health and Human Services on S.C.R. No. 55

The purpose of this concurrent resolution is to request that the Office of Information Practices (OIP) formally convene a task force to advise and assist OIP in analyzing health care information issues and drafting rules to implement the requirements of chapter 323C, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Office of Information Practices, Hawaii Medical Service Association, Healthcare Association of Hawaii, and the American Association of Retired Persons. Testimony in opposition to this measure was submitted by two concerned individuals.

As affirmed by the records of votes of the members of your Committees on Judiciary and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 55, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 5 (Fukunaga, Ihara, Iwase, Sakamoto, Tanaka).

SCRep. 3068 (Joint) Judiciary and Health and Human Services on S.C.R. No. 114

The purpose of this concurrent resolution is to establish a 2000 Domestic Violence Working Group to oversee the implementation of the recommendations in the "Domestic Violence and Criminal Justice System in Hawaii" report, act as the coordinating body for the

monitoring and assessment of that process, and further, to coordinate an examination of practices and procedures as they relate to children and youth involved in domestic violence situations.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of Human Services, the Hawaii State Commission on the Status of Women, Hawaii State Coalition Against Domestic Violence, the Department of the Prosecuting Attorney of the City and County of Honolulu, Child and Family Services, and the Domestic Violence Clearinghouse and Legal Hotline. One individual submitted comments on this measure.

As affirmed by the records of votes of the members of your Committees on Judiciary and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 114, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 5 (Fukunaga, Ihara, Iwase, Sakamoto, Tanaka).

SCRep. 3069

Judiciary on S.C.R. No. 116

The purpose of this resolution, as received by your committee, is to request the Judicial Selection Commission to conduct public hearings when justices and judges have requested retention as a jurist upon the expiration of their term of office.

Testimony in support of this measure was submitted by the West Hawaii Humane Society and two individuals. Testimony commenting on this measure was submitted by the Hawaii State Bar Association. Testimony opposing this measure was submitted by the Judicial Selection Commission.

Upon further consideration, your Committee has amended this measure by deleting its title and content and replacing them with provisions requesting that:

- (1) The Judiciary provide opportunities for recognition of excellent judges and justices;
- (2) The Chief Justice continue the practice of conducting judicial evaluations;
- (3) The Chief Justice open the judicial evaluation process to a panel of qualified persons, including former judges and members of the community;
- (4) The Judiciary create a process for judicial evaluation of members of the Intermediate Court of Appeals and the Supreme Court; and
- (5) The Judiciary carry out a public relations campaign to educate the general public as to the evaluation process for a judge.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 116, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 116, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Tanaka).

SCRep. 3070

Judiciary on S.C.R. No. 122

The purpose of this concurrent resolution is to request that the Legislative Reference Bureau conduct a study on criminal history records checks, including a review of the legal ramifications of requiring such checks and a review of existing federal, state, and county requirements.

Your Committee finds that section 378-2, Hawaii Revised Statutes (HRS), prohibits discriminatory employment practices on the basis of a person's arrest and court record. However, section 378-2.5, HRS, permits an employer limited inquiry into and consideration of criminal conviction information, if it bears a rational relationship to the duties and responsibilities of a position for which a conditional offer of employment has been made. To further complicate matters, various exceptions presently exist in the law that either permit or mandate criminal history records checks in select instances, including but not limited to: employees in public and private schools; operators and employees in child caring institutions or foster homes and adult foster homes; correctional or detention facilities; private investigators and guards; and condominium employees.

Furthermore, your Committee notes that the Federal Bureau of Investigations will only conduct criminal history checks if a state statute specifically authorizes a state or local government agency to conduct such searches for the purposes of employment or licensing.

Your Committee is aware that a number of bills introduced during the 2000 Regular Session attempt to carve out additional exceptions for criminal history record checks. For example, S.B. 2876, S.D. 1, requires the Department of Health to develop procedures for obtaining verifiable information, including criminal history record checks, regarding the criminal history of persons seeking employment with the Department, its providers, or its subcontractors. S.B. 2098, H.D. 2, requires private schools, in

cooperation with the Hawaii Criminal Justice Data Center, to conduct criminal history verifications of employment applicants to positions involving close proximity with children.

While your Committee recognizes that persons who were once convicted of an offense and have been rehabilitated deserve equal access to employment opportunities, your Committee also recognizes that there are many occupations where an employer should be made aware of an applicant or employee's criminal history, especially if the position works closely with vulnerable populations. Your Committee does not seek to establish a statewide policy at this time, but your Committee believes that a comprehensive review of the issue of criminal record checks is necessary in order to ensure fair and consistent application, rather than continuing to impose requirements in a piecemeal fashion.

Testimony in support of this measure was submitted by the Department of the Attorney General, the American Association of Retired Persons, and the Sex Abuse Treatment Center. The Legislative Reference Bureau orally testified in support of this measure and expressed its willingness to undertake such an important task. One individual submitted comments.

Upon further consideration, your Committee has amended this concurrent resolution by adding that the Legislative Reference Bureau research the feasibility of making Hawaii an open records state, which would allow the general public, including non-criminal justice agencies, to receive state non-conviction information.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 122, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 122, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Tanaka).

SCRep. 3071 Judiciary on S.C.R. No. 153

The purpose of this resolution, as received by your Committee, is to request the Auditor to conduct an audit of potential cost savings if direct filing of criminal charges were instituted.

Testimony in support of this measure was submitted by the Attorney General, the Honolulu Police Department, and the Department of the Prosecuting Attorney for the City and County of Honolulu. Testimony commenting on this measure, with suggested amendments, was submitted by the Judiciary.

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

- (1) Substituting the Legislative Reference Bureau for the Auditor as the entity requested to study direct filing of criminal charges;
- (2) Expanding the scope of the study to include non-monetary considerations;
- (3) Amending the title to reflect changes to the resolution; and
- (4) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 153, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 153, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Tanaka).

SCRep. 3072 Judiciary on S.C.R. No. 199

The purpose of this concurrent resolution is to request the Attorney General to convene a task force to study the laws concerning the sexual exploitation of women and children in Hawaii and to make recommendations for improving these laws if applicable.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, the Department of Prosecuting Attorney of the City and County of Honolulu, Hawaii Family Forum, Sisters Offering Support, and the Domestic Violence Clearinghouse and Legal Hotline, and a concerned individual. The Department of the Attorney General supported the intent of this measure. The Sex Abuse Treatment Center and one individual submitted comments on this measure.

Upon further consideration, your Committee has amended this concurrent resolution by:

- (1) Changing the references of "Sexual Assault Center of Hawaii" to "The Sex Abuse Treatment Center";
- (2) Expanding the composition of the task force to include representatives from the county police departments and the county prosecuting attorneys; and

- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 122 [sic], as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 122 [sic], S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Tanaka).

SCRep. 3073 Commerce and Consumer Protection on Gov. Msg. No. 195

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHARMACY

G.M. No. 195 MILES T. NAKATSU, for a term to expire June 30, 2004,

The Department of Commerce and Consumer Affairs submitted testimony in support of the nomination.

Upon review of the testimony and the statement submitted by the nominee, your Committee finds that Miles T. Nakatsu has the necessary character, experience, and qualifications to serve on the Board of Pharmacy (Board), and is willing to serve without compensation.

Mr. Nakatsu has bachelor's degrees from the University of Hawaii at Hilo and Idaho State University. He is a licensed pharmacist who is president and chief pharmacist at Kina'ole, Ululani Pharmacy/RX Consultants and president of the Big Island Pharmacists Association. Mr. Nakatsu has been a Board member since July, 1996.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Taniguchi).

SCRep. 3074 Commerce and Consumer Protection on Gov. Msg. No. 196

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PRIVATE DETECTIVES AND GUARDS

G.M. No. 196 STEVE GOODENOW and FREDERICK WM. HACKBARTH for terms to expire June 30, 2004,

The Department of Commerce and Consumer Affairs submitted testimony in support of the nominations.

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that Steve Goodenow and Frederick Wm. Hackbarth have the necessary character, experience, and qualifications to serve on the Board of Private Detectives and Guards (Board), and are willing to serve without compensation.

Steve Goodenow is a licensed private detective and licensed private guard who has been involved in investigation and security for over thirty years. He is the principal licensed investigator and guard for Goodenow Associates, Inc., and Safeguard Services, Inc. Mr. Goodenow currently serves as chairperson of the Board.

Frederick Wm. Hackbarth, a teacher, is currently a public member of the Board and serves as the Board's vice-chairperson. He has a history of community service that includes involvement with the Kailua Jaycees, Koolauoko Lions Club, Kailua Chamber of Commerce, Kailua Neighborhood Board, Hawaii State Little League, and Hawaii Catholic School Athletic League.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Taniguchi).

SCRep. 3075 Commerce and Consumer Protection on Gov. Msg. No. 197

Recommending that the Senate advise and consent to the nominations of the following:

REAL ESTATE COMMISSION

G.M. No. 197 PETER RICE and CASEY K. CHOI, for terms to expire June 30, 2004,

The Hawaii Association of Realtors submitted testimony in support of the nomination of Peter Rice.

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that Peter Rice and Casey K. Choi have the necessary character, experience, and qualifications to serve on the Real Estate Commission (Commission), and are willing to serve without compensation.

Peter Rice has almost thirty years of experience in property management in the State and on the mainland, and is owner of Classic Resorts, Ltd., a condominium management company that manages properties on Maui and the island of Hawaii. He is a member of the Maui Board of Realtors, Chair of the Maui Visitors Bureau, and Neighbor Island Vice Chair of the Hawaii Visitors and Convention Bureau.

Casey K. Choi, nominated as a public member to the Commission, is the owner of a tour consulting business. He has a bachelor's degree in business-hotel, restaurant, and marketing management, and experience in marketing and sales. Mr. Choi is currently President of the Korean Visitors Association of Hawaii and has served on the board of directors of the Hawaii Korean Chamber of Commerce.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Taniguchi).

SCRep. 3076 Transportation and Intergovernmental Affairs on Gov. Msg. No. 204

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY BOARD ON VETERANS' SERVICES

G.M. No. 204 ROGELIO EVANGELISTA and DANIA S. KRAWEC, for terms to expire June 30, 2004,

Testimony in support of the reappointment of Rogelio Evangelista and Dania S. Krawec to the State Advisory Board on Veterans' Services was received from the Adjutant General, Disabled American Veterans, Maui Chapter #2, Disabled Veterans, Oahu Chapter No. 1 Inc. An OAS Advisory Board Member testified in support of Mr. Evangelista.

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that Rogelio Evangelista and Dania Krawec have the necessary character, experience, and qualifications to serve on the State Advisory Board on veterans' Services and are willing to serve without compensation. Both Rogelio Evangelista and Dania Krawec have been dedicated and committed members of the Board for four years, and have been excellent representatives and advocates for Hawaii's veterans.

Mr. Rogelio Evangelista represents the veterans of the island of Maui. He is a disabled veteran and currently serves as the Hawaii Department Commander for the Disabled American Veterans Organization. He is also the Vice Chair of the Advisory Board. Mr. Evangelista recently retired from GTE Hawaiian Telephone Company and has been devoting even more time in supporting programs benefiting veterans throughout the State.

Ms. Dania Krawec is one of two female veterans on the Advisory Board. She is also a disabled veteran. She is a strong advocate of veterans rights and entitlements, and is a life member of the Disabled American Veterans. She has been an active leader in the DAV Chapter and departmental activities and programs, and is one of three board members from the island of Oahu.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Iwase).

SCRep. 3077 (Majority) Commerce and Consumer Protection on H.B. No. 2123

The purpose of this measure is to enhance consumer protection with respect to service charges imposed by hotels and restaurants on the sale of food and beverages.

Testimony on the measure was received by the Department of Labor and Industrial Relations, the President and several members of the Hotel Employees and Restaurant Employees Union, Local 5, the Hawaii Hotel Association, and an individual.

Your Committee finds that it is generally understood that service charges applied to the sale of food and beverages by hotels and restaurants are levied in lieu of a voluntary gratuity, and are distributed to the employees providing the service. Therefore, most consumers do not tip for services over and above the amounts they pay as a service charge.

Your Committee further finds that, contrary to the above understanding, moneys collected as service charges are not always distributed to the employees as gratuities and are sometimes used to pay the employer's administrative costs. Therefore, the employee does not receive the money intended as a gratuity by the customer, and the customer is misled into believing that the employee has been rewarded for providing good service.

This measure is intended to prevent consumers from being misled about the application of moneys they pay as service charges by requiring under the Unfair and Deceptive Practices Act that a hotel or restaurant distribute moneys paid by customers as service charges directly to its employees as tip income, or disclose to the consumer that the service charge is being used to pay for the employer's costs or expenses, other than wages and tips.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2123, H.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3078 Commerce and Consumer Protection on H.B. No. 1934

The purpose of this measure is to facilitate the provision and administration of pharmaceutical agents to consumers by optometrists by streamlining the drug formulary approval process.

Testimony on this measure was submitted by the Board of Examiners in Optometry (Board), Hawaii Optometric Association, Hawaii Medical Association, Hawaii Psychiatric Medical Association, Leeward Eye Care, Inc., Pacific Vision Center, Windward Eyecare, Island Eye Care, and numerous individuals.

In 1996, the legislature granted optometrists the authority to treat certain eye conditions with topical therapeutic pharmaceutical agents. Act 292, Session Laws of Hawaii 1996, also established a joint formulary committee composed of optometrists, pharmacists, and ophthalmologists, that is responsible for establishing a drug formulary for adoption by the Board. The new law went into effect on July 1, 1999.

This measure would change the joint formulary committee's role with respect to establishing a drug formulary to an advisory one and establish within the Board the authority to approve or disapprove the formulary recommended by the committee.

Your Committee finds that the new law has only recently gone into effect and, therefore, any changes to the procedures governing the establishment of a drug formulary may be premature. Therefore, upon careful consideration, your Committee has amended this measure by replacing its contents with S.B. No. 3041, S.D. 1. As amended, this measure:

- (1) Makes no amendments to section 459-7.4(a), Hawaii Revised Statutes, relative to the responsibilities of the joint formulary committee and the Board in establishing a drug formulary; and
- (2) Adds another optometrist member to the joint formulary committee, for a total of three optometrists.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1934, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1934, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3079 Commerce and Consumer Protection on H.B. No. 2485

The purpose of this measure is to allow licensed professionals other than psychologists to render services within their authorized scopes of practice without running afoul of the psychology licensing law.

Testimony on the measure was submitted by the Board of Psychology, Hawaii Medical Association, National Association for Social Workers, Hawaii Nurses' Association, and Hawaii Psychiatric Medical Association.

The psychology licensing law prohibits a person without a license to practice psychology from representing the person's self as a psychologist, and defines a psychologist as a person, who among other things, offers the services of or performs psychotherapy. Therefore, licensed professionals, such as marriage and family therapists, social workers, and advanced practice registered nurses are at risk of violating the psychology licensing laws by practicing or advertising the services of psychotherapy even though these professionals may be qualified to perform psychotherapy and the practice is authorized by their respective licensing laws.

Your Committee finds that it is not the intent of the psychology licensing law to preclude the provision of psychotherapeutical services by qualified members of other professions. Therefore, this measure clarifies the psychology licensure exemption provision by providing that, notwithstanding the definition of psychologist, the psychology licensing requirement does not apply to individuals who render or advertise services within their scope of practice as defined by statute or rule, if the person does not represent the person's self to be a psychologist or does not imply that the person is licensed to practice psychology.

Your Committee previously passed out S.B. No. 2826, S.D. 1, a substantially similar measure that contains additional clarifying language. Therefore, upon careful consideration, your Committee has amended this measure by replacing its contents with the contents of the Senate companion measure and by making further technical, nonsubstantive amendments. As amended, this measure specifically lists psychotherapy as a service that may be rendered or offered through advertising by non-psychologists licensed in other professions.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2485, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2485, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3080 Transportation and Intergovernmental Affairs on S.C.R. No. 98

The purpose of the measure is to request the Auditor to analyze the impact of increasing the Department of Transportation's authority and jurisdiction over harbors.

Testimony in support of the measure was received from the Chamber of Commerce and CSX Lines.

Your Committee finds that there is a need to determine the impact of granting the Department of Transportation broader authority over harbor lands and expanding its powers and duties to include authorizing nonmaritime uses of harbor lands.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 98, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 3081 Transportation and Intergovernmental Affairs on S.C.R. No. 102

The purpose of the measure is to urge the United States to provide a briefing on the future workload plans for Pearl Harbor Naval Shipyard.

Testimony in support of the measure was received from the Chamber of Commerce, Nuclear Engineering and Planning Division at Pearl Harbor Naval Shipyard, National Association of Superintendents, Hawaii Chapter, at Pearl Harbor Naval Shipyard, International Federation of Professional and Technical Engineers, and Federal Employees Metal Trades Council, individuals from the Federal Managers Association Chapter 19, at Pearl Harbor Naval Shipyard, and Intermediate Maintenance Facility at Pearl Harbor Naval Shipyard also submitted testimony in support of the measure.

Your Committee finds that the number of civilian employees at Pearl Harbor Naval Shipyard has dropped significantly over the last decade, with the Navy bringing in out-of-state workers to keep up with their work demands.

Your Committee has amended the measure by providing that certified copies of this Concurrent Resolution also be transmitted to the Secretary of Defense.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that are attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 102, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 102, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Inouye, Iwase).

SCRep. 3082 Transportation and Intergovernmental Affairs on S.C.R. No. 104

The purpose of the measure is to ask the United States Congress to address the issue of availability of obtaining a false identification via the Internet.

Testimony in support of the measure was received from the Honolulu Police Department, Legislative Information Services of Hawaii, Hawaii League of Savings Institutions, Hawaii Restaurant Association, and Waikiki Health Center.

Your Committee finds that the availability of fraudulent identification on the Internet has become a serious problem. A major concern is that many minors are using the false identification obtained from the Internet to purchase both liquor and tobacco products.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 104, and recommends that it be referred to the Committee on Judiciary.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 3083 Transportation and Intergovernmental Affairs on S.C.R. No. 156

The purpose of the measure is to request the Department of Transportation to conduct a feasibility study for the purpose of providing additional safe bikepaths.

Testimony in support of the measure was received from the Department of Transportation.

Your Committee finds that there is a critical shortage of safe bikepaths for use by the many bicyclists in Hawaii and that there is a need to identify where additional safe bikepaths are needed and should be constructed.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 156, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 3084 Transportation and Intergovernmental Affairs on S.R. No. 77

The purpose of the measure is to request the Department of Transportation to conduct a feasibility study for the purpose of providing additional safe bikepaths.

Testimony in support of the measure was received from the Department of Transportation.

Your Committee finds that there is a critical shortage of safe bikepaths for use by the many bicyclists in Hawaii and that there is a need to identify where additional safe bikepaths are needed and should be constructed.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 77, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 3085 Transportation and Intergovernmental Affairs on S.R. No. 35

The purpose of the measure is to request the Department of Motor Vehicles to help educate the English as a second language ethnic groups and promote compliance with Department rules.

Your Committee recognizes that Hawaii is a multi-ethnic state comprised of increasing numbers of ethnic groups for whom English is a second language. Your Committee also recognizes that most of the Department of Motor Vehicles rules and regulations are written only in English. Your Committee finds that as a result, many people for whom English is a second language have difficulty understanding and complying with the Department's rules and regulations.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 35, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 3086 Transportation and Intergovernmental Affairs on S.C.R. No. 19

The purpose of this Concurrent Resolution is to support the efforts of the United States Congress to establish an effective defense against the possibility of a missile attack.

Your Committee received testimony in support of the measure from the state Department of Defense.

Your Committee finds that Hawaii's strategic location and geographical isolation makes it an important target and therefore, an effective missile defense system is very important to Hawaii.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 19, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Iwase).

SCRep. 3087 Transportation and Intergovernmental Affairs on S.R. No. 6

The purpose of this Resolution is to support the efforts of the United States Congress to establish an effective defense against the possibility of a missile attack.

Your Committee received testimony in support of the measure from the state Department of Defense.

Your Committee finds that Hawaii's strategic location and geographical isolation makes it an important target and therefore, an effective missile defense system is very important to Hawaii.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 6, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Iwase).

SCRep. 3088 Health and Human Services on S.C.R. No. 38

The purpose of this measure is to request Hawaii Appleseed Public Interest Law Center (Hawaii Appleseed) to continue discussions and seek input in its comprehensive assessment of reviewing current laws and suggesting legislation to improve, consolidate, and streamline Hawaii's child protective statutes.

Your Committee received testimony in support of this measure from the Department of Human Services and Sex Abuse Treatment Center.

Senate Concurrent Resolution No. 77, 1999, requested Hawaii Appleseed to conduct a comprehensive assessment of state child protection statutes. The Center produced a discussion draft for the 2000 Session. This measure is intended to continue that work and to request the Center to report before the 2001 Session.

Your Committee has amended this measure by including the Departments of Health, Human Services, Education, Attorney General, and the Judiciary in the conference and working groups, and transmitting this measure to each of them.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 38, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 38, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 3089 Health and Human Services on S.R. No. 16

The purpose of this measure is to request Hawaii Appleseed Public Interest Law Center (Hawaii Appleseed) to continue discussions and seek input in its comprehensive assessment of reviewing current laws and suggesting legislation to improve, consolidate, and streamline Hawaii's child protective statutes.

Your Committee received testimony in support of this measure from the Department of Human Services and Sex Abuse Treatment Center.

Senate Concurrent Resolution No. 77, 1999, requested Hawaii Appleseed to conduct a comprehensive assessment of state child protection statutes. The Center produced a discussion draft for the 2000 Session. This measure is intended to continue that work and to request the Center to report before the 2001 Session.

Your Committee has amended this measure by including the Departments of Health, Human Services, Education, Attorney General, and the Judiciary in the conference and working groups, and transmitting this measure to each of them.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 16, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 16, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 3090 Health and Human Services on S.C.R. No. 133

The purpose of this measure is to request the Director of Health (DOH) to convene a task force to study the implications of increasing the access to sterile syringes.

Your Committee received testimony in support of this measure from the DOH, Department of Human Services, Board of Pharmacy, Governor's Committee on HIV/AIDS, Hawaii Pharmacists Association, Hawaii HIV Prevention Community Planning Group, AIDS Community Care Team, and Hawaii Medical Association.

Current law deems syringes to be "drug paraphernalia", the use or possession of which is prohibited by Hawaii's controlled substances law. The removal or modification of legal barriers to the availability of sterile syringes has been recommended by several reputable national professional organizations. Allowing injection drug users to purchase sterile syringes at pharmacies without a prescription would decrease the incidences of transmission of disease. However, your Committee believes that the legislature should proceed cautiously in amending the laws. This measure is intended to lay the groundwork for possible future statutory amendments.

Your Committee has amended this measure by correcting typographical errors and adding a task force member representing the Healthcare Association of Hawaii.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 133, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 133, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3091 Health and Human Services on S.C.R. No. 163

The purpose of this measure is to request the Governor to convene a task force to develop and implement a comprehensive statewide plan to address the issue of the State's compliance with the integration mandate of Title II of the Americans with Disabilities Act (ADA).

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Health, State Planning Council on Developmental Disabilities, Executive Office on Aging, Disability and Communication Access Board, Arc in Hawaii, and Healthcare Association of Hawaii. Testimony in opposition was received from the Attorney General.

The ADA has been interpreted by the United States Supreme Court to apply to the mentally retarded and mentally ill who are confined in state-run institutions, despite the fact that their treatment professional had determined that they could be appropriately served in a community setting. A similar case was recently decided in Hawaii in the United States District Court in Makin, Mullen, et. al. v. Cayetano, in which Judge David Ezra held that the integration mandate of the ADA applied to persons at risk of institutionalization (although not yet living in institutions), and that the State must have a comprehensive plan to move persons off the wait lists for community services at a reasonable pace.

This measure is intended to facilitate and expedite the Makin decision. Your Committee believes that a task force comprised of a broad sector of public and community service agencies is necessary to achieve compliance with Makin.

Your Committee has amended this measure by:

- (1) Requesting the Governor to develop and implement a comprehensive statewide plan for placing qualified persons with disabilities in the most integrated setting possible and to keep waiting lists that move at a reasonable pace, and changing the title accordingly;
- (2) Clarifying that many people with disabilities throughout history and throughout the country have been institutionalized;
- (3) Requiring that the organizations listed in the measure be integral participants in the development of the plan;
- (4) Deleting the paragraphs referencing Title II, the dilemma faced by persons with disabilities in choosing where to live, and the Makin case; and

- (5) Deleting the requirement that the task force include representatives of the Department of Health, Department of Human Services, and Housing and Community Development Corporation of Hawaii and instead adding them to the list of participants.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 163, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 163, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 3092 Health and Human Services on S.R. No. 81

The purpose of this measure is to request the Governor to convene a task force to develop and implement a comprehensive statewide plan to address the issue of the State's compliance with the integration mandate of Title II of the Americans with Disabilities Act (ADA).

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Health, State Planning Council on Developmental Disabilities, Executive Office on Aging, Disability and Communication Access Board, Arc in Hawaii, and Healthcare Association of Hawaii. Testimony in opposition was received from the Attorney General.

The ADA has been interpreted by the United States Supreme Court to apply to the mentally retarded and mentally ill who are confined in state-run institutions, despite the fact that their treatment professional had determined that they could be appropriately served in a community setting. A similar case was recently decided in Hawaii in the United States District Court in Makin, Mullen, et. al. v. Cayetano, in which Judge David Ezra held that the integration mandate of the ADA applied to persons at risk of institutionalization (although not yet living in institutions), and that the State must have a comprehensive plan to move persons off the wait lists for community services at a reasonable pace.

This measure is intended to facilitate and expedite the Makin decision. Your Committee believes that a task force comprised of a broad sector of public and community service agencies is necessary to achieve compliance with Makin.

Your Committee has amended this measure by:

- (1) Requesting the Governor to develop and implement a comprehensive statewide plan for placing qualified persons with disabilities in the most integrated setting possible and to keep waiting lists that move at a reasonable pace, and changing the title accordingly;
- (2) Clarifying that many people with disabilities throughout history and throughout the country have been institutionalized;
- (3) Requiring that the organizations listed in the measure be integral participants in the development of the plan;
- (4) Deleting the paragraphs referencing Title II, the dilemma faced by persons with disabilities in choosing where to live, and the Makin case; and
- (5) Deleting the requirement that the task force include representatives of the Department of Health, Department of Human Services, and Housing and Community Development Corporation of Hawaii and instead adding them to the list of participants.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 81, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 81, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 3093 Health and Human Services on S.C.R. No. 166

The purpose of this measure is to request the Department of Education and all youth organizations to access the upcoming website of the Hawaii Criminal Justice Data Center to obtain relevant information that is necessary to protect the public on sex offender registration information.

Your Committee received testimony in support of this measure from the Attorney General, Department of Education, Sex Abuse Treatment Center, and three private individuals.

The new website will make access to information quick and easy, which has been the greatest deterrent to accessing the information. Convenient access could result in not hiring the wrong person, which could result in preventing a tragedy and in potential savings on litigation and damage awards.

Your Committee has amended this measure by clarifying that the access is to public sex offender registration information.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 166, as amended herein, and recommends that it be referred to the Committee on Education and Technology, in the form attached hereto as S.C.R. No. 166, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 3094 Health and Human Services on S.R. No. 97

The purpose of this measure is to request the Department of Education and all youth organizations to access the upcoming website of the Hawaii Criminal Justice Data Center to obtain relevant information that is necessary to protect the public on sex offender registration information.

Your Committee received testimony in support of this measure from the Attorney General, Department of Education, Sex Abuse Treatment Center, and three private individuals.

The new website will make access to information quick and easy, which has been the greatest deterrent to accessing the information. Convenient access could result in not hiring the wrong person, which could result in preventing a tragedy and in potential savings on litigation and damage awards.

Your Committee has amended this measure by clarifying that the access is to public sex offender registration information.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 97, as amended herein, and recommends that it be referred to the Committee on Education and Technology, in the form attached hereto as S.R. No. 97, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 3095 (Joint/Majority) Health and Human Services and Labor and Environment on S.C.R. No. 208

The purpose of this measure is to request the Department of Human Services (DHS) to convene a public-private interagency working group to help low-income families become self-sufficient.

Your Committees received testimony in support of this measure from the DHS, National Association of Social Workers, Welfare and Employment Rights Coalition, and American Friends Service Committee.

This measure is intended to help welfare recipients who are cut off from receiving benefits on December 1, 2001, due to the five year lifetime benefit limitation imposed by the federal Welfare Reform Act, which ended the Aid to Families with Dependent Children (AFDC) block grant program to the states. The Welfare Reform Act was intended to encourage welfare recipients to become self-sufficient. States are free to fund their own welfare programs after the five year limitation. However, in Hawaii, the transition is probably more difficult than in other states because of the condition of the State's economy.

Your Committees believe that the State should explore establishing employment and tax incentives, which should be fully explored before legislation is enacted.

Your Committees have amended this measure by adding to the representation on the working group the Brigham Young University - Hawaii Campus, Chaminade University, and Hawaii Pacific University, to allow these private higher education institutions to lend their expertise in discussing successful educational programs that they have initiated to help welfare recipients.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Labor and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 208, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 208, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (M. Ige). Excused, 4 (Chumbley, Fukunaga, Ihara, Levin).

SCRep. 3096 (Joint/Majority) Health and Human Services and Labor and Environment on S.R. No. 98

The purpose of this measure is to request the Department of Human Services (DHS) to convene a public-private interagency working group to help low-income families become self-sufficient.

Your Committees received testimony in support of this measure from the DHS, National Association of Social Workers, Welfare and Employment Rights Coalition, and American Friends Service Committee.

This measure is intended to help welfare recipients who are cut off from receiving benefits on December 1, 2001, due to the five year lifetime benefit limitation imposed by the federal Welfare Reform Act, which ended the Aid to Families with Dependent Children (AFDC) block grant program to the states. The Welfare Reform Act was intended to encourage welfare recipients to become self-sufficient. States are free to fund their own welfare programs after the five year limitation. However, in Hawaii, the transition is probably more difficult than in other states because of the condition of the State's economy.

Your Committees believe that the State should explore establishing employment and tax incentives, which should be fully explored before legislation is enacted.

Your Committees have amended this measure by adding to the representation on the working group the Brigham Young University - Hawaii Campus, Chaminade University, and Hawaii Pacific University, to allow these private higher education institutions to lend their expertise in discussing successful educational programs that they have initiated to help welfare recipients.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Labor and Environment that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 98, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 98, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (M. Ige). Excused, 4 (Chumbley, Fukunaga, Ihara, Levin).

SCRep. 3097 Health and Human Services on S.C.R. No. 210

The purpose of this measure is to request the Department of Health (DOH) to implement the recommendations of the legislature's consultant on the provision of mental health services at the Hawaii State Hospital (HSH).

Your Committee received testimony in support of this measure from the HGEA-AFSCME. Testimony in opposition was received from the DOH.

Pursuant to the stipulated settlement agreement and court order with the United States to correct alleged deficiencies at the HSH in a lawsuit by the Department of Justice, the DOH is in the process of downsizing the HSH and transferring patients to community care facilities. To evaluate the advisability of this plan, the legislature hired Dr. H. Richard Lamb, a well-known and well-respected psychiatrist and noted expert in the provision of mental health services.

Dr. Lamb submitted a report commenting, among other things, that the State should have three levels of treatment for the mentally ill: the HSH, intermediate care facilities, and community-based care. This measure asks the DOH to adopt a comprehensive plan that ensures that appropriate levels of care are being provided to mentally ill persons, using Dr. Lamb's recommendations as a guideline.

Your Committee has amended this measure by:

- (1) Deleting a WHEREAS clause referencing the court's finding of contempt;
- (2) Clarifying that the deficiencies at the HSH are alleged, for accuracy;
- (3) Clarifying that Dr. Lamb made comments, rather than findings, conclusions, and recommendations, for accuracy;
- (4) Deleting the two WHEREAS clauses referencing the Olmstead case; and
- (5) Clarifying in the last two WHEREAS clauses that the legislature "suggests" rather than "finds", to express correctly the intent.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 210, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 210, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3098 Health and Human Services on S.R. No. 99

The purpose of this measure is to request the Department of Health (DOH) to implement the recommendations of the legislature's consultant on the provision of mental health services at the Hawaii State Hospital (HSH).

Your Committee received testimony in support of this measure from the HGEA-AFSCME. Testimony in opposition was received from the DOH.

Pursuant to the stipulated settlement agreement and court order with the United States to correct alleged deficiencies at the HSH in a lawsuit by the Department of Justice, the DOH is in the process of downsizing the HSH and transferring patients to community care

facilities. To evaluate the advisability of this plan, the legislature hired Dr. H. Richard Lamb, a well-known and well-respected psychiatrist and noted expert in the provision of mental health services.

Dr. Lamb submitted a report commenting, among other things, that the State should have three levels of treatment for the mentally ill: the HSH, intermediate care facilities, and community-based care. This measure asks the DOH to adopt a comprehensive plan that ensures that appropriate levels of care are being provided to mentally ill persons, using Dr. Lamb's recommendations as a guideline.

Your Committee has amended this measure by:

- (1) Deleting a WHEREAS clause referencing the court's finding of contempt;
- (2) Clarifying that the deficiencies at the HSH are alleged, for accuracy;
- (3) Clarifying that Dr. Lamb made comments, rather than findings, conclusions, and recommendations, for accuracy;
- (4) Deleting the two WHEREAS clauses referencing the Olmstead case; and
- (5) Clarifying in the last two WHEREAS clauses that the legislature "suggests" rather than "finds", to express correctly the intent.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 99, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 99, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3099 Labor and Environment on S.C.R. No. 16

The purpose of this measure is to approve adjustments made to the compensation plans by the Public Employees Compensation Appeals Board based on recommendations from the Conference of Personnel Directors.

Testimony in support of this measure was received by the Department of Human Resources Development and the HGEA-AFSCME.

The Conference of Personnel Directors submitted to the Public Employees Compensations Appeals Board (PECAB) its adjustment recommendations on the compensation plans of the State, Judiciary, and the counties. After hearing pricing and repricing appeals for classes, the board determined whether the salary range or salary grade assignments of those classes needed adjustment. As required by law, the Governor in early January transmitted to the Legislature PECAB's findings as well as the compensation plans and costs thereof. This measure grants legislative approval to the recommended adjustments to the compensation plans and the costs thereof.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 16, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 3100 Labor and Environment on S.C.R. No. 89

The purpose of this measure is to request the Department of Land and Natural Resources (DLNR) to convene a work group to study conditions at the beaches of Punalu'u and Kamehame and provide recommendations to preserve and protect the areas' endangered species and ecosystem.

Testimony in support of this measure was provided by the Department of Land and Natural Resources and Earthjustice Legal Defense Fund.

Currently, endangered species and other threatened animals and their habitat are being imperiled by predators and recreational activities. In addition, the green sand beach is suffering from the effects of subsidence and the illegal removal of beach sand. The overlapping jurisdiction among government agencies results in a lack of coordination in efforts to protect and manage these natural resources. This measure requests DLNR to convene a work group to examine the conditions at the beaches of Punalu'u and Kamehame and provide recommendations to preserve and protect the endangered species and ecosystem. Your Committee finds that the areas are in need of stewardship and that certain activities should be regulated to sustain continued use and enjoyment of the beaches.

Your Committee amended the measure by extending the deadline for reporting findings and recommendations to the Legislature twenty days before the convening of the 2002 Regular Session rather than the 2001 session.

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

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 3101 Labor and Environment on S.C.R. No. 129

The purpose of this measure is to request the Department of Health (DOH) to convene a Campbell Industrial Park task force to examine various issues pertaining to unplanned releases of toxic emissions and spills.

Testimony in support of this measure was received from the Department of Health, Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company. Comments were received from the Ogden Energy Group, Inc., and Tesoro Hawaii Corporation.

The Air Quality Advisory Task Force (AQATF) concluded that the Campbell Industrial Park (CIP) could accommodate new facilities and the expansion of existing facilities. From 1995-1996 and in 1999, there were a handful of unplanned releases of toxic emissions by BHP Petroleum, Chevron Products, Co., and C. Brewer Chemical Company. This measure requests the DOH to convene a Campbell Industrial Park task force to examine issues pertinent to unplanned releases of toxic emissions and spills. Your Committee is in agreement that the health risk concerns of the affected citizens be addressed in discussions between community groups and government agencies.

Your Committee amended the measure by changing the owners' representation in the task force from "a representative of the owners of facilities" to "three representatives of the owners or operators of facilities" operating at CIP. Your Committee also amended the measure by modifying the scope of the study from the last ten years to the last five years.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 129, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 129, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 3102 Labor and Environment on S.R. No. 62

The purpose of this measure is to request the Department of Health (DOH) to convene a Campbell Industrial Park task force to examine various issues pertaining to unplanned releases of toxic emissions and spills.

Testimony in support of this measure was received from the Department of Health, Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company. Comments were received from the Ogden Energy Group, Inc., and Tesoro Hawaii Corporation.

The Air Quality Advisory Task Force (AQATF) concluded that the Campbell Industrial Park (CIP) could accommodate new facilities and the expansion of existing facilities. From 1995-1996 and in 1999, there were a handful of unplanned releases of toxic emissions by BHP Petroleum, Chevron Products, Co., and C. Brewer Chemical Company. This measure requests the DOH to convene a Campbell Industrial Park task force to examine issues pertinent to unplanned releases of toxic emissions and spills. Your Committee is in agreement that the health risk concerns of the affected citizens be addressed in discussions between community groups and government agencies.

Your Committee amended the measure by changing the owners' representation in the task force from "a representative of the owners of facilities" to "three representatives of the owners or operators of facilities" operating at CIP. Your Committee also amended the measure by modifying the scope of the study from the last ten years to the last five years.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 62, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 62, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 3103 Labor and Environment on S.C.R. No. 143

The purpose of this measure is to request the Department of Land and Natural Resources (DLNR) to convene a working group to identify potential sources of permanent dedicated funding for the Natural Area Reserves System (NARS).

Testimony in support of this measure was provided by DLNR and the Earthjustice Legal Defense Fund.

Nearly all of the nineteen reserves in Hawaii have some degree of destructive infestation by non-native plants and animals. Budget cuts have reduced NARS' capacity to pro-actively address these threats. This measure requests DLNR to convene a working group to examine potential sources of permanent dedicated funding for the NARS. Your Committee is in agreement that permanent funding is necessary for various management activities such as fencing, non-native plant and animal control, and monitoring and research designed to protect or enhance natural resources.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 143, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 3104 Labor and Environment on S.R. No. 70

The purpose of this measure is to request the Department of Land and Natural Resources (DLNR) to convene a working group to identify potential sources of permanent dedicated funding for the Natural Area Reserves System (NARS).

Testimony in support of this measure was provided by DLNR and the Earthjustice Legal Defense Fund.

Nearly all of the nineteen reserves in Hawaii have some degree of destructive infestation by non-native plants and animals. Budget cuts have reduced NARS' capacity to pro-actively address these threats. This measure requests DLNR to convene a working group to examine potential sources of permanent dedicated funding for the NARS. Your Committee is in agreement that permanent funding is necessary for various management activities such as fencing, non-native plant and animal control, and monitoring and research designed to protect or enhance natural resources.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 70, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 3105 (Joint) Labor and Environment and Health and Human Services on S.C.R. No. 204

The purpose of this measure is to request the Department of Health (DOH) to conduct follow-up soil tests at Village Park and West Loch Fairways.

Your Committees received testimony in support of this measure from the Life of the Land. Testimony in opposition was received from the DOH.

This measure is intended to continue the efforts of the DOH to ascertain the nature and extent, if any, of harmful chemicals in the soil at Village Park and West Loch Fairways communities on Oahu. Your Committees note that the DOH has issued a report indicating that the soil was safe. However, the report also indicated disturbing information about inordinate concentrations of harmful chemicals in certain home sites. This measure is intended as a precautionary procedure to revisit those sites for further testing and recommendations.

Your Committees are particularly concerned about whether the affected property owners truly understood the results and their options from the first testing of their soil. The DOH testified that it had informed the owners by letter, however, your Committees are concerned that the owners may not have understood the letter and may have been afraid to ask for follow-up testing when they realized that they may be liable for any clean-up. Your Committees request the DOH to inform the owners of the follow-up test results in a clear, plain, simple, and understandable manner.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 204, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Chumbley, Fukunaga, Ihara, Levin).

SCRep. 3106 (Joint) Labor and Environment and Health and Human Services on S.R. No. 95

The purpose of this measure is to request the Department of Health (DOH) to conduct follow-up soil tests at Village Park and West Loch Fairways.

Your Committees received testimony in support of this measure from the Life of the Land. Testimony in opposition was received from the DOH.

This measure is intended to continue the efforts of the DOH to ascertain the nature and extent, if any, of harmful chemicals in the soil at Village Park and West Loch Fairways communities on Oahu. Your Committees note that the DOH has issued a report indicating that the soil was safe. However, the report also indicated disturbing information about inordinate concentrations of harmful chemicals in certain home sites. This measure is intended as a precautionary procedure to revisit those sites for further testing and recommendations.

Your Committees are particularly concerned about whether the affected property owners truly understood the results and their options from the first testing of their soil. The DOH testified that it had informed the owners by letter, however, your Committees are concerned that the owners may not have understood the letter and may have been afraid to ask for follow-up testing when they realized that they may be liable for any clean-up. Your Committees request the DOH to inform the owners of the follow-up test results in a clear, plain, simple, and understandable manner.

As affirmed by the records of votes of the members of your Committees on Labor and Environment and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 95, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Chumbley, Fukunaga, Ihara, Levin).

SCRep. 3107 Health and Human Services on S.C.R. No. 30

The purpose of this measure is to urge the Hawaii Nurses' Association (HNA) and the Healthcare Association of Hawaii (HAH) to begin discussions to identify and solve acute-care issues relating to patient safety, nursing care, and the potential nursing shortage.

Your Committee received testimony in support of this measure from the HAH, HNA, Hawaii Medical Service Association, and HGEA-AFSCME.

This measure is intended to address many of the recent issues relating to managed care and downsizing of hospital staff. Your Committee's primary concern is for patient safety and adequacy of care. Your Committee prefers that patient care procedures be left to hospitals and professional staff, however, legislation may be necessary if the discussions do not yield results. The HNA and HAH are requested to report to the Legislature before the 2001 Session on their discussions.

Your Committee has amended this measure by:

- (1) Suggesting that the public sector hospitals and the Hawaii Health Systems Corporation (HHSC) also engage in similar discussions with one another;
- (2) Requiring that the discussions identify the rate of medical errors, consider the possibility of establishing an adverse reporting system, and include representatives of the HNA, HAH, Hawaii Government Employees Association (HGEA), Hawaii Medical Association (HMA), and Hawaii Health Information Corporation (HHIC); and
- (3) Requiring transmittal of this measure to the HHSC, HGEA, HMA, and HHIC.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 30, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 30, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 3108 Health and Human Services on S.C.R. No. 85

The purpose of this measure is to urge the Department of Health (DOH) to train and consult with operators and staff of adult residential care facilities (ARCH), at the time of licensure and periodically thereafter, regarding their duties and responsibilities to their residents.

Your Committee received testimony in support of this measure from the DOH and United Care Home Operators.

This measure is prompted, in part, by the two recent incidences at ARCHs. One incident involved a resident assaulting another resident and the other incident involved a death from neglect of a resident. ARCH operators should be made fully aware of the risk of civil liability and criminal culpability, and understand the potential for litigation if they neglect the duties they fully undertake by becoming ARCH operators.

Your Committee has amended this measure by:

- (1) Adding the assistance to the DOH of the Attorney General in doing the training, making a technical amendment in the title, and adding the Attorney General as a recipient of the measure;

- (2) Adding a WHEREAS clause to express concerns of ARCH operators about administrative rules; and
- (3) Adding a RESOLVED clause to request the DOH to amend its administrative rules to address the concerns of ARCH operators, and changing the title accordingly.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 85, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 85, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3109 Health and Human Services on S.R. No. 38

The purpose of this measure is to urge the Department of Health (DOH) to train and consult with operators and staff of adult residential care facilities (ARCH), at the time of licensure and periodically thereafter, regarding their duties and responsibilities to their residents.

Your Committee received testimony in support of this measure from the DOH and United Care Home Operators.

This measure is prompted, in part, by the two recent incidences at ARCHs. One incident involved a resident assaulting another resident and the other incident involved a death from neglect of a resident. ARCH operators should be made fully aware of the risk of civil liability and criminal culpability, and understand the potential for litigation if they neglect the duties they fully undertake by becoming ARCH operators.

Your Committee has amended this measure by:

- (1) Adding the assistance to the DOH of the Attorney General in doing the training, making a technical amendment in the title, and adding the Attorney General as a recipient of the measure;
- (2) Adding a WHEREAS clause to express concerns of ARCH operators about administrative rules; and
- (3) Adding a RESOLVED clause to request the DOH to amend its administrative rules to address the concerns of ARCH operators, and changing the title accordingly.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 38, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 38, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3110 (Joint) Health and Human Services and Commerce and Consumer Protection on S.C.R. No. 105

The purpose of this measure is to request the Governor to convene a task force on alternative medicine.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii Psychiatric Medical Association, Massage Therapists Association, and Hawaii State Chiropractic Association.

This measure is intended to examine the various forms of alternative medicine, the ways to stimulate the growth of alternative medicine, and the prospects of making alternative medicine into a stimulus for economic growth in Hawaii. The task force will recommend those forms of alternative medicine that should be given formal recognition and suggested regulatory legislation. The task force will report to the legislature before the 2001 Session.

Your Committees have amended this measure by:

- (1) Adding the University of Hawaii John A. Burns School of Medicine, Department of Psychiatry, Hawaii Psychiatric Medical Association, and a representative of the massage therapists to the task force;
- (2) Requesting the Legislative Reference Bureau (LRB) to chair the task force instead of the Department of Health, and to report to the legislature; and
- (3) Adding the LRB and other named organizations and licensed providers to the transmittal of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 105, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 105, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Fukunaga, Ihara, Iwase, Matsuura).

SCRep. 3111 (Joint) Health and Human Services and Commerce and Consumer Protection on S.R. No. 53

The purpose of this measure is to request the Governor to convene a task force on alternative medicine.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii Psychiatric Medical Association, Massage Therapists Association, and Hawaii State Chiropractic Association.

This measure is intended to examine the various forms of alternative medicine, the ways to stimulate the growth of alternative medicine, and the prospects of making alternative medicine into a stimulus for economic growth in Hawaii. The task force will recommend those forms of alternative medicine that should be given formal recognition and suggested regulatory legislation. The task force will report to the legislature before the 2001 Session.

Your Committees have amended this measure by:

- (1) Adding the University of Hawaii John A. Burns School of Medicine, Department of Psychiatry, Hawaii Psychiatric Medical Association, and a representative of the massage therapists to the task force;
- (2) Requesting the Legislative Reference Bureau (LRB) to chair the task force instead of the Department of Health, and to report to the legislature; and
- (3) Adding the LRB and other named organizations and licensed providers to the transmittal of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 53, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 53, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Fukunaga, Ihara, Iwase, Matsuura).

SCRep. 3112 Health and Human Services on S.C.R. No. 134

The purpose of this measure is to request the Auditor to conduct a program and financial audit of the Department of Health's Adult Mental Health Division.

Your Committee received testimony in support of this measure from the HGEA-AFSCME. Testimony in opposition was received from the Department of Health.

The intent of this measure is to assure that the Department of Health is in compliance with the stipulated agreement and court order of the United States District Court in a 1991 lawsuit against the State brought by the United States Department of Justice. The Legislature remains concerned that, while it is being asked to appropriate millions of additional dollars for adult mental health services, it has not seen a firm plan of action to address the court orders.

Your Committee has amended this measure by deleting statements in the measure that may be inaccurate or misleading and are unnecessary for purposes of the audit.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 134, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 134, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3113 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on S.C.R. No. 92

The purpose of this measure is to request that the federal government recognize the political relationship between the U.S. Government and the Hawaiian people in a similar manner afforded to Native Americans and Alaska natives.

The measure also requests that the federal government designate a permanent agency within the Department of the Interior to address Hawaiian reconciliation proceedings and the political status of Hawaiians.

Testimony in support of the measure was received from the Office of Hawaiian Affairs (OHA), two individual OHA trustees, the Department of Hawaiian Home Lands, and the Ka Lahui Hawaii Political Action Committee.

The Hawaiian Political Action Council of Hawaii testified in opposition to the measure.

Your Committees find that during the 1980s and early 1990s, there were many impediments at the federal level, to a consideration and resolution of issues related to ceded lands and to Hawaiian political status. In 1983, the federal Native Hawaiian Study Commission Majority Report concluded that the federal government was not liable for the loss of sovereignty or lands arising from the overthrow, and in 1989, the Bush administration disavowed the position of the Carter administration that there was a trust relationship between the Hawaiian people and the federal government. Additionally, in early 1993, the Department of the Interior's Solicitor's Office issued a legal opinion that the federal government "had no trust responsibilities to the native Hawaiians either before Statehood or thereafter."

However, in recent years, the Clinton administration has taken a more thoughtful view of federal responsibilities relating to Hawaiians, rescinding the Department of the Interior's legal opinion and enacting Public Law 103-150, commonly referred to as the "Apology Resolution". Other federal efforts sympathetic to the Hawaiian people have included the return of Kaho'olawe in 1994 and the creation by the Office of Management and Budget of a distinct category of Hawaiians and Pacific Islanders for federal purposes.

Your Committees believe that in order to comprehensively resolve the longstanding issues over sovereignty and native Hawaiian rights that have beleaguered the State, the federal government, and most importantly, the Hawaiian people, the federal government must recognize the sovereign rights of the indigenous people of Hawaii to establish a governmental structure of their own choosing. Any attempt at a comprehensive solution prior to such recognition would be at best, incomplete.

Your Committees have amended the measure by:

- (1) Recasting the "WHEREAS" clauses in the measure to focus on the need for the federal government to follow through on the commitments it made to the Native Hawaiian people pursuant to Public Law 103-150;
- (2) Deleting some of the language contained in the "BE IT RESOLVED" clause to remove any reference to establishing a governmental relationship between the Hawaiian people and the federal government that is similar to that enjoyed by native Americans and native Alaskans; and
- (3) Adding the word "native" before the word "Hawaiian" in the title of the measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 92, as amended herein, and recommend that it be referred to the Committee on Judiciary, in the form attached hereto as S.C.R. No. 92, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 5 (Bunda, Inouye, Iwase, Kanno, Anderson).

SCRep. 3114 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on S.R. No. 45

The purpose of this measure is to request that the federal government recognize the political relationship between the U.S. Government and the Hawaiian people in a similar manner afforded to Native Americans and Alaska natives.

The measure also requests that the federal government designate a permanent agency within the Department of the Interior to address Hawaiian reconciliation proceedings and the political status of Hawaiians.

Testimony in support of the measure was received from the Office of Hawaiian Affairs (OHA), two individual OHA trustees, the Department of Hawaiian Home Lands, and the Ka Lahui Hawaii Political Action Committee.

The Hawaiian Political Action Council of Hawaii testified in opposition to the measure.

Your Committees find that during the 1980s and early 1990s, there were many impediments at the federal level, to a consideration and resolution of issues related to ceded lands and to Hawaiian political status. In 1983, the federal Native Hawaiian Study Commission Majority Report concluded that the federal government was not liable for the loss of sovereignty or lands arising from the overthrow, and in 1989, the Bush administration disavowed the position of the Carter administration that there was a trust relationship between the Hawaiian people and the federal government. Additionally, in early 1993, the Department of the Interior's Solicitor's Office issued a legal opinion that the federal government "had no trust responsibilities to the native Hawaiians either before Statehood or thereafter."

However, in recent years, the Clinton administration has taken a more thoughtful view of federal responsibilities relating to Hawaiians, rescinding the Department of the Interior's legal opinion and enacting Public Law 103-150, commonly referred to as the "Apology Resolution". Other federal efforts sympathetic to the Hawaiian people have included the return of Kaho'olawe in 1994 and the creation by the Office of Management and Budget of a distinct category of Hawaiians and Pacific Islanders for federal purposes.

Your Committees believe that in order to comprehensively resolve the longstanding issues over sovereignty and native Hawaiian rights that have beleaguered the State, the federal government, and most importantly, the Hawaiian people, the federal government

must recognize the sovereign rights of the indigenous people of Hawaii to establish a governmental structure of their own choosing. Any attempt at a comprehensive solution prior to such recognition would be at best, incomplete.

Your Committees have amended the measure by:

- (1) Recasting the "WHEREAS" clauses in the measure to focus on the need for the federal government to follow through on the commitments it made to the Native Hawaiian people pursuant to Public Law 103-150;
- (2) Deleting some of the language contained in the "BE IT RESOLVED" clause to remove any reference to establishing a governmental relationship between the Hawaiian people and the federal government that is similar to that enjoyed by native Americans and native Alaskans; and
- (3) Adding the word "native" before the word "Hawaiian" in the title of the measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 45, as amended herein, and recommend that it be referred to the Committee on Judiciary, in the form attached hereto as S.R. No. 45, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 5 (Bunda, Inouye, Iwase, Kanno, Anderson).

SCRep. 3115 (Joint) Commerce and Consumer Protection and Health and Human Services on S.C.R. No. 117

The purpose of this measure is to initiate a review of the social work licensing laws of Hawaii and other states and to explore alternative licensing models.

Testimony on the measure was submitted by the University of Hawaii, National Association of Social Workers, and numerous individuals.

Hawaii's licensing system for social workers is a single-level system in contrast to the multi-tiered national licensing model adopted by the National Association of Social Workers and the multi-level licensing systems adopted in other states that recognize differences in levels of education and training among social work professionals. Therefore, a review of the State's licensing law and the licensing practices of other states, as authorized by this measure, would facilitate the consideration of a restructured state social work licensing system that would reflect current licensing models, promote the improvement of the social work profession, and enhance consumer protection.

Your Committees have amended this measure by:

- (1) Adding the Council on Social Work Education as an entity to be consulted in this study; and
- (2) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 117, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 117, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Fukunaga, Ihara, Iwase, Matsuura).

SCRep. 3116 (Joint) Commerce and Consumer Protection and Health and Human Services on S.R. No. 58

The purpose of this measure is to initiate a review of the social work licensing laws of Hawaii and other states and to explore alternative licensing models.

Testimony on the measure was submitted by the University of Hawaii, National Association of Social Workers, and numerous individuals.

Hawaii's licensing system for social workers is a single-level system in contrast to the multi-tiered national licensing model adopted by the National Association of Social Workers and the multi-level licensing systems adopted in other states that recognize differences in levels of education and training among social work professionals. Therefore, a review of the State's licensing law and the licensing practices of other states, as authorized by this measure, would facilitate the consideration of a restructured state social work licensing system that would reflect current licensing models, promote the improvement of the social work profession, and enhance consumer protection.

Your Committees have amended this measure by:

- (1) Adding the Council on Social Work Education as an entity to be consulted in this study; and

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

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 58, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 58, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Fukunaga, Ihara, Iwase, Matsuura).

SCRep. 3117 (Joint) Health and Human Services and Transportation and Intergovernmental Affairs on S.C.R. No. 29

The purpose of this measure is to urge the counties to incorporate into the county building codes provisions for disability accessibility.

Your Committees received testimony in support of this measure from the Disability and Communication Access Board, Hawaii Center for Independent Living, American Institute of Architects, and Consulting Engineers Council of Hawaii.

The Americans with Disabilities Act (ADA) requires that the design and construction of certain specific buildings and facilities be accessible and usable by people with disabilities. Section 103-50, Hawaii Revised Statutes, requires public buildings and facilities to conform to the ADA Accessibility Guidelines.

This measure is intended to assure that the counties adopt the ADA Accessibility Guidelines in their entirety in order to conform with federal and state laws, and to benefit the construction and building design industries so that they may know what is required and can avoid costly litigation.

Your Committees have amended this measure by making technical, nonsubstantive changes to correct a proper name reference and for clarity.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 29, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 29, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Bunda, Inouye, Anderson, Slom).

SCRep. 3118 Health and Human Services on S.C.R. No. 73

The purpose of this measure is to request the State Departments of Health and Human Services to study a means for Hawaii to respond to and support federal changes to Medicare benefits to include prescription drug coverages for the elderly and disabled.

Your Committee received testimony in support of this measure from the Department of Health and Executive Office on Aging. Informational testimony was presented by the Department of Human Services.

The United States Congress is anticipated to soon enact legislation, the Prescription Drug Fairness for Seniors Act (Act), to include prescription drug coverages under Medicare for the elderly and disabled. The Act would also drastically reduce the costs of prescription drugs for this population. Because of the high costs of prescription drugs, Hawaii does not have a public program of prescription drug coverages for this population apart from Medicare. However, the Act would mean that Hawaii could consider initiating its own supplemental prescription drug coverage or other drug coverage plan, as some states have done. This measure is intended to facilitate the State's planning for this change.

Your Committee has amended this measure by:

- (1) Urging the U.S. Congress to support the legislation and changing the title accordingly; and
- (2) Transmitting this measure to the President of the U.S. Senate, Speaker of the U.S. House of Representatives, and members of Hawaii's Congressional Delegation.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 73, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 73, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 3119 Health and Human Services on S.R. No. 28

The purpose of this measure is to request the State Departments of Health and Human Services to study a means for Hawaii to respond to and support federal changes to Medicare benefits to include prescription drug coverages for the elderly and disabled.

Your Committee received testimony in support of this measure from the Department of Health and Executive Office on Aging. Informational testimony was presented by the Department of Human Services.

The United States Congress is anticipated to soon enact legislation, the Prescription Drug Fairness for Seniors Act (Act), to include prescription drug coverages under Medicare for the elderly and disabled. The Act would also drastically reduce the costs of prescription drugs for this population. Because of the high costs of prescription drugs, Hawaii does not have a public program of prescription drug coverages for this population apart from Medicare. However, the Act would mean that Hawaii could consider initiating its own supplemental prescription drug coverage or other drug coverage plan, as some states have done. This measure is intended to facilitate the State's planning for this change.

Your Committee has amended this measure by:

- (1) Urging the U.S. Congress to support the legislation and changing the title accordingly; and
- (2) Transmitting this measure to the President of the U.S. Senate, Speaker of the U.S. House of Representatives, and members of Hawaii's Congressional Delegation.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 28, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 28, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Iwase).

SCRep. 3120 Commerce and Consumer Protection on S.C.R. No. 130

The purpose of this measure is to request the Department of Commerce and Consumer Affairs (DCCA) to evaluate existing construction laws and practices relating to new residential owners doing remedial work.

Your Committee received testimony from the DCCA and Hawaii Building Industry Association.

This measure is intended to help a homeowner who purchases a newly-constructed home that may need remedial work after the sale is completed. In this instance, the rights and responsibilities of the respective parties, which could involve different contractors and third party warranties, may be unclear. This measure requests the DCCA to report to the legislature with possible solutions that would enhance protections for consumers.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 130, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3121 Commerce and Consumer Protection on S.R. No. 63

The purpose of this measure is to request the Department of Commerce and Consumer Affairs (DCCA) to evaluate existing construction laws and practices relating to new residential owners doing remedial work.

Your Committee received testimony from the DCCA and Hawaii Building Industry Association.

This measure is intended to help a homeowner who purchases a newly-constructed home that may need remedial work after the sale is completed. In this instance, the rights and responsibilities of the respective parties, which could involve different contractors and third party warranties, may be unclear. This measure requests the DCCA to report to the legislature with possible solutions that would enhance protections for consumers.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 63, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3122 Government Operations and Housing on S.C.R. No. 74

This measure:

- Testimony in support of this measure was received from the Department of Accounting and General Services.

SCRep. 3124

The purpose of this measure is to request an update of the Honolulu Waterfront Master Plan to consider new opportunities for development activities.

Comments on this measure was submitted by the Hawaii Community Development Authority (HCDA) and Office of Planning, Department of Business, Economic Development, and Tourism (DBED&T).

Your Committee finds that before considering new development opportunities for the waterfront area of Honolulu, an assessment of current development should be undertaken. Your Committee also finds that the appropriate agency to undertake this status report is the Office of Planning, DBED&T, as the HCDA covers only a portion of the six-mile waterfront planning area.

Your Committee has amended this measure to:

- (1) Change the title to "REQUESTING A STATUS REPORT OF THE HONOLULU WATERFRONT MASTER PLAN;
- (2) Add an additional WHEREAS clause stating that before these new opportunities can prudently be considered, an assessment of the status of the current Waterfront Master Plan should be undertaken; and
- (3) Request the status report be done by the Office of Planning, DBED&T, with assistance from HCDA.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 21, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 21, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3125 Economic Development on S.C.R. No. 60

The purpose of this measure is to request the Department of Land and Natural Resources to study the feasibility of establishing, assessing, and collecting user fees to offset the cost of maintaining Kokee State Park and Alakai Swamp on the island of Kauai.

Testimony in favor of this measure was submitted by the Department of Land and Natural Resources. The Environmental Center, University of Hawai'i at Manoa submitted comments.

Your Committee finds that these two areas are some of the State's most precious resources and include irreplaceable endangered species. Your Committee has heard that the department should consider in its study the model provided by the Hanauma Bay Nature Preserve to see if it can be applied to these and other high volume areas. Charging a user fee for a few high volume parks may make it possible to restore and maintain many other areas that are less popular but still well used.

Your Committee has amended this measure to:

- (1) Add Waimea Canyon State Park to the list of parks to be included in the feasibility study; and
- (2) Change the title to reflect the inclusion of Waimea Canyon State Park.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 60, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 60, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3126 Economic Development on S.R. No. 24

The purpose of this measure is to request the Department of Land and Natural Resources to study the feasibility of establishing, assessing, and collecting user fees to offset the cost of maintaining Kokee State Park and Alakai Swamp on the island of Kauai.

Testimony in favor of this measure was submitted by the Department of Land and Natural Resources. The Environmental Center, University of Hawai'i at Manoa submitted comments.

Your Committee finds that these two areas are some of the State's most precious resources and include irreplaceable endangered species. Your Committee has heard that the department should consider in its study the model provided by the Hanauma Bay Nature Preserve to see if it can be applied to these and other high volume areas. Charging a user fee for a few high volume parks may make it possible to restore and maintain many other areas that are less popular but still well used.

Your Committee has amended this measure to:

- (1) Add Waimea Canyon State Park to the list of parks to be included in the feasibility study; and

- SCRep. 3129 Economic Development on S.R. No. 34

The purpose of this measure is to request the Department of Land and Natural Resources to resume fry/seed production at the Anuenue Fisheries Research Center and to develop a plan for private commercial fry/seed production.

Testimony in favor of this measure was submitted by the Department of Land and Natural Resources, Department of Agriculture, Hawaii Aquaculture Association, and Cates International, Inc. Japan Airlines and one individual gave oral testimony in support.

Your Committee has heard that in recent months new markets have been successfully developed for Hawaii grown fish in Mexico and Japan, giving a positive boost to an industry that has struggled for many years. Your Committee is therefore very concerned that this success has resulted in a shortage of seed and fry stock to meet the demands of these markets. After the frustration of having a product and no markets, the industry now finds it has more market opportunities than fish to keep these markets supplied.

Your Committee believes this is an urgent problem that must be resolved quickly, or the aquaculture industry will suffer another setback in its efforts to become a viable part of Hawaii's economy.

Your Committee has amended this measure to add:

- (1) Two new WHEREAS clauses stating that with the success last year of the Hawaii Offshore Aquaculture Research Project to raise moi, new foreign markets have opened up but Hawaii cannot support these markets without an increase of moi fry, and that there exists an urgent and immediate need for seed stock and fry production;
- (2) The Department of Agriculture as an assisting agency and to the list of agencies receiving a copy of this measure for coordination purposes; and
- (3) A reporting requirement.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 34, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 34, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3130 Economic Development on S.C.R. No. 97

The purpose of this measure is to support efforts to encourage the American Psychiatric Association to consider Hawaii's Convention Center as a site for future meetings of the American Psychiatric Association.

This measure supports the Hawaii Psychiatric Medical Association, the Hawaii Visitors and Convention Bureau, and the Hawaii Tourism Authority in extending an invitation to the American Psychiatric Association.

Testimony in support of this measure was received from the Hawaii Tourism Authority, the Hawaii Psychiatric Medical Association, Nami Oahu, and the Hawaii Medical Association.

Your Committee finds that encouraging major conferences by national associations such as the American Dental Association conference in 1999 has resulted in significant impacts to Hawaii's visitor industry and economy.

Your Committee further finds that given the growing importance of the Pacific Rim and Asian countries, an American Psychiatric Association meeting will not only give Hawaii's economy a much needed infusion but may significantly impact the world's understanding of psychiatry, psychiatric diagnoses, and psychiatric treatments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 97, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3131 Economic Development on S.R. No. 47

The purpose of this measure is to support efforts to encourage the American Psychiatric Association to consider Hawaii's Convention Center as a site for future meetings of the American Psychiatric Association.

This measure supports the Hawaii Psychiatric Medical Association, the Hawaii Visitors and Convention Bureau, and the Hawaii Tourism Authority in extending an invitation to the American Psychiatric Association.

Testimony in support of this measure was received from the Hawaii Tourism Authority, the Hawaii Psychiatric Medical Association, Nami Oahu, and the Hawaii Medical Association.

Your Committee finds that encouraging major conferences by national associations such as the American Dental Association conference in 1999 has resulted in significant impacts to Hawaii's visitor industry and economy.

Your Committee further finds that given the growing importance of the Pacific Rim and Asian countries, an American Psychiatric Association meeting will not only give Hawaii's economy a much needed infusion but may significantly impact the world's understanding of psychiatry, psychiatric diagnoses, and psychiatric treatments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 47, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3132 Economic Development on S.C.R. No. 101

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to conduct a study on the effects of big box retailers on local small and medium retail businesses.

Comments on this measure were submitted by the Department of Business, Economic Development, and Tourism, Department of Taxation, and Retail Merchants of Hawaii.

Your Committee finds that this measure would provide further information on issues that have been examined in the past, but not in the detail requested in this study. Your Committee believes such information will be of value for both Hawaii's retail merchants, as well as consumers.

Your Committee has amended this measure to include the Department of Labor and Industrial Relations as a cooperating agency in the study.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 101, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 101, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3133 Economic Development on S.R. No. 50

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to conduct a study on the effects of big box retailers on local small and medium retail businesses.

Comments on this measure were submitted by the Department of Business, Economic Development, and Tourism, Department of Taxation, and Retail Merchants of Hawaii.

Your Committee finds that this measure would provide further information on issues that have been examined in the past, but not in the detail requested in this study. Your Committee believes such information will be of value for both Hawaii's retail merchants, as well as consumers.

Your Committee has amended this measure to include the Department of Labor and Industrial Relations as a cooperating agency in the study.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 50, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 50, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3134 Economic Development on S.C.R. No. 131

The purpose of this measure is to request the Legislative Reference Bureau to evaluate the agriculture loan system in Hawaii, through consultation with appropriate government and private agencies.

Testimony in favor of this measure was submitted by the Department of Agriculture, Department of Land and Natural Resources, College of Tropical Agriculture and Human Resources, University of Hawai'i at Manoa, Hawaii Farm Bureau, and Farm Credit Services of Hawaii.

Your Committee finds that as agriculture changes, both in terms of size and the kind of farming operations, agriculture loan programs must also evolve. Your Committee has heard that one major bank has closed down its agricultural loan division, and that farmers on leased lands have particular problems in securing loans because their leases do not meet the terms of the loans required by private financial institutions.

Your Committee believes this evaluation is an important first step in improving the supply of farm credit in an evolving industry.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 131, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3135 Economic Development on S.R. No. 64

The purpose of this measure is to request the Legislative Reference Bureau to evaluate the agriculture loan system in Hawaii, through consultation with appropriate government and private agencies.

Testimony in favor of this measure was submitted by the Department of Agriculture, Department of Land and Natural Resources, College of Tropical Agriculture and Human Resources, University of Hawai'i at Manoa, Hawaii Farm Bureau, and Farm Credit Services of Hawaii.

Your Committee finds that as agriculture changes, both in terms of size and the kind of farming operations, agriculture loan programs must also evolve. Your Committee has heard that one major bank has closed down its agricultural loan division, and that farmers on leased lands have particular problems in securing loans because their leases do not meet the terms of the loans required by private financial institutions.

Your Committee believes this evaluation is an important first step in improving the supply of farm credit in an evolving industry.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 64, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3136 Education and Technology on S.C.R. No. 57

The purpose of this measure is to request the Auditor to review and assess the Department of Education's development of educational standards for public schools to ensure that Hawaii's standards for competency in basic educational skills are in line with standards across the nation.

The Department of Education (DOE) submitted testimony in concurrence with this measure.

Your Committee finds that an external review of the DOE's "Hawaii Content and Performance Standards" is extremely important and fundamental to ensuring that high quality standards are developed for and achieved by Hawaii's students.

The DOE's testimony raised concerns about the appropriateness of having the Auditor conduct the review and assessment of Hawaii's education standards. Your Committee, however, believes that the Auditor is able to address the DOE's concerns by exercising, in its discretion, the ability to seek an outside consultant to conduct the review and assessment.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 57 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3137 Education and Technology on S.C.R. No. 58

The purpose of this measure is to request the Legislative Reference Bureau (LRB) to review various school choice programs nationwide and to design a school choice program for Hawaii.

The Department of Education submitted testimony agreeing with the intent of the measure, concurring that choice within public schools can be an effective stimulus for change, but expressing uncertainty of school choice as the best way to improve the overall public school system.

Your Committee finds that Hawaii public schools should provide the best education possible for Hawaii students by using the resources available to them in the most efficient and effective manner possible. School choice programs provide alternatives to the current public school system. They generally provide freedom and flexibility for parents to help their children find the educational program most suitable for them. At the same time, school choice would increase the efficiency of public schools by allowing them to organize themselves to attract students, families, and resources to the schools.

Your Committee agrees that developing a school choice program for Hawaii would provide an opportunity for every child in Hawaii to obtain a decent education and allow families options to meet their educational goals for their children.

Upon further consideration, your Committee amended the measure to require the LRB to submit its report no later than 60 days before the Regular Session of 2001. A technical, nonsubstantive amendment was made to reflect proper drafting.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 58, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 58, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3138 Education and Technology on S.C.R. No. 59

The purpose of this measure is to request the Ombudsman to investigate and obtain information about geographic exceptions for public school attendance granted by the Department of Education.

Specifically, the Ombudsman is to include in its report which schools experience significant losses in enrollment due to geographic exceptions, which schools students transfer to, and why students leave certain schools.

Testimony in support of the measure was received from the Department of Education.

Your Committee finds that the purpose of geographic exceptions is to provide parents with school choice within the limitations of a receiving school's facility capacity. Although the DOE collects data annually on this issue, there has been no comprehensive analysis and investigation on the effectiveness and system-wide impact of the geographic exceptions as a school choice vehicle.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 59 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3139 (Joint) Education and Technology and Labor and Environment on S.C.R. No. 78

The purpose of this measure is to urge the Department of Education to establish an integrated pest management policy focusing on the long term health of students, teachers, and staff and using non-chemical methods of pest control.

Testimony in support of the measure was received from Rescue Hawaii, Hawaii Pest Control Association, and Life of the Land. The Department of Education submitted testimony concurring with the measure.

Your Committees find that the health and safety of Hawaii public school students, teachers, and staff is of paramount importance. In order to protect humans and the environment from pests, a workable, effective policy must be developed to control and manage pests.

Rescue Hawaii's testimony raised concerns about a possible policy banning pesticide use, which would degrade pest control, increase risks to humans, and lead to higher pest control costs.

Upon further consideration, your Committees substantially amended this measure by:

(1) Changing the title to request:

- (A) The DOE to establish an integrated pest management policy focusing on protecting children, personnel, and property from potential risks associated with exposure to pests and pest control practices; and
- (B) The Legislative Reference Bureau to conduct a study of cost-effective science-based integrated pest management for common areas frequented by the public;

(2) Removing WHEREAS paragraphs 2 to 5 and replacing them with new ones that:

- (A) Indicate that the DOE's objective is to reflect effective control of pests while minimizing health, safety, economic, and environmental risks;
- (B) Explain the risk reduction approach to integrated pest management and define the latter; and
- (C) Include possible results of the risk reduction approach;
- (3) Removing the first three BE IT RESOLVED paragraphs and replacing them with new ones that:
 - (A) Urge the DOE to establish, in each school district, cost-effective science-based integrated pest management programs that focus on effective pest control while minimizing risks to the health and safety of children;
 - (B) Encourage the DOE to seek assistance from the Department of Agriculture, University of Hawaii, and pest management experts in developing these programs; and
 - (C) Request the Legislative Reference Bureau to conduct a study of cost-effective science-based integrated pest management; and
- (4) Making technical amendments for consistency and style.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Labor and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 78, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 78, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Chumbley, Fukunaga, Ihara, Matsunaga).

SCRep. 3140

(Joint) Education and Technology and Labor and Environment on S.R. No. 32

The purpose of this measure is to urge the Department of Education to establish an integrated pest management policy focusing on the long term health of students, teachers, and staff and using non-chemical methods of pest control.

Testimony in support of the measure was received from Rescue Hawaii, Hawaii Pest Control Association, and Life of the Land. The Department of Education submitted testimony concurring with the measure.

Your Committees find that the health and safety of Hawaii public school students, teachers, and staff is of paramount importance. In order to protect humans and the environment from pests, a workable, effective policy must be developed to control and manage pests.

Rescue Hawaii's testimony raised concerns about a possible policy banning pesticide use, which would degrade pest control, increase risks to humans, and lead to higher pest control costs.

Upon further consideration, your Committees substantially amended this measure by:

- (1) Changing the title to request:
 - (A) The DOE to establish an integrated pest management policy focusing on protecting children, personnel, and property from potential risks associated with exposure to pests and pest control practices; and
 - (B) The Legislative Reference Bureau to conduct a study of cost-effective science-based integrated pest management for common areas frequented by the public;
- (2) Removing WHEREAS paragraphs 2 to 5 and replacing them with new ones that:
 - (A) Indicate that the DOE's objective is to reflect effective control of pests while minimizing health, safety, economic, and environmental risks;
 - (B) Explain the risk reduction approach to integrated pest management and define the latter; and
 - (C) Include possible results of the risk reduction approach;
- (3) Removing the first three BE IT RESOLVED paragraphs and replacing them with new ones that:
 - (A) Urge the DOE to establish, in each school district, cost-effective science-based integrated pest management programs that focus on effective pest control while minimizing risks to the health and safety of children;
 - (B) Encourage the DOE to seek assistance from the Department of Agriculture, University of Hawaii, and pest management experts in developing these programs; and

(C) Request the Legislative Reference Bureau to conduct a study of cost-effective science-based integrated pest management; and

(4) Making technical amendments for consistency and style.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Labor and Environment that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 32, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 32, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Chumbley, Fukunaga, Ihara, Matsunaga).

SCRep. 3141 Education and Technology on S.C.R. No. 87

The purpose of this measure is to urge the U.S. Department of Education and the National Institute of Mental Health to conduct a national study of the appropriate use of psychiatric drugs and their effects on children.

Testimony in support of the measure was received from Hawaii Psychiatric Medical Association. Oral testimony supporting the measure was provided by HSTA.

Your Committee finds that although the psychotropic medication Ritalin is used to treat Attention Deficit Hyperactivity Disorder in children, there have been claims that Ritalin has some serious side-effects, including causing permanent neurological tics, retarding growth in children, and routinely causing gross malfunctions in the brains of children. Most significantly, recent incidents of school violence have been linked to children being unnecessarily medicated by drugs such as Ritalin.

Accordingly your Committee agrees that a study of whether psychiatric drugs are necessary and appropriate uses to treat mental illnesses in children, is of paramount importance.

Upon further consideration, your Committee amended the measure to:

- (1) Change the title and the request to a national examination of the appropriate use of psychiatric drugs as necessary to treat mental illnesses in children;
- (2) Remove all WHEREAS paragraphs; and
- (3) Add one new WHEREAS paragraph about adequate testing of psychiatric drugs for treatment of mental illnesses in children.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 87, as amended herein, and recommends that it be referred to the Committee on Health and Human Services, in the form attached hereto as S.C.R. No. 87, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3142 Education and Technology on S.R. No. 40

The purpose of this measure is to urge the U.S. Department of Education and the National Institute of Mental Health to conduct a national study of the appropriate use of psychiatric drugs and their effects on children.

Testimony in support of the measure was received from Hawaii Psychiatric Medical Association. Oral testimony supporting the measure was provided by HSTA.

Your Committee finds that although the psychotropic medication Ritalin is used to treat Attention Deficit Hyperactivity Disorder in children, there have been claims that Ritalin has some serious side-effects, including causing permanent neurological tics, retarding growth in children, and routinely causing gross malfunctions in the brains of children. Most significantly, recent incidents of school violence have been linked to children being unnecessarily medicated by drugs such as Ritalin.

Accordingly your Committee agrees that a study of whether psychiatric drugs are necessary and appropriate uses to treat mental illnesses in children, is of paramount importance.

Upon further consideration, your Committee amended the measure to:

- (1) Change the title and the request to a national examination of the appropriate use of psychiatric drugs as necessary to treat mental illnesses in children;
- (2) Remove all WHEREAS paragraphs; and

- (3) Add one new WHEREAS paragraph about adequate testing of psychiatric drugs for treatment of mental illnesses in children.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 40, as amended herein, and recommends that it be referred to the Committee on Health and Human Services, in the form attached hereto as S.R. No. 40, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3143 Education and Technology on S.C.R. No. 106

The purpose of this measure is to request the Hawaii State Public Library System to cooperate and facilitate establishing a program of volunteer starter libraries.

Testimony in support of the measure was received from four individuals. Testimony in opposition to the measure was received from the Hawaii State Public Library System.

Your Committee finds that because public libraries are not available throughout the State, many communities are underserved and lack access to the range of public information and public services offered by public libraries, including storytelling, reader services, and access to the Internet.

Although your Committee agrees that a starter library program will be beneficial for the State, especially for underserved communities, your Committee believes that a feasibility study should be conducted before implementing a program of starter libraries.

Your Committee amended this measure by:

- (1) Changing the title and the resolved paragraphs to request the Board of Education to conduct a study on the feasibility of establishing a program of starter libraries;
- (2) Requesting the Board to submit a report of its findings and recommendations to the Legislature before the convening of the Regular Session of 2001.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 106, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 106, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3144 Education and Technology on S.C.R. No. 112

The purpose of this measure is to develop a proposed compensation schedule for high school coaches.

The Department of Education submitted testimony concurring with this measure.

Your Committee finds that while high school sports coaches provide students guidance that cannot be provided in the classroom, they do not receive adequate compensation for their efforts. Consequently, coaches may leave to seek other gainful employment. Developing a proposed compensation schedule for high school coaches is a positive step towards addressing the existing compensation problem.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 112 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3145 (Joint) Education and Technology and Labor and Environment on S.C.R. No. 142

The purpose of this measure is to consider establishing a work experience component or a community service component as a requirement for high school graduation.

In addition, this measure requests the Superintendent of Education to report to the Legislature on the following:

- (1) Numbers of students participating in the School-to-Work program since its inception;
- (2) The number of students participating in any form of community service through their schools;

- (3) Evaluations of the benefits of programs in paragraphs (1) and (2); and
- (4) Recommendations on how to incorporate a work experience or community service component into the curriculum and the fiscal impact of such a requirement.

Testimony in support of the measure was received from Hawaii School-to-Work and two individuals. The Department of Education supports the intent of this measure but believes it is not necessary.

Your Committees find that public schools increasingly recognize the value of community service and service-learning activities for students in developing character and compassion for others, fostering civic responsibility, promoting academic achievement and career awareness, and meeting real community and school needs. Through such programs students have the opportunity to link career education with real world experiences. Consequently, students can realize the value and necessity of higher education, while also making school courses more relevant and interesting to them.

Although, several public high schools already require community service as course requirements and schools can establish individual school requirements for graduation through the School/Community-Based Management waiver process, your Committees agree that adding such a requirement would benefit all public school students, as well as the community.

Your Committees amended this measure by:

- (1) Requiring the DOE to consider service learning programs as a component of graduation requirements and adding the service learning component to the title of this measure;
- (2) Adding a WHEREAS paragraph about high schools currently offering community service as an option for graduation credit;
- (3) Requesting the DOE to consider having the work experience, community service, or service learning as an elective eligible for credit;
- (4) Requesting the DOE to recommend various models incorporating the concept in paragraph (2); and
- (5) Expanding the report requirements to three reports, one each for School-to-Work, community service, and service learning and adding the following requirements for the reports, respectively:
 - (A) Categories or types of project-based learning, community service, or service learning;
 - (B) Options currently available for each program;
 - (C) Alternatives for implementing, expanding, and/or continuing the programs;
 - (D) An evaluation of the benefits for each of the programs studied; and
 - (E) Any other pertinent information and research.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Labor and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 142, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 142, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Chumbley, Fukunaga, Ihara, Matsunaga).

SCRep. 3146 (Joint) Education and Technology and Labor and Environment on S.R. No. 69

The purpose of this measure is to consider establishing a work experience component or a community service component as a requirement for high school graduation.

In addition, this measure requests the Superintendent of Education to report to the Legislature on the following:

- (1) Numbers of students participating in the School-to-Work program since its inception;
- (2) The number of students participating in any form of community service through their schools;
- (3) Evaluations of the benefits of programs in paragraphs (1) and (2); and
- (4) Recommendations on how to incorporate a work experience or community service component into the curriculum and the fiscal impact of such a requirement.

Testimony in support of the measure was received from Hawaii School-to-Work and two individuals. The Department of Education supports the intent of this measure but believes it is not necessary.

Your Committees find that public schools increasingly recognize the value of community service and service-learning activities for students in developing character and compassion for others, fostering civic responsibility, promoting academic achievement and career awareness, and meeting real community and school needs. Through such programs students have the opportunity to link career education with real world experiences. Consequently, students can realize the value and necessity of higher education, while also making school courses more relevant and interesting to them.

Although, several public high schools already require community service as course requirements and schools can establish individual school requirements for graduation through the School/Community-Based Management waiver process, your Committees agree that adding such a requirement would benefit all public school students, as well as the community.

Your Committees amended this measure by:

- (1) Requiring the DOE to consider service learning programs as a component of graduation requirements and adding the service learning component to the title of this measure;
- (2) Adding a WHEREAS paragraph about high schools currently offering community service as an option for graduation credit;
- (3) Requesting the DOE to consider having the work experience, community service, or service learning as an elective eligible for credit;
- (4) Requesting the DOE to recommend various models incorporating the concept in paragraph (2); and
- (5) Expanding the report requirements to three reports, one each for School-to-Work, community service, and service learning and adding the following requirements for the reports, respectively:
 - (A) Categories or types of project-based learning, community service, or service learning;
 - (B) Options currently available for each program;
 - (C) Alternatives for implementing, expanding, and/or continuing the programs;
 - (D) An evaluation of the benefits for each of the programs studied; and
 - (E) Any other pertinent information and research.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Labor and Environment that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 69, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 69, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Chumbley, Fukunaga, Ihara, Matsunaga).

SCRep. 3147 Education and Technology on S.C.R. No. 176

The purpose of this measure is to request the Office of the Governor to develop a proposal for a chief information officer for Hawaii and convene a public sector information technology council.

Testimony in support of the measure was received from the Governor's Special Advisor on Technology Development, Department of Commerce and Consumer Affairs, and Department of Accounting and General Services.

Your Committee finds that government agencies have not developed information technology at the same Internet speed as the private sector. Currently, each executive department and agency has moved on its own and at its own pace, based on interest and available resources, to invest in information technology.

In order for the state government to catch up with current information technology so that Hawaii's economy can obtain efficient public services, a chief information officer (CIO), at least at the cabinet level, is needed to ensure more effective use of resources and to provide policy guidance for major investment decisions regarding statewide standards for hardware, software, and networking. Forming a technology council will provide a valuable forum for sharing ideas and creating links between information technology systems throughout the State.

Your Committee amended the measure to require the Governor to develop and submit to the Legislature proposals for options to a CIO not only a cabinet-level, but at other appropriate-levels.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 176, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 176, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3148 Education and Technology on S.R. No. 85

The purpose of this measure is to request the Office of the Governor to develop a proposal for a chief information officer for Hawaii and convene a public sector information technology council.

Testimony in support of the measure was received from the Governor's Special Advisor on Technology Development, Department of Commerce and Consumer Affairs, and Department of Accounting and General Services.

Your Committee finds that government agencies have not developed information technology at the same Internet speed as the private sector. Currently, each executive department and agency has moved on its own and at its own pace, based on interest and available resources, to invest in information technology.

In order for the state government to catch up with current information technology so that Hawaii's economy can obtain efficient public services, a chief information officer (CIO), at least at the cabinet level, is needed to ensure more effective use of resources and to provide policy guidance for major investment decisions regarding statewide standards for hardware, software, and networking. Forming a technology council will provide a valuable forum for sharing ideas and creating links between information technology systems throughout the State.

Your Committee amended the measure to require the Governor to develop and submit to the Legislature proposals for options to a CIO not only a cabinet-level, but at other appropriate-levels.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 85, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 85, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3149 Education and Technology on S.C.R. No. 177

The purpose of this measure is to request the University of Hawaii and the Department of Education to study other programs across the nation that incorporate and utilize proficiency-based university admissions and standards-based education reform.

Testimony in support of the measure was received from Hawaii School-to-Work. The Department of Education supported the measure with reservations. Testimony in opposition to the measure was received from the University of Hawaii.

Your Committee finds that there has been some interest in Hawaii in looking at proficiency-based admissions from the in-state and interstate viewpoints. Such a program would serve to increase alignment between the skills acquired in K-12 education and those required for post-secondary education.

Your Committee agrees that this measure provides the impetus for the DOE and the University to meet, discuss, and formulate strategies for addressing proficiency-based university admissions and standards-based education reform.

In order to address the University's concerns about the broad scope of the study, your Committee amended the measure to require an interim report on the study to be submitted no later than 60 days before the Regular Session of 2001 and a final report to be submitted no later than 60 days before the Regular Session of 2002.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 177, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 177, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3150 Education and Technology on S.R. No. 86

The purpose of this measure is to request the University of Hawaii and the Department of Education to study other programs across the nation that incorporate and utilize proficiency-based university admissions and standards-based education reform.

Testimony in support of the measure was received from Hawaii School-to-Work. The Department of Education supported the measure with reservations. Testimony in opposition to the measure was received from the University of Hawaii.

Your Committee finds that there has been some interest in Hawaii in looking at proficiency-based admissions from the in-state and interstate viewpoints. Such a program would serve to increase alignment between the skills acquired in K-12 education and those required for post-secondary education.

Your Committee agrees that this measure provides the impetus for the DOE and the University to meet, discuss, and formulate strategies for addressing proficiency-based university admissions and standards-based education reform.

In order to address the University's concerns about the broad scope of the study, your Committee amended the measure to require an interim report on the study to be submitted no later than 60 days before the Regular Session of 2001 and a final report to be submitted no later than 60 days before the Regular Session of 2002.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 86, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 86, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3151 Education and Technology on S.C.R. No. 185

The purpose of this measure is to request the University of Hawaii to conduct a comprehensive analysis of Hawaii's ability to fund K-12 education.

This measure also requires an analysis of Hawaii's historical commitment to funding K-12 education, including identification of potential peer states and districts sharing commonalities with Hawaii on key educational, demographic, and economic dimensions.

Testimony in support of the concurrent resolution was received from the Department of Education and the University of Hawaii.

Your Committee finds that Hawaii needs a comprehensive empirical reassessment of this State's ability to fund K-12 education. While some important comparative work was done in the past, the distinct economic challenges faced by this State over the last eighty years have diminished the applicability of earlier assessments.

Your Committee agrees that given the strong emphasis placed on education in this State, the proposed analysis will provide objective information and rational analyses for policymakers, while also providing insight on how Hawaii funds schools compared to other states.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 185 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3152 Commerce and Consumer Protection on S.C.R. No. 24

The purpose of this measure is to assess the need for the regulation of geologists.

Walker Consultants, Ltd., and an individual submitted testimony on the measure.

Senate Bill No. 2660, introduced this session and heard earlier by your Committee, proposes the regulation of the geology profession. State policy, as established in section 26H-2, Hawaii Revised Statutes (HRS), is to undertake the regulation and licensing of professions and vocations only where reasonably necessary to protect the health, safety, or welfare of consumers. Therefore, pursuant to section 26H-6, HRS, this measure authorizes the legislative auditor to conduct an analysis of the probable effects of the proposed regulation, determine whether regulation is consistent with state policy, and assess alternative forms of regulation.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 24, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3153 Judiciary on S.C.R. No. 115

The purpose of this resolution, as received by your Committee, is to request the Legislative Reference Bureau to conduct a study of and make recommendations for recodification of Hawaii's election and campaign spending laws.

Testimony in support of this resolution was submitted by the Campaign Spending Commission and the American Civil Liberties Union Hawaii. Testimony recommending amendments to this resolution was submitted by the Legislative Reference Bureau.

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

- (1) Limiting the subject of the study to campaign finance laws;
- (2) Inserting language requesting that the Legislative Reference Bureau, in conducting the study and developing the recommendations, work with the Campaign Spending Commission;
- (3) Inserting a provision requesting that the Campaign Spending Commission provide the Legislative Reference Bureau with a list of problematic provisions;
- (4) Limiting the recommendations for recodification to be provided by the Legislative Reference Bureau to only those recommendations that do not involve a substantive change to the law;
- (5) Requesting that the Campaign Spending Commission provide recommendations for recodification where a substantive change to the law is required because of inconsistencies in the provisions of the present law; and
- (6) Providing that the Campaign Spending Commission receive a copy of the resolution.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 115, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 115, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Tanaka).

SCRep. 3154 Transportation and Intergovernmental Affairs on S.C.R. No. 125

The purpose of the measure is to request the Department of Transportation to expand the capacity of the central H-1 freeway corridor.

Testimony in support of the measure was received from the Department of Transportation, McCully-Moilili Neighborhood Board No. 8, Makiki Neighborhood Board No. 10, and a citizen. Testimony in opposition to the measure was received from a citizen.

Your Committee finds that the traffic congestion in the central H-1 freeway corridor has reached nearly crisis proportions. Your Committee commends the Department of Transportation for its current efforts at solving the problems and encourages the department to continue its efforts to expand the capacity of the corridor.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 125, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 3155 Transportation and Intergovernmental Affairs on S.R. No. 61

The purpose of the measure is to request the Department of Transportation to expand the capacity of the central H-1 freeway corridor.

Testimony in support of the measure was received from the Department of Transportation, McCully-Moilili Neighborhood Board No. 8, Makiki Neighborhood Board No. 10, and a citizen. Testimony in opposition to the measure was received from a citizen.

Your Committee finds that the traffic congestion in the central H-1 freeway corridor has reached nearly crisis proportions. Your Committee commends the Department of Transportation for its current efforts at solving the problems and encourages the department to continue its efforts to expand the capacity of the corridor.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 61, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 3156 Transportation and Intergovernmental Affairs on S.C.R. No. 159

The purpose of the measure is to request the Department of Transportation to study and make recommendations regarding the establishment of alternative access routes for the North Shore of Oahu.

Testimony in support of the measure was received from the Department of Transportation and two citizens.

Your Committee finds that particularly in light of the recent closing of Kamehameha Highway and the chaos that followed, alternative access routes are necessary for the North Shore of Oahu.

Your Committee was informed that Federal highway funds are not available at this time for another highway because the Oahu Metropolitan Planning Organization (OMPO) has not included such a project as part of the Oahu Regional Transportation Plan (ORTP). Your Committee strongly encourages OMPO to consider this measure as part of its current update of the ORTP.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 159, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 3157 Transportation and Intergovernmental Affairs on S.R. No. 80

The purpose of the measure is to request the Department of Transportation to study and make recommendations regarding the establishment of alternative access routes for the North Shore of Oahu.

Testimony in support of the measure was received from the Department of Transportation and two citizens.

Your Committee finds that particularly in light of the recent closing of Kamehameha Highway and the chaos that followed, alternative access routes are necessary for the North Shore of Oahu.

Your Committee was informed that Federal highway funds are not available at this time for another highway because the Oahu Metropolitan Planning Organization (OMPO) has not included such a project as part of the Oahu Regional Transportation Plan (ORTP). Your Committee strongly encourages OMPO to consider this measure as part of its current update of the ORTP.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 80, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 3158 Transportation and Intergovernmental Affairs on S.C.R. No. 197

The purpose of the measure, as introduced, is to request the Keiki Injury Prevention Coalition to convene a working group to evaluate and recommend measures to encourage the use of trigger or gun locks by firearm owners.

Testimony in opposition to this measure was received from the Keiki Injury Prevention Coalition, Hawaii Rifle Association, and the Chairperson of the Eddie Eagle program.

Your Committee finds that in order to better protect our children from firearm-related deaths and injuries in Hawaii, better education and prevention programs are needed, such as the Eddie Eagle program sponsored by the Hawaii Rifle Association.

Your Committee has amended the measure by deleting all references to trigger or gun locks and inserting language encouraging the use of safety programs such as the Eddie Eagle program.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 197, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as S.C.R. No. 197, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Iwase).

SCRep. 3159 (Majority) Economic Development on S.C.R. No. 68

The purpose of this measure is to request the Hawaii Institute of Public Affairs to conduct a public policy report on Hawaii and the new economy.

Testimony in favor of this measure was submitted by the Department of Commerce and Consumer Affairs, High Technology Development Corporation, Hawaii Commission on the Status of Women, University of Hawaii Professional Assembly, Hawaii Institute for Public Affairs (HIPA), Hawaii Association of REALTORS, and four individuals.

Your Committee finds that Hawaii's role and place in the emerging new economy has not been clearly defined, and that the impact of a new economic order in the State is uncertain. A recent report by the Progressive Policy Institute ranked Hawaii in a number of technology related indexes, but there may be additional characteristics specific to Hawaii that should also be considered in assessing factors for success.

Your Committee has heard that the study and subsequent report outlined in this measure will be a cooperative venture among various individuals and organizations, and will draw on a number of sources for necessary funding. Your Committee is supportive of the cooperative nature of this effort and encourages HIPA to work with state agencies as well.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 68, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (M. Ige). Excused, 1 (Slom).

SCRep. 3160 Economic Development on S.C.R. No. 155

The purpose of this measure is to request the Department of Land and Natural Resources to implement the recommendations regarding Hawaii's commercial boating and ocean recreation industry made by the Small Business Task Force on Regulatory Relief.

Testimony in favor of this measure was submitted by NFIB Hawaii and Hawaii Business League gave oral testimony in support. The Department of Land and Natural Resources (DLNR) submitted testimony in opposition. The Department of Business, Economic Development, and Tourism submitted comments.

Your Committee finds that there is a deep sense of frustration among the commercial boat operators regarding a lack of consistency in fees, permit standards, and other requirements. Your Committee has heard that DLNR is pursuing the recommendation to redraft administrative rules, which would address some of these concerns, but finds that this measure responds to additional problems raised by commercial operators.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 155, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (M. Ige, Slom).

SCRep. 3161 Economic Development on S.C.R. No. 172

The purpose of this measure is to request the Governor of the State of Hawaii to issue an administrative directive in accordance to the President of the United State's Executive Order 13123, Greening the Government Through Efficient Energy Management.

Testimony in favor of this measure was submitted by Hawaiian Electric Company.

Your Committee finds that energy providers in Hawaii have been successfully working with federal agencies to help them meet the energy efficiency objectives of this Executive Order. Your Committee supports this cooperative effort as a means of providing a positive mechanism to set objectives and track progress of energy conservation measures.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 172, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Slom).

SCRep. 3162 Economic Development on S.C.R. No. 183

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism (DBEDT) to study the use of hydrogen as a fuel for transportation and power generation.

Your Committee received testimony in support of this measure from DBEDT, Hawaiian Electric Company, and two private individuals.

Specifically this measure requests DBEDT to:

- (1) Study incorporating hydrogen use in Hawaii's energy economy, including transportation and power generation;
- (2) Examine the potential economic and environmental impact of hydrogen use in Hawaii;
- (3) Assess the feasibility of incorporating existing and new technologies for hydrogen use and hydrogen infrastructure development in Hawaii;
- (4) Analyze the costs and benefits of incorporating large-scale hydrogen use into the State's energy economy;
- (5) Develop a preliminary feasibility assessment on the large scale use of hydrogen as a transportation fuel and for power generation; and
- (6) Develop an estimate of the cost of conducting a comprehensive hydrogen study.

The impetus to convert from oil to hydrogen as a fuel is the potential of replacing imported oil for transportation and energy purposes. Because hydrogen is produced from water, it represents a significant improvement over oil for use as fuel in an island state such as Hawaii that must be cautious about an over dependence on oil imports.

Your Committee notes that there is currently a multi-phased project being planned by the Hawaii Natural Energy Institute, with the support of DBEDT, that will address the same issues that are addressed in this measure. Therefore, the study would not be onerous for DBEDT.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 183, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Slom).

SCRep. 3163 (Majority) Economic Development on S.R. No. 26

The purpose of this measure is to request the Hawaii Institute of Public Affairs to conduct a public policy report on Hawaii and the new economy.

Testimony in favor of this measure was submitted by the Department of Commerce and Consumer Affairs, High Technology Development Corporation, Hawaii Commission on the Status of Women, University of Hawaii Professional Assembly, Hawaii Institute for Public Affairs (HIPA), Hawaii Association of REALTORS, and four individuals.

Your Committee finds that Hawaii's role and place in the emerging new economy has not been clearly defined, and that the impact of a new economic order in the State is uncertain. A recent report by the Progressive Policy Institute ranked Hawaii in a number of technology related indexes, but there may be additional characteristics specific to Hawaii that should also be considered in assessing factors for success.

Your Committee has heard that the study and subsequent report outlined in this measure will be a cooperative venture among various individuals and organizations, and will draw on a number of sources for necessary funding. Your Committee is supportive of the cooperative nature of this effort and encourages HIPA to work with state agencies as well.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 26, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (M. Ige). Excused, 1 (Slom).

SCRep. 3164 Commerce and Consumer Protection on S.C.R. No. 149

The purpose of this measure is to request the Public Utilities Commission (PUC) to open a generic docket on the issues of overhead and underground placement of utility lines.

Your Committee received testimony from the PUC, Department of Commerce and Consumer Affairs Consumer Advocate, Hawaiian Electric Company, Inc., Life of the Land, Kauai Electric, Na Leo Pohai, Malama o Manoa, and two private individuals.

Your Committee finds that opening a PUC generic docket would allow for an evaluation in a more general context to develop general governing principles rather than in the context of a specific powerline proposal, which is now the case. This will enable a comprehensive evaluation of all issues of overhead or underground construction of electric transmission lines.

Your Committee finds that there appears to be a lack of established criteria to be applied by a utility in determining whether or not to underground a utility line. This measure would resolve the vagaries and mysteries about how decisions are made on whether to underground a utility line.

Your Committee has amended this measure to allow the PUC to file an informal report with the legislature in order to accommodate the PUC's testimony that it may lack resources to file a full report.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 149, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 149, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3165 Commerce and Consumer Protection on S.R. No. 73

The purpose of this measure is to request the Public Utilities Commission (PUC) to open a generic docket on the issues of overhead and underground placement of utility lines.

Your Committee received testimony from the PUC, Department of Commerce and Consumer Affairs Consumer Advocate, Hawaiian Electric Company, Inc., Life of the Land, Kauai Electric, Na Leo Pohai, Malama o Manoa, and two private individuals.

Your Committee finds that opening a PUC generic docket would allow for an evaluation in a more general context to develop general governing principles rather than in the context of a specific powerline proposal, which is now the case. This will enable a comprehensive evaluation of all issues of overhead or underground construction of electric transmission lines.

Your Committee finds that there appears to be a lack of established criteria to be applied by a utility in determining whether or not to underground a utility line. This measure would resolve the vagaries and mysteries about how decisions are made on whether to underground a utility line.

Your Committee has amended this measure to allow the PUC to file an informal report with the legislature in order to accommodate the PUC's testimony that it may lack resources to file a full report.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 73, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 73, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3166 (Majority) Commerce and Consumer Protection on S.C.R. No. 164

The purpose of this measure is to authorize an investigation into the reimbursement practices of health insurers.

Testimony on the measure was received from Legislative Information Services of Hawaii, Kaiser Permanente, Hawaii Medical Service Association, and two individuals.

Your Committee finds that concerns have been raised that health insurers' inadequate reimbursements to preferred provider hospitals for medical services rendered are adversely affecting the care of Hawaii's residents because hospitals are unable to employ qualified personnel and are forced to implement cost cutting measures, including shortened hospital stays.

Your Committee further finds that while hospitals may elect to not accept the insurers' schedule for eligible charges and to seek reimbursement as a non-participating provider, this option entails payment delays and additional administrative costs for those facilities, and the difference between the eligible charge and the facilities' charges for services must be paid by the consumer.

In order to determine whether further regulatory measures are necessary to protect Hawaii's consumers, it is first necessary to assess whether and to what extent a problem exists with the reimbursement practices of health insurers. Accordingly, this measure authorizes the Insurance Commissioner to investigate the fairness of eligible charge reimbursement rates established by mutual benefit societies and health maintenance organizations, and to report any findings to the legislature.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 164, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 3. Noes, 2 (Matsuura, Slom). Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3167 (Majority) Commerce and Consumer Protection on S.R. No. 82

The purpose of this measure is to authorize an investigation into the reimbursement practices of health insurers.

Testimony on the measure was received from Legislative Information Services of Hawaii, Kaiser Permanente, Hawaii Medical Service Association, and two individuals.

Your Committee finds that concerns have been raised that health insurers' inadequate reimbursements to preferred provider hospitals for medical services rendered are adversely affecting the care of Hawaii's residents because hospitals are unable to employ qualified personnel and are forced to implement cost cutting measures, including shortened hospital stays.

Your Committee further finds that while hospitals may elect to not accept the insurers' schedule for eligible charges and to seek reimbursement as a non-participating provider, this option entails payment delays and additional administrative costs for those facilities, and the difference between the eligible charge and the facilities' charges for services must be paid by the consumer.

In order to determine whether further regulatory measures are necessary to protect Hawaii's consumers, it is first necessary to assess whether and to what extent a problem exists with the reimbursement practices of health insurers. Accordingly, this measure authorizes the Insurance Commissioner to investigate the fairness of eligible charge reimbursement rates established by mutual benefit societies and health maintenance organizations, and to report any findings to the legislature.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 82, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 3. Noes, 2 (Matsuura, Slom). Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3168 Commerce and Consumer Protection on S.C.R. No. 165

The purpose of this measure is to identify the source of premium cost savings realized after enactment of legislation reforming the motor vehicle insurance laws and to assess the impact of the Act on consumers' access to referrals for massage therapy and physical therapy.

Testimony on the measure was submitted by the Insurance Commissioner, Hawaii Chapter of the American Physical Therapy Association, American Massage Therapy Association, Hawaii State Chiropractic Association, and Massage Therapists Association of Hawaii.

After the enactment of Act 251, Session Laws of Hawaii 1997, the measure that implemented reform of the motor vehicle insurance laws, the practice of referring insureds to massage therapists and physical therapists by chiropractors was no longer permitted. Although motor vehicle insurance premium rates have decreased since the reforms were implemented, it is uncertain whether these savings are related to the restrictions on referrals and whether the restrictions have affected an insured's ability to obtain a medically reasonable, necessary, and appropriate referral for massage therapy and physical therapy. This measure authorizes a study that would provide the Legislature with a clearer understanding of the relation between the reforms and savings in premium costs and of how the changes in the law have affected access to treatment for victims of motor vehicle accidents.

Your Committee has amended this measure to include among the recipients of this measure the Hawaii Insurer's Council, State Farm Insurance, Allstate, AIG, GEICO, and any other major motor vehicle insurance company in the State.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 165, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 165, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Matsuura).

SCRep. 3169 Commerce and Consumer Protection on S.R. No. 83

The purpose of this measure is to identify the source of premium cost savings realized after enactment of legislation reforming the motor vehicle insurance laws and to assess the impact of the Act on consumers' access to referrals for massage therapy and physical therapy.

Testimony on the measure was submitted by the Insurance Commissioner, Hawaii Chapter of the American Physical Therapy Association, American Massage Therapy Association, Hawaii State Chiropractic Association, and Massage Therapists Association of Hawaii.

After the enactment of Act 251, Session Laws of Hawaii 1997, the measure that implemented reform of the motor vehicle insurance laws, the practice of referring insureds to massage therapists and physical therapists by chiropractors was no longer permitted. Although motor vehicle insurance premium rates have decreased since the reforms were implemented, it is uncertain whether these savings are related to the restrictions on referrals and whether the restrictions have affected an insured's ability to obtain

a medically reasonable, necessary, and appropriate referral for massage therapy and physical therapy. This measure authorizes a study that would provide the Legislature with a clearer understanding of the relation between the reforms and savings in premium costs and of how the changes in the law have affected access to treatment for victims of motor vehicle accidents.

Your Committee has amended this measure to include among the recipients of this measure the Hawaii Insurer's Council, State Farm Insurance, Allstate, AIG, GEICO, and any other major motor vehicle insurance company in the State.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 83, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 83, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Matsuura).

SCRep. 3170 Commerce and Consumer Protection on S.C.R. No. 168

The purpose of this measure is to request the Auditor to conduct a management audit of the Public Utilities Commission.

Your Committee received testimony from the PUC, Department of Commerce and Consumer Affairs Consumer Advocate, Malama o Manoa, Na Leo Pohai, Hawaii Renewable Energy Alliance, and Life of the Land.

An audit of the PUC was conducted by the Auditor in 1989. Since that time, there have been significant technological advances in such areas as telecommunications and electrical utility restructuring that compel reexamination of the PUC's regulatory activities. An audit would assist the PUC in effectively managing its operations in the new economy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 168, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3171 Commerce and Consumer Protection on S.C.R. No. 169

The purpose of this measure is to request the Public Utilities Commission (PUC) to conduct a study on methods to finance the undergrounding of overhead utility lines.

Your Committee received testimony from the PUC, Department of Commerce and Consumer Affairs Consumer Advocate, AT&T, Kauai Electric, Malama o Manoa, GTE, Hawaiian Electric Company, Inc., Life of the Land, and two private individuals.

Your Committee finds that there is increasing community interest in the undergrounding of utility lines due to health, public safety, environmental, and aesthetic concerns. Your Committee further finds that if the State chooses as a matter of policy to require undergrounding of utility facilities, it is necessary to find a means of equitably allocating the cost to finance such a policy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 169, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3172 Commerce and Consumer Protection on S.C.R. No. 170

The purpose of this measure is to request that the Public Utilities Commission collaborate with every electric service provider located in the State and assess the feasibility and utility of a net energy metering program.

Testimony was received from Life of the Land, Hawaii Renewable Energy Alliance, Malama o Manoa, the Public Utilities Commission, the Department of Commerce and Consumer Affairs' Division of Consumer Advocacy, Kauai Electric, Hawaiian Electric Company, and two private citizens.

Your Committee finds that "net energy metering" refers to the difference between the electricity supplied to a customer and the electricity generated and fed back to the electric grid by the customer over an annual billing period.

Your Committee also finds that an "eligible customer-generator" is a customer of an electric service provider who uses a solar-electric generating facility with a capacity of not more than two hundred-fifty kilowatts that is located on the customer's premises, is interconnected, and operates in parallel with the electric grid, and is intended to offset part or all of the customer's electrical requirements.

Your Committee believes that a program to provide net energy metering for eligible customer-generators may encourage private investment in renewable resources, stimulate the State's economic growth, enhance the diversification of the State's energy sources, and reduce costs for electric service providers.

Your Committee has amended the title and text of the measure by deleting references to the Public Utilities Commission and replacing it with the Department of Business, Economic Development, and Tourism.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 170, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 170, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3173 Commerce and Consumer Protection on S.C.R. No. 171

The purpose of this measure is to study the feasibility of establishing a one-call system that would centralize knowledge and participation of all affected parties regarding underground facilities.

This measure:

- (1) Requests the Public Utilities Commission to convene a working group to study the feasibility of establishing a one-call system; and
- (2) Requires the working group to consist of representatives from the Division of Consumer Advocacy, the Department of Health, The Department of Transportation, the Board of Water Supply, the counties, the General Contractors Association, Life of the Land, the utility industry, the gasoline and oil industries, and the cable television industry.

Testimony was received from the Department of Commerce and Consumer Affairs, the Public Utilities Commission, AT&T, Tesoro Hawaii, Kauai Electric and The Gas Company, Na Leo Pohai, Hawaiian Electric Company and its subsidiaries Hawaii Electric Light Company and Maui Electric Company, and GTE.

Your Committee finds that a one-call system would centralize knowledge and participation with respect to underground facilities which would help prevent any conflicts between existing facilities and new excavations.

Your Committee finds that a feasibility study of a one-call system is of vital importance, however, the Public Utilities Commission is not the appropriate agency to lead and convene the working group due to its lack of resources and expertise in marking underground facilities. Accordingly, your Committee has amended this measure by:

- (1) Replacing the Public Utilities Commission with the Department of Transportation as the lead agency which shall convene the working group;
- (2) Adding USA North to the working group; and
- (3) Changing the title of this measure to reflect the change to the Department of Transportation as the lead agency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 171, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 171, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3174 Commerce and Consumer Protection on S.C.R. No. 173

The purpose of this measure is to facilitate the development of Demand Side Management programs in the State.

Testimony on the measure was received from the Public Utilities Commission (PUC), Consumer Advocate, Kauai Electric, Na Leo Pohai, Malama o Manoa, Hawaii Renewable Energy Alliance, Hawaiian Electric Company, Inc. (HECO), Hawaii Solar Energy Association, Life of the Land, and several individuals.

Demand Side Management (DSM) programs encourage energy efficiency and help to delay the need for the construction of new electric generation facilities that contribute to global warming and air pollution. This measure requests that the PUC open a generic docket on DSM so that interested parties may comment on related issues such as competitive bidding and cost effectiveness.

Your Committee finds that residential DSM programs, such as residential rebate programs for the installation of solar water heating systems, are effective in moving the market toward greater energy efficiency, reduce energy costs for ratepayers, and aid the State's economy through the creation of new jobs. For instance, since 1996, over ten thousand new residential solar water heating

systems have been installed in Hawaii, and increased customer demand for systems has resulted in the creation of two hundred new jobs in the solar industry.

Your Committee further finds that HECO's recent reduction in residential rebates for Oahu homeowners from \$800 to \$500 for existing residences and from \$1,500 to \$1,000 for newly constructed residences will hinder, rather than facilitate the participation of ratepayers in the DSM program, and thereby reduce the number of homes utilizing energy efficient solar heating systems. Therefore, your Committee has amended this measure by:

- (1) Deleting language relating to the original purpose of this measure which was to request the PUC to open a new DSM docket, and replacing it with a new title and language consistent with the measure's amended purpose which is to request that HECO retain solar water heating system rebates at their current levels for a minimum of one year after April 1, 2000; and
- (2) Making technical, nonsubstantive amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 173, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 173, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3175

Commerce and Consumer Protection on S.R. No. 84

The purpose of this measure is to facilitate the development of Demand Side Management programs in the State.

Testimony on the measure was received from the Public Utilities Commission (PUC), Consumer Advocate, Kauai Electric, Na Leo Pohai, Malama o Manoa, Hawaii Renewable Energy Alliance, Hawaiian Electric Company, Inc. (HECO), Hawaii Solar Energy Association, Life of the Land, and several individuals.

Demand Side Management (DSM) programs encourage energy efficiency and help to delay the need for the construction of new electric generation facilities that contribute to global warming and air pollution. This measure requests that the PUC open a generic docket on DSM so that interested parties may comment on related issues such as competitive bidding and cost effectiveness.

Your Committee finds that residential DSM programs, such as residential rebate programs for the installation of solar water heating systems, are effective in moving the market toward greater energy efficiency, reduce energy costs for ratepayers, and aid the State's economy through the creation of new jobs. For instance, since 1996, over ten thousand new residential solar water heating systems have been installed in Hawaii, and increased customer demand for systems has resulted in the creation of two hundred new jobs in the solar industry.

Your Committee further finds that HECO's recent reduction in residential rebates for Oahu homeowners from \$800 to \$500 for existing residences and from \$1,500 to \$1,000 for newly constructed residences will hinder, rather than facilitate the participation of ratepayers in the DSM program, and thereby reduce the number of homes utilizing energy efficient solar heating systems. Therefore, your Committee has amended this measure by:

- (1) Deleting language relating to the original purpose of this measure which was to request the PUC to open a new DSM docket, and replacing it with a new title and language consistent with the measure's amended purpose which is to request that HECO retain solar water heating system rebates at their current levels for a minimum of one year after April 1, 2000; and
- (2) Making technical, nonsubstantive amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 84, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 84, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3176

Commerce and Consumer Protection on S.C.R. No. 180

The purpose of this measure is to facilitate the development of renewable energy resources in the State.

Testimony on the measure was received from the Public Utilities Commission (PUC), Consumer Advocate, Kauai Electric, Na Leo Pohai, Malama o Manoa, Hawaiian Electric Company, Inc., Hawaii Renewable Energy Alliance, Life of the Land, and several individuals.

In its Renewable Energy Resource Investigation Report, Docket No. 94-0266, the PUC identified protracted power purchase agreement negotiations as one of the barriers to renewable resource development in Hawaii. One of the strategies identified to overcome this barrier was the development of a standard offer contract for renewable energy sales to utilities. In furtherance of this

goal, this measure requests that the PUC create and implement standardized power purchase agreements between the utilities and independent power producers (IPPs).

Upon consideration of the testimony, your Committee finds that it is inappropriate and beyond the PUC's regulatory function to be directly involved in the negotiation of contracts between the utilities and IPPs. Your Committee further finds that variations in technologies and in the size of facilities require the development of different types of contracts. Therefore, your Committee has amended this measure to:

- (1) Request that the PUC initiate a collaborative process to facilitate the creation and implementation of standardized power purchase agreements, rather than directly create and implement contracts between the utilities and independent power producers;
- (2) Request that the collaborative process involve the development of different agreements specific to different types of technologies or applications; and
- (3) Change the title to reflect the amended purpose.

Your Committee has also made technical, nonsubstantive amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 180, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 180, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3177

Commerce and Consumer Protection on S.C.R. No. 181

The purpose of this measure is to request that the Public Utilities Commission create and implement a standardized interconnection agreement for independent producers of power.

The measure also requests that the Public Utilities Commission review how other jurisdictions have established such standardized interconnection agreements and to consult with appropriate authorities and experts, including representatives of the Sacramento Municipal Utility District, the Vermont Public Service Board, and any other areas having standardized interconnection agreements.

Your Committee received testimony on the measure from the Public Utilities Commission, the Department of Commerce and Consumer Affairs' Division of Consumer Advocacy, the Gas Company, Malama o Manoa, the Hawaii Renewable Energy Alliance, Kauai Electric, Life of the Land, Hawaiian Electric Company, and two private citizens.

Your Committee finds that as fuel cells and photovoltaics become commercially available, residents of Hawaii may desire to utilize these emerging technologies to not only produce energy for themselves, but to sell excess energy as well. In the event of a natural disaster, each of these generators could assist in providing electricity to other consumers.

Having a standardized interconnection agreement publicly available on the Internet would result in all potential power generators knowing in advance the requirements to connect to the electric grid and could lead to increased competition in the area of electric generation, lowering costs of electricity for consumers.

Your Committee also finds that other municipalities and states, such as Sacramento and Vermont, have instituted standardized interconnection agreements facilitating the development of a competitive environment involving utilities and independent power producers and that standardized interconnection agreements strengthen the local economy.

Your Committee has amended the title and text of the measure to limit the scope of implementing such standardized interconnection agreements to independent producers whose capacity to generate electricity is less than one hundred kilowatts. Your Committee has also amended the measure to include the states of New York and Texas in the list of jurisdictions the Public Utilities Commission is requested to consult with since these two states have recently established standardized interconnection agreements.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 181, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 181, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3178

Commerce and Consumer Protection on S.R. No. 89

The purpose of this measure is to request that the Public Utilities Commission create and implement a standardized interconnection agreement for independent producers of power.

The measure also requests that the Public Utilities Commission review how other jurisdictions have established such standardized interconnection agreements and to consult with appropriate authorities and experts, including representatives of the Sacramento Municipal Utility District, the Vermont Public Service Board, and any other areas having standardized interconnection agreements.

Your Committee received testimony on the measure from the Public Utilities Commission, the Department of Commerce and Consumer Affairs' Division of Consumer Advocacy, the Gas Company, Malama o Manoa, the Hawaii Renewable Energy Alliance, Kauai Electric, Life of the Land, Hawaiian Electric Company, and two private citizens.

Your Committee finds that as fuel cells and photovoltaics become commercially available, residents of Hawaii may desire to utilize these emerging technologies to not only produce energy for themselves, but to sell excess energy as well. In the event of a natural disaster, each of these generators could assist in providing electricity to other consumers.

Having a standardized interconnection agreement publicly available on the Internet would result in all potential power generators knowing in advance the requirements to connect to the electric grid and could lead to increased competition in the area of electric generation, lowering costs of electricity for consumers.

Your Committee also finds that other municipalities and states, such as Sacramento and Vermont, have instituted standardized interconnection agreements facilitating the development of a competitive environment involving utilities and independent power producers and that standardized interconnection agreements strengthen the local economy.

Your Committee has amended the title and text of the measure to limit the scope of implementing such standardized interconnection agreements to independent producers whose capacity to generate electricity is less than one hundred kilowatts. Your Committee has also amended the measure to include the states of New York and Texas in the list of jurisdictions the Public Utilities Commission is requested to consult with since these two states have recently established standardized interconnection agreements.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 89, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 89, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3179 (Joint) Commerce and Consumer Protection and Health and Human Services on S.C.R. No. 32

The purpose of this measure is to request a sunrise review of mandated health insurance coverage for diabetes self-management education and training.

Testimony on the measure was received from Kaiser Permanente, Hawaii Medical Service Association, Legislative Information Services of Hawaii, The Chamber of Commerce of Hawaii, Diabetes Advocacy Alliance of Hawaii, Hawaii Association of Diabetes Educators, and an individual.

Your Committees note that the Senate previously passed Senate Bill No. 2657, S.D. 2, which mandates health insurance coverage for diabetes self-management education and training, and exempts the mandate from the requirements for a sunrise review established in sections 23-51 and 23-52, Hawaii Revised Statutes. Should S.B. No. 2657, S.D. 2, fail to pass the Legislature, this measure would authorize the legislative auditor to conduct a sunrise review.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 32, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Fukunaga, Ihara, Iwase, Matsuura).

SCRep. 3180 (Joint) Transportation and Intergovernmental Affairs and Government Operations and Housing on S.C.R. No. 18

The purpose of this measure is to urge military and federal agencies to honor the definition of state resident for contracts.

Testimony in support of the measure was received from the Chamber of Commerce and American Friends for Service Committee.

Your Committee finds that the decline in the construction and service industries has contributed towards the state unemployment rate rising above the national unemployment rate, and that many of Hawaii's construction and service industry workers have experienced difficulty in finding employment in their regular trade. This measure proposes to improve employment opportunities for local residents.

Your Committee has amended the measure by clarifying that the reference to section 8078 is from the Federal Defense Appropriations Act of 1986.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Government Operations and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 18, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 18, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 7 (Chun, Hanabusa, D. Ige, Iwase, Levin, Matsuura, Taniguchi).

SCRep. 3181 (Joint) Transportation and Intergovernmental Affairs and Education and Technology on S.C.R. No. 103

The purpose of the measure is to urge support for the completion of the documentary film "An Untold Triumph," and for the State Foundation on Culture and the Arts to assist with the completion.

Testimony in support of the measure was received from the project coordinator chaplain, Post 1572 VFW. Testimony recommending the measure be held was received from the State Foundation on Culture and the Arts, and testimony in opposition to the measure was received from a citizen.

Your Committees acknowledge and recognize the deeds and sacrifices the Filipino men made during the war and the role they played in helping to win back the Philippines and end World War II. Your Committees find that the completion of this project would fill the void in the historical legacy of Filipino Americans in World War II, and place the film in educational institutions around the country as well as before a vast television audience.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Education and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 103, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Bunda, Chumbley, Inouye, Matsunaga).

SCRep. 3182 (Joint) Transportation and Intergovernmental Affairs and Education and Technology on S.R. No. 52

The purpose of the measure is to urge support for the completion of the documentary film "An Untold Triumph," and for the State Foundation on Culture and the Arts to assist with the completion.

Testimony in support of the measure was received from the project coordinator chaplain, Post 1572 VFW. Testimony recommending the measure be held was received from the State Foundation on Culture and the Arts, and testimony in opposition to the measure was received from a citizen.

Your Committees acknowledge and recognize the deeds and sacrifices the Filipino men made during the war and the role they played in helping to win back the Philippines and end World War II. Your Committees find that the completion of this project would fill the void in the historical legacy of Filipino Americans in World War II, and place the film in educational institutions around the country as well as before a vast television audience.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Education and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 52, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Bunda, Chumbley, Inouye, Matsunaga).

SCRep. 3183 (Joint) Education and Technology and Transportation and Intergovernmental Affairs on S.C.R. No. 141

The purpose of this measure is to encourage the Hawaii Undersea Research Laboratory (HURL) of the University of Hawaii to form a partnership with the United States Navy to operate an advanced tethered vehicle (ATV).

Testimony in support of the measure was received from the University of Hawaii and one individual.

Your Committees find that the HURL excels in deep submergence operations. As one of five centers in the world with deep submergence capability, it has made notable scientific discoveries. In order to explore the mysteries of the underwater environment, which can lead to development of new scientific advancements, the HURL must seize scientific opportunities and acquire resources that will enable it to continue making scientific discoveries from its strategic location in the Pacific Basin.

Your Committees agree that acquisition of an ATV, such as the surplus one owned by the U.S. Navy, is a nationally prudent and efficient move that will greatly expand the HURL's capability for undersea research at greater depths and in shallower waters where long, continuous bottom time is required.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 141, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Bunda, Chumbley, Inouye, Matsunaga).

SCRep. 3184 (Joint) Education and Technology and Transportation and Intergovernmental Affairs on S.R. No. 68

The purpose of this measure is to encourage the Hawaii Undersea Research Laboratory (HURL) of the University of Hawaii to form a partnership with the United States Navy to operate an advanced tethered vehicle (ATV).

Testimony in support of the measure was received from the University of Hawaii and one individual.

Your Committees find that the HURL excels in deep submergence operations. As one of five centers in the world with deep submergence capability, it has made notable scientific discoveries. In order to explore the mysteries of the underwater environment, which can lead to development of new scientific advancements, the HURL must seize scientific opportunities and acquire resources that will enable it to continue making scientific discoveries from its strategic location in the Pacific Basin.

Your Committees agree that acquisition of an ATV, such as the surplus one owned by the U.S. Navy, is a nationally prudent and efficient move that will greatly expand the HURL's capability for undersea research at greater depths and in shallower waters where long, continuous bottom time is required.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 68, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Bunda, Chumbley, Inouye, Matsunaga).

SCRep. 3185 Education and Technology on S.C.R. No. 206

The purpose of this measure is to request the Auditor to assess the impact of the increased workloads of school principals on their ability to be effective instructional leaders.

Testimony in support of the measure was received from the Department of Education, HGEA-AFSCME, and one individual.

Your Committee finds that in recent years, the noninstructional-related workload of public school principals has steadily increased due to mandates of the Felix-Cayetano consent decree and the reduction in administrative staff at the district level, who attended to fiscal, facilities, and personnel matters. Although former district level responsibilities were transferred to the state level administration, the latter's own limited resources required schools to perform the additional workload. With multiple priorities of safety, security, facilities, entrepreneurship and business management, and special needs, school administrators are challenged to find time, energy, and resources to be effective instructional leaders in the face of so many competing, related duties.

Your Committee agrees that in order to resolve this workload problem, a management audit is needed to clearly delineate responsibilities of state, district, and school administration levels.

Upon further consideration your Committee amended this measure by expanding the audit to include:

- (1) In the title and in the BE IT RESOLVED paragraph, the impact of increased workloads on other administrators; and
- (2) As delineated in the first BE IT FURTHER RESOLVED paragraph:
 - (A) An evaluation, in light of the additional workload of schools, of the current responsibilities of administrators in relationship to their expanded responsibilities; and
 - (B) Given the results in item (A), consideration of expanding responsibilities for future administrators.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 206, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 206, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3186 Commerce and Consumer Protection on S.C.R. No. 179

The purpose of this measure is to require the Public Utilities Commission to complete Docket No. 7310, short-run avoided energy costs for as-available resources and Docket No. 94-0079, long-run avoided cost for firm capacity resources and issue a decision and order.

The measure also requires the Public Utilities Commission to implement a plan to calculate avoided cost within 120 days from the filing of a petition by a qualifying facility.

Your Committee received testimony from the Public Utilities Commission, the Consumer Advocate, Hawaii Renewable Energy Alliance, Life of the Land, Malama o Manoa, and Hawaiian Electric Company.

Your Committee finds that in the Public Utilities Commission Docket 94-0226, Renewable Energy Resource Investigation, one of the barriers to the use of renewable energy is unresolved avoided cost issues. These unresolved avoided cost issues are also a factor in protracted contract negotiations for power purchase agreements between electric utilities and qualifying facility. These unresolved issues increase the cost of doing business and cost of living in Hawaii and contribute to Hawaii's negative image as a place to do business.

Your Committee also finds that utilities are required to purchase power from qualifying facilities at or below their avoided costs unless a different price is negotiated. As stated in Section 6-74-1, Hawaii Administrative Rules, the Public Utilities Commission defines "avoided costs" to mean the incremental or additional costs to an electric utility of electric energy or firm capacity or both which costs the utility would avoid by purchase from the qualifying facility.

Your Committee believes that this measure will encourage the implementation of procedures that will facilitate and expedite the ability for all parties to arrive at reasonably determined avoided cost estimates for the purpose of determining fair estimates of generating capacity costs.

Your Committee has amended the measure by:

- (1) Deleting the reference to Docket No. 94-0079, long-run avoided cost for firm capacity resources, since that docket has been resolved and closed by the Public Utilities Commission; and
- (2) Making technical amendments to clarify references to the Hawaii Administrative Rules, and to clarify in the title that the Legislature is requesting rather than requiring the PUC to resolve avoided cost issues.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 179, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 179, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3187 Labor and Environment on Gov. Msg. No. 153

Recommending that the Senate advise and consent to the nominations of the following:

CIVIL SERVICE COMMISSION

G.M. No. 153 RICARDO MEDINA and TOM SUGITA, for terms to expire June 30, 2004,

Upon the review of the background information submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment to assist in administering the duties and responsibilities of the Civil Service Commission. Your Committee further finds that the nominees have been appointed based on their professional credentials.

Your Committee notes the specific qualifications of the nominees:

Ricardo Medina has held leadership positions in both community and public service. Mr. Medina was President of the Board of Directors of Big Brothers of Maui and President of Hospice Maui. From 1973 to 1995, Mr. Medina served in the State House of Representatives and the Maui County Council. This knowledge of and experience with government operations will guide him in decision making.

Your Committee received testimony in support of Mr. Medina from the Department of Human Resources Development and the Executive Director and the Maui Division Chief of the HGEA-AFSCME.

Tom Sugita is currently semi-retired as President of Sweet Hawaii Candy, Inc. Mr. Sugita has extensive experience in business management. In an era where government is asked to do more with less, Mr. Sugita's business perspective will be a welcome approach in addressing civil service issues. Not only has Mr. Sugita expressed a willingness and enthusiasm to learn about civil service but his dedication is also evidenced by the various community activities he is involved with such as the Hawaii Toys for Tots Tennis Benefit Tournament and the Aiea/Pearl City Anti-Graffiti Task Force.

Your Committee received testimony in support of Mr. Sugita from the Senator from the Nineteenth District, Department of Human Resources Development, Diamond Head Tennis Center, Sheet Metal Contractors Association, Plumbing & Mechanical Contractors Association of Hawaii, Honolulu Community College, Randal S. Furomoto and Associates, Inc., Wimberly Allison Tong & Goo, Tamura Supermarket, three individuals from Longs Drugs, and nine individuals.

Your Committee diligently questioned the nominees and believes that the nominees adequately responded to your Committee's inquiries.

As affirmed by the records of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 3188 Labor and Environment on Gov. Msg. No. 162

Recommending that the Senate advise and consent to the nominations of the following:

HOISTING MACHINE OPERATORS ADVISORY BOARD

G.M. No. 162 GARY MCKEAGUE and CLAYTON E. WINGER, for terms to expire June 30, 2004,

Upon review of the background information submitted by the nominees, your Committee finds that the aforementioned nominees are willing to serve without compensation, and will work with compassion and commitment to assist in administering the duties and responsibilities of the Hoisting Machine Operators Advisory Board. Your Committee further finds that the nominees have been reappointed based on their professional credentials and their current work as board members researching and developing rules to improve the safe operation of cranes at construction sites.

Your Committee notes the specific qualifications of the nominees:

Gary McKeague is being nominated for a second term on the board. He has been employed with Hawaiian Crane & Rigging for over twenty-eight years; the later half operating multiple cranes. In addition, he has been Shop Steward for approximately three years. Mr. McKeague has operated various types of cranes and similar equipment such as conventional or cable, hydraulic, boom trucks, and fork lifts. Mr. McKeague's vast experience will provide the board with the needed perspective of a field operator.

Clayton E. Winger is being nominated for a second term on the board. He received a Bachelor's degree in Business Administration and an Associate degree in Risk Management. He is a Certified Safety Professional locally and nationally. Currently, Mr. Winger is a Senior Loss Prevention Consultant. Previous work experience with Liberty Mutual in the Loss Prevention Department included being a loss prevention consultant for the private sector, The St. Paul Fire & Marine Insurance Companies, and being a jobsite safety coordinator for two construction projects in Hawaii.

Testimony in support of Mr. McKeague's and Mr. Winger's nominations was received from the Department of Labor and Industrial Relations.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 3189 Commerce and Consumer Protection on Gov. Msg. No. 191

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF PROFESSIONAL ENGINEERS, ARCHITECTS, SURVEYORS, AND LANDSCAPE ARCHITECTS

G.M. No. 191 THEODORE R. GARDUQUE, LESTER H. INOUE, ARNALDO E. PREPOSE, and OSCAR PORTUGAL, for terms to expire June 30, 2004,

Testimony on the nominations was received from the Department of Commerce and Consumer Affairs, American Institute of Architects, Kauhikaua and Chun/Architects, Kauai Filipino Community Council, Kodani and Associates, Inc., Kauai Society of Professional Engineers, Architects and Land Surveyors, Esaki Surveying and Mapping, Inc., and Costa Architectural Design, AIA.

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that Theodore R. Garduque, Lester H. Inouye, Arnaldo E. Prepose, and Oscar Portugal have the necessary character, experience, and qualifications to serve on the

State Board of Professional Engineers, Architects, Surveyors, and Landscape Architects (Board), and are willing to serve without compensation.

Theodore R. Garduque has bachelor's and master's degrees in architecture, and certificates in hotel planning, resort planning, and golf clubhouse design. He is the principal and founder of Garduque Architects and has almost thirty years of architectural experience. Mr. Garduque has been a member of the Board since July, 1996, and has represented the Board at the legislature and at annual and regional meetings of the state architectural licensing boards organization.

Lester H. Inouye has a bachelor's degree in environmental design and a master's degree in landscape architecture. He is employed with Lester H. Inouye and Associates, Inc., and has forty years of experience in landscape architecture. Mr. Inouye has been a member of the Board since July, 1996, and currently serves as its secretary.

Arnaldo E. Prepose has a bachelor's degree in mechanical engineering and a master's degree in business administration. He is currently employed with Prepose Engineering Systems, Inc., and has worked in the engineering field for twenty-eight years. Mr. Prepose has served on the Board since July, 1996, and as its representative at meetings of the organization of state engineering licensing boards.

Oscar Portugal has bachelor's degrees in public administration and agricultural economics and additional education in surveying and mapping. He is surveyor for the county of Kauai, Engineering Division, and has twenty-eight years of experience in surveying. Mr. Portugal is treasurer and a member of the board of the Kauai Society of Professional Engineers and was named the Engineering Division Employee of the Year in 1989.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Taniguchi).

SCRep. 3190 Judiciary on Jud. Com. No. 4

Recommending that the Senate advise and consent to the nomination of the following:

GERONIMO VALDRIZ, judicial nominee to the District Court of the Second Circuit, for a term of Six Years,

Upon review of the background information submitted by the nominee, your Committee finds that Geronimo Valdriz holds a B.A. degree from the University of Hawaii at Manoa and a J.D. degree from the University of Hawaii's Richardson School of Law. Mr. Valdriz worked in the Office of the State Public Defender from 1982 to 1987 and has been in private law practice since 1987. In addition, Mr. Valdriz's professional and community activities include: the Kids First Program; the Judiciary Guardian Ad Litem Program; the Maui Children's Advocacy Center; the Friends of the Children's Advocacy Center; and the Public Defender Council.

Testimony in support of the nominee was submitted to your Committee by: the Office of the Federal Public Defender; an administrator from the Family Court of the Second Circuit; eleven members from the State Office of the Public Defender; two members of the Department of the Prosecuting Attorney for the County of Maui; the Hawaii State Bar Association; three members of the Legal Aid Society of Hawaii; the Academy of Travel and Tourism; ten members of the legal community; and twenty private citizens. All testimony unanimously supported the nomination of Mr. Valdriz by indicating that he is caring, intelligent, fair, and hardworking. Further, testifiers acknowledged that Mr. Valdriz has good judgement, common sense, and an excellent judicial temperament which will be an asset to the position of District Court Judge in the Second Circuit.

Your Committee members diligently questioned the nominee regarding the qualities he will bring to the district court; his thoughts on the guardian ad litem programs on Maui; his views on domestic violence; and how open juvenile proceedings should be. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 3191 Judiciary on Gov. Msg. No. 222

Recommending that the Senate advise and consent to the nomination of the following:

KAREN S.S. AHN, gubernatorial nominee to the Circuit Court of the First Circuit, for a term of Ten Years,

Upon review of the background information submitted by the nominee, your Committee finds that Karen S.S. Ahn holds a B.S. degree from Boston University and a J.D. degree from the University of Hawaii's William S. Richardson School of Law. Ms. Ahn served in the Department of the Prosecuting Attorney for the City and County of Honolulu from 1984 to 1989, was in private practice from 1989 to 1994, and served as a Special Deputy Attorney General for the Department of the Attorney General from 1993 to 1994. Currently, Ms. Ahn has served as a District Court Judge for the First Circuit since 1994. In addition, Ms. Ahn's professional and community activities include: the Land Use Commission; the American Bar Association; the Hawaii Korean Chamber of Commerce; the League of Women Voters, Honolulu Chapter; and the Metropolitan Rotary Club.

Testimony in support of the nominee was submitted to your Committee by: the Office of the Federal Public Defender; a District Court Judge of the First Circuit; the State Office of the Public Defender; the Hawaii State Bar Association; the Korean American Society of Hawaii; and seven members of the legal community. Testimony in support of the nominee indicated that Ms. Ahn is professional, intelligent, and analytical in seeking a fair and just outcome. Further, testifiers acknowledged that Ms. Ahn is courteous, compassionate, even-tempered, and eminently qualified to serve as a Circuit Court Judge in the First Circuit. Testimony in opposition was submitted by the Office of the Prosecuting Attorney for the City and County of Honolulu citing concerns regarding Ms. Ahn's inability to be decisive and her poor judicial temperament. However, several testifiers in support of the nominee spoke to the concerns raised in the opposing testimony and assured the Committee that Ms. Ahn would not have any problems assuming her role as a jurist.

Your Committee members diligently questioned the nominee regarding her thoughts on substance abuse, domestic violence, civil liability, and gender balance within the Judiciary. In addition, your Committee questioned Ms. Ahn regarding the concerns raised by the Office of the Prosecuting Attorney for the City and County of Honolulu and discussed the qualities that Ms. Ahn will bring to the Circuit Court in the First Circuit. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Ihara, Sakamoto).

SCRep. 3192

Commerce and Consumer Protection on S.C.R. No. 51

The purpose of this measure is to support the efforts to maintain the operations of the Star-Bulletin and to secure a buyer for the newspaper.

Testimony on the measure was received from Save Our Star-Bulletin, Democratic Party of Hawaii, The Hawaii Public Interest Advocate, Hawaii Newspaper Guild, Hawaii State AFL-CIO, The Honolulu Community-Media Council, and a University of Hawaii journalism professor.

Your Committee finds that the closing of the Star-Bulletin will have a widespread and adverse impact on the State. First, more than one hundred fifty persons on the newspaper's staff, many of them with families to support, will lose their jobs. With only one other major daily newspaper remaining in the State, these individuals and their families may be forced to leave Hawaii and relocate to the mainland for their economic survival. Additionally, more than four hundred newspaper delivery persons, many of them young people helping out their families or saving for college, will be unemployed. Without a competing newspaper, advertising rates may rise, thereby affecting the business community.

Further, the State will lose a separate and independent editorial voice in the community, and the breadth and quality of news coverage will be affected. The community will no longer have access to diverse points of view in the daily print media that is vital to the participation of an informed citizenry in a democracy. Therefore, the continued operation of the Star-Bulletin is important to the social and economic well-being of this State.

Your Committee further finds that the efforts to keep the Star-Bulletin publishing and to find a buyer for the newspaper are supported by the Governor, the mayors of the counties, the county councils, Hawaii's congressional delegation, the Democratic and Republican parties, the majority of the Oahu neighborhood boards, and over 150,000 Hawaii residents. By adopting this measure, the Senate will similarly express its support for an independent and competitive media in the State.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 51 and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3193

Commerce and Consumer Protection on S.R. No. 22

The purpose of this measure is to support the efforts to maintain the operations of the Star-Bulletin and to secure a buyer for the newspaper.

Testimony on the measure was received from Save Our Star-Bulletin, Democratic Party of Hawaii, The Hawaii Public Interest Advocate, Hawaii Newspaper Guild, Hawaii State AFL-CIO, The Honolulu Community-Media Council, and a University of Hawaii journalism professor.

Your Committee finds that the closing of the Star-Bulletin will have a widespread and adverse impact on the State. First, more than one hundred fifty persons on the newspaper's staff, many of them with families to support, will lose their jobs. With only one other major daily newspaper remaining in the State, these individuals and their families may be forced to leave Hawaii and relocate to the mainland for their economic survival. Additionally, more than four hundred newspaper delivery persons, many of them young people helping out their families or saving for college, will be unemployed. Without a competing newspaper, advertising rates may rise, thereby affecting the business community.

Further, the State will lose a separate and independent editorial voice in the community, and the breadth and quality of news coverage will be affected. The community will no longer have access to diverse points of view in the daily print media that is vital to the participation of an informed citizenry in a democracy. Therefore, the continued operation of the Star-Bulletin is important to the social and economic well-being of this State.

Your Committee further finds that the efforts to keep the Star-Bulletin publishing and to find a buyer for the newspaper are supported by the Governor, the mayors of the counties, the county councils, Hawaii's congressional delegation, the Democratic and Republican parties, the majority of the Oahu neighborhood boards, and over 150,000 Hawaii residents. By adopting this measure, the Senate will similarly express its support for an independent and competitive media in the State.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 22 and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3194 Judiciary on H.B. No. 303

The purpose of this bill, as received by your Committee, is to require the phrase "NOT A GOVERNMENT DOCUMENT" to be printed on any replica of a government issued identification document offered for sale.

Your Committee finds that fake identification cards or other forms of identification lawfully sold by vendors are often used illegally by teens to buy liquor or enter adult-only clubs, and by adults to cash stolen checks. Your Committee believes that these illegal activities are encouraged by the availability of fake identifications.

Your Committee finds that it is necessary to deter these illegal activities, and believes that prohibiting the sale of fake identification will result in a reduction in these illegal activities.

Testimony in support of this measure was submitted by the Attorney General, the Maui County Council, the Department of the Prosecuting Attorney, City and County of Honolulu, the Honolulu Police Department, the Department of Liquor Control, County of Maui, and the Hawaii League of Savings Institutions.

Upon further consideration, your Committee has amended this bill by deleting its contents and replacing it with the contents of S.B. No. 2436, which:

- (1) Creates a class C felony offense with a forfeiture provision for the manufacture or sale of false identification that appears to be government-issued;
- (2) Does not provide an exception for identification that includes a disclaimer statement; and
- (3) Includes a statement of legislative intent.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 303, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 303, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Sakamoto, Tanaka, Anderson).

SCRep. 3195 Judiciary on H.B. No. 1955

The purpose of this bill, as received by your Committee, is to expand the membership of the Corrections Population Management Commission by one member.

Your Committee finds that the Corrections Population Management Commission (Commission) was established in 1993 to help develop statewide policies and practices to control overcrowding in correctional facilities. Your Committee further finds that valuable input and new ideas can be brought to the Commission by including, as a member of the Commission, a rehabilitated offender who has

been reintegrated into the community. In addition, your Committee notes that the Honolulu Police Department has been a willing participant at Commission events and recognizes that law enforcement should be made a permanent member of the Commission.

Testimony in support of this measure was submitted by the Department of Public Safety and the Government Efficiency Teams, Inc.

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

- (1) Replacing the Prosecuting Attorney of the City and County of Honolulu with one representative selected from the various county prosecuting attorney departments;
- (2) Adding a representative from the county police departments and a rehabilitated offender as permanent members of the commission; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1955, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1955, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 3196**Judiciary on H.B. No. 2020**

The purpose of this bill is to repeal or make conforming amendments to various laws that have either been repealed by implication, or by their own terms by operation of law, and are now deemed to be "functus", that is, they have accomplished their intended purpose and are of no further force or effect.

Your Committee finds that there is a need to remove these obsolete laws for several reasons. A statute that remains in the printed text of the Hawaii Revised Statutes from year to year but which has been repealed by operation of law or by implication unnecessarily increases the size of the Hawaii Revised Statutes, thereby adding to production costs. Retention of such a statute may also create some confusion that the law, while repealed, is still retained "on the books." Your Committee finds that repealing or amending these sections, as appropriate, assists in the removal of obsolete laws and helps to clarify the intent of the legislature as to which laws are of continuing force and effect.

Testimony in support of this measure was submitted by the Building Industry Association, the Chamber of Commerce of Hawaii, and the National Federation of Independent Business. Informational testimony was submitted by the Legislative Reference Bureau. The Department of Accounting and General Services submitted testimony in support of section 3 of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2020 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Tanaka).

SCRep. 3197**Judiciary on H.B. No. 2021**

The purpose of this bill is to add reenactment language to laws that were amended, and will be inadvertently repealed, by laws establishing the expedited sentencing program and amending the crime victim compensation special fund.

Your Committee finds that there is a need to take action to prevent the repeal of sections 706-621, 706-623, and 351-62.5(d), Hawaii Revised Statutes, which will be repealed in their entirety in 2001 unless some action is taken by the Legislature. Your Committee agrees with the intent of this bill, and finds that the repeal of these sections was not originally intended by the Legislature, but was instead inadvertent, and that the failure to amend these laws will result in further ambiguity as to their intended disposition.

Testimony in support of this measure was submitted by the Legislative Reference Bureau.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2021 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Tanaka).

SCRep. 3198**Ways and Means on H.B. No. 286**

The purpose of this bill is to establish maximum speed limits within school zones and construction areas and penalties for exceeding those limits.

In addition, this bill provides that the determination of maximum speed limits for school zones and construction areas, and the placement of official signs in those zones and areas, are to be made by the Department of Transportation and the counties in their respective jurisdictions. This bill also doubles the amounts under existing law that a person may be fined if the person violates the maximum speed limits established within school zones and construction areas.

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

- (1) Deleting references to school zones;
- (2) Authorizing appropriate law enforcement personnel to enforce the maximum speed limits established for construction areas;
- (3) Requiring the Department of Transportation and the counties, in their respective jurisdictions, to require the owner, general contractor, or other responsible person to provide proper signs in construction areas;
- (4) Requiring signs to be plainly visible at all times under ordinary traffic conditions;
- (5) Removing the penalties section, so that penalties for speeding in construction areas will be as provided under existing law. Section 291C-161(c), Hawaii Revised Statutes, currently subjects persons who violate the maximum speed limits to a fine of not more than \$200, and for subsequent convictions, \$300 and \$500;
- (6) Amending the definition of "construction area" to include aboveground and underground utility work; and
- (7) Requiring the director to adopt rules as may be necessary to implement the new requirements.

Your Committee agrees with the intent of this bill as so amended, and finds that it will assist in deterring motorists from speeding in construction areas and will increase highway safety for on-site construction workers, pedestrians, and motorists.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 286, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 286, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, M. Ige, Iwase, Nakata, Taniguchi).

SCRep. 3199 Ways and Means on H.B. No. 1759

The purpose of this bill is to extend the traffic enforcement demonstration project to July 1, 2003.

In addition, this bill amends the law establishing that project, which provides for the implementation of photo red light imaging, photo speed imaging detectors, and other photo technology systems to improve traffic enforcement, to make additional changes, including:

- (1) Extending the time period for a citation to be sent following an incident from forty-eight hours to three days;
- (2) Conferring the powers of the police to provide oversight and services for the project to the Director of Transportation and the Director's officers, employees, agents, and representatives;
- (3) Establishing a photo enforcement revolving fund to be administered by the Department of Transportation to pay for the costs of the demonstration project; and
- (4) Allowing the Department of Transportation instead of the counties to contract with appropriate providers.

Your Committee finds that this bill will provide the additional time needed to implement the demonstration project, provide sufficient time for contractors to recover their investment, and provide the Legislature with sufficient time to enact appropriate permanent legislation, if deemed necessary. In addition, your Committee finds that this bill will greatly assist in both reducing traffic congestion and making Hawaii's roads safer for the State's motorists and pedestrians, while freeing police officers from time-consuming traffic stops and giving them more time to make priority calls.

Your Committee further finds that this bill will allow the Department of Transportation to generate useful data about the project, which can then be reported to the Legislature. While your Committee realizes that the bill does not require the Department to include in its report to the Legislature information regarding deposits and expenditures into the newly created photo enforcement revolving fund, your Committee encourages the Department to include this information in its report to assist the Legislature in its review of the effectiveness of this bill and the underlying law establishing the project.

Your Committee has amended this bill by deleting section 24, which stated that this measure was recommended by the Governor for immediate passage, and inserting a July 1, 2000 effective date in its place.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1759, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1759, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Chun, D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3200 Ways and Means on H.B. No. 1873

The purpose of this bill is to require that the Department of Education receive the full amount of federal impact aid, federal Department of Defense funds, and federal indirect overhead reimbursements.

Specifically, this bill:

- (1) Prohibits federal impact aid, federal Department of Defense funds, and federal indirect overhead reimbursements received by the Department of Education from being returned to the general fund;
- (2) Requires the Governor to:
 - (A) Allow the Department of Education to increase the federal fund expenditure ceiling for EDN 100, school-based budgeting; and
 - (B) Allow the Department to retain the general fund offset created by increased impact aid receipts to further carry out the purposes of EDN 100;

if the amount of federal impact aid and federal Department of Defense funds received by the Department of Education exceeds the authorized appropriation in the General or the Supplemental Appropriations Act; and

- (3) Allows the Department to retain and expend federal indirect overhead reimbursements for discretionary grants in excess of the negotiated rate for these reimbursements.

In addition, this bill:

- (1) Establishes the federal grants search and application revolving fund, and requires the Department of Education's share of federal indirect overhead reimbursements to be deposited into the fund;
- (2) Allows the Department of Education to expend moneys in the revolving fund to search for discretionary grants and to develop program applications to secure additional revenues for the Department;
- (3) Appropriates an unspecified sum from the federal grants search and application revolving fund to carry out the purposes of this bill, including the creation and hiring of necessary staff; and
- (4) Allows the Superintendent to approve expenditures in excess of the amount appropriated, if the amount of revenues deposited into a trust fund of the Department exceeds the amount appropriated from the trust fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1873, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (D. Ige, Iwase, Taniguchi, Anderson).

SCRep. 3201 Ways and Means on H.B. No. 2492

The purpose of this bill is to allow the Department of Education to carry over, from one fiscal biennium to the first year of the next fiscal biennium, up to five per cent of any appropriation for the comprehensive school support services program (EDN 150), upon the allocation or distribution of the appropriation to the schools.

In addition, this bill conditions the Department of Education's carryover of up to five per cent of any appropriation for the school-based budgeting program (EDN 100), from one fiscal biennium to the first year of the next fiscal biennium, pursuant to section 37-41.5, Hawaii Revised Statutes, upon the allocation or distribution of the appropriation to the schools.

Your Committee finds that the creation of a separate program for the provision of a free appropriate public education for students with disabilities was needed to facilitate the tracking and reporting of expenditures on behalf of students requiring special education services and educational accommodations. By permitting the Department of Education to carryover appropriations for the

comprehensive school support services program, your Committee believes that the schools will make better programming, planning, and budgeting decisions on behalf of students requiring special education services and educational accommodations.

By conditioning the Department of Education's carryover of an appropriation upon the allocation or distribution of the appropriation to the schools, your Committee believes that more moneys for the school-based budgeting program and the comprehensive school support services program will reach the schools in a timely manner.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2492, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Iwase, Taniguchi, Anderson).

SCRep. 3202 Ways and Means on H.B. No. 2062

The purpose of this bill is to temporarily exempt University of Hawaii from the allotment system with regard to the use of carryover funds until July 1, 2002.

Specifically, this measure authorizes the University to keep any operating general funds remaining at the close of a fiscal year and use them to freely supplement any university program in the next fiscal year without any appropriation in the next fiscal year being accordingly restricted.

Furthermore, this measure exempts the University from the allotment system requirements that (1) appropriated funds cannot be used for purposes not specifically authorized by the Legislature, and (2) appropriated funds remaining unencumbered at the close of a fiscal year shall lapse into the general fund.

Your Committee finds that this measure is necessary to provide the University with added flexibility in program management and fiscal autonomy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2062, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Iwase, Taniguchi, Anderson).

SCRep. 3203 Ways and Means on H.B. No. 2066

The purpose of this bill is to expand the University of Hawaii facilities use revolving fund into the University of Hawaii real property and facilities use revolving fund.

Specifically, this measure will authorize the University of Hawaii to deposit revenues from the use of its real property into the revolving fund. Furthermore, this measure authorizes the University to transfer unexpended revenues from the revolving fund to other university funds to defray administrative or overhead expenses. Lastly, this measure requires the University to heed legal requirements with regard to the disposition of ceded lands.

Your Committee finds that this measure is necessary to strengthen the fiscal autonomy of the University.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2066, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Iwase, Taniguchi, Anderson).

SCRep. 3204 Ways and Means on H.B. No. 2432

The purpose of this measure is to assist members of partnerships, limited liability companies, or S corporations to claim the low-income housing tax credit.

This measure:

- (1) Allows a taxpayer to claim the state credit without claiming the federal credit; and
- (2) Splits Section 235-2.4, Hawaii Revised Statutes (HRS), into two sections, 235-2.4 and 235-2.45.

The State low-income housing tax credit program helps create affordable housing for persons earning less than 60 per cent of the median income by providing preferences for projects consisting of units which will be available to families with substantially lower incomes. The intent of the program is to attract investors who provide equity to build these projects in return for tax credits for a period of ten years.

Your Committee finds that under current law, investors may claim the State low-income housing tax credit only if they also claim the the federal low-income housing tax credit. By allowing investors to claim the tax credit whether or not they claim the federal tax credit, the State will realize an increase in the development of affordable rental housing.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2432, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Iwase, Taniguchi).

SCRep. 3205 Ways and Means on H.B. No. 1691

The purpose of this measure is to exempt certain foreign diplomatic and consular mission members from certain taxes.

This measure:

- (1) Exempts amounts received from officially recognized foreign diplomats and consular officials from the general excise tax;
- (2) Exempts accommodations furnished to officially recognized foreign diplomats and consular officials from the transient accommodations tax; and
- (3) Exempts the use of property, services, or contracting imported by officially recognized foreign diplomats and consular officials from the use tax.

Your Committee finds that this measure will bring Hawaii into conformity with the rest of the United States, as Hawaii currently is the only State that does not grant these exemptions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1691, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3206 Ways and Means on H.B. No. 2457

The purpose of this bill is to repeal the veterans loan program.

Your Committee finds that the veterans loan program was established in 1953 to encourage the construction of veterans' housing. Under this program, general obligation bonds were sold to purchase veterans' mortgages from the banks. All bonds have fully matured and the last monthly veterans' loan payment was collected in 1995. Consequently, this program is no longer needed.

Your Committee is pleased to note that the veterans loan program accomplished its mission, and that the program is being repealed with a well-earned sense of achievement and pride.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2457 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 6 (Chun, D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3207 Education and Technology on H.B. No. 2495

The purpose of this measure is to amend section 302A-1128, Hawaii Revised Statutes, to allow the Board of Education to adopt policies, instead of rules, to set progressive competencies for computer technology and a language in addition to English.

Testimony in support of the measure was received from the Department of Education and one individual.

Your Committee finds that currently, the Board defines competency standards, for use of computer technology and for a language in addition to English, through administrative rules adopted pursuant to chapter 91, Hawaii Revised Statutes.

Your Committee agrees that allowing the Board to set competency standards through policies is consistent with all other performance standards and competencies required by section 302A-201, Hawaii Revised Statutes. Additionally, this measure would still provide the public the opportunity to testify at Board meetings regarding the policy governing progressive competencies.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2495, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3208 Government Operations and Housing on S.R. No. 60

The purpose of this measure is to ensure efficient telephone usage by state departments and agencies and maximize the use of Hawaii's taxpayer moneys.

This measure requests the Government Operations and Housing Committee to review the State's telephone usage and establish any guidelines, if necessary, for the implementation of telephone "key systems" in appropriate State offices.

Testimony in support of this measure was received from the Department of Accounting and General Services. Comments were received from GTE Hawaiian Tel.

Currently, the State uses a statewide telecommunication system called the Hawaii Advanced Telecommunication System (HATS) Services, State Procurement Office Price List Number 96-61, provided under contract by GTE Hawaiian Tel. GTE Hawaiian Tel is responsible for implementing and maintaining the State's telephone network using items from the State Procurement Office Price List.

Your Committee finds that although the State currently benefits from the resources and services of GTE Hawaiian Tel, there is always the potential for conflict whenever the State relies too extensively upon one contractor, especially for essential services such as telecommunications. The State may face problems in the future if the contract with GTE Hawaiian Tel is not renewed and the State has relied too extensively on GTE's expertise.

Your Committee also finds that the State's current telecommunications system is the result of efforts to increase the State's control over its telecommunications system, minimize the State's reliance on outside vendors, and maximize government efficiency.

Your Committee has amended this measure by:

- (1) Stating that under the current telephone system, there have been problems with intra-office connections and that equipment indicating when intra-office lines are in use would help make telephone usage more efficient;
- (2) Requesting the Department of Accounting and General Services instead of the Government Operations and Housing Committee to review telephone usage;
- (3) Requesting the Department of Accounting and General Services to also review the cost of implementing and maintaining telephone "key systems";
- (4) Changing the title of this measure to reflect the change from the Government Operations and Housing Committee to the Department of Accounting and General Services; and
- (5) Changing the reporting date to before the Regular Session of 2001.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 60, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 60, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Chun, Levin, Tanaka, Anderson).

SCRep. 3209 (Joint) Education and Technology and Judiciary on S.C.R. No. 123

The purpose of this measure is to request the Department of Education (DOE) to comply with existing laws and regulations in order to prevent employment of persons with criminal convictions for positions which involve working in close proximity with children.

Testimony in support of the measure was received from the Department of Education.

Your Committees find that the public school system is supposed to provide a safe learning environment for students. The DOE has a legal responsibility to screen its employees at the time of hire in order to ensure that employment of persons with a criminal record does not jeopardize the learning environment or pose a danger to the health, safety, and well-being of students. The DOE's current Employee Background Check procedures, developed pursuant to chapter 846-43, Hawaii Revised Statutes, require hiring personnel to follow procedures to properly screen and hire new employees who will work in close proximity to children.

Your Committees agree that to ensure the safety and well-being of Hawaii's children and to ensure statewide compliance with the existing law requiring criminal history checks for persons working with children, it is critical that the DOE review its internal policy on this matter and implement its planned corrective actions outlined in its February 18, 2000 report to the President of the Senate. These include:

- (1) Disentangling local and federal checks to expedite processing of new hires;
- (2) Requesting all providers to review employee records to make sure that there is proper documentation with respect to criminal history;
- (3) Developing and implementing guidelines regarding employee suitability;
- (4) Increasing training related to hiring and criminal history record checks;
- (5) Updating rules and procedures; and
- (6) Incorporating performance requirements related to items (1) to (5) into all private provider contracts.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Judiciary that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 123, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Bunda, Chun Oakland, Ihara).

SCRep. 3210 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 192

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

G.M. No. 192 AUDREY HIDANO, for a term to expire June 30, 2003,

Upon the review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment to assist in administering the duties and responsibilities of the Hawaii Community Development Authority. Your Committee further finds that the nominee has been appointed based on her professional credentials, integrity, and a desire to make Hawaii better through her participation with the Hawaii Community Development Authority.

Your Committee notes the specific qualifications of the nominee:

Audrey Hidano possesses considerable business experience, particularly in the construction industry. She co-founded and serves as the Secretary-Treasurer for Hidano Construction, Inc., a general contracting company, Vice President and Secretary for Grand Development, Inc., a development firm, and co-owner of Rim-Pac, Inc., a construction company specializing in finish carpentry work. Ms. Hidano is a member of several professional boards involved with small business, construction, and real estate issues, and serves on community boards as well. Ms. Hidano's prolific experience in business and the construction industry combined with her dedication to community service makes her an extremely valuable asset to the Hawaii Community Development Authority.

Your Committee received testimony in support of Ms. Hidano from the Hawaii Community Development Authority, the Director of Taxation, Tom Sofos Insurance and Bonding, Inc., CC Engineering and Construction, Inc., SC Pacific Corp., the law firm of Dwyer, Imanaka, Scraff, Kudo, Meyer, and Fujimoto, the Pacific Resource Partnership, the Hawaii Association of Realtors, the Estate of James Campbell, King and Neel, Inc., Willocks Construction Corporation, the Building Industry Association of Hawaii, Walter Y. Arakaki General Contractor, Inc., and a private citizen.

Your Committee diligently questioned the nominee about her role and vision as a prospective member of the Hawaii Community Development Authority and believes that the nominee adequately responded to your Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun, Kanno).

SCRep. 3211 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 238

Recommending that the Senate advise and consent to the nominations of the following:

KAHOOLAWE ISLAND RESERVE COMMISSION

G.M. No. 238 JEFFREY L. CHANG, for a term to expire June 30, 2003;

ISABELLA A. ABBOTT, Ph.D., and ROBERT J. LUUWAI, for terms to expire June 30, 2004,

Upon review of the qualifications and other background information submitted by the nominees, your Committee finds that the aforementioned nominees have and will work with compassion and commitment in administering the responsibilities placed upon them as stewards of the island of Kahoolawe.

Your Committee finds that the nominees are all well-respected members of the community with years of expertise in their respective professions.

Testimony in support of the nominations was received from the Chairperson of the Kahoolawe Island Reserve Commission.

Your Committee finds the following specific qualifications of the nominees:

Jeffrey L. Chang currently sits on the Kahoolawe Island Reserve Commission as the representative of the County of Maui. Mr. Chang has many years of experience in the planning and management of the Maui County government.

Isabella A. Abbott, Ph.D., currently sits on the Kahoolawe Island Reserve Commission. She is a renown expert on limu and Hawaiian and Polynesian ethnobotany.

Robert J. Luuwai has been involved with the Protect Kahoolawe Ohana for the past twelve years. During those years, Mr. Luuwai has provided Protect Kahoolawe Ohana members with transportation to the island of Kahoolawe via the use of his commercial fishing vessel. Mr. Luuwai is also a descendant of the Kukahiko Ohana of Makena, Maui, the traditional stewards of the island of Kahoolawe and its waters.

Your Committee members diligently questioned the nominees regarding their vision of the purpose, goals, and direction of the Kahoolawe Island Reserve Commission. Based on this discussion, your Committee believes that the nominees will ably discharge their duties as commissioners.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun, Kanno).

SCRep. 3212 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 242

Recommending that the Senate advise and consent to the nominations of the following:

NATURAL AREA RESERVES SYSTEM COMMISSION

G.M. No. 242 REGINALD E. DAVID, NEAL EVENHUIS, Ph.D, LLOYD L. LOOPE, Ph.D., for terms to expire June 30, 2004,

Upon the review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering the duties and responsibilities of the Natural Area Reserves System Commission. Your Committee further finds that the nominees have been appointed based on their professional credentials, integrity, and a desire to make Hawaii better through their participation with the Natural Area Reserves System Commission.

Your Committee notes the specific qualifications of the nominees:

Reginald E. David was appointed in 1999 to the Natural Area Reserves System Commission to serve out the final year in the term of a member who resigned early. Mr. David's broad knowledge of birds, and conservation biology issues in Hawaii and the Pacific has provided an important perspective for the work of the Commission. Mr. David continues to operate Rana Productions, a biological consulting firm which specializes in Hawaii and the Pacific. He is a member of many professional organizations, serves on the U.S. Fish and Wildlife Service's (USFWS) 'Alala Recovery Team and the Department of Land and Natural Resources/USFWS Hawaii Endangered Waterfowl Recovery Team and Advisory Committee. Mr. David has a strong commitment to working with community and professional groups to increase knowledge and ability to work together towards management and protection of the State's native ecosystems.

Your Committee received testimony in support of Mr. David from the Chairperson of the Board of Land and Natural Resources, the U.S. Geological Survey, Geo Metrician, and a private citizen.

Neal Evenhuis, Ph.D., is an Entomologist and Chair of the Natural Sciences Department of Bishop Museum. Like Dr. Loope, he has extensive knowledge and experience in the field and has published numerous papers. While his particular specialty is Diptera (flies), his knowledge of other insects and their necessary place in native ecosystems is invaluable. In over two decades at Bishop

Museum, Dr. Evenhuis held positions in scientific illustration, journal editing, entomologist, and is presently Chair of the Department of Natural Sciences at Bishop Museum. He belongs to and is active in many professional societies, has been on the editorial boards of numerous entomological journals, is on the steering committee for Public Awareness for the Hawaiian Conservation Biology Secretariat, and is also now very active with Malama Hawaii, working with the Department of Land and Natural Resources, the Polynesian Voyaging Society, and numerous groups both public and private, to reconnect us all with our surrounding environment.

Your Committee received testimony in support of Dr. Evenhuis from the Chairperson of the Board of Land and Natural Resources.

Lloyd L. Loope, Ph.D., is research scientist for the U.S. Geological Survey, Biological Resources Division, Pacific Island Ecosystems Research Center, Haleakala Field Station located at Haleakala National Park, Maui. In his two decades at Haleakala, Dr. Loope's research interest has focused on conservation biology of Haleakala National Park and the island of Maui (principally biology of invasions and dryland restoration). His interests and talents expanded into geographically broader issues such as statewide and Pacific-wide prevention and management of alien species problems and strategies for restoration of endangered plant species. Dr. Loope is involved in collaborative research on impacts and control of alien ant species and potential effects of global climate change on the Hawaiian Islands. He is also interested and heavily involved in facilitating environmental education on Maui, especially regarding the appreciation of native biota and understanding the damage caused by alien species. He belongs to many professional organizations, has authored numerous papers on a wide variety of topics, and serves on the Maui Invasive Species Committee and the Social Concerns Committee at Iao Congregational Church. He has been an inspiration and support to many young scientists, encouraging them to remain in Hawaii to continue making a contribution to our island ecosystems.

Your Committee received testimony in support of Dr. Loope from the Chairperson of the Board of Land and Natural Resources.

Your Committee believes that the nominees are valuable resources and well qualified to serve on the Natural Area Reserves System Commission.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun, Kanno).

SCRep. 3213 Commerce and Consumer Protection on H.B. No. 2983

The purpose of this measure is to enhance Hawaii's status as a captive insurance domicile.

The Insurance Commissioner and Hawaii Captive Insurance Council Corporation submitted testimony on the measure.

This measure establishes a new class of captive insurance companies for captives limited to insuring risks on a reinsurance or excess basis only. The authorization of this additional category of captive insurers will enable organizers to utilize Hawaii-based facilities to participate in the retention of higher levels of risk from sources based in and outside of the United States. This measure also clarifies financial reporting requirements for captives.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2983, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 3214 Water, Land, and Hawaiian Affairs on H.B. No. 1947

The purpose of this measure is to limit the possession, sale, or trade of shark fins unless the fins were taken from a shark landed whole in the State.

Testimony in favor of the measure was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, Kaho'olawe Island Reserve Commission, the Hawaii and National Audubon Societies, Sierra Club, Hawaii and Kauai Chapters, Hawaii Fisherman's Foundation, Greenpeace, Earthtrust, the Earth Justice Legal Defense Fund, and twelve individuals. The Western Pacific Regional Fishery Management Council, Mid-Pacific Ship Agent, Ltd., R.C., International Inc., Honolulu Agency, Inc., Tay Enterprises Internationale, the Chinese Culinary Arts Society of Hawaii, and the Hawaii Boaters Political Action Association testified in opposition.

Your Committee has heard considerable testimony regarding shark finning, and acknowledges the many and varied concerns expressed. Your Committee notes that a previous concern has been addressed by exempting vessels that do not off load cargo in the State or its territorial waters and finds that this measure would address an issue of ongoing controversy in a balanced manner.

Another concern succinctly raised by the local Chinese community was that the wording contained in the measure as received made buying unlawfully harvested shark fins illegal. The purchasers of such shark fins rarely know how the shark fins were harvested and would be at risk of unknowingly committing an illegal act. Your Committee does not believe that this was the original intent of the measure, nor does your Committee believe it should be.

Your Committee is also concerned over the application of the shark fin regulation in waters outside the jurisdiction of the State. Your Committee believes that because federal law allows the State to regulate state-registered vessels even when the vessels travel outside the State's jurisdictional waters, these vessels should be governed by the prohibition regardless of the vessel's location when harvesting shark fins.

In light of these concerns, your Committee has amended the measure by:

- (1) Limiting its scope by clarifying that the intent of the measure is to make it illegal to knowingly harvest shark fins from the territorial waters of the State, or land shark fins in the State, unless the fins were taken from a shark landed whole in the State, rather than to knowingly harvest for sale, possess for sale, buy, sell, or trade shark fins that were not landed whole in the State;
- (2) Amending the definition of "landed" to include the present tense form of the word and to specify that the definition refers to the landing of sharks or any part thereof; and
- (3) Including a provision that declares that vessels registered pursuant to Section 200-31, Hawaii Revised Statutes, are still subject to the shark finning prohibitions when fishing outside the territorial waters of the State unless federal law supersedes its application.

Your Committee believes that the amended measure provides a moderated solution to the issue of shark finning that is not inconsistent with the federal Magnuson Act.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1947, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1947, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 3215 Water, Land, and Hawaiian Affairs on H.B. No. 750

The purpose of this measure is to establish an official color and flower or lei material for each island of the State.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, the Kaho'olawe Island Reserve Commission, and a private citizen.

Your Committee finds that the measure officially establishes in statute that which citizens of the State have long recognized and accepted as the various floral and color designations of each island.

Your Committee has amended the measure by correcting the reference to the flower of the kukui tree as the "pua kukui" and by making a technical, nonsubstantive amendment for purpose of style.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 750, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 750, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 3216 Commerce and Consumer Protection on H.B. No. 1912

The purpose of this measure is to define "damage to rental motor vehicle" or "damage to vehicle" to clarify what may be recovered in the event a rental vehicle is damaged.

Testimony in favor of this measure was submitted by Catrala-Hawaii, Dollar Rent A Car Systems, Inc., Enterprise Rent A Car, and The Hertz Corporation. The Department of Commerce and Consumer Affairs submitted testimony in opposition.

Your Committee finds that under certain interpretations of Hawaii law, a U-drive company can only recover from a wrongful party the actual costs of repairing the damaged vehicle or the value of the vehicle in cases where it is a total loss. This measure seeks to compensate the company for other associated costs and losses.

Your Committee has heard the issues raised by the motor vehicle rental industry, but is concerned that the proposed factors to determine recovery would unfairly affect consumers. Your Committee has amended this measure to:

- (1) Delete appraisal fees, administrative fees, and eighty per cent of the loss of use of the vehicle;
- (2) Establish a task force under the Office of Consumer Protection, with industry and consumer representation, to review current law, industry concerns, and to report to the 2001 legislature; and
- (3) Change the effective date to July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1912, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1912, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 3217 Commerce and Consumer Protection on H.B. No. 2473

The purpose of this measure is to streamline the administration of the insurance laws and to facilitate an understanding of the requirements governing the insurance industry.

The Insurance Commissioner (Commissioner), State Farm Insurance Companies, and Consumer Lawyers of Hawaii submitted testimony on the measure.

This measure codifies certain sections of the Hawaii administrative rules relating to proxies, consents, and authorization of domestic stock insurers, mass merchandising of motor vehicle insurance, an insurance holding company system, and the motor vehicle insurance law. Incorporation of these rules into statute will provide greater clarification of the insurance law requirements for consumers and insurance licensees. Further, placing these legal requirements in statutes, rather than in rules, will enable the legislature to make changes to the requirements as necessary.

Upon careful consideration, your Committee has amended this measure by replacing its contents with the language of S.B. No. 2814, S.D. 1, a substantially similar measure that incorporates technical amendments proposed by the Commissioner. Your Committee has also amended this measure by clarifying the provision relating to motor vehicle insurance identification cards and making additional technical amendments. As amended, this measure:

- (1) Places the provisions relating to Schedule A and Schedule B proxy requirements in the front of the new part to article 4, Hawaii Revised Statutes, to facilitate an understanding of subsequent provisions;
- (2) Removes language from the definition of anesthetist that expresses a preference for supervision by an anesthesiologist over supervision by any other licensed physician;
- (3) Clarifies that motor vehicle insurance identification cards shall be issued for a minimum six-month period notwithstanding that premiums may be paid on a monthly basis, to allow insurers to offer their policyholders the option of monthly payments without incurring additional administrative costs for issuing cards on a monthly basis; and
- (4) Contains technical amendments made for purposes of clarity, consistency, and style, and to reflect existing language in the Hawaii Revised Statutes and preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2473, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2473, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Kanno).

SCRep. 3218 Commerce and Consumer Protection on H.B. No. 2482

The purpose of this measure is to facilitate business acquisitions in the State.

The Department of Commerce and Consumer Affairs, the Business Law Section of the Hawaii State Bar Association, and a law firm submitted testimony on the measure.

This measure exempts acquisitions of shares pursuant to a merger or share exchange, or approved by the board of directors of an issuing public corporation from the shareholder approval requirements of the Hawaii Business Corporation Act. Your Committee finds that these amendments to the Act will improve the business climate of the State by making business acquisitions easier and will promote the long-term growth and stability of the State's domestic corporations by deterring hostile takeovers of Hawaii public corporations.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2482, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3219 Ways and Means on H.B. No. 1946

The purpose of this bill is to require government agencies to evaluate the energy savings that can be achieved by hiring a private person to finance, design, construct, install, maintain, operate, or manage energy systems or equipment, the retrofitting of which will improve the energy efficiency of a facility.

In addition, this bill:

- (1) Rewards government agencies that perform energy efficiency retrofitting by allowing them to retain the (monetary) cost savings created by improving the energy efficiency of a facility, in constant proportion to increases in their overall budgets; and
- (2) Requires energy cost savings to be verified by engineering calculations, metering and monitoring, utility meter billing analysis, computer simulations, mathematical models, and agreed-upon stipulations by the customer and the energy service company.

Your Committee believes that achieving energy and cost savings through performance contracting should be investigated and pursued where shown to be cost-effective. Your Committee recognizes that performance contracting is based on achieving guaranteed savings by private contractors who would install energy saving devices that are paid for through the energy cost savings achieved, at no up-front cost to the State. It is not your Committee's intent to require that state agencies use energy savings performance contracts for uneconomic projects.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1946, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, D. Ige, Iwase, Taniguchi).

SCRep. 3220 Ways and Means on H.B. No. 1956

The purpose of this bill is to assist Hawaii's small businesses.

In particular, this bill:

- (1) Places the small business regulatory review board and the small business defender in the Department of Budget and Finance for administrative purposes instead of the Legislature;
- (2) Requires appointment of the Small Business Defender by the Governor subject to section 26-34, Hawaii Revised Statutes, instead of the President of the Senate and Speaker of the House of Representatives;
- (3) Makes the law enacting the Small Business Regulatory Flexibility Act and the Small Business Defender permanent; and
- (4) Appropriates funds for the Small Business Defender.

Your Committee agrees with the intent of this bill, which supports Hawaii's small businesses as a vital component of the State's economy, and finds that the bill will improve the climate for small business in Hawaii.

Your Committee has amended this bill by:

- (1) Deleting language making the appointment of the Small Business Defender by the Governor subject to section 26-34, Hawaii Revised Statutes, as this provision applies to appointments of members of boards and commissions; and
- (2) Providing that the Small Business Defender's salary is to be determined by the appointing authority, and deleting language stating that the Small Business Defender's salary is to be within the range of salaries paid to directors of the departments of the state government.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1956, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1956, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, D. Ige, Iwase, Taniguchi).

SCRep. 3221 Ways and Means on H.B. No. 1969

The purpose of this bill is to appropriate general funds to match federal funds on a dollar-for-dollar basis in order to establish manufacturing extension programs in the State.

Your Committee finds that the program is integral to the growth of manufacturing enterprises in the State. Furthermore, appropriations are necessary to ensure the receipt of federal funds to assist in the growth of this industry.

Your Committee has amended this measure by changing the appropriation figure from \$1 to \$2.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1969, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1969, H.D. 2, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, D. Ige, Iwase, Taniguchi).

SCRep. 3222 Ways and Means on H.B. No. 1994

The purpose of this bill is to appropriate funds to Hawaii Agriculture Research Center to support continued agricultural research and development.

Your Committee finds that agriculture is a significant growth industry and a strong contributor to the State's economy. To ensure the growth of the agriculture industry, continuing research and development is required. This measure will assist the Hawaii Agriculture Research Center to continue its research and development efforts to diversify and strengthen our agriculture industry and improve our economy.

Upon consideration, your Committee has amended this bill by:

- (1) Changing the amount appropriated to an unspecified amount for purposes of further discussion; and
- (2) Requiring matching funds from the private sector.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1994, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1994, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, D. Ige, Iwase, Taniguchi).

SCRep. 3223 Ways and Means on H.B. No. 2793

The purpose of this bill is to carry over to fiscal year 2000-2001 any unexpended or unencumbered funds at the close of fiscal year 1999-2000 for expenses incurred by the Agribusiness Development Corporation and to allow the use of \$250,000 of these funds for grants for the development of an agricultural subdivision in the Hamakua district of the island of Hawaii.

Your Committee finds that despite the loss of the sugar industry in the Big Island, agriculture still remains a viable use of the former sugar lands. One difference however, is that instead of large tracts of land being worked by a single plantation company, many separate landowners can work their individual properties for different purposes ranging from truck farming to growing specialty products for gourmet outlets. The Big Island growers would have access to the world market as air transportation is readily accessible through the Hilo airport. The State can help further these goals through the encouragement of development of an agricultural subdivision in the Hamakua area. This measure seeks to accomplish that goal.

Your Committee has amended this measure by changing the effective date to June 29, 1999 to allow for further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2793, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2793, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Chun, D. Ige, Iwase, Taniguchi).

SCRep. 3224 Ways and Means on H.B. No. 2801

The purpose of this bill is to require the Department of Agriculture to conduct a survey and sampling of swine farms in the State to determine the incidence of porcine respiratory and reproductive syndrome.

Furthermore, this bill appropriates general funds for the Department's survey and sampling.

Your Committee finds that the swine industry is a significant portion of diversified agriculture in the State but is currently threatened by incidents of the porcine respiratory and reproductive syndrome. The extent of the disease in the State is currently not known.

Your Committee has amended this measure by deleting the appropriation section of the bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2801, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2801, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, D. Ige, Iwase, Taniguchi).

SCRep. 3225 Ways and Means on H.B. No. 2955

The purpose of this measure is to support the growth and development of technology in Hawaii by providing an income tax credit for the cost of training the taxpayer or the taxpayer's employees to upgrade their technology-related skills.

Your Committee finds that tax credits are an efficient way for Hawaii to provide incentives to businesses and individuals to capitalize on the growth of technology-related industries. By requiring the creation or acquisition of a new job, the proposed tax credit isolates the total cost of this program and gives incentives for continuing education in areas where the skills are in demand.

Upon further consideration, your Committee amended section 2 of measure regarding the proposed new section for chapter 235, Hawaii Revised Statutes, as follows:

- (1) Indicating that technology training for the new technology-related job be provided by the taxpayer;
- (2) Creating a new subsection (b) to:
 - (A) Clarify that the credit shall be equal to the costs of either training employees to fill a newly created technology job or training incurred by an individual taxpayer but retain the blank dollar cap; and
 - (B) Add a proviso that deductions may not be taken for income tax purposes by a taxpayer for the cost of training if a credit is claimed under this proposed new section for chapter 235, HRS;
- (3) Renumbering subsections (b), (c), and (d) to (c), (d), and (f), respectively;
- (4) Adding a subsection (e) allowing the director to:
 - (A) Adopt rules and forms necessary to carry out this section; and
 - (B) Require the taxpayer to furnish reasonable information to ascertain the validity of the claim for credit under this section; and
- (5) Making technical nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2955, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2955, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Taniguchi).

SCRep. 3226 Ways and Means on H.B. No. 3014

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$19,000,000 to assist Rickmar Properties, Inc. in establishing a distribution system for the air conditioning of buildings through water chilled at a cooling facility.

Your Committee finds that issuing special purpose revenue bonds will make the development of such a system more economically feasible.

Your Committee has amended this measure by inserting a new section to require the Department of Budget and Finance to process the special purpose revenue bonds in accordance with the requirements of its October 22, 1987, "Formal Application for Financing of an Industrial Enterprise".

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3014, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3014, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Taniguchi).

SCRep. 3227 Ways and Means on H.B. No. 1874

The purpose of this bill is to establish a two-year suspension of all rules, policies, procedures, and practices to allow the Department of Education to restructure and reallocate its resources to support student achievement.

Specifically, this bill:

- (1) Establishes a thirteen-member interagency educational accountability working group within the Department of Education, and designates the Superintendent of Education as the chairperson of the working group;
- (2) Specifies the membership of the working group, which includes representatives from the three affected public employee unions and the Hawaii State Parents, Teachers and Students Association; and
- (3) Makes the suspension of these rules, policies, procedures, and practices effective upon the approval of the Board of Education, beginning July 1, 2001.

In addition, this bill requires the interagency educational accountability working group to:

- (1) Review all pertinent agency rules, policies, procedures, and practices to identify those which are impeding educational system restructuring and reallocation of educational resources;
- (2) Submit an annual report to the Legislature regarding the progress of the working group and any legislative actions necessary to support the reorganization and reallocation of educational resources;
- (3) Focus its initial efforts on identifying agency rules, policies, procedures, and practices specifically in the areas of financial and human resource allocation and their effect on educational resources;
- (4) Develop a list of the rules, policies, procedures, and practices recommended for suspension by the Board of Education, beginning with the 2001-2003 fiscal biennium (i.e., July 1, 2001); and
- (5) Submit a status report to the Board of Education and the Legislature regarding the working group's review of agency functions and identification of rules, policies, procedures, and practices recommended for suspension.

Your Committee has amended this bill by changing its effective date to July 1, 2010, to provide additional time to resolve questions about the necessity of suspending "all" rules, policies, procedures, and practices to support student achievement, when the working group is required to develop "a list" of rules, policies, procedures, and practices recommended for suspension by the Board of Education.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1874, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1874, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Iwase, Taniguchi, Anderson).

SCRep. 3228 Ways and Means on H.B. No. 1905

The purpose of this bill is to establish a pilot project for the disposition of public school rental fees.

Your Committee finds that at present, rental fees generated by use of public school facilities are deposited into a special fund. After administrative services are deducted, seventy per cent of the revenue is credited to the individual school, and thirty per cent is credited to the district office. Under this two-year pilot project, the schools would retain seventy per cent and the district office would receive the remaining thirty per cent to assist schools that service type 1 and type 2 users.

Type 1 users are school-related uses, such as Parent, Teacher and Student Associations and the A+ Program, and primary and general elections. Type 2 users are other community-service based organizations, such as federal, state, and county agencies, youth

athletic teams, and private pre- and after-school programs endorsed by the Department of Education. The Department of Education would set the rental rates for the type 1 and type 2 users, and the schools would set the rates for all other users.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1905, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Iwase, Taniguchi, Anderson).

SCRep. 3229 Ways and Means on H.B. No. 2060

The purpose of this bill is to authorize the payment of claims against the University of Hawaii and the indemnification of collaborating institutions to be made from legislative appropriations rather than solely from the moneys and property of the University.

Furthermore, this bill authorizes the University General Counsel rather than the Attorney General to choose to represent members of the Board of Regents in civil actions and to review and determine the uncollectible accounts of the University. This bill also exempts the University from the Attorney General's prior approval of the University's real property acquisitions.

Lastly, this measure authorizes service of process on the University, its officers, or employees to be made by serving the University General Counsel.

Your Committee finds that this measure will enhance the legal autonomy of the University of Hawaii without jeopardizing the University's fiscal stability.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2060, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Iwase, Taniguchi, Anderson).

SCRep. 3230 Ways and Means on H.B. No. 2280

The purpose of this measure is to continue the development of School-to-Work by refining Hawaii's School-to-Work law.

Specifically, this bill amends the powers of the School-to-Work Executive Council (Executive Council) and appropriates funds to the Executive Council. The measure provides that the Executive Council shall advise the Department of Education on hiring of School-to-Work staff and on the making, executing, and entering into contracts necessary to fulfill the duties of the Executive Council. The measure provides that the Executive Council shall act as the advocacy board for School-to-Work.

Your Committee finds that School-to-Work gives students opportunities to have hands-on learning experiences in the workplace and helps them see the connection between what they learn in school and the work place. This measure will allow further development of School-to-Work activities that will prepare Hawaii's students for successful careers and create a skilled workforce that moves our economy forward.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2280, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Iwase, Taniguchi, Anderson).

SCRep. 3231 Ways and Means on H.B. No. 2701

The purpose of this bill is to establish a renewable energy demonstration project in the Department of Education for one public school in each school district.

Your Committee finds that the concept of alternative energy sources has been around for decades in Hawaii, yet little effort has been placed in trying to utilize the concept for improving governmental services. The State's public education system is a good place to begin introducing the benefits of photovoltaic cells because the benefits can extend beyond the particular site. For example, schools are often used as emergency shelters in the event of a disaster. Schools educate and inform not only students, but their parents and other family members. Schools can also serve as display centers to the community in general. This bill is designed to do these things to demonstrate the feasibility and cost-effectiveness of photovoltaics as an alternative energy resource.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2701, H.D. 3, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Iwase, Taniguchi, Anderson).

SCRep. 3232**Ways and Means on H.B. No. 2505**

The purpose of this bill is to clarify that the Housing and Community Development Corporation of Hawaii and mortgage lenders contracted to provide mortgage financing are authorized to provide project-based Hula Mae funds for developments on Hawaiian home lands.

Your Committee finds that the statutes need clarification regarding whether mortgage funds can be set aside for projects on Hawaiian home lands. The Department of Hawaiian Home Lands has indicated that in the opinion of the U.S. Department of Housing and Urban Development's Office of Litigation and Fair Housing, Hula Mae financing for projects on Hawaiian home lands does not conflict with restrictions in the Hawaiian Homes Commission Act of 1920. With a clarification in the Hawaii Revised Statutes, Hula Mae funds would become available to help the lessees who need housing loans. This could help to improve living conditions for many families.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2505 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3233**Ways and Means on H.B. No. 2588**

The purpose of this bill is to authorize the Comptroller to delegate preaudit responsibility for proposed payment amounts below an unspecified dollar threshold to the state agencies.

Furthermore, this bill imposes a one-time penalty of five per cent against state and county agencies for failure to pay a vendor within thirty days of receipt of the vendor's statement.

Your Committee finds that a dual approach is necessary to expedite the review and audit process for government procurement contracts. Your Committee understands that the five per cent penalty could render considerable impact upon state finances. To this end, your Committee has asked the state administration to review the quantitative impact of the penalty and report to your Committee as soon as possible.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2588, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Iwase, Nakata, Taniguchi).

SCRep. 3234**Ways and Means on H.B. No. 1940**

The purpose of this bill is to provide an increase in the allowable fees for court appointed attorneys for indigent criminal defendants.

The bill also provides for equivalent fees for court appointed guardian ad litem under section 571-87, Hawaii Revised Statutes.

The bill appropriates \$900,000 for fiscal year 2000-2001 to be expended by the Judiciary and \$900,000 for fiscal year 2000-2001 to be expended by the Department of Budget and Finance to accomplish the purposes of this Act.

Your Committee finds that current compensation levels for court appointed counsel have not been adjusted since 1987 and, consequently, are not adequate to fairly compensate court appointed attorneys for their time. Your Committee further finds that linking state compensation levels to federal compensation levels for court appointed counsel in Hawaii will ensure that state compensation levels remain at a fair and adequate level.

Your Committee has amended this bill by changing the amounts appropriated in sections 3 and 4 to unspecified amounts to facilitate continuing discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1940, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1940, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (M. Ige, Iwase, Nakata, Anderson).

SCRep. 3235**Ways and Means on H.B. No. 2160**

The purpose of this bill is to establish a Traumatic Brain Injury Trust Fund to help defray the cost of providing care and rehabilitative services to residents of the State who have survived a traumatic brain or spinal cord injury.

In addition, this bill:

- (1) Establishes the Traumatic Brain Injury Trust Fund Commission and a nine-member board of directors to:
 - (A) Adopt rules and employ staff to administer the Traumatic Brain Injury Trust Fund, including funds received as grants, gifts, and donations; and
 - (B) Recommend changes in state programs, statutes, policies, budgets, and standards relating to the care and rehabilitation of persons with brain or spinal cord injuries;
- (2) Specifies the membership, appointment, and compensation of the Board of Directors, which includes three individuals who have sustained a brain or spinal cord injury or members of their immediate families;
- (3) Directs the existing Traumatic Brain Injury Advisory Board in the Department of Health to provide advice to the Traumatic Brain Injury Trust Fund Commission; and
- (4) Appropriates an unspecified sum of general fund moneys to the Traumatic Brain Injury Trust Fund for fiscal year 2000-2001.

Your Committee finds that this bill will establish a system of care that provides, manages, and monitors services for individuals with traumatic brain injuries; makes effective and affordable treatment and rehabilitation programs available; and provides support programs for family members and caregivers.

Your Committee has amended this bill by deleting the appropriation to the Traumatic Brain Injury Trust Fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2160, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2160, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3236

Ways and Means on H.B. No. 2418

The purpose of this bill is to reform the laws regarding certificates of identification (popularly known as "state IDs").

Specifically, this bill makes the certificate holder's birthday the expiration date, reduces fees for persons sixty-five years old or older and allows them to renew their certificates by mail, and authorizes the Attorney General to allow persons with physical or mental disabilities to renew their certificates by mail.

Your Committee finds that having had all certificates of identification expire on December 31, 1999, created undue hardship for certificate holders as well as the Attorney General's office. Your Committee finds that having expiration dates coincide with the certificate holders' birthdays will facilitate more efficient processing of renewals.

Furthermore, your Committee finds that the renewal crisis also highlighted the hardships faced by the elderly and disabled when renewing their certificates in person. This bill simultaneously helps to alleviate those problems.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2418, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kawamoto).

SCRep. 3237

Ways and Means on H.B. No. 2423

The purpose of this bill is to establish a reporting requirement for tobacco product manufacturers.

This reporting requirement will assist the Attorney General in the enforcement of the terms of the Master Settlement Agreement, codified as Chapter 675, Hawaii Revised Statutes, and does not apply to manufacturers who participated in the settlement agreement.

Your Committee finds that under the terms of legislation passed last year in accordance with Hawaii's settlement with certain tobacco manufacturers, the tobacco manufacturers who did not participate in the settlement are required to deposit payments into escrow based on the level of their Hawaii sales. To ensure that the non-settling manufacturers deposit the correct amount into escrow, the State needs a mechanism to verify the amount of tobacco products sold by them in Hawaii. This bill provides that mechanism.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2423, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3238 Ways and Means on H.B. No. 2646

The purpose of this bill is to make general amendments to the Hawaii Probate Code and the Uniform Trustees' Powers Act.

Specifically, the bill authorizes trustees to split a trust into separate trusts; applies the antilapse provisions presently applicable to wills to revocable living trusts providing for distribution upon the settlor's death; includes trusts in a provision making anti-contest provisions unenforceable where the contest was reasonable; changes the procedures for disposition of unclaimed assets; provides for apportionment of expenses connected with estate taxes; and raises the financial ceiling for small estates from \$60,000 to \$100,000.

Your Committee finds that these provisions will provide more flexibility in the administration of trusts and estates. They will also allow trustees and others to be more responsive and efficient in their duties.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2646, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3239 Ways and Means on H.B. No. 2653

The purpose of this bill is to waive court filing fees for crime victims seeking civil enforcement of orders against convicted defendants to make restitution to the victims.

Your Committee finds that this measure is necessary to remove unintended barriers to a victim's recovery of restitution in civil proceedings. Without this measure, victims are apparently subject to filing fees in both District and Circuit courts.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2653, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Chun, D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3240 Ways and Means on H.B. No. 1909

The purpose of this bill is to allow the Department of Land and Natural Resources to issue new long-term leases for lessees of property on Banyan Drive in Hilo. The purpose is also to require the Auditor to identify the ceded lands and coordinate the resolution of issues involving the ceded lands.

Your Committee finds that the lessees on Banyan Drive are in a unique situation in that the fifteen Banyan Drive lessees comprise the majority of resort accommodations in Hilo. As the current leases draw to a close, there is little incentive for the lessees to maintain their properties without a guarantee of a lease. Failure to maintain the properties will lead to a deterioration of Hilo's tourist accommodations and will have a negative impact in general on the county. Your Committee finds that there are sufficient safeguards in the bill to ensure that the State will receive the benefit of an increased value in the properties if there is a demonstrated demand for the land during the negotiation process.

Your Committee also finds that the ceded land situation needs to be resolved. Identification of the lands and comprehensive inventory and mapping of the lands are crucial to a fair and equitable solution to the issues involving the ceded lands. Your Committee finds that the Auditor, with the assistance of the Department of Land and Natural Resources, can handle this complex and necessary task.

Your Committee has amended this bill by making the amount of the appropriation to the Auditor blank for the purposes of promoting further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1909, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1909, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3241 Ways and Means on H.B. No. 1939

The purpose of this bill is to enable the Kahoolawe Island Reserve Commission to hire its own attorneys.

Your Committee finds that the legal needs of the Commission in areas that are specialized and technical necessitates granting it the flexibility of retaining attorneys other than those assigned by the Department of the Attorney General. This type of flexibility will allow speedy response to legal questions and better enable the Commission to perform its duties with dispatch.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1939, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (D. Ige, M. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3242 Ways and Means on H.B. No. 2309

The purpose of this bill is to authorize a land exchange in the North Kona area of the Big Island of Hawaii between the State of Hawaii and Earl E. Bakken.

Your Committee finds that this land exchange involves swapping a nine-acre parcel of public land inland of Kiholo Bay, North Kona, Hawaii, identified as part of TMK (3) 7-1-02:08 for private lands located on the coast of Kiholo Bay, identified as TMK (3) 7-1-02:02. Your Committee finds that this land exchange is beneficial to the citizens of Hawaii for the following reasons:

- (1) Acquiring the lands along the coast will protect an area of cultural, environmental, and historical importance;
- (2) The coastal area and Kiholo Bay itself will extend the public recreational resources along the shoreline and consolidate public lands from mauka to the shore; and
- (3) The marine ecosystem will be protected--from the area of the black sand beach, including anchialine pools, to a major feeding and resting area for the protected green sea turtles in the sea.

Your Committee finds that Mr. Bakken will also benefit from the exchange, because the inland parcel is adjacent to the Bakken single-family residence and can be used for a caretaker's residence.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2309, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3243 Ways and Means on H.B. No. 2573

The purpose of this measure is to authorize the deposit of all moneys collected from lessees of public lands in industrial parks as well as administrative charges collected under chapter 183C, Hawaii Revised Statutes, into the special land and development fund and to authorize additional uses for the fund.

Specifically, the bill authorizes use of special land and development fund moneys to establish debt service and pay debt service on revenue bonds issued by the Department of Land and Natural Resources and to reimburse the general fund for debt service on general obligations bonds issued for certain Department of Land and Natural Resources projects. The measure also repeals the industrial park special fund, transfers the fund balance into the special land and development fund, and appropriates funds from the special land and development fund to carry out the special land and development fund's purposes.

Your Committee finds that consolidation of the special funds will provide more efficient fiscal management and result in savings for the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2573, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3244 Ways and Means on H.B. No. 2574

The purpose of this measure is to authorize the deposit of moneys collected for mineral and water rights into the special land and development fund. It also authorizes the use of the special land and development fund for the protection, planning, management, and regulation of water resources.

Your Committee finds that the economic conditions of the State in recent years have resulted in budget cuts to the Commission on Water Resource Management, funded primarily by general fund revenues. Because the special land and development fund provides approximately six per cent of the Commission's funding, authorizing a new source of revenue for the special land and development fund that can be spent to protect and manage water resources will aid the Commission in fulfilling its responsibilities to sustain the State's limited water resources.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2574, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Buen, D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3245 (Majority) Ways and Means on H.B. No. 101

The purpose of this measure is to allow certain retired state employees to buy back membership service credit in the Employees' Retirement System.

Specifically, this bill allows employees who were on temporary loan to the Civilian Defense Agency in 1942 to do fingerprint classification work to buy back membership service credit from the Employees' Retirement System at the pre-retirement rate of compensation if the retirant applies for the service credit prior to December 31, 2000.

Your Committee finds that when Hawaii and the United States were drawn into World War II, there were some individuals who, while employed by the Territory of Hawaii, were temporarily hired or on loan to other agencies such as the Civilian Defense Agency to help in fingerprint classification. After returning to their regular jobs, these employees were given the opportunity to buy back these months for credited service in the Employees' Retirement System; however, there were some employees who were not adequately informed of this right. As a consequence, when these individuals retired, they received less service credit and hence, reduced retirement benefits. This measure was introduced to help rectify the situation for these individuals to allow them to buy back their lost months of temporary hire that occurred during World War II.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 101, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, 1 (Chun). Excused, 3 (D. Ige, Iwase, Taniguchi).

SCRep. 3246 (Majority) Ways and Means on H.B. No. 1883

The purpose of this bill is to require large electric utility companies to generate or purchase electricity derived from wind, solar energy systems, biomass, including waste-to-energy and landfill gas recovery, geothermal resources, hydropower, or organic wastes, including refuse-derived fuel.

The requirement to generate or purchase electricity derived from renewable energy (e.g., solar energy systems) applies to electric utility companies with sales of more than 400,000,000 kilowatt-hours of electricity per year.

In addition, this bill:

- (1) Allows renewable energy credits to be accumulated, sold, or exchanged by electric utility companies that generate or purchase electricity derived from renewable energy;
- (2) Requires the Public Utilities Commission to establish a program to issue, record, certify, audit, and monitor the sale and exchange of renewable energy credits;
- (3) Allows the Public Utilities Commission to impose administrative penalties and adopt rules to enforce this bill and to carry out its purposes; and
- (4) Allows citizen suits to be brought against electric utility companies, renewable energy generators, and the Public Utilities Commission to enforce this bill.

Your Committee finds that this bill will reduce the State's reliance on fossil fuels for the generation of electricity, all of which must be shipped to the islands at great expense to consumers and at great risk to the environment.

Your Committee has amended this bill by narrowing the definition of "renewable energy generator" to mean a facility (rather than the owner of a facility) that produces electricity from renewable energy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1883, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1883, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, 5 (Buen, M. Ige, Iwase, Tam, Anderson). Excused, 1 (Kawamoto).

SCRep. 3247 Ways and Means on H.B. No. 1884

The purpose of this bill is to require the Public Utilities Commission to study the feasibility of implementing a net energy metering program in Hawaii.

The bill further provides that as part of this study, the Public Utilities Commission is to gather data on the Department of Education's use of net metering in its renewable energy demonstration project, including historical data, metering methods, a rate structure, and interconnection and safety issues, and a cost-benefit analysis. The Department of Education is to assist the Commission in its study by sharing its information on net metering. The Commission is required to submit interim and final reports to the Legislature before the 2001 and 2002 regular sessions.

Your Committee finds that new and improved technologies have made it possible for small-scale renewable energy systems to be put into use safely and reliably by customer-generators, such as homeowners and small businesses. Your Committee finds that net metering will help to further the use of renewable energy systems in Hawaii, thereby enhancing economic growth and offsetting Hawaii's reliance on imported fossil fuels, as well as encouraging private investment in renewable energy resources. Your Committee finds that this bill will help to advance the State's knowledge and understanding of net metering systems.

Finally, your Committee finds that the blank effective date on this measure does not render the bill defective. The bill will simply take effect upon approval, or on the date that the Governor allows it to take effect without his signature.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1884, H.D. 2, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Taniguchi).

SCRep. 3248 Ways and Means on H.B. No. 2468

The purpose of this bill is to clarify how consumer complaints concerning public utilities are handled.

Specifically, the measure provides that the Consumer Advocate shall counsel consumers who have complaints before the Public Utilities Commission and directs the Public Utilities Commission to provide a central clearing house of information on consumer complaints and inquiries concerning public utilities.

Your Committee believes that the clarification provided by this measure will assist consumers in effective and efficient resolution of public utility issues.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2468, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, D. Ige, Iwase, Taniguchi).

SCRep. 3249 (Majority) Ways and Means on H.B. No. 2314

The purpose of this bill is to modify certain provisions of the Hawaii Hurricane Relief Fund law.

Specifically, this bill:

- (1) Clarifies that the fund will not assess property and casualty insurers on their gross direct written premiums for property insurance if the insurers offer the standard extended coverage endorsements on commercial or residential property; and
- (2) Terminates coverage for commercial property.

This bill also requires the Hawaii Hurricane Relief Fund to set aside funds to provide policyholders with matching grants to install hurricane damage mitigation devices.

Your Committee finds that this measure will ensure fairness in the assessment process and reduce potential liabilities of the Hawaii Hurricane Relief Fund.

Your Committee has amended this measure by changing the effective date to January 1, 2011 to ensure continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2314, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2314, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, 1 (Chun). Excused, 3 (D. Ige, Iwase, Taniguchi).

SCRep. 3250 Ways and Means on H.B. No. 2218

The purpose of this bill is to require the Insurance Commissioner to use ten per cent of all revenues of the captive insurance administrative fund from the prior fiscal year to promote Hawaii as a domicile for captive insurance companies.

Specifically, the bill requires the Commissioner to transfer ten per cent of the prior fiscal year's revenues from the captive insurance administrative fund to the insurance regulation fund.

Your Committee has amended this measure by requiring the Commissioner to transfer up to ten per cent of those revenues, instead of requiring the full ten per cent.

Your Committee believes that this clarification of the language is necessary to allow the Commissioner to respond to promotional needs in an appropriate manner.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2218, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2218, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Taniguchi).

SCRep. 3251 Ways and Means on H.B. No. 2188

The purpose of this bill is to extend the sunset date of the Hawaii Small Business Regulatory Flexibility Act and the Small Business Defender position from June 30, 2002, to June 30, 2006.

Your Committee finds that extending the sunset date for these provisions will help to ensure flexibility and accountability in the rulemaking process and promote the interests of Hawaii's small businesses.

Upon further consideration, your Committee has amended this bill by changing the effective date from upon its approval to July 1, 2000, in order to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2188, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2188, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Taniguchi).

SCRep. 3252 Commerce and Consumer Protection on H.B. No. 1387

The purpose of this measure is to modify the composition of the State Board of Nursing (Board).

Your Committee received testimony from the Board.

This measure would allocate the nine members of the Board as follows:

- (1) Six would be registered nurses, one of whom would be recognized as an advanced practice registered nurse in this State;
- (2) One would be a licensed practical nurse; and
- (3) Two would be public members.

Current law provides for five registered nurses, two licensed practical nurses, and two public members. The intent of this measure is to provide for representation of advanced practice registered nurses on the Board.

Your Committee finds that advanced practice registered nurses should be included on the Board because they are specified by statute as deserving of special recognition in licensure. In addition, advanced practice registered nurses would bring another perspective, and greater education and expertise to the Board.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1387, H.D. 2, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3253 Commerce and Consumer Protection on H.B. No. 2005

The purpose of this measure is to clarify the definition of reverse mortgage loan.

Your Committee received testimony from the Regulated Industries Complaints Office, Mortgage Bankers Association of Hawaii, Hawaii Bankers Association, and Hawaii Financial Services Association.

This measure adds to the definition of reverse mortgage loan that the loan:

- (1) Be a nonrecourse loan;
- (2) Provide cash advances to the borrower based on the equity or the value of the borrower's residence;
- (3) Require no payment of principal or interest until the entire loan comes due; and
- (4) Be made by a licensed or chartered lender.

Your Committee finds that the amendments to the definition are reasonable and do not alter the existing practices.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2005, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3254 Commerce and Consumer Protection on H.B. No. 2278

The purpose of this measure is to maintain the quality of social service care provided in Hawaii.

This measure:

- (1) Allows the Director of Commerce and Consumer Affairs (Director) to enter into reciprocal licensing agreements with other states; provided that the director finds the reciprocal state's licensing requirements to be equal or greater to Hawaii's requirements;
- (2) Allows the Director to issue a license by endorsement by honoring a passing score on the Association of Social Work Boards exam; provided the requirements under section 467E-7, Hawaii Revised Statutes (HRS) are also met and that the passing score is from the examination category the other state uses to satisfy its licensing requirement;
- (3) Deletes the sunset provision for chapter 467E, HRS; and
- (4) Sets the filing deadline for applicants who have passed the Academy of Certified Social Workers examination prior to June 30, 1995 as June 30, 2000.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs, the Department of Human Services, the Department of Health, Tripler Army Medical Center, the Office of the Lead Agent of the Department of Defense, Kaiser Permanente, the National Association of Social Workers, Child and Family Services, Kahi Mohala, Aloha House Maui, Hospice Maui, Maui Memorial Medical Center, the Healthcare Association of Hawaii, and forty-three individuals.

Your Committee agrees that it is of vital importance to maintain the highest level of social service provided by social workers licensed in Hawaii and has amended the effective date of this measure to June 30, 2000.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2278, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2278, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3255 Commerce and Consumer Protection on H.B. No. 1761

The purpose of this measure is to close a loophole in the law requiring that motor carriers subject to regulation by the Public Utilities Commission (PUC) hold a valid certificate or permit issued by the PUC under chapter 271, Hawaii Revised Statutes, before advertising as a motor carrier, by expanding the prohibition against commercial broadcasting to any and all communications media.

Testimony in support of this measure was received from the Public Utilities Commission and the Hawaii Transportation Association.

Your Committee finds that this measure will update the law so that it reflects current use of the Internet as an advertising medium, and encompasses the use of any new types of broadcasting media.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1761 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 3256 Commerce and Consumer Protection on H.B. No. 2216

The purpose of this measure is to delete the requirement in the definition of uninsured motor vehicle that the claimant notify the claimant's insurer that the claimant has a legal action arising out of an accident with an unidentified motor vehicle.

Your Committee received testimony from the State Insurance Commissioner and Consumer Lawyers of Hawaii.

Your Committee finds that the current law requiring notification of the claimant's insurer within thirty days after an accident with an unidentified motor vehicle is inconsistent with the two-year statute of limitations under section 431:10C-315, Hawaii Revised Statutes. Your Committee believes that remedying the inconsistency is in the best interest of law abiding consumers.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2216 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 3257 Commerce and Consumer Protection on H.B. No. 2479

The purpose of this measure is to include as part of the refund the manufacturer pays to the consumer under the lemon law, the finance and interest charges paid on the motor vehicle.

Your Committee received testimony from the Department of Commerce and Consumer Affairs (DCCA).

According to testimony of the DCCA, Hawaii is only one of four states that expressly excludes interest charges as part of the refundable collateral or incident cost of the vehicle. This measure assures that the refund would be in an amount sufficient to purchase another new vehicle.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2479, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3258 Commerce and Consumer Protection on H.B. No. 2525

The purpose of this measure is to revise the prescription drug laws.

Your Committee received testimony in support of this measure from the Department of Health (DOH).

The intent of this measure is to:

- (1) Improve patient care by liberalizing the requirements for dispensing prescription drugs and medical oxygen, without compromising public health;
- (2) Remove refill restrictions on out-of-state prescriptions which impede access to needed prescription medications for visitors and local residents with mainland physicians; and
- (3) Clarify requirements for verification of drug prescription orders.

After hearing testimony from the DOH, your Committee is satisfied that this measure is in the best interest of the public and will not harm the public safety or welfare.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2525, H.D. 2, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3259 Commerce and Consumer Protection on H.B. No. 2425

The purpose of this measure is to ensure that projects created and established as condominium property regimes conform to the underlying county zoning provisions and development ordinances and are consistent with the purposes of adopted county land use policies and State land use law. The measure also requires that a declaration asserting conformance with county ordinances be filed according to the methods required by the bureau of conveyances and land court.

Testimony in support of this measure was received from the Office of Planning, the Real Estate Commission, and Hawaii's Thousand Friends.

Your Committee finds that this measure requires condominium property regimes to conform to county regulations yet avoids infringing upon the activities of the Housing and Community Development Corporation of Hawaii and other state agencies which may be exempted specifically under the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2425, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 3260 Commerce and Consumer Protection on H.B. No. 2846

The purpose of this measure is to clarify the responsibilities and obligations of associations of apartment owners (AOAOs) and lessees in lease rent renegotiations.

Testimony on the measure was received from the Hawaii Council of Associations of Apartment Owners, Hawaii Leaseholders Equity Coalition, Monarch Properties, Inc., Anderson and Neeley, and an individual.

In 1993, the Legislature authorized the sale of leased fee interests to individual lessees owning units in a condominium or cooperative project. Subsequently, some condominium units underwent a lease-to-fee conversion, while others did not, resulting in condominium projects with mixed ownership.

The problem presented by mixed ownership in a building arises when association members with a leasehold interest must renegotiate their lease rents. For many projects, neither the lease documents nor the condominium documents specify who is responsible for conducting or paying for the lease renegotiations. Association members who have converted their lease interest to fee object to the use of association funds to pay for renegotiation when the process only benefits those association members with a leasehold interest, and the conflicting interests of association members have resulted in litigation.

This measure addresses these unresolved issues arising out of the lease-to-fee conversion law by requiring that AOAOs represent apartment owners in lease rent negotiations and that the costs of renegotiation be assessed against the lessees only, and not against AOAO members who own their fee. Designating the AOAO as the lessees' representative will result in more efficient and equitable negotiations, place the lessees in a more favorable bargaining position, and should result in the lowest negotiation costs to lessees on a per unit basis. Further, by requiring an assessment against lessee members for the costs of renegotiation, this measure protects the interests of non-lessee members in association funds.

Your Committee finds that the proposed law should not apply where the lessees are able to organize all of the lessees subject to lease renegotiation and can raise the funds to cover the costs of renegotiation. Your Committee further finds that lessees should be included in the group appointed by the AOAO board to conduct the lease renegotiation, and that AOAO bylaws permit a board to levy additional assessments for interest, penalties, and late charges against those lessee members who fail to pay their assessments to cover the costs of renegotiation.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2846, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3261 Commerce and Consumer Protection on H.B. No. 2480

The purpose of this measure is to facilitate the formation of limited liability partnerships (LLPs) in Hawaii.

Testimony on the measure was received from the Commissioner of Securities, Business Law Section of the Hawaii State Bar Association, and two law firms.

Current State law governing LLPs contains contradictions and anomalies that hinder interpretation and application of the law. This measure brings Hawaii's law into greater conformity with the Revised Uniform Partnership Act and with current business practices by eliminating the insurance and financial responsibility requirements and removing the prohibition against the formation of LLPs by attorneys. The elimination of these restrictions and modernization of the law will make Hawaii a more attractive LLP domicile.

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

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2480, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2480, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3262 Commerce and Consumer Protection on H.B. No. 2481

The purpose of this measure is enhance consumer protection for Hawaii investors.

The Commissioner of Securities, Business Law Section of the Hawaii State Bar Association, Investment Company Institute, and a law firm submitted testimony on the measure.

This measure clarifies the authority of the Commissioner to:

- (1) Suspend an application or registration and limit or impose conditions on a registrant's activities;
- (2) Permit a broker-dealer or investment adviser to register a successor entity;
- (3) Pursue an ongoing or new action against an applicant or registrant;
- (4) Sanction parties for a failure to supervise; and
- (5) Exempt Canadian dealers servicing Canadian citizens vacationing in Hawaii from the requirements of the Uniform Securities Act (Act).

Your Committee finds that these amendments to the Act will enable the Commissioner to better protect consumers and administer the Act with greater efficiency and effectiveness.

Your Committee has amended the measure by making technical, nonsubstantive amendments to accurately reflect existing statutory language and for purposes of consistency and style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2481, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2481, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3263 Commerce and Consumer Protection on H.B. No. 2483

The purpose of this measure is to facilitate the formation of new businesses in the State.

The Commissioner of Securities, Business Law Section of the Hawaii State Bar Association, and a law firm submitted testimony on the measure.

This measure establishes greater uniformity between Hawaii's laws and the laws of other states governing business registration requirements and procedures. More specifically, the measure:

- (1) Eliminates the requirement that directors, officers, managers, and partners disclose their residence addresses;
- (2) Makes optional the requirement of publication upon the involuntary or voluntary dissolution of a domestic corporation or the withdrawal of a foreign corporation;

- (3) Eliminates the fee for the filing of a statement of resignation of agent for service of process and reduces the fee for bulk filings of certain documents;
- (4) Establishes additional requirements for articles of merger that are a plan of merger;
- (5) Clarifies that reinstatement applies only to domestic limited liability partnerships (LLPs);
- (6) Clarifies the type of information required to be included in articles of incorporation and in annual reports of professional corporations;
- (7) Conforms procedures for the restatement of articles of incorporation for foreign nonprofit corporations to the procedures for foreign for-profit corporations; and
- (8) Organizes the laws governing amendment and restatement for LLPs consistent with the organization of the office corporation laws.

Your Committee has amended this measure by making technical, nonsubstantive amendments to reflect existing statutory language and for style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2483, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2483, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3264

Commerce and Consumer Protection on H.B. No. 2017

The purpose of this measure is to establish an "open border" policy regarding out-of-state collection agencies collecting debts in Hawaii.

Testimony on the measure was received from the Department of Commerce and Consumer Affairs (DCCA), Legal Aid Society, Hawaiian Collectors Association, Inc., numerous collection agencies, and three law firms.

This measure allows out-of-state collection agencies to operate in Hawaii without a license under the status of an exempt out-of-state collection agency. The requirements for an exempt out-of-state collection agency include registration, verification of licensure in another state that requires a bond and does not require licensure of Hawaii collection agencies operating within the other state's borders, an agreement to comply with State laws prohibiting certain collection practices, and payment of fees. An exempt out-of-state collection agency may only collect debts on behalf of an out-of-state creditor and effect collection through interstate communications, such as telephone, facsimile, or mail.

Your Committee finds that other states permit an out-of-state collection agency to conduct interstate collections within their borders provided that the agency's domicile extends the same privilege to collection agencies outside the state. Therefore, this measure facilitates the operations of Hawaii collection agencies in other states by granting reciprocal privileges to collection agencies domiciled in those states.

Your Committee further finds that exempt out-of-state collection agencies will be under the jurisdiction of DCCA and the Regulated Industries Complaints Office. Therefore, injured consumers will have recourse against out-of-state agencies for misconduct under the unfair and deceptive practices provisions of sections 443B-15 to 443B-19, Hawaii Revised Statutes (HRS), and chapter 480, (HRS), in addition to being able to enforce their rights under the federal Fair Debt Collection Practices Act.

Your Committee has amended this measure by:

- (1) Requiring an exempt out-of-state collection agency to maintain an office in the State and to designate a principal collector, pursuant to section 443B-6, HRS; and
- (2) Inserting a defective effective date of July 1, 2050, for the purpose of continuing discussions on this measure in conference committee.

Your Committee also made technical, nonsubstantive changes to reflect existing statutory language and for clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2017, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2017, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 3265 (Joint) Commerce and Consumer Protection and Education and Technology on H.B. No. 2585

The purpose of this measure is to facilitate electronic commerce in the State.

Testimony on the measure was received from the Office of the Lieutenant Governor, Department of Commerce and Consumer Affairs, Department of Accounting and General Services, Governor's Special Advisor on Technology Development, Hawaii Commission on Uniform State Laws, American Council of Life Insurers, State Farm Insurance Companies, Hawaii Insurers Council, and Hawaii Technology Trade Association.

This measure adopts the Uniform Electronic Transactions Act (UETA) which establishes the legal validity of electronic records, signatures, and contracts. The UETA was promulgated by the National Conference of Commissioners on Uniform State Law in 1999 and represents the first national effort to provide uniform rules governing transactions in electronic commerce.

The Act does not mandate the use of electronic signatures or records, but establishes procedural guidelines for their use, and only applies when parties have agreed to an electronic transaction. Adoption of the UETA will help to move forward the governor's high tech initiatives, including the Access Hawaii Portal, and will make it easier for companies to do business in Hawaii.

Your Committees note that UETA authorizes the states to prohibit the use of electronic transactions in certain types of transactions. This measure is modeled after the California version of the UETA, which was the first UETA enacted in the nation, and which differs from the final model approved by the Uniform Law Commissioners that has been adopted in other states. The California legislature, in response to the concerns of consumer groups, adopted a more restrictive version of UETA than the final version approved by the Uniform Law Commissioners.

Your Committees find that exceptions to the UETA should be narrowly defined so as to facilitate the free flow of commerce and to allow parties who agree to use an electronic transaction to avail themselves of a more convenient and expeditious method of conducting business. Therefore, your Committees have amended this measure by:

- (1) Deleting provisions establishing and referencing exceptions to the Act in section -3 of the new chapter; and
- (2) Making a technical, nonsubstantive amendment.

Your Committees further find that continued discussion of this measure is necessary in order to develop a law that does not unnecessarily restrict the use of electronic transactions and that is consistent with the final version of UETA. Therefore, while language in the measure relating to exclusions from the Act has been deleted, it is your Committees' intent, once the scope of the exclusions contemplated by the final version of the Act has been clarified, to insert into the measure an appropriate exclusions provision during conference committee.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Education and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2585, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2585, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Bunda, Chumbley, Hanabusa, Ihara, Matsunaga).

SCRep. 3266 Judiciary on H.B. No. 2528

The purpose of this measure is to increase the penalties for violations of Hawaii's water protection laws.

Currently, penalties are assessed daily despite the number of violations. This measure increases the penalties by assessing them per violation per day. Your Committee is in agreement that stringent penalties will deter violations.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2528, H.D. 2, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 3267 Judiciary on H.B. No. 1982

The purpose of this measure is to update State law regarding the disclaimer of property interests by enacting the Uniform Disclaimer of Property Interests Act (UDPIA).

The State Commission to Promote Uniform Legislation submitted testimony on the measure.

Disclaimers are used to reallocate interests in estates, trusts, and other types of property interests allocated at death, and are often used to obtain more favorable tax treatment. This measure adopts the Uniform Disclaimer of Property Interests Act (1999) which replaces three separate disclaimer acts promulgated in 1978, including an earlier version of the UDPIA. The UDPIA authorizes the making of disclaimers, specifies the type of interests that may be disclaimed, and establishes when disclaimers are effective and the effects of a disclaimer on the distribution of the disclaimed property interest. Additionally, the Act clarifies that trustees and other fiduciaries may use disclaimers, powers of appointment may be disclaimed, and unfair distributions of interests are avoided when disclaimers are used.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1982 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 3268**Judiciary on H.B. No. 2148**

The purpose of this measure is to establish consistency between the penalty provisions relating to motor vehicles and the penalty provisions relating to motorcycles and motor scooters.

Your Committee received testimony in support of this measure from the Insurance Commissioner, Office of the Public Defender, and Consumer Lawyers of Hawaii.

The motor vehicle insurance code permits a driver operating a motor vehicle without insurance to raise a good faith defense based on lack of knowledge or proof of insurance. The motorcycle and motor scooter insurance code contains no such defense. Your Committee finds that this disparate treatment in the law for identical conduct is inequitable and is more likely the result of oversight than deliberate disparagement. This measure would make the laws consistent by establishing a good faith defense for the operators of motorcycles and motor scooters.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2148 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 3269**Judiciary on H.B. No. 2474**

The purpose of the measure is to conform state law to federal law with respect to permitting felons to engage in the business of insurance.

Testimony in support of the measure was received by the Insurance Commissioner.

Your Committee finds that federal law requires a person convicted of a felony to request the consent of the insurance commissioner to conduct the business of insurance. Hawaii State law has no similar requirement. This measure would conform state law to federal law by requiring a person convicted of a felony to request the insurance commissioner's written consent before engaging in the business of insurance.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2474, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 3270**Judiciary on H.B. No. 2349**

The purpose of the bill is to maintain the cost savings associated with the covered loss deductible and accountability of reckless drivers under the 1997 motor vehicle insurance reforms (Act 251, SLH 1997).

The covered loss deductible reduces medical costs by deducting a claimant's medical expenses from a liability recovery. This discourages unnecessary medical treatment, since greater medical expenses result in a greater reduction of the liability award. Savings accrue to both PIP (medical) and BI (bodily injury) liability coverage components of the motor vehicle insurance policy.

Drivers who engage in particularly reckless conduct, such as drunk driving, criminal conduct or intentionally causing injury or damage are held accountable for the full damages inflicted upon others. They do not get the benefit of the covered loss deductible under current law.

This measure is intended to assure that the additional costs, that result because the covered loss deductible does not apply, is paid by the reckless driver and not passed on to consumers in the form of higher premiums. Insurers are given the right to recover the

amount of the covered loss deductible directly from the reckless driver to both maintain cost containment as well as hold particularly reckless drivers accountable for their conduct.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2349, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 3271 Judiciary on H.B. No. 1757

The purpose of this bill is to eliminate the trailer exemptions from prohibitions on consumption or possession of alcohol in motor vehicles.

Your Committee finds that passage of this bill will ensure that Hawaii laws comply with federal TEA-21 standards. Failure to repeal the trailer exemptions will result in the loss next year of approximately two million dollars in federal highway funds.

Testimony in support of this measure was submitted by the Department of Transportation and the Honolulu Police Department.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1757, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Tanaka).

SCRep. 3272 Judiciary on H.B. No. 2469

The purpose of this bill, as received by your Committee, is to allow the Director of Commerce and Consumer Affairs to delegate the Director's subpoena power.

Your Committee finds that the department's regulatory authority under various provisions of law may require that the Director, from time to time, issue subpoenas to compel testimony or documents during investigations conducted by the department. While your Committee acknowledges that placing such authority solely with the Director may be cumbersome, your Committee also believes that such authority should not be delegated further than the Deputy Director of the department who would otherwise act on behalf of the Director.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs.

Upon further consideration, your Committee has amended this measure to allow the Director to delegate subpoena authority to the Deputy Director.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2469, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2469, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 3273 Judiciary on H.B. No. 2129

The purpose of this bill, as received by your Committee, is to require secondhand dealers and pawnbrokers to record required information legibly, and to require that the identification shown be government issued identification, as defined.

Your Committee agrees that any written records required by law to be made should be made legibly. However, your Committee is concerned that an amendment to this particular law to specifically provide that records must be legible would imply, under the principle of *expressio unius*, that other written records required in the Hawaii Revised Statutes need not be legible. Your Committee believes that a requirement that written records be legible should be read into the statute and any similar statute, as a purported written record that is not legible is effectively not a record.

Testimony in support of this measure was submitted by the Honolulu Police Department and the Hawaii Pawnbrokers' Association.

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

- (1) Deleting "legible" as an additional requirement for written records, as your Committee believes the records are already required to be legible; and

- (2) Amending the definition of "government issued identification" to better reflect which government entities issue the identifications listed.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2129, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2129, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 3274 Judiciary on H.B. No. 2586

The purpose of this bill, as received by your Committee, is to clarify that agencies have ten working days from the date of the receipt of a request to allow examination of a personal record.

Your Committee finds that this clarification in the law will assist agencies and the public in ensuring that requests for examination of personal records are addressed in a timely manner. Your Committee further finds that the Office of Information Practices (OIP) is responsible for the enforcement of this provision, among others contained in chapter 92F, Hawaii Revised Statutes (HRS). Your Committee notes that chapter 92F, HRS, and the OIP were originally legislative initiatives, and while the legislature has amended various provisions of chapter 92F, HRS, since its creation in 1988, the OIP remains a temporary office within the office of the lieutenant governor. Your Committee agrees that because of the key function OIP serves as the citizen's advocate for access to government records, the more appropriate permanent placement of the office should be within the legislative branch rather than the executive branch.

Testimony in support of this measure was submitted by the Office of Information Practices.

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

- (1) Placing the Office of Information Practices (OIP) within the Office of the Ombudsman for administrative purposes and allowing the Director of OIP to be appointed by the legislature;
- (2) Transferring all OIP personnel and equipment to the Ombudsman;
- (3) Making an appropriation to the Office of the Ombudsman to effectuate the transfer;
- (4) Changing the effective date to allow the transfer of OIP to become effective July 1, 2000; and
- (5) Making technical non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2586, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 3275 Judiciary on H.B. No. 2820

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study on how private schools may be able to work together to create a consortium to finance the construction and renovation of educational facilities at independent, not-for-profit elementary schools, secondary schools, universities, and colleges in Hawaii.

Your Committee finds that private schools, like public schools, must maintain the buildings and facilities on their campuses. The continuous financing required for repairing and maintaining existing facilities, planning renovations, and funding capital improvement projects is challenging, especially when traditional sources of funding are limited.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2820, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 3276 Judiciary on H.B. No. 2506

The purpose of this measure is to require the Department of Human Services (DHS) to develop standards to assure the reputable and responsible character of prospective parents.

This measure includes requirements that the DHS conduct criminal history record checks and obtain affidavits from prospective adoptive parents concerning any criminal convictions.

Your Committee finds that current law does not require checks into the criminal history of applicants for adoption. The sole requirement under current law that relates to the character of the prospective adoptive parents is that the family court must be satisfied that the petitioners are fit and proper persons (Section 578-8(a), Hawaii Revised Statutes). The DHS must conduct an investigation as to the fitness of petitioners, but current law does not authorize a criminal history record check by the DHS.

This measure also allows the DHS to deny an application for adoption, based on conviction of a crime other than a traffic violation involving a fine of \$50 or less, if the DHS finds that the criminal history record of either of the prospective adoptive parents poses a risk to the health, safety, or well-being of the child. Because this provision confers authority on the DHS to deny an adoption, this measure includes a requirement that the DHS develop standards to assure the reputable and responsible character of prospective adoptive parents.

Your Committee has made technical amendments as recommended by the Department of Human Services on advice from the Attorney General to:

- (1) Delete the reference to assessment of fees by the Hawaii Criminal Justice Data Center since the DHS will pay for the fees;
- (2) Clarify the definition of "Prospective adoptive parents"; and
- (3) Delete the authorization for the Hawaii Criminal Justice Data Center to disseminate information since section 1 of the measure contains the authorization.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2506, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2506, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 3277 Commerce and Consumer Protection on H.B. No. 1938

The purpose of this measure is to facilitate interstate secured transactions.

The Hawaii Commission to Promote Uniform Legislation, City and County of Honolulu, Hawaii Insurers Council, and Hawaii Bankers Association submitted testimony on the measure.

In 1998, major changes to the Uniform Commercial Code, Article 9 - Secured Transactions, were made by the National Conference of Commissioners on Uniform State Laws. These revisions include:

- (1) Expansion of the article's scope to include different types of collateral and transactions;
- (2) Clarification regarding methods of perfecting a security interest;
- (3) Establishment of new rules that provide that the law of the state where the debtor is located governs interstate secured transactions, and that where the debtor is an entity created by registration in a state, the location of the debtor is the location in which the entity is created;
- (4) Improvements in the filing system for financial statements that include centralized filing and electronic filing;
- (5) Greater clarification of the requirements governing transactions where the debtor is a consumer; and
- (6) Establishment of new rules relating to default and enforcement that apply to secondary obligors, new forms of collateral, and transactions in which the debtor is a consumer.

As of March, 2000, adoption of Revised Article 9 has been effected in nine states, and is pending in at least twenty-five other states and the District of Columbia. By enacting this measure, Hawaii will join the majority of the states that have adopted the revised law, thereby facilitating interstate secured transactions.

Your Committee has amended this measure by:

- (1) Adding exemptions from the Article for bond issuances and other government transactions, and workers' compensation and structured settlement payments; and
- (2) Making technical, nonsubstantive amendments to accurately reflect existing statutory language and for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1938, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1938, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 3278 Commerce and Consumer Protection on H.B. No. 1773

The purpose of this measure is to reduce inefficiency and duplication in the process governing appeals from orders of the Public Utilities Commission (PUC).

A law firm submitted comments on the measure.

Currently, a motor carrier must file two appeals to the Hawaii Supreme Court in order to preserve its rights of appeal from an order of the PUC. The first appeal is required when, after the carrier files a motion for reconsideration or rehearing, no decision from the PUC issues within twenty days. Under the present law, the motion is deemed denied after the passage of the twenty-day period. The second appeal is required upon an affirmative denial of the motion by the PUC.

This measure would eliminate the need to file an appeal twice by repealing the provision that deems a motion for reconsideration or rehearing denied if the PUC fails to render a decision on the motion within twenty days. Additionally, the measure establishes a requirement that the PUC issue a determination on a motion for reconsideration or rehearing within forty-five days of the filing of the motion. These amendments to the law will make the appeals process more efficient and timely.

Your Committee has amended this measure by inserting an effective date of July 1, 3000, to facilitate further discussion and by making a technical, nonsubstantive amendment for style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1773, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1773, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Matsuura).

SCRep. 3279 Commerce and Consumer Protection on H.B. No. 2797

The purpose of this measure is to clarify the State's enforcement jurisdiction in certain health-related matters.

The Insurance Commissioner submitted testimony on the measure.

The State has been advised by the Health Care Financing Administration that in order to retain its enforcement jurisdiction over matters related to the Newborns' and Mothers' Health Protection Act of 1996 (NMHPA) and the Women's Health and Cancer Rights Act of 1998 (WHCRA), federal statutory references in the insurance code require amendment to be more inclusive. Therefore, this measure replaces certain references to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) in the insurance code provision relating to conformity to federal law with a reference to title 42 United States Code section 300(gg), et seq., which includes the provisions of the NMHPA and the WHCRA, in addition to those of HIPAA.

Additionally, this measure conforms State law to federal law by requiring that group health issuers offering health insurance coverage offer all group plans to small employer groups, and clarifies that all group health issuers are prohibited from imposing any preexisting condition exclusion.

Your Committee has amended this measure by replacing its contents with the contents of S.B. No. 2292, S.D. 1, a substantially similar measure passed earlier by the Senate, and by making additional revisions thereto. As amended, this measure:

- (1) Deletes the reference to long-term care insurance with respect to federal preemption;
- (2) In the definition of "group health issuer", corrects the statutory reference to reflect the applicable provisions of the Employment Retirement Income Security Act;
- (3) Replaces the July 1, 2000, effective date with language that makes the measure effective upon approval; and
- (4) Makes technical, nonsubstantive amendments for the purposes of clarification and style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2797, H.D. 1, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as H.B. No. 2797, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Matsuura).

SCRep. 3280 Commerce and Consumer Protection on H.B. No. 2213

The purpose of this measure is to limit the collection of any arbitration award for a tort claim covered by a motor vehicle insurance policy to the applicable liability policy limit.

Your Committee received testimony from State Farm Insurance Companies and Consumer Lawyers of Hawaii.

This measure is intended to encourage the use of arbitration in deciding tort claims covered by motor vehicle insurance policies. A defendant would be assured that the defendant's personal assets would not be applied to paying the arbitration award, if the award exceeded the limits of the liability policy.

Your Committee has amended this measure to add that the amount of the arbitration award shall not be binding on a subsequent underinsured motorist claim. This change is intended to address the situation where the amount of the tort award is insufficient and the claimant then files an underinsured motorist claim. The underinsured carrier should not be bound and thereby prejudiced by the amount of the award in the tort claim, particularly where the defendant in the tort claim would lack incentive to vigorously defend the tort claim in the knowledge that the collection of the award would be limited to the limits of the liability policy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2213, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2213, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Matsuura).

SCRep. 3281 Commerce and Consumer Protection on H.B. No. 2219

The purpose of this measure is to reorganize the provisions relating to the confidentiality of nonpublic information of captive insurance companies licensed in the State, and clarify the financial reporting requirements of captive insurers.

This measure:

- (1) Provides for the continuing confidentiality of nonpublic information submitted to the Insurance Commissioner (Commissioner) by a captive insurance company or its parent or member organizations;
- (2) Authorizes the Commissioner to disclose this nonpublic information only under appropriate circumstances;
- (3) Gives the Commissioner flexibility in determining the type of accounting methods required, and auditors that may be employed by captive insurance companies other than class 3 captives in writing their statements of financial condition;
- (4) Makes financial reporting requirements under section 431:19-107, Hawaii Revised Statutes, applicable to all captive insurers other than class 3 insurers, thereby establishing a basic standard for financial reports;
- (5) Removes the reference to class 4 captives from the paragraph exempting class 3 captives from any required filing of risk-based capital reports with the National Association of Insurance Commissioners; and
- (6) Repeals section 431:19-102.5, Hawaii Revised Statutes.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs and the Hawaii Captive Insurance Council.

Your Committee finds that this measure, which protects the confidentiality of captive insurance company nonpublic financial information while allowing for the public interest, and which gives the Insurance Commission some discretion with regard to financial reporting by captive insurance companies, will give existing and potential captive owners increased confidence in the Hawaii captive infrastructure, attract new captives, and support Hawaii's position as an industry leader.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2219, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Matsuura).

SCRep. 3282**Commerce and Consumer Protection on H.B. No. 2220**

The purpose of this measure is to establish a framework to make it easier for two captive insurance companies to merge together, or for an existing captive insurer to convert from one corporate form to another, while maintaining prudent regulatory oversight and protecting the public interest.

Testimony in support of this measure was received from the Insurance Commissioner and the Hawaii Captive Insurance Council.

Your Committee finds that this measure would help make Hawaii's captive insurance laws more comprehensive by addressing captive insurers who seek to change their corporate form after their initial licensure due to merger, acquisition, or reorganization activities.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2220 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Matsuura).

SCRep. 3283**Commerce and Consumer Protection on H.B. No. 2475**

The purpose of this measure is to require health maintenance organizations (HMOs) and mutual benefit societies to file audited statements on a timely basis and require them to file these statements in accordance with the standards set forth by the National Association of Insurance Commissioners.

Testimony on this measure was received from the Department of Commerce and Consumer Affairs (DCCA).

Your Committee finds that HMOs and mutual benefit societies act as insurers, and therefore, should fall under the regulation of the DCCA's Insurance Division as are other insurers. The measure ensures that HMOs and mutual benefit societies are subject to the same financial reporting provisions of the Insurance Code as all other insurers.

Your Committee believes that the measure will assist the Insurance Division in its duties to effectively monitor the financial solvency of such entities.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2475, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Matsuura).

SCRep. 3284**Commerce and Consumer Protection on H.B. No. 2484**

The purpose of this measure is to facilitate the incorporation of businesses in the State.

The Commissioner of Securities, Business Law Section of the Hawaii State Bar Association, American Friends Service Committee, and two law firms submitted testimony on the measure.

The Hawaii Business Corporation Act was modeled after the 1969 version of the Model Business Corporation Act. This measure updates the Act by incorporating the 1984 amendments to the Model Act. The adoption of these amendments will make Hawaii's corporation laws more consistent with the laws of other states and modern business practices, and facilitate the formation of new businesses in the State.

Your Committee has amended this measure by:

- (1) Renumbering the provisions to conform to the methodology used in the Hawaii Revised Statutes (HRS). To assist users of the new chapter in finding a counterpart Model Act provision, a new section 3 has been added to the measure to require the revisor of statutes to place a derivation table preceding the new chapter indicating the HRS section number and the Model Act number. This will be similar to the derivation table in the front of chapter 415B, HRS, the Model Nonprofit Corporations Act;
- (2) Replacing the use of the word "Director" to mean the director of commerce and consumer affairs with the words "department director" to clearly differentiate between the director of commerce and consumer affairs and the directors of corporations;
- (3) Adding Model Act language that was inadvertently left out of the measure;
- (4) Making numerous changes to reflect appropriate drafting style and for clarity; and

- (5) Inserting a defective effective date to facilitate further discussion.

Your Committee finds that the changes made by your Committee do not affect the substance of the Model Act submitted in this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2484, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 3285 Commerce and Consumer Protection on H.B. No. 2727

The purpose of this measure is to expedite the process of shipping vehicles interisland by repealing the requirement that the registered owner of a vehicle obtain written, notarized consent from the legal owner before shipping the vehicle between islands.

Testimony was submitted by Young Brothers, Limited, the Hawaii Credit Union League, and the Hawaii Bankers Association.

Your Committee finds that a financial institution, as the legal owner of a vehicle, has a reasonable interest in its security and that this interest would be put in jeopardy under this measure, as heard.

Your Committee has amended this measure to:

- (1) Retain the requirement for written consent or authorization;
- (2) Delete the requirement that the letter be notarized;
- (3) Add a requirement that any written consent or authorization be provided by the legal owner within four hours of a request by the registered owner;
- (4) Change the sunset date to July 1, 2003;
- (5) Establish a defective effective date of July 1, 2010, to further discussion on this measure; and
- (6) Make technical, nonsubstantive amendments.

Your Committee notes that by deleting the requirement for a notarized letter, the legal owner could provide this document by facsimile to the registered owner or the shipper, thereby reducing the delays that have occurred under the current law.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2727, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2727, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 3286 Education and Technology on H.B. No. 2092

The purpose of this measure is to amend chapter 304, Hawaii Revised Statutes, to request the Department of Education to adopt rules to establish the Running Start Program.

This program would allow public high school students to obtain University of Hawaii credits and high school credits simultaneously.

Testimony in support of the measure was received from Hawai'i School-to-Work, McKinley High School, Kalani High School, Kaiser High School, Farrington High School, HSTA, and four individuals. The Department of Education (DOE) submitted testimony supporting the intent but believes the measure is unnecessary. The University of Hawai'i (UH) supports the measure but asks that it be held.

Your Committee finds that in order for Hawaii to play an active role in the global marketplace, significant steps in both business and education must be taken. The Running Start program would expand educational options for public high school students by providing them with multiple options and enable them to:

- (1) Earn high school credit and college credits simultaneously;
- (2) Complete their education sooner by reducing the amount of time spent in school;

- (3) Reduce the costs of a college education; and
- (4) Make the transition to college easier by strengthening the connections between high schools and post-secondary institutions.

Overall this measure provides positive opportunities and options for students. In doing so, it would raise the bar of learning and provide an incentive for students to remain in Hawaii for their post-secondary education.

Your Committee amended this measure by:

- (1) Partially amending the definition of "eligible student" in sections 1 and 2 of the measure to mean a high school student in the eleventh or twelfth grade who:
 - (A) Has passed a standardized test administered by the college; and
 - (B) Has other qualifications deemed appropriate by the DOE and/or the UH;
- (2) Conditioning transferrability of course credits based on a student's admission to the UH campus where the credit is transferred;
- (3) Requiring every student enrolled in a college course through the running start program to remit appropriate tuition and fees to the college; and
- (4) Making technical, nonsubstantive amendments to reflect proper drafting style.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2092, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2092, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Bunda, Tam).

SCRep. 3287 Education and Technology on H.B. No. 2095

The purpose of this measure is to replace the term "vocational" with the phrase "career and technical" in chapter 305A, Hawaii Revised Statutes, and in related references.

Testimony in support of the measure was received from the Department of Education, HSTA, and Hawaii School-to-Work.

Your Committee substantially amended this measure by replacing its entire contents with an amendment to section 302A-1101, Hawaii Revised Statutes. The amendment requires the Board of Education (BOE) to invite the senior military commander in Hawaii to appoint a non-voting military representative to the BOE. The representative:

- (1) Shall advise the BOE, as part of the representative's official military duties, on state education policies and Department of Education actions affecting military personnel's family members enrolled in public schools;
- (2) Shall be guided by applicable state and federal statutes, regulations, and policies; and
- (3) May be removed by a majority vote of the BOE.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2095, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3288 (Joint) Health and Human Services and Judiciary on H.B. No. 2507

The purpose of this measure is to allow the family court, at a permanent plan hearing for child abuse cases, to dispense with a child's consent to the proposed permanent plan.

Your Committees received testimony in support of this measure from the Department of Human Services (DHS).

This measure clarifies the duties of the court in reviewing a proposed permanent plan by the DHS. The DHS is the usual agency that prepares a permanent plan for court approval in cases of child abuse. The intent of this measure is to allow the court to act in the best interest of the child by requiring the court to first consult privately with the child before it decides to dispense with the child's consent.

This measure alleviates the necessity that the child testify openly in court as to the child's preferences, which can be embarrassing, and mentally and emotionally damaging to the child.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2507 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Ihara, Levin).

**SCRep. 3289 (Joint) Health and Human Services, Transportation and Intergovernmental Affairs, and Judiciary on
H.B. No. 3018**

The purpose of this measure is to require confidentiality of the identity of the person who reports a case of child abuse to the police department.

Your Committees received testimony in support of this measure from the Department of Human Services (DHS), Office of Information Practices, Department of the Prosecuting Attorney, Hawaii State Teachers Association, and Department of Education. Testimony in opposition was received from Hale 'Opio Kauai, Inc. Opposition to section 1 of this measure was received from the Honolulu Police Department, Hawaii County Police Department, and Kauai County Police Department.

This measure also allows the reporting to be made either to the DHS or to the police department.

This measure is intended to facilitate the required reporting, by persons in certain professions, positions, and occupations, of child abuse and neglect to the police department. By keeping the reporter's identity confidential, except upon court order or with the reporter's written consent, your Committees believe that there would be more reporting of these cases. Your Committees are concerned that although reporting is mandatory, some cases are not reported for fear of divulging the identity of the reporter particularly to the perpetrator of the abuse. It is usually the police department that has direct contact initially with the perpetrator.

Current law requires a report to be made to the DHS and to the police department. Your Committees find this to be unnecessarily burdensome and could inhibit the reporting of cases. Reporting either to the DHS or to the police department would be sufficient since they usually cooperate with one another in a case of child abuse or neglect.

Your Committees have amended this measure by deleting the material on preserving the confidentiality of the identity of the reporter. Upon careful consideration, your Committees find that section 1 would have impaired the prosecutor's ability to prosecute.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Transportation and Intergovernmental Affairs and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3018, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3018, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Buen, Bunda, Levin).

SCRep. 3290 Ways and Means on H.B. No. 536

The purpose of this bill is to extend the sunset date of the Good Beginnings Alliance for early childhood education and care, which seeks to improve early childhood outcomes, to June 30, 2010.

In addition, this bill:

- (1) Increases the size of the Good Beginnings Alliance board of directors, whose members must possess knowledge of the educational and developmental needs of young children as well as the support needs of their families, by including one member representing the University of Hawaii, one member representing the American Academy of Pediatrics, one member representing the early (childhood) intervention community, one member representing an early childhood resource and referral agency, and one member representing the Head Start program; and
- (2) Increases the membership of the Good Beginnings Alliance interdepartmental council, which exists for the purpose of assisting in the implementation of the Good Beginnings Early Childhood Education and Care Master Plan, by including one member from the general business community and one member from the general philanthropic community.

Your Committee finds that this bill will continue the Legislature's effort to create a sustainable, effective, participatory coordinating structure that cuts across existing social service systems to coordinate early childhood services, without having to create a new state program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 536, H.D. 2, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Anderson).

SCRep. 3291 Ways and Means on H.B. No. 2510

The purpose of this bill is to authorize the payment of foster board allowances directly to an accredited institution of higher learning, in addition to the foster parents, when a foster child is attending the school.

Your Committee finds that this bill will allow the Department of Human Services to make direct payments to an educational institution attended by a foster child. The Department of Human Services has encountered difficulties in finding a foster parent willing to be a conduit for the foster board allowance. This bill will allow the Department of Human Services to support the child by making direct payments and will help foster children to continue their education.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2510 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (D. Ige, Iwase).

SCRep. 3292 Ways and Means on H.B. No. 2511

The purpose of this bill is to allow the Department of Human Services to employ civil service and non-civil service personnel to service Medicaid waiver programs.

Your Committee finds that waiver programs are exceptions to federal social service program initiatives with which the State must comply in order to receive federal funding. If the State desires to conduct a demonstration project that departs from federal regulations, the State must obtain a waiver in order to receive federal funding. The waiver usually is limited to a period not exceeding a specified number of years.

Your Committee finds that this bill will give the Department of Human Services greater flexibility with respect to the type of personnel needed in providing a continuum of services for eligible, disabled individuals in the Medicaid waiver home- and community-based programs as well as state-funded programs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2511, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (D. Ige, Iwase).

SCRep. 3293 Ways and Means on H.B. No. 2512

The purpose of this bill is to authorize the Department of Human Services to increase as well as reduce financial assistance payments to non-exempt households with minor dependents.

Your Committee finds that increasing assistance allowances can sometimes serve as a work incentive to enable families to become self-sufficient within the five-year time period allowed for public assistance benefits under the Personal Responsibility and Work Opportunity Reconciliation Act.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2512 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (D. Ige, Iwase).

SCRep. 3294 Ways and Means on H.B. No. 2542

The purpose of this bill is to make an emergency appropriation for the State's medicaid home and community-based care services for the developmentally disabled or mentally retarded program.

In addition, the bill increases in the State's sharing of matching funds to meet a new federal matching formula.

Your Committee finds that the additional funds appropriated in this bill will support current clients, provide for the admission of more people into the program, and address issues raised by a federal lawsuit against the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2542, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Iwase, Nakata).

SCRep. 3295 Ways and Means on H.B. No. 2524

The purpose of this bill is to lift the prohibition against selling prophylactics through coin-operated machines without a Department of Health permit.

The bill also specifies that the Department is no longer required, but is only authorized, to adopt rules and charge fees to regulate the sale of prophylactics through vending machines.

Your Committee finds that the permits serve no public health interest and impose undue burdens upon both government and the businesses regulated.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2524 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (D. Ige, Iwase).

SCRep. 3296 Ways and Means on H.B. No. 2405

The purpose of this bill is to amend the Hawaii Pesticides Law.

Specifically, this bill:

- (1) Defines "integrated pest management" to mean a sustainable approach to managing pests by combining biological, cultural, physical, and chemical tools, and nonchemical methods in a way that minimizes economic, health, and environmental risks;
- (2) Expands the definition of "pest" to include organisms that are injurious to plants, humans, domestic animals, articles or substances, or the environment;
- (3) Allows moneys in the pesticide use revolving fund to be used for the development of integrated pest management strategies and personnel;
- (4) Repeals (A) the \$250,000 cap on the revolving fund's balance and (B) the requirement that excess amounts in the revolving fund to be transferred to the state general fund;
- (5) Authorizes the Department of Agriculture to require the distinct coloration of certain pesticides through procedures for the disposal of pesticides;
- (6) Exempts from the Hawaii Pesticides Law, any pesticide that is exempted from the federal pesticides law by the Administrator of the United States Environmental Protection Agency; and
- (7) Allows the Board of Agriculture to impose administrative, rather than civil, penalties.

Your Committee has amended this bill by:

- (1) Expanding the definition of "integrated pest management" to include nonchemical methods;
- (2) Defining "nonchemical methods" to mean using mechanical means such as mowing, side cutting, weed whacking, torch burning, or hot water (steam) applications; planting weed-resistant, low-grown, ground cover, or mulching hard-to-treat areas; and utilizing community groups, adopt-a-park, and other work resources for extra hands or special projects;
- (3) Deleting the provision that expands the definition of "pest" to include organisms that are injurious to plants, humans, domestic animals, articles or substances, or the environment;
- (4) Limiting the use of moneys from the pesticide use revolving fund for personnel costs, to those employees under the registration and education section of the Department of Agriculture's pesticide branch;
- (5) Deleting the provision that repeals (A) the \$250,000 cap on the revolving fund's balance and (B) the requirement that excess amounts in the revolving fund to be transferred to the state general fund;
- (6) Requiring the Department of Agriculture to submit an annual report to the Legislature on all moneys deposited into, and disbursed from, the revolving fund according to the categories established by law; and
- (7) Authorizing the Department to require the distinct coloration of certain pesticides through procedures for the registration, rather than the disposal, of pesticides.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2405, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2405, H.D. 2, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Kawamoto).

SCRep. 3297 Ways and Means on H.B. No. 2530

The purpose of this bill is to require public notice of air pollution control matters to be published once in the affected county instead of twice.

Your Committee finds that the current requirement of a twice weekly publication appeared to have been an error in the bill that became Act 2, Session Laws of 1998. There is no need for the twice weekly publication, the elimination of which would reduce costs without harm to the public.

Your Committee has amended this bill by requiring that the notice be placed on the Department of Health's web site in an easily-locatable manner to assist the public in becoming informed of the proposed actions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2530, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2530, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3298 Ways and Means on H.B. No. 2895

The purpose of this bill is to require that environmental impact statements consider the effects of a proposed action on the cultural practices of the community and State.

Specifically, this bill amends the definition of "environmental impact statement" to require disclosure of the environmental effects of the proposed action on cultural practices of the community or State. Similarly, the definition of "significant effect" is amended to include actions that adversely affect the cultural practices of the community or State.

Your Committee finds that although the Hawaii State Constitution and other state laws mandate the protection and preservation of the traditional and customary rights of native Hawaiians, the failure to require environmental impact statements to disclose the effect of a proposed action on cultural practices has resulted in the loss of important cultural resources. Your Committee believes that this measure will result in a more thorough consideration of an action's potential adverse impact on Hawaiian culture and tradition, ensuring the culture's protection and preservation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2895, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3299 Ways and Means on H.B. No. 3021

The purpose of this bill is to prohibit the sale of gasoline containing methyl tertiary-butyl ether (MTBE) beginning July 1, 2000.

In addition, this bill establishes fines for violations of not more than \$25,000 for each separate occurrence, or in an amount equal to three times the cost of cleaning up the contamination, whichever is greater, and provides for these fines to be deposited into the emergency response revolving fund.

Your Committee finds that this bill is necessary to protect Hawaii's ground water and drinking water from contamination by MTBE. While MTBE has been added to gasoline to boost octane level and provide cleaner burning fuels, the legislature finds that MTBE, which has been reported to cause cancer in laboratory animals, has appeared in ground water in some states. Accordingly, your Committee finds that the sale of gasoline containing MTBE should be prohibited until the Environmental Protection Agency has evaluated the available information to estimate the potential cancer risk to humans whose drinking water may contain traces of MTBE.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3021, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3300 Ways and Means on H.B. No. 2289

The purpose of this Act is to redefine "medical care", "medical services", or "medical supplies" as used in the workers' compensation law to include care, services, and supplies rendered by physical therapist assistants.

Your Committee finds that this measure is necessary to ensure the compensability of such care, services, and supplies under the workers' compensation law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2289 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3301**Ways and Means on H.B. No. 2519**

The purpose of this bill is to authorize the department or agency charged with administration of flexible spending accounts (FSA) to enter into contracts necessary to establish, administer, or maintain the plan.

The bill also requires that all FSA contributions, interest earned, and forfeited balances be held in trust for the benefit of the participants and the plan.

Additionally, the bill allows the funds to be held in trust outside the state treasury and requires that the interest earned on the contributions and forfeited participant balances be used to defray administrative fees associated with managing the FSA.

Your Committee finds that the Department of Human Resources Development is in the process of implementing the FSA option for state employees effective July 1, 2000. Because of the increased record-keeping required for FSAs, the State must hire an administrator to manage the program. Because the cost for this administrator must be charged to employees enrolled in the program, your Committee finds that allowing interest earnings and participant forfeitures to be used to pay administrative costs will minimize the cost of FSAs to the employee.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2519, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3302**Ways and Means on H.B. No. 2559**

The purpose of this bill is to clarify the membership of the Workforce Development Council.

Specifically, the measure authorizes two additional Hawaii Workforce Development Council (Council) members: the Governor or the Governor's designee, and an additional private sector representative. The bill also clarifies that:

- (1) The Governor appoints two mayors to the Council;
- (2) Department heads and the two mayor members may name a designee; and
- (3) Certain Council members are ex officio voting members.

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

- (1) Changing the number of Council members from "twenty-nine or thirty-one" to "thirty-one" members; and
- (2) Changing the number of private sectors representatives from "fifteen or sixteen" to "sixteen";

to accurately reflect the composition of the Council.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2559, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2559, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3303**Ways and Means on H.B. No. 2984**

The purpose of this bill is to provide for an increase in the minimum wage from \$5.25 to \$5.75 per hour and the tip credit for tipped employees from twenty cents to twenty-two cents.

The state minimum wage has not been increased since 1993. Although Hawaii's cost of living is one of the highest in the nation, our minimum wage standard is relatively modest. A number of other states have increased their own minimum wages, some to over \$6 per hour, which significantly exceeds Hawaii's. Your Committee finds that the residents of this State need a minimum wage increase in order to meet daily expenses.

Your Committee has amended this bill by changing the amount of the tip credit to an undetermined percentage.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2984, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2984, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3304 Ways and Means on H.B. No. 2584

The purpose of this bill is to repeal certain fuel tax reporting requirements.

In particular, the bill deletes the requirement that fuel distributors submit information about the total number of gallons of fuel imported and information about the fuel distributor's inventory. This information is no longer used by the Department of Taxation.

The Office of the Lieutenant Governor and the Department of Taxation testified in support of this bill.

Your Committee finds that this bill will reduce the filing burden for fuel distributors, encouraging greater compliance, and will simplify the forms and reporting requirements for the Department of Taxation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2584 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 6 (Buen, D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3305 Ways and Means on H.B. No. 284

The purpose of this bill is to establish the Hawaii State Student Council.

Your Committee finds that secondary school students are more and more getting involved in school governance issues, solutions to student problems, and other issues that have wider societal implications. In order to facilitate these efforts, your Committee feels that an entity such as a statewide student council is both needed for and beneficial to students in grades seven to twelve. Informational exchanges among students from different schools and a statewide perspective can only help the educational efforts of the schools and the learning process of its students.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 284, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Taniguchi).

SCRep. 3306 Ways and Means on H.B. No. 2262

The purpose of this bill is to establish a commission to celebrate the one-hundredth anniversary of the arrival of Koreans in Hawaii.

Your Committee finds that Hawaii's ethnic variety is one of its cultural blessings that makes the State the unique place that it is. Immigrants who came to Hawaii a century or more ago have given Hawaii not only cultural variety, but vibrancy in foods, languages, clothing, and economic growth. Other ethnic groups have celebrated centennials in the past few years and the Korean community is now ready to celebrate its own accomplishments. This measure will make the centennial celebration possible.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2262, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Iwase, Taniguchi, Anderson).

SCRep. 3307 Ways and Means on H.B. No. 2409

The purpose of this bill is to make an emergency appropriation to the Department of Accounting and General Services to be used in support of the State's information processing services program.

Your Committee finds that the \$800,000 appropriation to the Department is necessary to offset a shortfall in the Information and Communication Services Division caused by an over-collection of federal reimbursements in fiscal years 1996-1997 and 1997-1998. Your Committee finds that the over-collection prompted the federal government to withhold current payments on federally funded programs, which, in addition to the Division's increased operating expenses, has caused the Division to fall behind in its current budget by \$800,000.

Your Committee finds that this bill is necessary to address the budget deficit while preventing the deletion of selected statewide information technology services, as well as to pursue action against the consultant who made the over-collection and hold it accountable for the resulting loss.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2409, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Iwase, Taniguchi, Anderson).

SCRep. 3308 (Joint) Ways and Means and Health and Human Services on H.B. No. 2537

The purpose of this bill is to make an emergency appropriation for the adult mental health division for the current fiscal year.

Your Committees find that the primary reason for the shortfall in funds is the need for additional services and activities to prevent the reduction or discontinuance of current and discharged patients of the Hawaii State Hospital. These services are necessary to reach compliance with the settlement agreement and other orders in the case of United States v. State of Hawaii, Civ. No. 91-00137 (DAE).

Your Committees have amended this bill by:

- (1) Changing the appropriation to \$14,039,984;
- (2) Providing that \$250,000 of this appropriation shall be set aside for process and outcome evaluations for new initiatives or programs under HTH 420 and HTH 430, to be conducted by any agency external to the Department of Health; and
- (3) Requesting the auditor to assist the legislature in assessing these reports as well as overseeing the effectiveness and efficiency of the adult mental health programs.

As affirmed by the record of votes of the members of your Committees on Ways and Means and Health and Human Services that is attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2537, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2537, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Noes, none. Excused, 1 (Kawamoto).

SCRep. 3309 Ways and Means on H.B. No. 755

The purpose of this bill is to allow Hawaiian homestead lessees to purchase the fee interests in their land for \$1 and to eliminate cash freehold agreements with respect to homestead leases.

Hawaiian homestead lessees have had problems in obtaining mortgages for their homestead lots because they only have leasehold title to the property, and the terms of the leases, pursuant to the Hawaiian Homes Commission Act, restrict alienation to relatives, leaving the lessees with little in the way of required security to obtain loans for their property.

Your Committee has amended this bill by reinstating the provisions of H.D. 1. These provisions would assist Hawaiian homestead lessees in obtaining financing to improve their leasehold properties by allowing the board of land and natural resources to consent to exempting the leases during the period of the mortgage from the restriction on the passing of the property to family members only. The bill also removes the strict passage requirements and allows the lessee to assign the property to any specified family member.

Your Committee finds that because of provisions restricting the transfer of Hawaiian homestead lots, homestead lessees have experienced difficulties in obtaining loans to renovate or replace their dwellings. These provisions need to be changed to allow the law to serve the best interests of the leaseholders.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 755, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 755, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Buen, D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3310 Ways and Means on H.B. No. 2501

The purpose of this bill is to give the Department of Hawaiian Home Lands the authority to set interest rate for loans by rule, with a baseline rate of 2 1/2 per cent.

Current law provides for an interest rate of 2 1/2 per cent for loans from the Hawaiian home loan fund, and 2 1/2 per cent or higher for other loans, as established by law. This change would establish a baseline rate of 2 1/2 per cent for all types of loans, and allow the department by rule to establish higher rates. Your Committee finds that this is a more useful and expeditious process as compared to establishing interest rates by statute.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2501, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3311 Ways and Means on H.B. No. 2504

The purpose of this bill is to transfer the power to approve the hiring of staff by Department of Hawaiian Home Lands longer than six years from the Governor to the Chairman of the Hawaiian Homes Commission.

Current law allows the Department of Hawaiian Home Lands to hire temporary staff for two year periods up to a maximum of six years. The six year maximum may be waived upon a determination that the contract employees are needed to provide critical services to the Department. Your Committee finds that this proposed change will give the Chairman the authority to retain individuals who are essential to the efficient operation of the Department, and that this authority is consistent with that provided to other departmental directors.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2504 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3312 Ways and Means on H.B. No. 2576

The purpose of this bill is to establish a Water Resource Management Fund for the Commission on Water Resource Management to use for water-related activities.

Your Committee finds that the creation of a fund for the Commission will assure it of continued funding that is not jeopardized by the annual budgetary cutbacks that have occurred over the past few years. The work of the Commission can continue uninterrupted only if it is not required to reduce services or change priorities each year to meet reduced funding. The Water Resource Management Fund will include appropriations and fees, administrative charges, fines, penalties, other moneys from public and private sources, and interest and dividend income, and will help smooth out the gradually declining budget with which the Commission has had to cope.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2576, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Buen, D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3313 Commerce and Consumer Protection on H.B. No. 2158

The purpose of this measure is to clarify that medical equipment and supplies are considered covered expenses under the personal injury protection benefits of the State's no-fault insurance law.

Testimony on the measure was received from the Department of Commerce and Consumer Affairs, the Consumer Lawyers of Hawaii, the Hawaii Chapter of the American Physical Therapy Association, and the Hawaii State Chiropractic Association.

Your Committee finds that medical equipment and supplies should be covered by personal injury protection benefits under section 431:10C-103.5, HRS, as they are medical products and contribute to the recovery of the injured party.

Your Committee believes that the measure sufficiently clarifies the intent of the existing personal injury protection law to ensure that medical equipment and supplies are considered a covered expense.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2158, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Matsuura).

SCRep. 3314 Commerce and Consumer Protection on H.B. No. 2471

The purpose of this measure is to enhance the ability of the Hawaii Insurance Guaranty Association (HIGA) to assist the policyholders and claimants of insolvent insurers.

The Insurance Commissioner and Executive Director of HIGA submitted testimony on the measure.

HIGA was created by the Legislature in 1971 to provide a mechanism for the payment of the covered claims of an insolvent insurer's policyholders or claimants. The intent of the law was to provide a "safety net" for the average consumer with homeowners' and motor vehicle insurance policies. The association is funded with assessments levied against licensed property and liability insurers in the State based on their proportionate shares of net direct written premiums, and member insurers are authorized to recoup their assessments from their policyholders through premium surcharges.

Since the enactment of the law, HIGA has been involved in nineteen insolvencies and has paid in excess of \$250,000,000 to policyholders and claimants. The possibility of future and more costly insolvencies requires that HIGA take steps to protect its resources and to limit its obligations consistent with the original purpose of the law. Therefore, this measure excludes as covered claims under the law the first party claims of insureds with a net worth over \$25,000,000, and establishes limits on the association's obligations to claimants of an insolvent insurer. Additionally, the measure makes housekeeping amendments and clarifies the powers of the association.

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

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2471, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2471, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Matsuura).

SCRep. 3315 Commerce and Consumer Protection on H.B. No. 2476

The purpose of this measure is to make several amendments to the motor vehicle insurance laws.

Specifically, the measure:

- (1) Clarifies that disputes between provider and insurer over the correct fee or procedure code are governed by section 431:10C-308.5, Hawaii Revised Statutes (HRS), which provides requirements for payment by the insurer and a negotiated resolution of the dispute; and
- (2) Creates a uniform reference to the "workers' compensation supplemental medical fee schedule".

Testimony on the measure was received from the Department of Commerce and Consumer Affairs, State Farm Insurance Companies, and the Consumer Lawyers of Hawaii.

Your Committee has amended the measure by:

- (1) Adding a section to the measure that amends section 386-79, HRS. The added section establishes a process for selecting an independent medical examination (IME) physician that requires the parties' agreement to the selection, and lacking an agreement, mandates the Director of Labor and Industrial Relations to select a physician from a list maintained by the Department of Labor and Industrial Relations. Your Committee believes that this amendment will promote judicial economy, conserve administrative resources, and streamline the resolution of workers' compensation disputes;
- (2) Establishing a cap of \$400 on IMEs conducted in motor vehicle insurance cases; and
- (3) Requiring that the IME provider in motor vehicle insurance cases be selected by mutual agreement of the parties, and failing an agreement, be appointed by the Insurance Commissioner from a list of providers maintained by the Insurance Division.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2476, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2476, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Ihara).

SCRep. 3316 Judiciary on H.B. No. 1457

The purpose of this bill is to recriminalize traffic violations involving improperly secured loads.

Your Committee finds that improperly secured load violations, as traffic code violations, are presently treated as non-criminal citations. Thus, a violator may simply pay the fine by mail, without a court appearance. However, the penalties for improperly secured load violations are graduated, with more severe penalties (including suspension of registration or license) applicable to repeat violators. A police officer citing a violator does not have immediate access to the violator's court records, and does not know whether the violator has had prior violations. The Judiciary has requested that the law be amended to allow the sentence for a violation to be determined in court, so that records can be checked and an appropriate sentence can be given under the graduated penalty scheme.

Testimony in support of this measure was submitted by the Judiciary.

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

- (1) Adding language specifying that the violation is not subject to the provisions of Chapter 291D, Hawaii Revised Statutes;
- (2) Deleting the penalty provision of suspension of vehicle registration or driver license for first time violators; and
- (3) Changing the effective date to July 1, 2000.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1457, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1457, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Tanaka).

SCRep. 3317 Judiciary on H.B. No. 1762

The purpose of the measure is to clarify the scope of entities subject to civil penalties for failing to comply with the motor carrier law.

Your Committee finds that this measure will ensure that any and all persons who engage the services of motor carriers of property or passengers are also subject to civil penalties for failing to comply with motor carrier laws.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1762 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 3318 Judiciary on H.B. No. 1491

The purpose of this bill, as received by your Committee, is to authorize the use of administrative subpoenas, thus giving law enforcement officials a more efficient way to obtain information and records from providers of electronic communications and remote computing services.

Your Committee finds that federal law permits the use of administrative subpoenas to obtain records from providers of electronic communications and remote computing services. This measure would align state law with federal law on this point, and make it easier for law enforcement agencies to conduct investigations.

Testimony in support of this measure was submitted by the Attorney General, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Honolulu Police Department. Testimony commenting on this measure was submitted by the Office of Information Practices.

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

- (1) Adding a part II that amends sections 323C-38 and 622-52, Hawaii Revised Statutes, to allow a litigant to subpoena medical records without any written authorization or court order when the records are related to a party to the litigation whose medical condition is at issue;

- (2) Changing the effective date to upon approval for part I and July 1, 2000 for part II; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1491, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1491, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Tanaka, Anderson).

SCRep. 3319 Judiciary on H.B. No. 2649

The purpose of this bill is to require that a claim of lien against a government official or employee so state in its pleading header, and that the registrar not accept such a claim unless it is accompanied by a court order. The bill also specifies that a person who submits an invalid court order in support of such a lien is guilty of tampering with a government record.

Your Committee finds that there continues to be a problem of frivolous liens placed upon government employees' real property. This measure will better balance the needs of the interested parties when a lien is sought on a government employee's property.

Testimony in support of this measure was submitted by the Judiciary and the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2649, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 3320 Judiciary on H.B. No. 2582

The purpose of this bill is to expedite the procedures required to repeal obsolete or unauthorized administrative rules.

Your Committee finds that under current law, the repeal of administrative rules that are obsolete or unauthorized requires the same process as the repeal or adoption of rules generally under Chapter 91, Hawaii Revised Statutes. Departments, therefore, focus their resources on rules of current concern rather than on clearing out obsolete rules. Your Committee believes it is appropriate to expedite the process for the repeal of rules that are obsolete or unauthorized.

Testimony in support of this measure was submitted by the Office of the Lieutenant Governor, the Department of Health, the Department of Business, Economic Development, and Tourism, the Department of Accounting and General Services, the Department of Budget and Finance, the Department of Commerce and Consumer Affairs, the Department of Labor and Industrial Relations, the Board of Land and Natural Resources, the Department of Transportation, the Department of Hawaiian Home Lands, the Board of Agriculture, the Small Business Regulatory Review Board, the Hawaii Business Roundtable, the Chamber of Commerce of Hawaii, the Small Business Economic Revival Force, the National Federation of Independent Business, Common Cause Hawaii (with a suggested amendment), Government Efficiency Teams, Inc., the Building Industry Association of Hawaii, and Jas. W. Glover, Ltd.

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

- (1) Setting the length of public notice required at 45 days;
- (2) Specifying that the notice and, if requested, hearing requirements are for the convenience of the public;
- (3) Requiring a statement of the reason for the repeal as part of the public notice required;
- (4) Requiring a public hearing be held if a written petition is filed with the agency seeking a particular repeal; and
- (4) Making technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2582, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2582, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 3321 Transportation and Intergovernmental Affairs on H.B. No. 1764

The purpose of this measure is to change the composition of the Metropolitan Planning Organization (MPO) by increasing the number of members from thirteen to fifteen, thereby adding to the MPO, the Chairperson of the Citizen Advisory Group and a member representing the private sector transportation industry in the appropriate county.

Testimony in support of this measure was received from the E Noa Corporation.

Your Committee is aware that the MPO is an advisory body to the legislature, the legislative bodies of the counties, and the appropriate agencies in carrying out transportation planning and programming for the counties, as required under federal laws and rules.

Upon further consideration, your Committee has amended the measure by deleting its contents and including instead provisions requiring the MPO to form a citizen's advisory group to present technical or other expert opinions or facts to the MPO, and a professional advisory committee composed of professionals associated with transportation on Oahu.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1764, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1764, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Iwase).

SCRep. 3322 Transportation and Intergovernmental Affairs on H.B. No. 2615

The purpose of the measure is to conform state statutes on the transportation of hazardous materials to federal regulations.

Testimony in support of this measure was received from the Department of Transportation.

Currently, the clause "hazardous waste, hazardous substances, infectious substances, and medical waste" is repeated throughout chapter 286, part XII, Hawaii Revised Statutes. This measure incorporates the clause into the definition of "Hazardous material" and deletes the repetitive clause from the chapter. This measure also amends the scope of "transport" to include storage incidental to transportation, and makes housekeeping amendments to federal citations.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2615 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Inouye, Iwase).

SCRep. 3323 Judiciary on H.B. No. 2297

The purpose of this bill, as received by your Committee, is to clarify the mandatory minimum sentence for successive convictions of abuse of a family or household member.

Your Committee finds that existing statutes do not effectively delineate degrees of severity for domestic violence offenses. Your Committee firmly believes that persons who engage in domestic abuse must face the consequences for their actions. Under existing law, most perpetrators offend repeatedly before their first conviction, and many additional times before a second or subsequent conviction. Such a delineation of degrees of severity sends a message to the repeat offender that such behavior will not be tolerated and will be treated as a serious offense.

Testimony in support of this measure, as originally received, was submitted by the Office of the Public Defender, and the Hawaii State Coalition Against Domestic Violence. Testimony in opposition to this measure, as originally received, was submitted by the Department of the Prosecuting Attorney for the County of Maui. Comments on this measure, as originally received, were submitted by one individual.

Upon further consideration, your Committee has amended this measure by deleting its contents and substituting therefor the provisions of S.B. 2153, S.D.1, which repeals the existing criminal offense of abuse of a family or household member and creates three new classes of offenses. Specifically, this measure:

- (1) Creates a felony, misdemeanor, and petty misdemeanor offense of abuse of family and household member;
- (2) Adds a two-year and five-year time limitation during which the commission of an additional offense would qualify for the more serious charge in order to address the concerns raised in light of State v. Modica, 58 Haw. 249 (1977);
- (3) Adds the elements of interference by an offender when the victim is attempting to seek assistance from emergency and law enforcement officials to the offense of abuse of a family or household member in the third degree;

- (4) Changes the period of separation from twenty-four hours to forty-eight hours to give victims additional time to seek shelter and intervention services, if necessary; and
- (5) Mandates that firearms be seized by law enforcement if they reasonably believe that the firearm or ammunition were used or were threatened to be used in the commission of an offense under this part.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2297, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2297, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 3324**Judiciary on H.B. No. 2774**

The purpose of this bill, as received by your Committee, is to resolve ambiguity in the law by clearly stating that it is a discriminatory practice to deny or attempt to deny access to or use of public accommodations to a woman because she is breast feeding a child.

Your Committee finds that current law is unclear as to whether discrimination based on breast feeding would be construed to be illegal discrimination based on sex or familial status. Your Committee further finds that this question comes up frequently when a woman seeks to breast feed her child in stores, in restaurants, and on public transportation throughout the State. Your Committee believes that this important policy question is an appropriate one for the legislature to resolve and express a position on through a clear statutory statement, which this bill provides. The health benefits of breast feeding are widely acknowledged, and Hawaii's mothers should not be unreasonably hindered in meeting the needs of their hungry infants when in a public place.

Your Committee strongly encourages the Civil Rights Commission to develop educational programs, policies, and rules to assist retail businesses, restaurants, and other places of public accommodation in understanding what actions will or will not be considered discrimination under the law as amended by this bill. Businesses will face questions of whether, for instance, asking a breast feeding woman to move from a busy aisle to a quiet corner is a reasonable request or unlawful discrimination. It is your Committee's hope that the Commission will act expeditiously to provide guidance to businesses regarding the changes in the law.

Testimony in support of this measure was submitted by the Department of Health, the Hawaii State Commission on the Status of Women, the Hawaii Civil Rights Commission, the American Civil Liberties Union of Hawaii, the Hawaii Chapter of the American Academy of Pediatrics, the Breastfeeding Promotion Council of Hawaii, the Healthy Mothers Healthy Babies Coalition of Hawai'i, Kaiser Permanente, Kapi'olani Medical Center, Kaua'i Medical Clinic, Kokua Kalihi Valley, MothersCare for Tomorrow's Children, Good Beginnings Alliance, and twelve individuals.

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

- (1) Changing the effective date to May 14, 2000; and
- (2) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2774, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2774, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

SCRep. 3325**Judiciary on H.B. No. 1933**

The purpose of this bill, as received by your Committee, is to:

- (1) Authorize the forfeiture to the Department of Commerce and Consumer Affairs of tools and similar property used in unlicensed contracting activities; and
- (2) Require reimbursement by unlicensed contractors to consumers, or payment to the Contractors Education Fund, of moneys paid to an unlicensed contractor.

Your Committee finds that unlicensed contractors, unlike licensed contractors, provide consumers no assurance that they will competently do the job for which they were hired, and often fail to complete a job or do so inadequately. Your Committee further finds that an unlicensed contractor who repeatedly and illegally takes on contracting jobs should eventually be subject to the forfeiture of equipment used on an illegal job.

Your Committee is concerned, however, that third party owners of equipment used on an illegal job should have a fair and fast process by which they can claim ownership, and have their equipment returned, when the equipment has been seized due to its use by an unlicensed contractor.

Your Committee believes that consumers who use unlicensed contractors, particularly those who do so in ignorance, should be able to recover damages when the work is incomplete or of poor quality. Your Committee does not believe that this measure forecloses consumers from seeking damages under contract law or other legal theories. However, your Committee is not convinced that consumers should be able to recover moneys paid to an unlicensed contractor regardless of whether the work contracted for is completed in a timely and competent manner.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs (with proposed amendments), the General Contractors Association of Hawaii, the Hawaii Electricians' Market Enhancement Program Fund, the Plumbers and Fitters Local 675, the Hawaii Construction Industry Association, the Subcontractor's Association of Hawaii, the Building Industry Association of Hawaii, the Laborers-Employers Cooperation and Education Trust, Consumer Lawyers of Hawaii, Hidano Construction, Pacific Resource Partnership, and the Small Business Regulatory Review Board (with proposed amendments).

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

- (1) Adding language limiting use of the forfeiture penalty to a second or subsequent offense;
- (2) Limiting the property subject to forfeiture to property directly used by a person in illegal contracting activities;
- (3) Deleting "armamentariums" from the list of items to be forfeited, because your Committee believes any medical or dental tools used in contracting work will still qualify as "tools";
- (4) Inserting a requirement that the Department of Commerce and Consumer Affairs make good faith efforts to notify, within a reasonable time period, third party owners of materials subject to forfeiture;
- (5) Reducing to 30 days the time in which the Department must issue a decision after receiving a petition for remission;
- (6) Raising the standard of evidence that the Department must meet at a forfeiture hearing from a "preponderance of the evidence" to "clear and convincing evidence";
- (7) Deleting a proposed new section which would have required an unlicensed contractor to return any money received for an illegal job to the person making the payment or to the Contractor's Education Fund, as the new section was not supported by the interested parties and those who hire unlicensed contractors have other legal remedies for incomplete or substandard performance;
- (8) Adding a section requesting the Revisor of Statutes to substitute numbers for letters used to designate new sections; and
- (9) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1933, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1933, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 3326 Judiciary on H.B. No. 1925

The purpose of this bill, as received by your Committee, is to increase from one hundred twenty days to one hundred fifty days the time within which a new election must be held if an election is invalidated by the court.

Your Committee finds that there is insufficient evidence that the current timespan is too short for a new election to be conducted. Your Committee believes that such elections should be conducted as expeditiously as possible.

Your Committee finds that the campaign spending laws could be improved by an assortment of housekeeping and substantive changes. The title of this bill is broad enough to encompass such changes.

Testimony in support of this measure was submitted by the Office of Elections.

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

- (1) Extend the time for a candidate to file the organizational report to ten days after filing nomination papers;
- (2) Add candidates for the Senate and House of Representatives into the list of offices that require electronic filing;

- (3) Require an organizational report to include a candidates web page and e-mail address, if any;
- (4) Remove a redundant requirement for a ballot issue description from the organizational report requirements;
- (5) Permit campaign funds to be used for charitable donations and ordinary and necessary expenses of office;
- (6) Allow an inadvertent excess donation to be returned to the donor, and require notification to the campaign spending commission, within 30 days;
- (7) Clarify the public funding available for the offices of governor, lieutenant governor, and mayor; and
- (8) Make technical, nonsubstantive changes to current law for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1925, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1925, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Tanaka).

SCRep. 3327 (Majority) Judiciary on H.B. No. 1836

The purpose of this measure is to provide that pregnant women are covered by the Uniform Health Care Decisions Act.

Your Committee finds that this measure repeals the exclusion from chapter 327E, Hawaii Revised Statutes (HRS), for a patient who is diagnosed as pregnant by the attending physician.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1836 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, 1 (Sakamoto). Excused, 2 (Chun Oakland, Anderson).

SCRep. 3328 Judiciary on H.B. No. 1983

The purpose of this bill, as received by your Committee, is to streamline procedures for the conveyance of real property in probate by making Land Court procedures consistent with procedures under the probate law.

Your Committee finds that this measure will establish consistent procedures between the Land Court and probate court actions and will result in reduced costs to individuals involved in the conveyance of real property. Your Committee notes that the affected entities within the Judiciary and the Department of Land and Natural Resources have consulted and agree that adopting similar procedures will result in more user-friendly government processes.

Testimony in support of this measure with amendments was submitted by the Board of Land and Natural Resources, the Committee on the Uniform Probate Code and Probate Court Practices, Title Guaranty of Hawaii, Inc. Testimony in support of the intent of portions of this measure was submitted by the Judiciary.

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

- (1) Clarifying that corrections of clerical errors may be made in the registration books of the Land Court; and
- (2) Changing the effective date to July 1, 2000.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1983, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1983, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Tanaka, Anderson).

SCRep. 3329 Transportation and Intergovernmental Affairs on H.B. No. 2906

The purpose of the measure is to require all commercial tow companies to have permanently affixed signs.

Testimony in support of the measure was received from the Hawaii State Towing Association. Oral testimony was submitted by the DCCA.

Your Committee finds that there is a need for better signage requirements for tow trucks, and that all tow trucks should be required to have insurance.

Your Committee has amended the measure by:

- (1) Deleting all references to "commercial" tow trucks due to the fact that some trucks are not considered commercial;
- (2) Inserting language requiring all tow trucks to have insurance coverage;
- (3) Clarifying that if an owner is unwilling or unable to pay an "unhooking" fee, the vehicle may be towed; and
- (4) Amending language regarding police directed tows to conform with the new section of the measure.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2906, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2906, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Buen, Bunda, Inouye).

SCRep. 3330 (Majority) Ways and Means on H.B. No. 2491

The purpose of this bill is to repeal the law that limits the price of a school lunch to \$1 per child, and to allow the Department of Education to set the price of a school lunch based on the cost of its preparation.

Specifically, this bill:

- (1) Limits the price of a school lunch to one-third the cost of its preparation, rounded to the nearest 25 cents, adjusted during the first year of the fiscal biennium; and
- (2) Requires the price of a school lunch to be based on the average cost of its preparation over the three years preceding the second year of the fiscal biennium.

Your Committee finds that the cost of preparing a school lunch is borne by the State, the federal government, and the child. Repealing the law that limits the price of a school lunch to \$1 per child will lessen the fiscal burden on the State when federal subsidies remain fixed and the cost of preparing the lunch increases.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2491, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, 2 (Buen, Tam). Excused, 3 (D. Ige, Iwase, Anderson).

SCRep. 3331 Ways and Means on H.B. No. 2521

The purpose of this bill is to clarify school health requirements.

Specifically, the measure requires the Department of Education to be responsible for providing occupational and physical therapy services for exceptional children in the public schools and clarifies documentation required for immunizations, tuberculosis clearance, and physical examinations. The bill also requires the Department of Health to adopt administrative rules to establish standards for compliance with school health requirements.

The current law concerning health requirements to enter public school is difficult to enforce, resulting in inconvenience to physicians, students, and their families. If documentation is deemed not to meet the standard of physician certification, immunizations may have to be repeated.

Your Committee finds that this bill will reduce unnecessary inconvenience without putting the health of school children or the public at risk. By requiring the Department of Health to adopt rules to establish requirements for documentation and reports required, health requirements can be enforced efficiently while continuing to protect public health.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2521, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Buen).

SCRep. 3332 Ways and Means on H.B. No. 2624

The purpose of this bill is to recodify the statutory section establishing the seed distribution program revolving fund administered by the University of Hawaii.

Specifically, this measure repeals the seed distribution program and revolving fund from title 11 on agriculture and animals and reenacts it in title 18 on education in the Hawaii Revised Statutes. Furthermore, this measure repeals the requirements that the University submit annual reports to the Department of Budget and Finance and remit sums in excess of \$70,000 to the general fund at the close of each fiscal year.

Your Committee finds that the University of Hawaii law is a more appropriate location for the seed distribution program revolving fund, since the fund is administered by the University.

Furthermore, repeal of the annual reporting and remitting of excess sums will strengthen the financial autonomy of the fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2624, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Buen, D. Ige).

SCRep. 3333 Ways and Means on H.B. No. 2760

The purpose of this measure is to amend chapter 256, Hawaii Revised Statutes, to provide clear guidance for the implementation of the college savings program and to bring the statute within the safe harbor provision of the federal tax code.

The college savings program was established by Act 81, Session Laws of Hawaii 1999, to enable families to benefit from tax incentives provided for qualified state tuition programs under the Internal Revenue Code. Under this program, money can be placed in a savings account for the purpose of meeting college expenses of a designated beneficiary. The tax benefit is that earnings in these accounts are not subject to either federal or state taxes until withdrawal for education expenses. When withdrawn, the income tax rate of the student applies, which is normally lower than the parents' tax rate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2760, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Kawamoto, Nakata, Anderson).

SCRep. 3334 Ways and Means on H.B. No. 2901

The purpose of this measure is to encourage the continued growth and development of high technology businesses and associate industries through a variety of means, including tax credits, provisions for additional sources of venture capital, continued funding for initiatives begun with Act 178, Session Laws of Hawaii 1999, marketing Hawaii as a technology friendly tourism location, and the creation of a technology investment program for small investors.

Your Committee finds that technology and related businesses have responded positively to the initiatives created under Act 178, and that this measure will continue the momentum generated as a result. Your Committee notes that the tax credits in particular have created considerable interest in the technology industry, and will enable Hawaii to attract new enterprises, such as the expanded biotechnology niche, which are included in the tax credit provisions.

Your Committee has amended this measure to:

- (1) Change the name of the program for small investors to the Hawaii Technology Investment Program;
- (2) Create a new economy trust fund to support public education, innovative projects that expand access to technology, workforce development initiatives emphasizing skills-building, and other projects designated by the legislature;
- (3) Delete the appropriations to continue various initiatives under Act 178 and incorporate the concepts of these initiatives in the new economy trust fund;
- (4) Amend the purpose section to reflect the additions and changes;
- (6) Appropriate an unspecified amount from the new economy trust fund;
- (7) Appropriate an unspecified amount to the high technology development corporation; and
- (6) Make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2901, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2901, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Buen, Chun).

SCRep. 3335 Ways and Means on H.B. No. 2311

The purpose of this bill is to clarify the selection process for procurements for professional services.

In particular, this bill:

- (1) Requires that the purchasing agency is to publish its selection criteria together with its notice inviting proposals for contracts for professional services;
- (2) Requires the screening committee designated by the head of the purchasing agency to use the following major selection criteria in descending order of importance:
 - (A) Experience and professional qualifications of its assigned staff in the project type;
 - (B) Past performance on projects of similar scope for public agencies or private industry;
 - (C) Capacity to accomplish the work in the required time; and
 - (D) Volume of work previously awarded to the person;
- (3) Allows the screening committee to add sub-criteria within each major criteria;
- (4) Requires the head of the purchasing agency to rank the persons selected based on the selection criteria;
- (5) Requires all contracts awarded to be posted electronically and, for each fiscal year, to be published statewide at least once; and
- (6) Specifies that information to be posted and published is to include the name of the person or organization receiving the award, the dollar amount of the contract, and the agency head making the selection.

Your Committee finds that the implementation of a qualifications-based system of procuring professional services and the posting of the results of such a system, as provided in this bill, will greatly assist in restoring the public's faith in government procurement practices.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2311, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Anderson).

SCRep. 3336 Ways and Means on H.B. No. 2878

The purpose of this bill is to prevent state procurement officers from requiring contractors to begin performance before the Department of Budget and Finance has approved the expenditure.

Your Committee finds that some state procurement officers have required contractors to begin performance before the contract has been approved by the Department of Budget and Finance. This requires the contractors to commit significant resources in advance of approval and to have to finance these costs for a significant period before receiving payment. Such a practice imposes an unfair hardship on the contractor and its subcontractors.

Your Committee has amended this bill by deleting the specific sections relating to requiring a notarized affidavit from the procurement officer and penalties for the lack thereof, and providing instead that a contractor shall not begin work without a written contract.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2878, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2878, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Buen).

SCRep. 3337 Ways and Means on H.B. No. 2429

The purpose of this bill is to expand the eligibility for the state rent supplement program.

The bill also authorizes the Housing and Community Development Corporation of Hawaii to raise the contribution of a tenant receiving rent supplement, up to thirty per cent of the tenant's annual income.

Your Committee finds that despite the present "buyer's market" in the housing industry, the need for shelter is still a constant concern for many island residents. State sponsored rent supplements for qualifying individuals have been very effective in preventing homelessness for the poor, the elderly, and the disabled. Budget cuts, however, have severely reduced this effectiveness and resulted in a waiting list for affordable, subsidized housing.

This bill expands the eligibility requirements for state rent supplements to allow more people to qualify for assistance.

Your Committee has amended the bill by authorizing the Housing and Community Development Corporation of Hawaii to raise a tenant's rent contribution up to a maximum of thirty per cent of that tenant's income after conducting a public hearing.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2429, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2429, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Iwase, Taniguchi).

SCRep. 3338 Ways and Means on H.B. No. 2354

The purpose of this bill is to appropriate funds for the Fiftieth Anniversary Commemoration of the Korean War Commission.

Your Committee finds that in the aftermath of every war, survivors and the families of those lost during that war, gain a measure of satisfaction that their sacrifices were appreciated by the country through a celebratory activity such as the commemoration of their military service. This measure is an attempt to extend our thanks to these military survivors of the Korean War and families.

Your Committee has amended the measure by changing the appropriation amount from \$70,000 to a blank amount.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2354, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2354, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, D. Ige, M. Ige).

SCRep. 3339 Ways and Means on H.B. No. 2643

The purpose of this bill is to increase from \$2 to \$5 the fee for a certificate of registration for a motor vehicle other than a U-drive-motor vehicle.

Furthermore, this bill repeals the requirement that the counties use the fee revenues for highway beautification activities and adds the requirement that the counties use the fee revenues to defray the costs of disposing derelict as well as abandoned vehicles. Accordingly, this bill changes the name of the revolving fund from "the highway beautification and disposal of abandoned vehicles revolving fund" to "the disposal of abandoned or derelict vehicles revolving fund".

Your Committee has amended this bill by authorizing the counties to increase the fee by ordinance to a maximum of \$5 for a certificate of registration for a motor vehicle other than a U-drive motor vehicle as long as the additional fee revenues generated by the fee increase is used to defray the costs of disposing of both abandoned and derelict vehicles.

Your Committee has further amended this bill by retaining the highway beautification purposes of the fee revenues and by renaming the revolving fund to "the highway beautification and disposal of abandoned or derelict vehicles revolving fund".

Your Committee finds that the measure as amended provides the counties with the financial resources necessary to dispose of abandoned and derelict vehicles in a timely manner.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2643, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2643, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Kawamoto).

SCRep. 3340**Ways and Means on H.B. No. 2835**

The purpose of this bill is to provide protection for Hawaii's watershed by establishing a watershed protection trust fund and a watershed protection tax.

Your Committee finds that Hawaii's watersheds are a crucial part of Hawaii's environment, as they are vital recharge areas for the underground aquifers which are the source of Hawaii's fresh water. They must be protected to ensure Hawaii's future. Fresh water is not an inexhaustible resource but must be protected, preserved, and enhanced.

Upon further consideration, your Committee has amended this bill by removing all language relating to the establishment of a watershed protection trust fund and a watershed protection tax, and inserting language appropriating an unspecified amount of funds for watershed protection to be expended by the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2835, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2835, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (D. Ige, Iwase, Nakata, Anderson).

SCRep. 3341**(Majority) Ways and Means on H.B. No. 3001**

The purpose of this bill is to resolve certain problems concerning private residential noncommercial piers.

Specifically, this bill authorizes the Board of Land and Natural Resources to lease submerged lands or lands beneath tidal waters for private residential noncommercial piers by direct negotiation, without requiring public auction or approval of the governor and authorization of the Legislature. The bill also removes the requirement that leases for sunbathing and swimming piers on public lands be open to the public with signs indicating the public's right to use the pier.

Your Committee finds that the measure will assist the Department of Land and Natural Resources in its efforts to bring piers into conformance with state laws and generate revenues for Public Land Trust beneficiaries. This measure will allow pier owners an opportunity to keep their nonconforming piers and eliminate the need for a master Conservation District Use Application, including an Environmental Assistant, providing a fair compromise for all involved parties.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3001, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, 1 (Anderson). Excused, 2 (D. Ige, Iwase).

SCRep. 3342**Ways and Means on H.B. No. 2151**

The purpose of this bill is to exempt state bonds from the perfection and other requirements of the proposed new Article 9 of the Uniform Commercial Code.

Specifically, this bill perfects any security interest created by the State of Hawaii or a state agency pursuant to any authorizing statute, by the adoption of the measure from the date on which the measure takes effect, without the need for any physical delivery, filing, or recording in any office.

In addition, this bill declares that the total amount of principal and interest on authorized general obligation bonds, estimated for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance.

Your Committee has amended this bill by updating the estimated debt limits for fiscal years 2000-2001, 2001-2002, and 2002-2003, based upon updated net general fund revenue estimates for fiscal years 1999-2000, 2000-2001, and 2001-2002, provided by the Council on Revenues on March 10, 2000.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2151, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2151, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (D. Ige, M. Ige, Iwase, Kawamoto, Nakata, Anderson).

SCRep. 3343**Ways and Means on H.B. No. 2434**

The purpose of this bill is transfer \$1 from the excess retained earnings in the Hawaii Strategic Development Corporation revolving fund to the general fund.

Your Committee has amended this bill by:

- (1) Deleting the provision to transfer \$1 from the excess retained earnings in the Hawaii Strategic Development Corporation revolving fund to the general fund;
- (2) Transferring unspecified sums from the excess retained earnings in the following special and revolving funds to the general fund:
 - (A) State risk management revolving fund, section 41D-4, Hawaii Revised Statutes;
 - (B) Works of art special fund, section 103-8.5, Hawaii Revised Statutes;
 - (C) Environmental response revolving fund, section 128D-2, Hawaii Revised Statutes;
 - (D) Irrigation system revolving fund, section 167-22, Hawaii Revised Statutes;
 - (E) Industrial park special fund, section 171-138, Hawaii Revised Statutes;
 - (F) Wildlife revolving fund, section 183D-10.5, Hawaii Revised Statutes;
 - (G) Aina hoomalu special fund, section 184-32, Hawaii Revised Statutes;
 - (H) Forest stewardship fund, section 195F-4, Hawaii Revised Statutes;
 - (I) Housing finance revolving fund, section 201G-170, Hawaii Revised Statutes;
 - (J) Rental assistance revolving fund, section 201G-223, Hawaii Revised Statutes;
 - (K) Housing alteration revolving loan fund, section 201G-342, Hawaii Revised Statutes;
 - (L) Dwelling unit revolving fund, section 201G-411, Hawaii Revised Statutes;
 - (M) Homes revolving fund, section 201G-401, Hawaii Revised Statutes;
 - (N) Hawaii development revolving fund, section 201G-421, Hawaii Revised Statutes;
 - (O) High technology special fund, section 206M-15.5, Hawaii Revised Statutes;
 - (P) Convention center capital and operations special fund, section 206X-10.5, Hawaii Revised Statutes;
 - (Q) Hawaii community-based economic development revolving fund, section 201D-4, Hawaii Revised Statutes;
 - (R) Natural Energy Laboratory of Hawaii Authority special fund, section 227D-5, Hawaii Revised Statutes;
 - (S) Storeroom revolving fund, section 302A-1304, Hawaii Revised Statutes;
 - (T) Library special fund, section 304-8.93, Hawaii Revised Statutes;
 - (U) Conference center revolving fund, section 304-8.94, Hawaii Revised Statutes;
 - (V) Hawaii opportunity program in education endowment special fund, section 304-8.95, Hawaii Revised Statutes;
 - (W) Housing assistance revolving fund, section 304-8.96, Hawaii Revised Statutes;
 - (X) University of Hawaii alumni revolving fund, section 304-8.97, Hawaii Revised Statutes;
 - (Y) State aquarium special fund, section 304-33, Hawaii Revised Statutes;
 - (Z) Libraries special fund, section 312-3.6, Hawaii Revised Statutes;
 - (AA) Hawaii registered nurse student loan fund, section 321-25, Hawaii Revised Statutes;
 - (BB) Facility administration fund, section 323-73, Hawaii Revised Statutes;
 - (CC) Mental health and substance abuse special fund, section 334-15, Hawaii Revised Statutes;
 - (DD) Water pollution control revolving fund, section 342D-83, Hawaii Revised Statutes;

- (EE) Correctional industries revolving fund, section 354D-10, Hawaii Revised Statutes;
 - (FF) Special unemployment insurance administration fund, section 383-127, Hawaii Revised Statutes;
 - (GG) Employment and training fund, section 383-128, Hawaii Revised Statutes;
 - (HH) Commissioner's education and training fund, section 431:2-214, Hawaii Revised Statutes;
 - (II) Special drivers education fund account, section 431:10C-115, Hawaii Revised Statutes;
 - (JJ) Condominium management education fund, section 514A-131, Hawaii Revised Statutes;
 - (KK) Supreme Court law library revolving fund, section 601-3.5, Hawaii Revised Statutes;
 - (LL) Criminal forfeiture fund created by section 712A-16, Hawaii Revised Statutes;
 - (MM) State educational facilities improvement special fund, section 36-32, Hawaii Revised Statutes; and
 - (NN) Irrigation system revolving fund, section 167-22, Hawaii Revised Statutes;
- (3) Allowing the Governor to modify the strict provisions of this bill so as not to jeopardize the receipt of any federal aid nor to impair the obligation of the State or any agency thereof to the holders of any bond issued by the State or any such agency; and
- (4) Making the provisions of this bill severable.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2434, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2434, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
 Ayes, 9. Noes, none. Excused, 4 (D. Ige, Iwase, Nakata, Anderson).

SCRep. 3344 (Majority) Judiciary on H.B. No. 1763

The purpose of this bill, as received by your Committee, is to require any person under the age of 18 years old to wear a bicycle helmet when operating a bicycle.

Your Committee finds that moped riders are not presently required to wear helmets. Your Committee further finds that minors without helmets are likely to be injured on a moped or a motorized scooter in the same way as on a bicycle. Your Committee believes that helmet requirements for bicycles should not be stricter than those for mopeds. Accordingly, your Committee believes the appropriate age level for this restriction should be set below the minimum driving age.

Testimony in support of this measure was submitted by the Department of Health, the Department of Transportation, the Disability and Communication Access Board, the Honolulu Police Department, the Keiki Injury Prevention Coalition, the Hawaii Bicycling League, the People's Advocacy for Trails Hawaii, and four individuals.

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

- (1) Changing the age at which the restriction applies to twelve and under;
- (2) Deleting a provision calling for joint and several liability between a minor and the minor's parent;
- (3) Rephrasing the violation as a violation by the parent or guardian of the child, rather than the child;
- (4) Deleting the incorporation by reference of equipment safety standards;
- (5) Changing the effective date to June 31, 20001; and
- (6) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1763, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1763, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
 Ayes, 5. Noes, 2 (Tanaka, Anderson). Excused, none.

SCRep. 3345

Judiciary on H.B. No. 2098

The purpose of this bill, as received by your Committee, is to allow private schools to obtain national criminal history record information on persons seeking employment in positions that place them in close proximity to children, and to require that the Hawaii Criminal Justice Data Center and the Hawaii Association of Independent Schools serve as conduits for the transfer of such information.

Your Committee finds that section 378-2, Hawaii Revised Statutes (HRS), prohibits discriminatory employment practices on the basis of a person's arrest and court record. However, section 378-2.5, HRS, permits an employer limited inquiry into and consideration of criminal conviction information, if it bears a rational relationship to the duties and responsibilities of a position for which a conditional offer of employment has been made. To further complicate matters, various exceptions presently exist in the law that either permit or mandate criminal history records checks in select instances. Furthermore, your Committee notes that the Federal Bureau of Investigation, pursuant to Public Law 92-544, will only conduct criminal history record checks if a state statute specifically authorizes a state or local government agency to conduct such searches for the purposes of employment or licensing, and is approved by the U.S. Attorney General.

Your Committee is aware that during the 2000 Regular Session, a number of bills were introduced, and requests were made, to carve out additional exceptions for criminal history record checks. Your Committee would like to highlight a few for discussion purposes:

DEPARTMENT OF HEALTH:

S.B. 2876, S.D. 1, requires the Department of Health to develop procedures for obtaining verifiable information, including criminal history record checks, regarding the criminal history of persons seeking employment with the Department, its providers, or its subcontractors. Your Committee finds that it is imperative for the Department to require criminal history record checks because of the increasing number of Felix v. Cayetano Consent Decree clients to whom the Department must provide services.

PRIVATE SCHOOLS:

H.B. 2098, H.D. 2, requires private schools, in cooperation with the Hawaii Criminal Justice Data Center, to conduct criminal history verifications of employment applicants to positions involving close proximity to children. While your Committee appreciates the efforts of the Hawaii Association of Independent Schools and the Hawaii Criminal Justice Data Center, your Committee believes that H.B. 2098, H.D. 2 is an attempt to circumvent the federal requirements of Public Law 92-544 and may jeopardize any future State of Hawaii requests for national criminal history record check information. Although your Committee realizes that the legislature can mandate that private schools conduct criminal history record checks on employment applicants, the Federal Bureau of Investigations cannot be compelled by this legislature to provide the requested information. Your Committee firmly believes that all children, regardless of where they attend school, are entitled to a safe learning environment. Therefore, your Committee strongly urges the private schools to require that all applicants submit the results of their national criminal history check as a condition of the application process as permitted under section 378-3, HRS. Your Committee heard testimony from the Hawaii Association of Independent Schools and the Hawaii Criminal Justice Data Center that any individual can submit their fingerprints to the Federal Bureau of Investigations for a criminal history record check, and that the results are released directly to the individual.

VOLUNTEERS WITH THE DEPARTMENT OF EDUCATION:

Your Committee notes that this committee, as well as the Committee on Education and Technology, has received several requests to: mandate that the Department of Education conduct criminal history record checks on persons who volunteer to provide services to the schools; or, at a minimum to require the Department of Education to access the sex offender registration information and conduct a search on the volunteers. Your Committee notes that the Department of Education already has direct access to the sex offender registration information by the Hawaii Criminal Data Center and that a website is in the process of being created to allow people more access to such information. However, your Committee agrees that a formal policy should be adopted and implemented by the Board of Education to address these concerns.

While your Committee recognizes that persons who were once convicted of an offense and have subsequently been rehabilitated deserve access to employment opportunities, your Committee also recognizes that there are many other occupations where an employer should be made aware of an applicant or employee's criminal history, especially if the employee would work closely with vulnerable populations. Your Committee strongly believes that a comprehensive review of the issue of criminal history record checks, rather than imposing requirements in a piecemeal fashion, is necessary to ensure fair and consistent application. Therefore, your Committee does not seek to establish a statewide policy at this time and intends that the contents of this measure serve only as temporary solutions.

Testimony in support of the intent of this measure was submitted by the Department of the Attorney General, the Hawaii Association of Independent Schools, and the Sex Abuse Treatment Center.

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

- (1) Deleting all provisions requiring private schools to conduct criminal history records checks;

- (2) Inserting provisions requiring the Department of Health to conduct criminal history records checks for employees, subcontractors, and providers who are in positions that necessitates direct contact with clients when providing non-witnessed direct medical, mental health, or substance abuse services;
- (3) Inserting provisions requiring the Legislative Reference Bureau to conduct a study on criminal history records checks, including a review of the legal ramifications of requiring such checks and a review of existing federal, state, and county requirements;
- (4) Adding a provision that the Legislative Reference Bureau consider the special circumstances of private school employers when reviewing the manner in which employers may conduct criminal history record checks during the requested study;
- (5) Inserting provisions requiring the Board of Education to adopt and implement a policy that requires the Department of Education to access the sex offender registration information and conduct a search for persons who volunteer to provide services to the schools; and
- (6) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2098, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2098, H.D. 2, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Anderson).

SCRep. 3346 Judiciary on H.B. No. 2087

The purpose of this measure is to require the Family Court to provide to the Department of Education (DOE) reasonable access to all juvenile records which would generally be open to the public. The Family Court is also required to provide written notice to the DOE when a minor is adjudicated or taken into custody, and meets the criteria set forth in section 571-84.6, Hawaii Revised Statutes (HRS). In addition, this measure requires that the DOE establish safeguards to protect the confidentiality of the Family Court information disclosed.

Your Committee recognizes that the incidences of school violence in Hawaii are on the rise, and that the Department of Education is tasked with the difficulty of balancing a student's educational needs with the issues of ensuring school safety. Information about students who have been adjudicated of serious acts of violence should be made available to the DOE in order to better protect the student, other students, and staff members.

Your Committee finds that section 571-84.6, HRS, already allows public access to juvenile records of a minor who has been taken into custody for committing serious acts of violence. Your Committee further finds that the process to obtain such information from the Family Court may be a lengthy and complicated one. Therefore, it is your Committee's intent that the Family Court work collaboratively with the DOE to create a more expeditious process for the release of information for education-related purposes.

However, your Committee cannot ignore the fact that the major stakeholders, mainly the Family Court and the Office of Youth Services, who would be required to implement this law were never consulted in the drafting of this measure. Thus, your Committee believes that a working group should be convened so that meaningful discussions can be conducted to address the following concerns:

- (1) The policy rationale for requiring confidentiality of juvenile records balanced against how the receipt of such confidential information will help to reintegrate the juvenile into the school environment and society;
- (2) The adverse effects on juveniles such as labeling, stereotyping, or differential treatment that could result from dissemination of such information;
- (3) The potential exposure to liability for the various government agencies who either release or receive the disclosed confidential information;
- (4) The penalties or sanctions for wrongful dissemination of the disclosed confidential information, and how such provisions will be enforced;
- (5) The additional burdens that will be placed upon the Family Court in order to effectuate the purposes of the proposed changes in section 571-84.6; and
- (6) Whether the DOE's primary responsibility of educating our children should be expanded to include rehabilitation of youthful offenders.

Your Committee heard testimony from the DOE that it is not the Department's role or responsibility to help rehabilitate the students entrusted to its care, but your Committee would like to point out that the original bill, as introduced, contained this concept of rehabilitation. Your Committee strongly believes that all interested parties need to work together for the benefit of all students, including the youthful offender.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of Education, the Department of Education Windward Oahu District, the Hawaii Association of Independent Schools, and one educator. Testimony in opposition to this measure was submitted by the Judiciary, the Office of Information Practices, the Office of the Public Defender, and Catholic Charities of the Diocese of Honolulu. The Office of Youth Services strongly urged the Committee to review this measure with great caution.

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

- (1) Deleting the requirement that the Family Court shall provide written notice to the DOE when a minor is adjudicated or taken into custody;
- (2) Clarifying that upon a written inquiry by the DOE, the Family Court shall provide the information requested within ten working days from the date the court received the request;
- (3) Mandating that the DOE convene a working group to review existing laws relating to the confidentiality of juvenile court records and the DOE's right to access the juvenile records under section 571-84.6, HRS;
- (4) Requiring that the DOE adopt rules, pursuant to chapter 91, to protect the confidentiality of the Family Court records that are disclosed;
- (5) Providing that the DOE submit its report no later than thirty days prior to the convening of the 2001 Regular Session; and
- (6) Changing the effective date of Section 1 to July 1, 2001.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2087, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2087, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Anderson).

SCRep. 3347 Judiciary on H.B. No. 1881

The purpose of this bill is to consolidate and conform offenses relating to operating a vehicle under the influence of an intoxicant.

Your Committee has under consideration two additional bills relating to operating vehicles under intoxicants: H.B. No. 2691, S.D. 1, relating to driving under the influence of drugs, and H.B. No. 2618, H.D. 2, requiring revocation of motor vehicle registrations for repeat intoxicated drivers.

Your Committee finds that there has been concern and confusion expressed over the definition of "drug" both in H.B. No. 2691, S.D. 1, and H.B. No. 1881, S.D. 1. Specifically, there appears to be the perception that the definition of "drug" is being changed and expanded in scope. Your Committee notes, however, that the definition of "drug" used in H.B. No. 2691, S.D. 1 (at page 1, line 18, through page 2, line 2), is unchanged from its present definition in section 291-7, Hawaii Revised Statutes. This present statutory language, which defines "drug" as "any controlled substance as defined and enumerated on schedules I through IV of chapter 329", was adopted by Act 221, Session Laws of Hawaii 1986. Your Committee further notes that Act 221, in fact, narrowed the scope of the term "drug". Prior to its amendment by Act 221, section 291-7 referred to "any drug" and specifically stated that the fact that a person charged under this section "is, or has been, legally authorized to use a drug shall not constitute a defense to such a charge." Accordingly, prior to Act 221, section 291-7 encompassed any drug that impaired a person's ability to operate a vehicle in a careful and prudent manner. In contrast, under the present statutory language, the drug must be enumerated on schedules I through IV of chapter 329 and must be found to impair a person's ability to operate a vehicle in a careful and prudent manner. Your Committee also notes that the definition of "drug" used in H.B. No. 1881, S.D. 1, reflects the present definition found in section 291-7, except that it includes "metabolites" of the controlled substances enumerated on schedules I through IV.

Accordingly, your Committee believes that any characterization that the use of drugs that are presently legal will be made illegal under these bills is misleading. Furthermore, given the potentially serious outcomes of impaired driving and the Legislature's efforts in recent years to reduce the incidents of impaired driving, your Committee considers it unwise to narrow the present scope of "drugs" applicable to impaired driving, absent reliable evidence that the drugs to be exempted do not impair the ability to operate a vehicle in a careful and prudent manner.

Upon further consideration, your Committee has amended this bill by consolidating it with H.B. No. 2691, S.D. 1 and H.B. No. 2618, H.D. 2. The resulting bill, H.B. No. 1881, S.D. 2, consists of four separate parts, which have different effective dates, as follows:

PART I (Sections 1-2 of the bill)

Part 1 consists of the provisions formerly contained in H.B. No. 2691, S.D. 1, which reduce the maximum jail periods for section 291-7, Hawaii Revised Statutes (DUI-drugs), and apply retroactively to restrict the right to a jury trial in pending section 291-7 cases. Your Committee has amended these provisions to ensure penalties are not increased and to eliminate the duplicative definition of "drugs". The effective date of this part is "upon approval" and it is your Committee's intent that the part apply retroactively to pending driving under the influence of drug cases under section 291-7, Hawaii Revised Statutes.

PART 2
(Sections 3-21 of the bill)

Part 2 consists of the provisions formerly contained in H.B. No. 2618, H.D. 2, relating to sanctions for repeat intoxicated drivers, including revocation of motor vehicle registrations. Your Committee finds that H.B. No. 2618, H.D. 2, was in response to section 5 of the federal TEA-21 Restoration Act, which establishes a new program under Section 164 of Chapter 1, Title 23 U.S.C., encouraging states to enact repeat intoxicated driver laws. States that do not have a repeat intoxicated driver law by October 1, 2000, must transfer 1.5 per cent of federal aid highway funds to their state's Section 402 state and community highway safety funds for the first two years. Your Committee further finds that, if this part is not enacted by September 30, 2001, the percentage of Hawaii's federal aid highway funds that must be transferred until the State meets these federal requirements will increase to three per cent.

Your Committee has amended the former provisions of H.B. No. 2618, H.D. 2, in part 2 of the bill as follows:

- (1) By changing the period during which a household member may apply for a special motor vehicle registration from 30 days to "anytime" after the effective date of the revocation;
- (2) By substituting the definitions used in the Senate companion bill (S.B. No. 2318, S.D. 2), including the definition "repeat intoxicated driver", and making conforming changes relating to the use of the term "repeat intoxicated driver";
- (3) By clarifying, with respect to the definition of "repeat intoxicated driver", the application of sanctions to a third DUI offense;
- (4) By deleting the requirement that the Judiciary return fees if the administrative revocation is reversed;
- (5) By clarifying the time for the scheduling of the administrative hearing;
- (6) By clarifying the Legislature's intent that the administrator may issue conditional driving permits only to those first-time violators subject to revocation under section 286-261(b)(1) who are not otherwise subject to license suspension or revocation or whose licenses have not expired;
- (7) By deleting any reference to a "maximum" jail term;
- (8) By changing the effective date for the provisions of part 2 to September 30, 2000; and
- (9) By making a number of technical nonsubstantive changes for purposes of style, clarity, and consistency.

PART 3
(Sections 22-36 of the bill)

Part 3 consists of the provisions formerly contained in H.B. No. 1881, S.D. 1, which consolidates, into a new chapter within the HRS, all provisions relating to impaired (alcohol or drugs) driving or boating, including provisions relating to implied consent in part VII of chapter 286 and administrative license revocation in part XIV of chapter 286. More specifically, these provisions consolidate impaired driving and boating offenses, under present sections 291-4 (alcohol), 291-7 (drugs), and 200-81 (boating), into one single offense (operating a vehicle under the influence of an intoxicant), with uniform penalties. This offense also includes the present class C felony habitual DUI (section 291-4.4).

Your Committee finds that consolidation of the habitual offense will ensure that all DUI convictions, whether under section 291-4 or 291-4.4, count as priors for purposes of sentencing. Furthermore, the provisions incorporate present drug (section 291-7) and boating (section 200-81) impaired offenses and refusal to be tested for those offenses (sections 286-157.3, et. seq., and 200-89, respectively) into the administrative license revocation provisions. Finally, the provisions incorporate boating into the "zero tolerance" law, but otherwise keeps penalties for driving with measurable amount of alcohol (section 291-4.3) or refusing to be tested (section 286-151.5) the same as in present law.

Your Committee finds that the present language used in the definition "under the influence" is confusing and imprecise, especially with reference to the phrases "impaired" and "normal mental faculties". Your Committee believes the definition should be straightforward and less subjective.

Your Committee also finds that H.B. No. 1881, S.D. 1, eliminates the impaired driving laws' application to mopeds. Accordingly, under this version of the bill, a person could never be arrested and have sanctions imposed, either under the administrative revocation process or criminally, for driving a moped while impaired due to alcohol or drugs. Your Committee notes this exemption of mopeds from impaired driving laws is a substantial change from present law that has applied impaired driving statutes to "mopeds" since the enactment of Act 222, Session Laws of Hawaii 1986. Your Committee strongly believes that to exempt mopeds from impaired

driving laws after fourteen years of including them is extremely unwise and actually will encourage persons who have been abusing substances to leave their cars behind and drive mopeds with impunity.

Your Committee has amended the former provisions of H.B. No. 1881, S.D. 1, in part 3 of the bill as follows:

- (1) By amending the definition of "under the influence" and making necessary conforming changes;
- (2) By reinstating "mopeds" under the impaired driving statutes to ensure that a person may not legally operate a moped while under the influence of an intoxicant;
- (3) By clarifying when the administrator may issue conditional permits under the administrative revocation provisions;
- (4) By adding mandatory ten days imprisonment and substance abuse treatment for a fourth or more offense, as required under section 5 of the federal TEA-21 Restoration Act; and
- (5) By making a number of technical nonsubstantive changes for purposes of style, clarity, and consistency.

The effective date of Part 3 is January 1, 2002.

PART 4 (Sections 37-41 of the bill)

Part 4 consists of miscellaneous provisions, such as sections relating to severability, Ramseyer conventions, and the effective date.

Your Committee also has amended the bill to include a new section in this part directing the Legislative Reference Bureau to propose and draft legislation prior to the regular session of 2001 as necessary to consolidate the varying statutory provisions of parts 1, 2, and 3 of the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1881, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1881, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Tanaka).

SCRep. 3348 Ways and Means on H.B. No. 1632

The purpose of this bill is to appropriate funds for fiscal year 1999-2000 to develop new markets and expand existing markets for Hawaii's papaya industry.

Your Committee has deleted the contents of this bill and replaced it with language that appropriates funds to finance the major sugar cane operations on the island of Kauai to encourage the continuation of sugar production on that island.

In particular, this bill appropriates \$5,000,000 in fiscal year 2000-2001 to be expended by the Department of Agriculture to finance sugar cane operations on Kauai. Half of that amount is to be appropriated out of the general fund to be deposited into the agricultural loan revolving fund, and the other half is to be appropriated out of the agricultural loan revolving fund for that purpose.

In addition, this bill allows the Board of Agriculture to waive statutory requirements for loans, except that interest charged is not to be less than three per cent per year simple interest; the term of the loan is not to exceed ten years; and collateral is to consist of a first lien position in rolling stocks and crops and the pledging of other assets as deemed reasonable by the Board. This bill also waives the "credit elsewhere" requirement.

Your Committee finds that although the sugar cane industry remains a vital component of Kauai's economic base, that industry is struggling to survive and is in need of financial assistance to continue operations. Because of the large scale of sugar cane operations, additional funding is urgently needed for the Department of Agriculture to carry out appropriate loan programs.

This bill will further that goal by financing major sugar cane operations on Kauai and encouraging the continuation of sugar production, thereby assisting not only Kauai but the entire State in the form of energy, agricultural, environmental, and economic benefits.

Your Committee finds this measure should also enhance the possibilities of developing a local ethanol industry.

Your Committee further finds that the appropriations made by this bill are the first necessary appropriations for this program, and that additional funding in the amount of \$5,000,000 will also be needed for the succeeding fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1632, H.D. 3, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1632, H.D. 3, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (D. Ige, Iwase, Nakata, Anderson).

SCRep. 3349**Ways and Means on H.B. No. 1846**

The purpose of this bill is to appropriate funds for the continuation of the legislatively-established Good Beginnings Alliance initiative, which seeks to improve early childhood outcomes through the development of quality early childhood education and care and related family support services.

In addition, this bill requires private sources to provide matching funds for the continued coordination and implementation of the Good Beginnings Alliance initiative.

Your Committee finds that this bill is necessary to continue the Legislature's effort to create a sustainable, effective, participatory coordinating structure that cuts across existing social service systems to coordinate early childhood services, without having to create a new state program.

Your Committee has amended this bill by increasing the sum appropriated for the continuation of the Good Beginnings Alliance from \$1 to \$2.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1846, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1846, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Anderson).

SCRep. 3350**Ways and Means on H.B. No. 2273**

The purpose of this bill is to transfer funds from the Hawaii tobacco settlement special fund to the Hawaii children's trust fund as a source of grants for child abuse and neglect prevention activities.

Your Committee finds that abuse and neglect prevention programs are more cost effective than abuse and neglect treatment programs.

Your Committee has amended this measure by changing the appropriation from \$1 to \$2 for the purpose of continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2273, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2273, H.D. 2, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Anderson).

SCRep. 3351**Ways and Means on H.B. No. 2277**

The purpose of this measure is to clarify that any expenditure of moneys by the Department of Health (DOH) of tobacco settlement moneys for health promotion and disease prevention programs shall not supplant or diminish the funding of programs by the State's general fund.

This measure clarifies your Committee's original intent in enacting chapter 328L, Hawaii Revised Statutes, providing for the disposition of the Hawaii tobacco settlement moneys, that the tobacco settlement moneys would be in addition to budgeted moneys so that there would be more funding for health programs. Your Committee believes that it would be anomalous for the State to receive a windfall of moneys intended for health programs if new and expanded health programs do not benefit from the tobacco settlement moneys.

Your Committee has amended this measure by:

- (1) Clarifying that tobacco settlement moneys shall be transferred rather than appropriated from the Hawaii tobacco settlement special fund to the three funds receiving tobacco settlement moneys, and allowing the transfers to be made without an appropriation act or budget proviso, in order to alleviate the necessity of annual legislative appropriation measures which was not the intent of the Act 304, Session Laws of Hawaii 1999, that created the various funds;
- (2) Creating the Department of Health tobacco special fund for tobacco settlement moneys received by the DOH, in order to provide consistency and convenience;
- (3) Adding specified programs to the health promotion and disease prevention programs;

- (4) Requiring the DOH to expend available moneys for each program in a proportionate amount, if tobacco settlement moneys are less than anticipated, because of the difficulty of accurately predicting the precise amounts of moneys that will be received in any upcoming fiscal year;
- (5) Allowing the selected nonprofit entity to expend moneys from the Hawaii tobacco prevention and control trust fund to implement the tobacco prevention and control strategic plan;
- (6) Revising the appropriated amounts contained in Act 304, Session Laws of Hawaii 1999, to reflect new anticipated amounts of tobacco settlement moneys for the coming fiscal year; and
- (7) Making various appropriations from the funds receiving tobacco settlement moneys.

Your Committee notes that the amounts appropriated into the three special funds are high projections, consisting of actual amounts received to date and estimates of future receipts of tobacco settlement moneys. Your Committee also notes that the various appropriations for programs are conservative amounts, based on low estimates of anticipated receipts.

Your Committee is aware that the "transfer" of moneys as provided in the amended measure could be construed as a violation of Article VII, section 5, of the State Constitution, which provides that no public money shall be expended except pursuant to appropriations made by law. However, your Committee notes that there is adequate precedent for the permissibility of these transfers, such as in sections 36-27, 36-28, 36-28.5, 36-29, 36-30, and 36-31, Hawaii Revised Statutes, relating to transfers from special funds for central service expenses and departmental administrative expenses. Your Committee finds that the transfers from one fund to another do not constitute an expenditure of public money as contemplated by the State Constitution.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2277, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2277, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, D. Ige, Kawamoto).

SCRep. 3352

Ways and Means on H.B. No. 2392

The purpose of this bill is to require all individual accident and sickness health care policies and all group health care contracts to cover outpatient diabetes self-management training, education, equipment, and supplies.

The bill also moves the Hawaii mental health insurance task force from the Department of Health to the insurance division of the Department of Commerce and Consumer Affairs and renames it the Hawaii mental health task force.

Your Committee finds that diabetes is a serious condition that is particularly prevalent in the Native Hawaiian and Asian communities. Effective outpatient management of this condition results in a significant reduction in complications, an increase in life expectancy, and enhancement of the quality of life of persons with diabetes. Health insurances plans also benefit from outpatient management as health care costs decrease when the condition is managed. Requiring coverage of outpatient management is therefore a win-win situation for all parties.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2392, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Buen).

SCRep. 3353

Ways and Means on H.B. No. 2513

The purpose of this measure is to require the cremation of unclaimed corpses.

Specifically, the bill mandates cremation of all unclaimed corpses and provides that the Department of Human Services shall authorize the cremation. Additionally, the bill establishes immunity from damages or criminal prosecution for acts done in compliance with the statute and defines "unclaimed corpse".

Your Committee finds that this bill provides for the timely disposition of unclaimed corpses in a dignified manner.

Upon further consideration, your Committee has amended this bill by changing the period for the remains of a deceased person to be claimed before the deceased is considered an "unclaimed corpse" from "five days" to "five working days, excluding weekends".

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2513, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2513, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, Chun, D. Ige, Kawamoto).

SCRep. 3354 Ways and Means on H.B. No. 2514

The purpose of this bill is to clarify the priority of claims of the Department of Human Services to the estates of certain recipients of burial services or medical assistance.

The bill specifies that if the assets of the recipient's estate are insufficient to pay all claims in full, then the Department is:

- (1) Second in line for payment of burial expenses;
- (2) Fourth in line for payment of last illness expenses of the decedent; and
- (3) Sixth in line for any other claim against the estate for payments relating to social services or medical assistance payments.

Your Committee finds that this bill will facilitate the recovery of public funds that the Department of Human Services expends on deceased recipients by clarifying both the Department's interests in the estate of deceased recipients and the procedure for asserting claims.

Your Committee has amended this bill by replacing the reference to section "346-37" with "346-15" in the amendment in section 2 of the bill to section 560:3-805(a)(2), Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2514, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2514, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, D. Ige, M. Ige, Kawamoto).

SCRep. 3355 Ways and Means on H.B. No. 2534

The purpose of this bill is to enhance the federal medicare rural hospital flexibility program by reimbursing critical access hospitals on a cost basis under the medicaid program, using matching federal funds.

Your Committee finds that rural hospitals have been particularly hard hit by reimbursement trends due to their lower volume and high expense for caring for patients in rural areas. The federal government has sought to alleviate this situation by establishing a medicaid rural hospital flexibility program. This program designates critical access hospitals as limited service hospitals eligible for medicaid certification and reimbursement.

Hawaii will only receive this reimbursement if the federal government approves Hawaii's rural health plan, the medicaid payment methodology, and other modifications to the state medicaid plan. This bill makes those required changes.

Your Committee has amended this bill by making appropriations for the Department of Human Services' Interdepartmental Transfer and Federal Fund ceilings to accommodate the transfer of state matching funds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2534, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2534, H.D. 2, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Buen).

SCRep. 3356 Ways and Means on H.B. No. 2536

The purpose of this bill is to make an emergency appropriation for child and adolescent mental health.

Specifically, this bill appropriates additional general fund and special fund moneys to the Department of Health for fiscal year 1999-2000 to allow the Child and Adolescent Mental Health Division to continue to provide services to certain emotionally disturbed children and adolescents. In addition, the bill:

- (1) Provides that for the purposes of the child and adolescent mental health program and for the program for services provided to certain emotionally disturbed children and adolescents:
 - (A) None of the appropriations shall be expended for any sex offender treatment programs located within 3,000 feet of a school campus in Hawaii; and

- (B) A minimum of ten per cent of the funds appropriated and expended by the Department of Health for any new treatment or service programs shall be expended for the purpose of conducting process and outcome evaluations of these programs;
- (2) Requires these process and outcome evaluations to be conducted for the Department of Health by an independent evaluator;
- (3) Requires the Department of Health to submit reports of these process and outcome evaluations to the Legislature prior to the convening of the Regular Session of 2002; and to the Auditor, at any time, upon the request of the Auditor;
- (4) Directs the Auditor to monitor the conduct of these process and outcome evaluations and to report its findings and recommendations to the Legislature or the Department of Health, or both, whenever or as deemed necessary; and
- (5) Prohibits the Department of Health from relocating any emotionally disturbed child or adolescent from the mainland to Hawaii, unless it is determined that it is in the best developmental interest of the child.

This bill is recommended by the Governor for immediate passage in accordance with the state constitution.

Your Committee finds that, according to the Department of Health, unanticipated increases in the cost to serve children and adolescents who are severely emotionally disturbed, and obligations associated with the consent decree in *Felix v. Cayetano* will increase the expenditures of the Child and Adolescent Mental Health Division beyond amounts authorized for fiscal year 1999-2000.

Your Committee acknowledges the serious concern expressed by your Committee on Health and Human Services regarding the legality of determining the appropriate placement of an emotionally disturbed child or adolescent based upon funding and cost issues.

Your Committee also finds that many Pearl City residents and community organizations have expressed concern about the proposal from the Department of Health to establish a juvenile sex offender treatment facility on the campus of Waimano Home. Your Committee further finds that the Department of Health did not hold informational meetings in the community until after the State was committed to constructing the \$1,500,000 facility at Waimano Home. Additionally, the Department of Health master plan for Waimano Home, completed in 1992 with extensive community input, made no reference to a juvenile sex offender treatment facility. Moreover, the request for proposal issued by the Department of Health for a contractor to operate the facility did not include any requirements for security measures to ensure the protection of students and the community. In fact, the request for proposal only provides for client safety and security and requires that seclusion and restraint are not to be used and further states that the goal is to establish services in the least restrictive environment.

Your Committee also notes that the 1995 Hawaii Juvenile Sex Offender Master Plan, created jointly by the Department of Health, the Department of Human Services, the Department of Education, the Office of Children and Youth, and the Judiciary, states the following:

- (1) Juvenile justice and/or social service systems have a primary responsibility to protect the safety and well-being of the community from further victimization by adolescents who have exhibited sexually abusive behavior;
- (2) Community safety takes precedence over any other conflicting consideration and, ultimately, is in the best interest of the sexually abusive youth;
- (3) Treatment providers must be responsible to society; and
- (4) Community protections must be the highest priority.

Your Committee finds that the Department of Health violated all of these provisions of the Master Plan in planning for the Waimano facility.

Your Committee further notes that returning youthful sexual offenders to Hawaii to receive services will increase the cost of providing services. According to the Department of Health, it currently costs \$400 per student per day to provide services on the mainland, whereas the department is budgeting \$500 per student per day for services in Hawaii, in addition to the \$1,500,000 in construction funds.

Your Committee finds that while the Department of Health acted legally in the development of this facility, it violated every moral tenet of community involvement and public trust. Finally, your Committee strongly believes that placing such a facility adjacent to two schools is unacceptable.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2536, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (lwase).

The purpose of this bill is to appropriate funds for the Department of Human Services to use to raise the income eligibility level for the medically needy program, an optional program under Medicaid.

Your Committee finds that the Medicaid program authorizes the State to expand coverage to persons above the Medicaid income level, but who are low income and deemed "medically needy". Those deemed "medically needy" are often disabled or terminally ill, with significant medical expenses. By raising the income eligibility level for the medically needy to one hundred thirty-three per cent of the assistance allowance, the State will be able to provide medical care for a significant "gap group" of medically needy residents unable to receive care otherwise.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3016, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (D. Ige, Iwase).

SCRep. 3358 (Majority) Ways and Means on H.B. No. 2154

The purpose of this bill is to clarify the functions of the Department of Human Services with respect to providers of various services that choose to transfer their programs from the Office of Community Services to the Department.

In particular, this bill requires the Department of Human Services to administer services to assist refugees and immigrants and train welfare recipients to secure work, including appropriations, applying for and disbursing grants, and contracting for purchase of services, for providers of these services who choose to transfer their programs from the Office of Community Services to the Department.

In addition, this bill transfers the powers and duties of the office regarding services for refugees and immigrants and work training for welfare recipients to the Department of Human Services, subject to agreement between the Office and the Department to determine the exact nature of the transfers.

Your Committee finds that the Office of Community Services, which is administratively attached to the Department of Labor and Industrial Relations, is mandated to provide needed programs and services for Hawaii's economically disadvantaged, immigrants, and refugees. The Office contracts programs and services on behalf of the state and federal governments primarily to private, nonprofit service providers.

Your Committee further finds that the Office of Community Services was established primarily to receive federal grants from the United States Department of Health and Human Services under 42 United States Code, Section 9901 et seq. The main purpose of the federal grants was the "reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient", particularly those trying to transition out of welfare (42 U.S.C. §9901).

Your Committee notes that much of the funding for the Office is applied toward purchase of service contracts for community action programs, which are concerned with serving welfare clients and welfare-to-work transition programs, including programs for immigrants. Your Committee further notes that some providers prefer to be transferred to the Department of Human Services, while others prefer to remain within the Department of Labor and Industrial Relations for administrative purposes.

Accordingly, your Committee has amended this bill to:

- (1) Initiate the transfer to the Department of Human Services of:
 - (A) Those community service programs that will serve to maximize federal block grant funding, along with federal block grant funds for fiscal year 2000-2001; and
 - (B) Any other community service programs that desire to move to the Department of Human Services for any other reason;
- (2) Require the Advisory Council for Community Services within the Office of Community Services to advise the executive director as to those programs that should be transferred to the Department to maximize block grant funding;
- (3) Require the Director of Human Services to provide and administer necessary support services to those programs that have transferred to the Department from the Office of Community Services; and
- (4) Make technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2154, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2154, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 7. Noes, 3 (M. Ige, Tam, Anderson). Excused, 3 (D. Ige, Iwase, Nakata).

SCRep. 3359 Ways and Means on H.B. No. 2171

The purpose of this bill is to require employers to provide their employees with an unpaid thirty-minute meal break for every five hours of work.

Your Committee has amended this bill by limiting the right of a thirty-minute meal break for every five hours of work to employees who express breastmilk during any meal period or other break period.

Your Committee finds that it is particularly important for the health of their newborn children that employees expressing breastmilk be given an adequate period of time in a work day to tend to the nutritional needs of their newborns.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2171, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2171, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, D. Ige, M. Ige, Tam).

SCRep. 3360 Ways and Means on H.B. No. 2554

The purpose of this bill is to remove any liability on the part of the Special Compensation Fund to pay any permanent partial disability benefits to an injured employee whose previous permanent partial disability amounted to less than thirty-two weeks of compensation.

Furthermore, this bill exposes the Special Compensation Fund to liability for subsequent work injuries occurring before May 15, 1982.

Your Committee finds that this measure will remove inconsistencies in the obligations of the Special Compensation Fund to pay disability benefits that are based on the extent and date of the subsequent injury.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2554, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Buen, D. Ige, M. Ige, Iwase).

SCRep. 3361 Ways and Means on H.B. No. 2556

The purpose of this bill is to repeal the requirement that the Department of Labor and Industrial Relations perform safety inspections every five to seven months of every boiler, pressure system, amusement ride, and elevator and kindred equipment.

Your Committee finds that giving the Department the flexibility to determine the frequency of safety inspections is more efficient than mandating a schedule of inspections through statute.

Your Committee is also committed to safety and has been assured by the department that the provisions of the bill do not in any way represent an easing of this standard. It is the intent of the Committee that this bill have no detrimental effect on safety in these areas.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2556, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (D. Ige, Iwase).

SCRep. 3362 Ways and Means on H.B. No. 2539

The purpose of this bill is to allow revenues generated by the state environmental response tax to be used for a greater variety of environmental protection programs, and to change the state environmental response tax on each barrel of petroleum product sold.

Specifically, this bill:

- (1) Allows revenues generated by the state environmental response tax and deposited into the environmental response revolving fund to be used:
 - (A) To support environmental protection and natural resource protection programs, including energy conservation and alternative energy development; and

- (B) To address concerns related to air quality, global warming, clean water, polluted runoff, and solid and hazardous waste; and
- (2) Changes the state environmental response tax on each barrel of petroleum product sold, from 5 cents to an unspecified amount.

Your Committee has amended this bill by:

- (1) Deleting its findings and purpose section;
- (2) Deleting the provision that changes the state environmental response tax on each barrel of petroleum product sold, from 5 cents to an unspecified amount;
- (3) Changing its effective date from "July 1, 2000", to "upon approval"; and
- (4) Making technical nonsubstantive changes for purposes of style.

In its amended form, this bill is now identical to S.B. No. 2880, S.D. 2.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2539, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2539, H.D. 2, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (D. Ige, Iwase).

SCRep. 3363 Ways and Means on H.B. No. 540

The purpose of this measure is to provide state-funded medical assistance to legal immigrants.

This measure also:

- (1) Provides an unspecified percentage amount of tobacco settlement moneys to be transferred from the Department of Health to the Department of Human Services for the Children's Health Insurance Program;
- (2) Makes an unspecified appropriation to provide state-funded medical assistance to legal immigrants; and
- (3) Makes an unspecified appropriation to fund the Children's Health Insurance Program up to three hundred per cent of the federal poverty level for Hawaii.

Your Committee finds that of all disadvantaged groups, children remain undefended and unrepresented with respect to medical insurance coverage. Many childhood illnesses and diseases if treated promptly and thoroughly can assure the child of a healthy, handicap free adulthood. Immigrants, as a general rule are younger than average and often have many children and may experience economic hardship as a result. The availability of medical care therefore is critically important to these families.

Your Committee also finds that Hawaii is one of the beneficiaries of the tobacco settlement moneys and further finds that the use of some of these moneys for medical assistance to legal immigrants and migrants would be money well spent for the prevention of health care problems in the future. This measure is designed to provide medical assistance for these needy individuals.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 540, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Anderson).

SCRep. 3364 Ways and Means on H.B. No. 1944

The purpose of this bill is to provide options to the counties in receiving revenues for real property taxes for public utilities.

The legislature enacted chapter 239, Hawaii Revised Statutes, to impose a public service company tax on public utilities in lieu of all other taxes, including the real property tax. At that time, the real property tax assessment power was held by the State. As a result of the 1978 Constitutional Convention, full control over all powers over the real property tax were transferred to the counties.

An eleven-year moratorium was placed on the counties' ability to modify real property tax laws. The eleven-year moratorium expired in 1989. In 1999, the county of Hawaii amended its ordinances to tax the real property of public utilities, rejecting the application of the utilities for a real property tax exemption. This will result in a two-tiered taxation scheme on utilities' real property: once under chapter 239, and again under county ordinance.

If the utilities are taxed in this manner, they will pass the higher costs on to the consumers. Your Committee finds that this scenario can be avoided by offering the counties two options. Under the first, instead of enforcing the real property tax ordinance on the utilities, the counties can elect to share revenues collected under chapter 239. Under the second, if the counties do not so elect, they can impose the real property tax, forgo the revenue sharing, and the utility will be subject to the general excise tax instead of the public service company tax under chapter 239.

Your Committee has amended this bill by changing the effective date to January 1, 3000.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1944, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1944, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 2 (Buen, D. Ige).

SCRep. 3365 Ways and Means on H.B. No. 2222

The purpose of this bill is to direct the Real Estate Commission to review Hawaii's existing condominium laws and propose a recodification.

Your Committee finds that Hawaii condominium law has been in existence for nearly thirty years. During this time numerous changes and patches to existing law have been made, resulting in a scheme that is unorganized, inconsistent, and obsolete in some areas. The laws are overly regulatory, especially in regard to micromanaging condominium associations. An evaluation of the existing laws and updating, clarifying, and recodification is necessary to serve the public.

The bill requires the Real Estate Commission to conduct this review and make recommendations for a recodification. The commission shall consult with public and private organizations and conduct a public hearing to ensure comments and input from a variety of involved parties.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2222, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, D. Ige, M. Ige, Iwase, Anderson).

SCRep. 3366 Ways and Means on H.B. No. 2445

The purpose of this bill is to permit the Hawaii Public Employees Health Fund to return the employees' share of insurance carrier refunds to beneficiaries based on their years of benefit plan participation.

In addition, this bill, until June 30, 2021, enables qualified surviving spouses of deceased employee-beneficiaries of the Public Employees Health Fund who were vested contributory members of the Employees' Retirement System to obtain health benefits. This bill also appropriates \$20,300,000 out of the health fund trust fund to implement this bill.

Your Committee agrees with the intent of this bill, and finds that it will achieve greater equity in the administration of the health fund in its provision of medical and other coverage for active and retired state and county employees.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2445, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, D. Ige, M. Ige, Iwase, Anderson).

SCRep. 3367 Ways and Means on H.B. No. 564

The purpose of this bill is to resolve certain issues concerning the retirement credit for active duty military service.

The bill also allows a surviving spouse or reciprocal beneficiary of a deceased member of the Employees' Retirement System to retain the pension and other retirement benefits obtained from the former spouse's or reciprocal beneficiary's employment if the surviving spouse or reciprocal beneficiary remarries or enters into a new reciprocal beneficiary relationship.

Your Committee finds that allowing contributory Employees' Retirement System members a one-time option to purchase additional allowance credit to raise the military service credit to the level equal to the member's contributory allowance status at the time the military service is credited, addresses the equity issue between contributory and noncontributory Employees' Retirement System members who qualify to receive military service credit for retirement purposes.

Your Committee also finds that allowing a surviving spouse or reciprocal beneficiary of a deceased member of the Employees' Retirement System to retain the pension and other retirement benefits obtained from the former spouse's or reciprocal beneficiary's

employment if the surviving spouse or reciprocal beneficiary remarries or enters into a new reciprocal beneficiary relationship is a compassionate provision and will prevent the impoverishment of the survivor simply because of remarriage.

Your Committee has amended this bill with language suggested by the Employees' Retirement System to properly address the complex drafting aspects of the military service issue, by adding amendments to sections 88-74, 88-76, and further amendments to section 88-132.5, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 564, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 564, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 1 (Buen).

SCRep. 3368 Ways and Means on H.B. No. 2446

The purpose of this measure is to simplify and facilitate the administration and processing of pension benefits.

Specifically, the measure:

- (1) Amends the service-connected accidental death benefit filing procedure by placing a two-year time limit for claimants to file for such benefits; and
- (2) Allows the Employees' Retirement System to exclude interest on deficiency payments made by contributory plan members.
- (3) Authorizes the Employees' Retirement System to establish a benefit restoration plan in order to protect the benefits of current and future retirees

Your Committee finds that placing a two-year time limit to file for service-related accidental death benefits is consistent with the time limit imposed on service-connected disability retirement benefit filings.

Your Committee also finds that with regard to deficiency payments, a deficiency occurs when a contributory member's retirement contribution fails to equal the full amount required by law. Under existing law, interest is calculated and assessed against the deficient amount that the member must pay in order to obtain full retirement benefit credit. Since the existence of the deficiency is usually not the member's fault, your Committee believes that it is unfair to require the member to pay the interest.

Your Committee also finds that it behooves the State to enable the Employees' Retirement System to establish a benefit restoration plan to address the dilemma created by Section 415 of the Internal Revenue Code of 1986, as amended, which imposes limits on the annual amount of retirement benefits that retirees may receive from retirement plans.

As a result of the Technical and Miscellaneous Act of 1988 (TAMRA), the Employees' Retirement System elected to allow employees who became members before January, 1990, to retire without the pension benefit limitations established under Section 415 of the Internal Revenue Code. However, the pension benefits of employees who are members after December 1989, cannot exceed the maximum permitted by this law.

To address this situation, the Small Business Job Protection Act of 1996, enabled governmental entities to establish a separate benefit plan in order to pay retirees amounts which exceed the pension benefit limits of the law.

Your Committee believes that by establishing a separate plan as permitted by the Section 415(m), of the Internal Revenue Code, which will be funded on a "plan year-to-plan year" basis, current and future retirees will be able to receive unreduced pension benefits, without pension benefit cutbacks or repayments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2446, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 4 (Buen, D. Ige, Iwase, Anderson).

SCRep. 3369 Ways and Means on H.B. No. 2447

The purpose of this measure is to clarify the Legislature's intent with respect to the calculation of the Employees' Retirement System's excess investment earnings under Act 100, Session Laws of Hawaii 1999.

Your Committee finds that the City and County of Honolulu has challenged the interpretation of Act 100, Session Laws of Hawaii 1999, and the application of excess investment earnings in the state Circuit Court. Since it is possible that the future viability and strength of the Employees' Retirement System's funds could be at stake, your Committee finds that continued discussion on this bill would be advantageous.

Your Committee has amended the measure by changing its effective date to January 1, 3000, to promote further discussion on these issues.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2447, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2447, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Buen, D. Ige).

SCRep. 3370 Ways and Means on H.B. No. 2458

The purpose of this bill is to reduce the State's and counties' employer contributions to the Employees' Retirement System by extending the payment schedule for the actuarial present value cost of the 1994 early retirement incentive bonus from five years to nineteen years beginning July 1, 1997.

Your Committee finds that in 1994, in order to reduce the payroll costs incurred by the state and county governments, the Legislature enacted Act 212, Session Laws of Hawaii 1994. Act 212 provided an early retirement incentive for public employees with twenty-five or more years of credited service. Act 212 also required the State and counties to liquidate the additional actuarial cost of providing the early retirement incentives over a five year period. This measure would extend that liquidation period from five to nineteen years.

Your Committee finds that extending the period in which the State and the counties may liquidate the additional actuarial cost of providing the early retirement incentives will enable the State to reallocate its limited resources to higher priority cost items in the near term without significantly impacting the solvency of the Employees' Retirement System. This advantage outweighs the countervailing increase in the cost of the overall retirement incentive program to both the State and the counties because of additional interest costs incurred.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2458, S.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Buen, D. Ige).

SCRep. 3371 Ways and Means on H.B. No. 2472

The purpose of this bill is to clarify several aspects of the insurance code.

Specifically, this bill does the following:

- (1) Defines a "stock insurer";
- (2) Prohibits agents and solicitors from engaging in insurance without an appointment;
- (3) Establishes minimum time periods for notices of cancellation or nonrenewal;
- (4) Includes certificate of authority applications as documents that may be destroyed by the Commissioner one year later;
- (5) Extends records confidentiality to complaints and investigation reports;
- (6) Changes the boundary dates in the insurance regulation fund for attorney positions covered under the civil service laws and for the commencement date of the Insurance Commissioner's provisional authority to make assessments;
- (7) Changes the source of tax refunds from the insurance regulation fund to the general fund;
- (8) Raises the minimum amounts to be held by unauthorized alien insurers in irrevocable trust funds in order for brokers to place insurance with them;
- (9) Strengthens the civil penalties for unlicensed activities;
- (10) Allows prima facie rates to be used without actuarial justification if the sixty per cent loss ratio extends over the most recent three years;
- (11) Closes the dollar amount gap between insurance fraud misdemeanors and insurance fraud class C felonies by inserting the sum of \$300 as a misdemeanor;
- (12) Deletes the requirement that insurers file registration statements with the National Association of Insurance Commissioners;

- (13) Strengthens the penalty against insurers for late registration filings;
- (14) Strengthens the penalties against individuals for improperly reported transactions, and against insurers for wilful violations; and
- (15) Substitutes the general fund for the insurance regulation fund as the fund to which unclaimed funds are deposited upon a liquidation.

Your Committee finds that these various housekeeping changes are necessary to clarify the responsibilities of those engaged in the business of insurance and its regulation.

Your Committee has amended this measure by retaining the boundary dates in the insurance regulation fund of July 1, 1999, for attorney positions covered under the civil service laws and June 28, 1999, for the commencement date of the Commissioner's provisional authority to make assessments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2472, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2472, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Anderson).

SCRep. 3372 Ways and Means on H.B. No. 2487

The purpose of this bill is to remove the requirement that the Hawaii Hurricane Relief Fund accumulate the annual assessment on the premiums of property and casualty insurers upon the accumulation of \$500,000,000 in funds and commitments.

Furthermore, this bill removes the \$500,000,000 aggregate ceiling on settling claims in the event of a covered event.

Your Committee finds that these changes are needed to enable the issuance of revenue bonds to fund policy claim payments upon the occurrence of a hurricane.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2487, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Anderson).

SCRep. 3373 Ways and Means on H.B. No. 1984

The purpose of this bill is to change some provisions of the law on campaign contribution limits. Specifically, this measure:

- (1) Reduces current campaign contributions in half;
- (2) Clarifies that the term of office for purposes of campaign contributions is the usual term of office not affected by reapportionment, special election, etc.
- (3) Requires candidates who withdraw or cease to be candidates to return private contributions to donors within eight years, and in event of death, to escheat residual contributions to the Hawaii election campaign fund.

Your Committee finds that the public interest in campaign contribution limits has increased since the national spotlight has been placed on it by national campaigns of presidential candidates. While it is still unclear how and whether national reform measures will develop, Hawaii can begin to take steps on its own for election reform by placing limits on the amounts persons can contribute to campaigns.

Your Committee has amended this bill by:

- (1) Allowing former candidates in the event of death, and those candidates who withdraw or cease to be candidates to have their residual or remaining contributions donated to a nonprofit organization of their choice;
- (2) Providing that reduction in aggregate contribution limits not apply until after the November 2000 election;
- (3) Making technical nonsubstantive corrections; and
- (4) Changing the effective date to December 30, 2000, to ensure full discussion.

In the interest of fairness, it is the intention of your Committee that the reduction in contribution limits not take effect until after the November 2000 election.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1984, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1984, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3374 Ways and Means on H.B. No. 2410

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

Your Committee has been informed that since the last hearing on this measure, the Department of the Attorney General has resolved seven additional claims. The Attorney General also requested a conditional appropriation of an additional \$635,094.00 for the Allen v. Iranon, et al. case currently on appeal. The additional amount includes the costs and attorney's fees to date, plus an estimate of attorney's fees to be incurred during the appeal. The total amount for this case, if the State is not successful in its appeal, is \$750,654.00.

Upon consideration, your Committee has amended the measure by:

- (1) Including the additional seven claims recently finalized by the Attorney General;
- (2) Increasing the amount appropriated for the Allen v. Iranon, et al. case, and specifying that the amount appropriated may be reduced if the State is successful in its appeal; and
- (3) Changing "Subtotal", "Total", and "Grand Total" amounts where appropriate to reflect the inclusion of additional claims.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2410, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2410, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3375 Ways and Means on H.B. No. 2648

The purpose of this bill is to require the court, upon sentencing a defendant to probation, to order the defendant to pay a probation services fee.

This bill also specifies the amount of these fees to be \$150 when the term of probation is for more than one year, and \$75 when the term is for one year or less, and provides that the payment of the probation services fee is to have priority over the payment of a fine. In addition, the bill establishes the probation services special fund to be used by the Judiciary to monitor, enforce, and collect fees, fines, restitution, and other monetary obligations owed by defendants, and other terms and conditions of probation.

Your Committee finds that this bill is necessary to help defray the costs of administration of probation services. Your Committee notes that the probation offender population in the State has increased by about ten per cent in the last five years, yet the resources allocated to the program have been reduced in conjunction with general budget reductions. Probation officers are now required to provide more investigative and supervision services, for more high-risk offenders, with fewer resources.

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

- (1) Deleting language that would have given payment of the probation services fee priority over the payment of a fine, and adding new language establishing the following order of priority of payments to be made by a defendant who is also ordered to pay a fine, make restitution, pay a crime victim compensation fee, or pay other fees in addition to the probation services fee:
 - (A) Restitution;
 - (B) Crime victim compensation fee;
 - (C) Probation services fee;
 - (D) Other fees; and
 - (E) Fines.

Your Committee notes that this order of priority of payments was proposed by the Crime Victim Compensation Commission and has been approved by the Hawaii State Judiciary; and

- (2) Renumbering sections 5 to 12 as 4 to 11, respectively, to correct a technical drafting error.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2648, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2648, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3376

Ways and Means on H.B. No. 2650

The purpose of this bill is to provide supplemental appropriations and authorizations for the operation of, and capital improvements for, the Judiciary, for fiscal year 2000-2001, by amending the Judiciary Appropriations Act of 1999 (Act 156, Session Laws of Hawaii 1999).

Among other things, this bill:

- (1) Increases the position count for JUD111 - Circuit Courts, from 493.50 to 495.00;
- (2) Increases the general fund appropriation for JUD111 - Circuit Courts, from \$26,041,957 to \$26,529,576;
- (3) Increases the general fund appropriation for JUD112 - Family Courts, from \$26,683,470 to \$27,726,160;
- (4) Increases the general fund appropriation for JUD121 - District Courts, from \$17,878,430 to \$18,537,415;
- (5) Increases the general fund appropriation for JUD201 - Administrative Director Services, from \$15,438,872 to \$16,021,487;
- (6) Limits the maximum amount of general funds, appropriated for JUD201 - Administrative Director Services, that can be used for on-line personnel management, to \$400,000;
- (7) Requires \$250,000 of the general fund appropriation for JUD112 - Family Courts, to be expended for purchase of services related to domestic violence intervention; and
- (8) Authorizes and appropriates \$2,000,000 in general obligation bond funds for the Maui Youth and Family Services campus support building, and prohibits funding for the campus support building from supplanting any other capital improvement project priorities.

Your Committee would like to highlight two areas of funding for the Judiciary: The Maui Drug Court Program and Domestic Violence Support Services.

The Maui Drug Court Program was first implemented on Oahu in 1995. Since then, it has proven to be a very effective and cost-efficient alternative to incarceration for nonviolent drug offenders. To address a growing drug abuse problem on Maui, your Committee supports the Judiciary's efforts to expand the program to that island. Funds have been provided to match the \$90,000 in federal funds earmarked for the program. Additional funds have been provided for a social worker, and \$125,000 has been set aside for substance abuse treatment services.

Domestic violence is one of the most serious problems affecting our community. Your Committee finds that we must focus on providing victims and family members the support and intervention services necessary to break this cycle of violence. Domestic violence advocates have espoused the need for a dedicated domestic violence court.

Your Committee believes that a dedicated domestic violence court may not be feasible at this time, but agrees that additional court services to support the increasing number of cases of domestic violence is fundamental to ensuring that domestic violence intervention remains one of our highest priorities.

Therefore, \$222,690 has been appropriated for fiscal year 2000-2001 for the creation of six new positions to support existing family court judges handling domestic violence cases. An additional \$250,000 has been appropriated for fiscal year 2000-2001 for purchase of services related to domestic violence intervention.

Your Committee has amended this bill by:

- (1) Decreasing the amended position count for JUD111 - Circuit Courts, from 495.00 to 494.50;
- (2) Decreasing the amended general fund appropriation for JUD111 - Circuit Courts, from \$26,529,576 to \$26,421,970;
- (3) Decreasing the amended general fund appropriation for JUD112 - Family Courts, from \$27,726,160 to \$27,576,160;
- (4) Decreasing the amended general fund appropriation for JUD121 - District Courts, from \$18,537,415 to \$18,150,102;

- (5) Decreasing the amended general fund appropriation for JUD201 - Administrative Director Services, from \$16,021,487 to \$15,693,872;
- (6) Decreasing the maximum amount of general funds, appropriated for JUD201 - Administrative Director Services, that can be used for on-line personnel management, from \$400,000 to \$200,000;
- (7) Allowing less than \$250,000 of the general fund appropriation for JUD112 - Family Courts, to be expended for purchase of services related to domestic violence intervention;
- (8) Requires \$250,000 of the general fund appropriation for JUD112 - Family Courts, to be expended for the appointment of guardians ad litem and counsel for indigent parties;
- (9) Deleting the authorization and appropriation for the Maui Youth and Family Services campus support building;
- (10) Lapsing \$200,000 in unallotted, unencumbered, and unrequired general obligation bond funds for the Family Court Center and Juvenile Detention Facility in Kapolei, Oahu; and
- (11) Making technical nonsubstantive changes for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2650, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2650, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Kawamoto).

SCRep. 3377 (Majority) Ways and Means on H.B. No. 1889

The purpose of this bill is to give active duty military personnel in all branches of the Armed Services a discount on all fees for the quarantine of cats, dogs, and other carnivorous animals in accordance with state law.

Specifically, this bill:

- (1) Gives active duty military personnel with a federal military grade pay level of 03 and below, a seventy five per cent fee discount on all animal quarantine fees; and
- (2) Gives active duty military personnel with a federal military grade pay level of 04 and above, a fifty per cent fee discount on all animal quarantine fees.

Your Committee has amended this bill changing its effective date to July 1, 2010, to permit a more thorough and in-depth analysis of the cost implications for the Department of Agriculture and the animal quarantine special fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1889, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1889, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, 1 (M. Ige). Excused, 3 (D. Ige, Iwase, Anderson).

SCRep. 3378 Ways and Means on H.B. No. 1949

The purpose of this bill is to designate the Department of Land and Natural Resources as the lead state agency for preventing the introduction, and carrying out the destruction, of alien (i.e., non-native) aquatic organisms through the regulation of ballast water discharges and hull fouling organisms.

In addition, this bill:

- (1) Allows the Department of Land and Natural Resources to adopt rules to carry out the purposes of this bill, including:
 - (A) Standards for the Department and the U.S. Coast Guard to use as part of their respective inspection protocols;
 - (B) A course of action for the arrival or pending arrival of fishing and recreational vessels and floating structures that have spent extended periods of time tied up in out-of-state ports; and
 - (C) Penalties;

- (2) Allows the Governor to enter into an agreement with the U.S. Secretary of Transportation to carry out the purposes of this bill, including the enforcement of state law; and
- (3) Appropriates the sum of \$50,000 to enable the Department to carry out the purposes of this bill.

Your Committee has amended this bill by deleting the appropriation to the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1949, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1949, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Anderson).

SCRep. 3379 Ways and Means on H.B. No. 2023

The purpose of this bill is to provide a five-year income tax credit for agricultural infrastructure investments and drought mitigation water storage facilities.

In particular, the agricultural infrastructure improvement tax credit is to be equal to ten per cent of the cost of agriculture infrastructure improvements over \$200,000 made by the taxpayer. "Agricultural infrastructure improvement" is defined as the planning, design, construction, reconstruction, improvement, altering, or repair of irrigation systems and drainage systems.

The tax credit for drought mitigating water storage facilities is to be equal to ten per cent of the cost of construction of a new water storage facility or the reconstruction or improvement of any existing facility necessary for drought mitigation purposes. "Water storage facility" is defined as one with a capacity of more than forty thousand gallons and certified by rules adopted by the Department of Agriculture as necessary for drought mitigation.

Your Committee finds that the downsizing of the sugar industry and transition to diversified agriculture provides an opportunity for the expansion of the State's agricultural industry. Plantation agriculture created valuable infrastructures, such as irrigation systems, roads, and drainage systems. Because sugar companies are unable to construct and maintain these infrastructures, tax incentives are necessary to support new agricultural ventures and encourage private investments to preserve and enhance existing infrastructures.

Your Committee further finds that farmers and ranchers suffer from loss of crops and livestock during periods of drought, which can be minimized by the construction of water storage facilities to alleviate water problems. A drought mitigation water storage facility tax credit is necessary to help farmers overcome the present drought and to plan for future droughts.

Upon further consideration, your Committee has amended this bill by changing the effective date from upon approval to July 1, 2001, in order to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2023, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2023, H.D. 2, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Buen, D. Ige).

SCRep. 3380 Ways and Means on H.B. No. 2183

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the Worldwide Energy Group, Inc., in the planning, design, construction and operation of the Hawaii Sugar Ethanol Project.

Your Committee finds that ethanol is a clean, economical additive to gasoline that can help reduce the State's dependence of imported fuel oil. Agricultural residue, green waste, and municipal solid waste can be processed into fuel grade ethanol, not only decreasing dependence on oil, but keeping the moneys in the State that otherwise would have gone out of state for the additional oil. The Hawaii Sugar Ethanol Project will provide the facilities necessary to produce the ethanol needed by the State.

Your Committee has amended the bill by adding a due diligence requirement that requires the Department of Budget and Finance to process the application for the bonds in accordance with specified requirements and report to the Legislature before the 2001 and 2002 regular sessions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2183, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2183, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, D. Ige, Iwase, Taniguchi).

SCRep. 3381 Ways and Means on H.B. No. 2403

The purpose of this bill is to terminate the Hawaii Aquaculture Advisory Council by repealing chapter 148D, Hawaii Revised Statutes.

Your Committee finds that the establishment of the Hawaii Aquaculture Association, an effective, statewide industry association, has lessened the need for the Hawaii Aquaculture Advisory Council (Council) to act as advisor to the Board of Agriculture. The termination of the Council is intended only to shift the opportunity for public input into the development of the aquaculture industry to a more efficient, direct, and less formal manner of communication with the Board of Agriculture.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2403 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Anderson).

SCRep. 3382 Ways and Means on H.B. No. 2407

The purpose of this bill is to make an emergency appropriation for the temporary relocation of, and the construction of a new building for, those Department of Agriculture personnel who will be displaced by the State's ongoing redevelopment of Kakaako and the Honolulu waterfront.

Specifically, this bill:

- (1) Appropriates \$500,000 in general funds for fiscal year 1999-2000, to temporarily relocate the Department of Agriculture's measurement standards program; and
- (2) Appropriates \$3,800,000 in general obligation bond funds for fiscal year 1999-2000, to plan, design, construct, and equip a new building for the Department of Agriculture's measurement standards program and commodities program.

Your Committee finds that this bill is recommended by the Governor for immediate passage in accordance with section 9 of Article VII of the state constitution.

Your Committee believes that it would be appropriate for the Hawaii Community Development Authority to pay for the relocation costs of the Department of Agriculture caused by the Authority's activities. The Department of Agriculture stands in the same position as private entities displaced by the Hawaii Community Development Authority's activities and should be treated similarly.

Your Committee has amended this bill by changing the sum appropriated for the temporary relocation of the Department of Agriculture's measurement standards program from \$500,000 to \$200,000.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2407, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2407, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (D. Ige, Iwase, Taniguchi, Anderson).

SCRep. 3383 Ways and Means on H.B. No. 2570

The purpose of this bill is to clarify the permissible amount of deduction and transfer from the boating special fund to the general fund for central service expenses.

In particular, this bill provides for a deduction of five per cent of all receipts and deposits in the boating special fund after subtracting any amounts pledged, charged, or encumbered for the payment of bonds and interest. The deductions are to be transferred to the general fund and become general realizations of the State.

Your Committee finds that this bill will enhance the balance in the boating special fund to provide services and improve facilities used by the boating public that otherwise would have to be generated through user fees. Your Committee further finds that this bill will restore provisions lost in the 1991 transfer of the fund from the Department of Transportation to the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2570, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Anderson).

SCRep. 3384**Ways and Means on H.B. No. 2572**

The purpose of this bill is to repeal the Kaneohe Bay regional council law (chapter 200D, Hawaii Revised Statutes) upon, and allow commercial permits for ocean use activities until, the adoption of applicable rules on managing the bay.

The bill provides that the departmental rules shall comply with that portion of the Kaneohe Bay master plan that has already been adopted, and may consider the rest. Your Committee finds that Kaneohe Bay is a valuable natural resource and needs to be managed by the State in a responsible manner. Departmental rules are needed to fully effectuate the State's oversight responsibilities.

Your Committee has amended the bill by requiring that the Department, in adopting the rules, shall consider the criteria and general management principles of the Kaneohe Bay master plan.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2572, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2572, H.D. 1, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Buen, Chun, D. Ige).

SCRep. 3385**Ways and Means on H.B. No. 2802**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist the Hawaii Food Resource Center in planning and building a food processing facility.

Your Committee finds that First Commercial Kitchen is a successful private enterprise, helping to develop, produce, market, and distribute over one hundred twenty-five value-added products for approximately fifty clients. First Commercial Kitchen will serve as the foundation for the Hawaii Food Resource Center, which will be a multi-function facility designed for food processing. The Hawaii Food Resource Center will provide a comprehensive array of food processing services, as well as temporary storage, distribution, transshipment, product development, and retail/wholesale showcasing.

Your Committee has amended the bill by adding a due diligence provision to require the Department of Budget and Finance to process applications for the special purpose revenue bonds in accordance with specified procedures, and to report to the Legislature before the 2001 and 2002 sessions on the issuance of the bonds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2802, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2802, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, D. Ige, Iwase, Taniguchi).

SCRep. 3386**Ways and Means on H.B. No. 2996**

The purpose of this measure is to allow the Department of Agriculture to make class E agricultural loans to qualified food-manufacturers.

The bill also creates a new category of loans called class G agricultural loans to be made to part-time farmers.

Your Committee finds that despite the demise of sugar and pineapple in Hawaii, agriculture still remains a potential growth industry for our State. What is needed is a way to provide an economic stimulus for new farmers, part-time farmers, and food manufacturers or processors of Hawaii-grown agricultural products or who use Hawaii-grown agricultural products as an ingredient in the manufacturing process.

Your Committee finds that many families are undertaking agricultural production on a part-time basis to supplement earnings obtained from full-time employment by one or more members of the household. Government agricultural loans tend to be tailored to full-time farming, leaving entrepreneurial start-up farmers with little initial capital to begin their farming.

Your Committee further finds that diversified agriculture, or the cultivation of Hawaii-grown produce, should be encouraged as an industry to replace the sugar industry. Providing loans to qualified food manufacturers will make it easier to sell agricultural products out-of-state.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2996, H.D. 2, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Anderson).

SCRep. 3387**Ways and Means on H.B. No. 2024**

The purpose of this bill is to appropriate funds to legislative agencies to fund retroactive salary increases and other cost adjustments in the Legislature for fiscal year 1998-1999.

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

- (1) Adding retroactive salary increases and other cost adjustments in the Legislature for fiscal year 1997-1998;
- (2) Appropriating funds for studies by the Office of the Auditor;
- (3) Appropriating funds for Council of State Government dues to be expended by the Legislative Reference Bureau; and
- (4) Appropriating funds for the Office of Information Practices to be expended by the Office of the Ombudsman, provided that H.B. No. 2586, S.D. 1, becomes an Act.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2024, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2024, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (D. Ige, Iwase, Nakata, Anderson).

SCRep. 3388 Ways and Means on H.B. No. 2194

The purpose of this bill is to enhance public access to the legislative process.

In particular, this bill:

- (1) Appropriates funds for a legislative media streaming pilot project to allow public access via the Internet;
- (2) Appropriates funds to establish a pilot program to provide childcare so that parents of young children can participate in the legislative process; and
- (3) Transfers the responsibility for the sale and distribution of all legislative publications from the Lieutenant Governor to the Legislature.

Upon further consideration, your Committee has amended this bill by deleting its contents and replacing it with language from S.B. No. 2354, S.D. 1, which your Committee reviewed earlier this session. As amended, this bill appropriates the following sums for fiscal year 2000-2001:

- (1) \$34,500 for a legislative audio streaming pilot project to allow the public to access legislative events online through video and audio on the Internet;
- (2) \$13,200 for a second full-time staff person for the Legislative Reference Bureau Public Access Room to serve the increased needs and demands of citizens for legislative access and related services while maintaining high quality of services; and
- (3) An unspecified amount for a childcare pilot project to enable parents of young children to testify at state legislative hearings.

In addition, this bill transfers the responsibility for the sale and distribution of the Hawaii Revised Statutes, along with the journals of the Senate and the House of Representatives, from the Lieutenant Governor to the Legislature. Moneys received from the sale are to be paid into the Hawaii legislative publications special fund.

This bill also requires the joint legislative access committee to make recommendations to the Senate President and the Speaker of the House of Representatives on the transition of control over the sale, distribution, storage, and other ancillary concerns related to the Legislature's assumption of control of legislative publications. In addition, the joint legislative access committee may enter into agreements with the Lieutenant Governor, the Legislative Reference Bureau, and other public or private entities to ensure the efficient transfer of control and storage of legislative publications.

Finally, this bill appropriates funds to purchase hardware and software to upgrade the legislative internal computer network, to be expended by the Senate and the House of Representatives.

Your Committee agrees with the intent of this bill, and finds that it will help to ensure greater public access to the legislative process, instill greater public confidence in the Legislature, and assist in increasing the efficiency and streamlining of legislative operations and functions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2194, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2194, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (D. Ige, M. Ige, Iwase, Kawamoto, Nakata, Anderson).

SCRep. 3389

Ways and Means on H.B. No. 1900

The purpose of this bill is to provide supplemental appropriations for the executive branch for fiscal year 2000-2001.

OVERVIEW

At the dawn of the Twentieth Legislature in 1999, one thing was abundantly clear to elected officials -- Hawaii's voting community wanted change. Their message was in response to the State's languishing economy which saw fewer tourists visiting our islands than in 1991, record bankruptcy filings and state personal income growth that ranked almost dead last in the nation.

Last year, your Committee was determined to make the hard decisions, to streamline government operations and cut red tape to help turn the economy around. With the support of the Senate, your Committee sought to change state government's basic focus and functions by:

- (1) Being accountable for delivering services to the general public in a more cost-effective manner;
- (2) Becoming entrepreneurial in the delivery of services to the general public; and
- (3) Facilitating Hawaii's economic recovery by supporting businesses to compete in the local and global economic marketplace -- primarily through tax reductions and targeted business incentives.

These changes were incorporated into the Senate's fiscal 1999 financial plan and provided the impetus to support moving the State's economy in an upward trajectory, as evidenced by a recent report from a distinguished local economist:

- (1) The gross state product increased in 1999 by 2.5 percent with the real growth rate estimated between 2.0 and 2.5 percent;
- (2) Inflation expectations for the Honolulu Consumer Price Index in 2000 is estimated at 1.0 percent;
- (3) Tourism arrivals are predicted to grow between 2.5 to 4.0 percent this year;
- (4) Job growth, which has been nil of late, is forecast to grow at 0.5 to .7 percent; and finally
- (5) All major Hawaii macroeconomic aggregates -- personal income, employment and total visitor arrivals -- moved to levels higher than during the early 1990's cyclical peaks.

These more optimistic indicators are confirmed by the Council on Revenues' revised March 2000 projections, which reflect a brighter revenue outlook for fiscal years 2001 through 2006, and Tax Department reports reflecting tax revenue increases of \$114 million by the end of June 2000, as compared to the same period last year.

As much as your Committee would like to believe that economic recovery is finally well underway, we remain cautiously optimistic. Your Committee finds that many fiscal issues that could "break the bank" lurk just past the current fiscal biennium. Collective bargaining pay raises, health fund and retirement system obligations, and State hospitals' budget shortfalls are just a few such issues.

Additionally, as we have so painfully learned over the past ten years, our economic success has been inextricably linked to visitor industry fluctuations, and the respective economies on the mainland and Asia. Since, as an island state, we have no control over world economies, we must find other ways to ensure that we mitigate the after-effects of Asia's economic woes, as well as position ourselves to oversee our future fiscal needs and obligations.

Your Committee proposes to retain a fiscally prudent approach to budgeting. In crafting this year's supplemental budget request, your Committee was guided by four basic objectives:

- (1) Positioning Hawaii for success in the New Economy;
- (2) Developing a literate and competent workforce able to compete in the global marketplace;
- (3) Preserving needed educational, health, and human services at the community level; and
- (4) Maintaining a fiscally prudent approach to executive branch spending.

Positioning Hawaii for Success in the "New Economy"

Only ten percent of the current Fortune 500 companies will survive the next ten years. The rest will shrivel to a fraction of their former selves because they won't make a successful transition to the customer-centric Web economy.

Jakob Nielson, renowned Web guru

As Robert D. Atkinson and Randolph H. Court of the Progressive Policy Institute explained it, "[t]he U.S. economy is undergoing a fundamental transformation at the dawn of the new millennium. Some of the most obvious outward signs of change are in fact among the root causes of it: revolutionary technological advances, including powerful personal computers, high-speed telecommunications, and the internet. The market environment facilitated by these and other developments in the last decade and a half has been variously labeled the "information economy," "network economy," "digital economy," "knowledge economy," and the "risk society." Together, the whole package is often simply referred to as the "New Economy.""

A new global economy based on knowledge, ideas, and risk-taking is the reality our State must embrace. According to Atkinson and Court, Hawaii ranked 26th in the nation among states that exemplify the principles of the New Economy. If Hawaii is to lessen its heavy dependence on tourism and capitalize on new and emerging technologies, our State must take steps now to make a successful transition to the New Economy.

Led by the Senate, the 1999 Legislature passed the landmark Omnibus Technology Bill (Act 178, Session Laws of Hawaii, 1999). Private industry across the nation has given this visionary law high marks. Indeed, the new law has already generated results with the attraction of new high-tech firms like Axa Pacific and Pacific Internet Exchange (as well as expansion of local start-ups like Worldpoint Interactive, Adtech, and many others), to Hawaii.

In the current session, the Senate has continued to position Hawaii for success in the New Economy with a package of bills designed to give Hawaii businesses and its residents a more sharply-honed competitive edge.

To support the transition into a digital economy, your Committee on Ways and Means has funded:

- (1) Efforts by Department of Commerce and Consumer Affairs in its launch of an Internet Portal to access Hawaii's government services online with \$250,000 to increase Internet access at Hawaii public libraries;
- (2) Support for Campaign Spending Commission's transition to a web-based server for the 2000 elections with \$125,000 from the Hawaii Election Campaign Fund; and
- (3) Investment of \$3 million to complete the State's Next Generation Network which will provide a new high speed multiservice network to link state/county government users and external users while saving telephone costs.

Your Committee has also remained steadfast in its support of Hawaii's existing businesses and economic engines, both emerging (e.g., biotechnology, call centers, and diversified agriculture) and established (e.g., visitor industry and military).

Developing a Literate Workforce for the New Economy

Education for our children, as well as for displaced workers who must retool their skills to keep pace with the growing demand for computer literacy, has changed forever. Currently, there are 190,000 information technology positions vacant across the country. By the year 2005, it is estimated that more than 750,000 information technology positions will go unfilled because of lack of qualified workers. Even in established industries like tourism or health care, the use of technology has forever changed the way in which businesses operate -- whether in making hotel/air travel reservation online or reviewing medical diagnoses via telemedicine.

This means that, in response to the changing demographics of employment in the twenty-first century, businesses and workers are demanding new skills and rapid-response delivery of those skills. Likewise, our schools must move beyond the traditional book and classroom delivery and embrace a technologically-connected model for learning. Consequently, people will need to be taught how to learn via the "Net" as well as learning the basic disciplines of given skill sets.

To that end, your Committee has endorsed the following Administration initiatives in the supplemental request:

- (1) Funding to support the Department of Education's "E-school" matching funds to leverage against a \$10 million National Science Foundation grant;
- (2) UH-Hilo's Workforce Training initiatives at a level of \$1.54 million;
- (3) One million dollars each for the University of Hawaii's College of Engineering, School of Medicine, and College of Business Administration so that their program are directed towards building the skills for 2000 and beyond;

At the same time, however, your Committee recognizes that much of the emphasis on building skills for the New Economy will be misplaced if we do not commit ourselves to providing a healthy and safe learning environment for our children.

Your Committee finds that the department of education's school facilities are suffering from a staggering \$240 million backlog in repair and maintenance projects. Senate Bill 3026 has identified three mechanisms to tackle the existing backlog, fund ongoing maintenance needs, and give schools the flexibility to address minor repairs in-house. In another measure, House Bill 2901, the Senate has targeted various funding sources to provide an additional \$44 million towards school repair and maintenance in FY 2001. Your Committee believes that these general funds will provide greater benefit in addressing the repair and maintenance of schools because of the following:

- General funds can be used on all projects, not just those that qualify for general obligation bond funding.
- General-funded projects will provide immediate improvement to most pressing needs of the learning environment.
- General-funded projects will provide immediate visual impact, restoring the pride students, parent, and employees have for their schools.

The increased \$44 million will bolster the existing \$25.4 million contained in the department of accounting and general services and an additional \$1 million in general obligation bond funds, thereby bringing total funding for school repair and maintenance to an unprecedented level of support of over \$70 million.

Providing and Preserving Services at the Community Level

Your Committee has long been committed to "flattening out" government, e.g. bringing dollars and decision-making closer to the recipients of government services.

Ultimately, the economy (whether "old" or "new") is about people. Government's obligation is to provide a greater degree of resources to people at the community level in the most cost-effective manner possible.- maximizing the long-term gain. Your Committee focused on funding which will help build a strong foundation for families and communities.

Specifically, your Committee adopted this approach in the health and human services arena by:

- (1) Restoring general fund support for Healthy Start, peer education, dental hygiene services, and STD/AIDS programs;
- (2) Funding for such community health programs as the Waianae Coast Comprehensive Program (\$885,433), Molokai General Hospital (\$850,000), and Kahului Hospital (\$350,000); and
- (3) Requiring the Department of Human Services to maintain FY 2000 Medicaid payment levels for acute and long-term care providers for FY 2001 and to report back to the 2001 Legislature on federal Medicaid legislation before implementing DRI and ROE reductions.

In lower education, where steps to meet the requirements of the Felix Consent Decree have been fraught with difficulty, your Committee listened to the concerns raised by parents, educators, health care professionals, principals, and others over their growing frustration over workloads that were spiralling beyond their control. Your Committee responded by consolidating the Felix requests for new positions and funding, and requiring the Department of Education to allow school complexes to determine how Felix support staff should be allocated at the school district level and require Comprehensive School Support Services to provide educational assistants, student activity coordinators, speech pathologists, and psychologists according to school district needs. The districts can decide how best to allocate their share of \$6,744,899 for these purposes.

Your Committee also provided additional Parent/Community Networking Center funding for Maui and Kauai, and clerical support at the school level.

Adopting a Fiscally Prudent Budget

A recent editorial in one of Hawaii's daily papers perceptively noted that, despite the upturn in tax revenues, State government and the Legislature should "stay the course" and "hold down spending whenever and wherever possible" while developing a State budget that is "sensible, forward-looking and in tune with today's needs."

The editorial recognized the potential impact of large collective bargaining pay increases for Hawaii public employee unions and concluded that "[t]he ultimate goal is to reshape government spending so it is more in tune with current resources" and "[t]hat goal remains whether or not there has been a slight uptick in collections." We agree.

Accordingly, your Committee has balanced the demand for expanded services with the need to insure that state government can pay for its current services without incurring future budget shortfalls. The Senate's draft of H.B. No. 1900 is therefore only slightly higher than the FY 2001 supplemental request, despite the fact that more than \$29.5 million was added to the Supplemental Request in the form of Governor's Messages and other recent additions. Your Committee is also mindful of the fact that over \$56 million in emergency appropriations are being funded for FY 2000.

Capital Improvements Projects

Your Committee believes that increasing the use of bond funds beyond current levels would place undue burden on the future of Hawaii. Thus, your Committee has prioritized the limited supply of bond funds for competing projects in education, economic development, employment, environmental protection, health, social services, culture and recreation, and public safety. While your Committee believes it has provided for the highest priorities in each of the aforementioned areas, the improvement of educational facilities is undoubtedly our highest priority.

Your Committee strongly believes that the legislative branch of government, as the branch most closely tied to individual communities, must reflect those community needs in identifying State capital improvement project priorities. Your Committee regards community input as vital to the betterment of public school facilities. In Act 91, session laws of Hawaii 1999, the legislature appropriated funds for 41 school projects, of which 31 were proposed in this year's executive supplemental budget as candidates for lapsing. Your Committee has carefully listened to school administrators, teachers, parents, and students and has restored 22 of the projects that were proposed for lapsing. Your Committee has also initiated new projects and believes that the total restored and proposed projects represent the priorities of the community.

Your Committee also faced proposed lapses in the University of Hawaii's budget, and has restored funding for such crucial projects as the University of Hawaii Center at West Hawaii and the campus water distribution system for Honolulu Community College. In addition, your Committee has provided \$1 million in general obligation bond funds for a laser laboratory that will research the application of laser technology in manufacturing, medicine, space, and the environment. In order to provide a safe and healthy learning environment, your Committee has also included \$29.1 million in general obligation bond funds for facilities repairs and infrastructure improvements for the University of Hawaii statewide.

In tackling the substantial needs of public school and University of Hawaii facilities, your Committee found funding sources that had not been considered previously. Where departments have agreed that the deferral of funding will have minimal or no impact, your Committee has redirected such funds towards education-related projects.

Legislative Oversight and Accountability

Over the past several years, the Legislature has become increasingly concerned over the number of emergency appropriation requests and court mandates in such areas as Hawaii State Hospital and compliance with the Felix Consent Decree. Your Committee strongly believes that the State must do a better job of fully meeting its obligations in these areas, as well as budgeting more effectively to insure that program needs are met in a timely, cost-effective manner.

Both the Senate and House of Representatives directed the Auditor to review current Department of Education and Department of Health efforts to meet the Felix Consent Decree, and have undertaken an independent, preliminary assessment of the Department of Health's Hawaii State Hospital consent decree compliance. In doing so, both chambers have sought independent, external review to evaluate how well the State is achieving the most cost-effective use of taxpayer dollars to meet court-mandated service levels. For example, in provisos 21.4, 23.2, and 29.1, the Senate has directed the Auditor to oversee matters in the Department of Health and Department of the Attorney General covered in recent audits.

Your Committee believes that such joint efforts by both chambers of the legislature will provide early assistance to the Executive in identifying areas of concern, and increased likelihood that consensus-driven solutions will be successful. Similarly, in areas involving disbursements from special, revolving and trust funds, your Committee has identified a number of areas in which increased legislative oversight will yield greater accountability, and cost-effective decisions on executive agencies' parts.

EXECUTIVE BUDGET SUMMARY

Education

Overall, your Committee added \$20,015,788 to the FY 2001 budget for Department of Education. Highlights include:

- \$4.4 million for new special education teachers;
- \$10 million in additional resources for special education and Felix compliance efforts (includes \$767,000 increase in federal spending ceiling); and
- \$4 million for instructional support, including \$3 million for Hawaii Contents and Performance Standards and Standards-Based Assessment System programs and \$1 million for (Governor's message 3/3/00) Hawaii Networked Learning Communities program.

Health

Your Committee has responded to such critical-need areas as:

- Positions and \$11.1 million for expanded community-based adult mental health services, to meet the requirements of the Hawaii State Hospital consent decree. Thirty-two positions and \$4.37 million were also allocated to the court monitor and expanded quality assurance functions, as set forth in the terms of the Hawaii State Hospital Settlement Agreement.

- Additional general fund subsidy of \$13 million to Hawaii Health Systems Corporation to meet its payroll shortfall, and help stabilize FY 2001 cash flow requirements.

Public Safety

Your Committee has deleted the Executive's request for a general fund appropriation of \$6,500,000 for a "debt service reserve for a new 2,300 bed prison located on the mainland." These funds were intended to show the State's good faith in negotiations for the construction of such a facility.

Your Committee finds that there is a little enthusiasm for such a mainland prison. By contrast, there is considerable interest in building such a facility in Hawaii, especially if it truly serves the community's desire to provide meaningful rehabilitation for those in need of such services. Since the \$6,500,000 is not needed or requested for the Executive's alternate plans to build a facility in Hawaii, your Committee has deleted the appropriation and redirected the funds to more immediate needs such as repair and maintenance of educational facilities statewide.

Your Committee also added \$183,000 to provide cameras to increase safety and security for the Public Safety Departments Halawa Correctional Facility.

University of Hawaii

- Added \$3 million to University of Hawaii at Manoa and \$1 million to University of Hawaii Community Colleges for new technology initiatives;
- Restored \$1.5 million in Governor's restrictions to the University to allow hiring for vacant positions;
- Added \$300,000 to promote single parents on welfare to seek education to ensure their success and leave the welfare system;

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1900, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1900, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (D. Ige, Kawamoto, Tam, Anderson).

SCRep. 3390 Ways and Means on H.B. No. 2443

The purpose of this bill is to encourage high technology development ventures in the State.

In particular, this bill amends chapter 206M, Hawaii Revised Statutes, to allow the High Technology Development Corporation to issue special purpose revenue bonds and special facility revenue bonds to develop high technology projects.

Your Committee agrees with the intent of this bill, and finds that it will facilitate the development of a technology industry in the State by making bonds available to private developers to build the infrastructure necessary for technology companies and for specific types of high technology activities. Your Committee finds that building the infrastructure needed to support the expansion of local high technology companies is a critical component in the State's drive to compete in today's new economy, which has been fueled by the high technology industry.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2443, H.D. 2, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Iwase, Taniguchi, Anderson).

SCRep. 3391 Ways and Means on H.B. No. 2555

The purpose of this bill is to authorize payment of administrative expenses for the protection and preservation of the workers' compensation special compensation fund (fund) to be paid from the fund. The measure also appropriates \$282,595 from the fund to carry out the purpose of the fund, including the hiring of six full-time equivalent permanent positions.

The special compensation fund currently is authorized to pay litigation expenses in any action brought on behalf of or against the fund. However, the Department of Labor and Industrial Relations incurs additional expenses relating to claims adjusting in delinquent employer cases and in processing benefit checks to claimants.

Your Committee finds that authorizing the special compensation fund to pay these administrative expenses serves the fund's purpose of administering worker's compensation claims.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2555, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3392 Ways and Means on H.B. No. 2568

The purpose of this bill is to establish a new State Parks Special Fund to replace the existing 'Aina Ho'omalu Special Fund.

Your Committee finds that the broader scope of permissible expenditures for the new State Parks Special Fund will allow the most basic needs of our neglected parks to get priority funding. In contrast, the 'Aina Ho'omalu Special Fund was created to support interpretive programs, focusing on "Parks of Distinction" within the State Parks Division. The economic condition of the State in recent years and the restricting aspect of the 'Aina Ho'omalu Special Fund has had a negative impact on resources available for the park system throughout the State. This bill will allow consideration of the needs of all parks in the state park system.

It is your Committee's intent that funds in the new State Parks Special Fund shall be expended exclusively for state parks. Accordingly, your Committee is directing the Department of Land and Natural Resources to submit a report to the Legislature on how the funds are expended. The report should be submitted to the Legislature twenty days before the convening of the Regular Session of 2001.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2568, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, D. Ige, Iwase, Taniguchi).

SCRep. 3393 Ways and Means on H.B. No. 2569

The purpose of this bill is to make the commercial fisheries special fund permanent.

Specifically, this bill establishes the fund as a permanent part of the Hawaii Revised Statutes. This measure then repeals Act 220, Session Laws of Hawaii 1996, which had established the fund provisionally with a repeal date of June 30, 2001.

Furthermore, this measure expands the purposes of the fund by authorizing expenditures for department payroll. Lastly, this measure transfers unencumbered funds from the temporary fund to the permanent fund and makes an appropriation out of the permanent fund.

Your Committee finds that commercial fishing programs should continue to benefit directly from the fees and other moneys paid into the fund by commercial fishers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2569, H.D. 1, and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun, D. Ige, Iwase, Taniguchi).

SCRep. 3394 Ways and Means on H.B. No. 2997

The purpose of this bill is to increase the loan amount ceilings for aquaculture loans offered by the Department of Agriculture out of the aquaculture loan revolving fund.

Specifically, this bill increases the loan amounts as follows:

- (1) Class A farm ownership and improvement loans from \$100,000 to \$400,000;
- (2) Class B aquaculture operations loans from \$75,000 to \$400,000;
- (3) Class C aquaculture cooperative and corporation facility loans from \$250,000 to \$500,000; and
- (4) Class C aquaculture cooperative and corporation operating loans from \$150,000 to \$300,000.

Furthermore, this bill increases the loan term for class C aquaculture cooperative and corporation operating loans from three to seven years.

Your Committee finds that this measure will assist the development of the aquaculture industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2997 and recommends that it pass Third Reading.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (D. Ige, Iwase, Anderson).

SCRep. 3395 (Joint) Transportation and Intergovernmental Affairs and Economic Development on S.C.R. No. 21

The purpose of the measure is to urge the United States military to use Hawaii grown coffee on all military vessels.

Testimony in support of the measure was received from the Department of Agriculture.

Your Committees find that Hawaii grown coffee has been one of the most successful local products in both crop production and marketing and sales in recent years. It is the only coffee grown in the United States and has a reputation as one of the best coffees in the world. Its use on military vessels would enhance the meal service as well as expose personnel from all over the world to this unique product.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 21 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Bunda, M. Ige, Iwase).

SCRep. 3396 (Joint) Transportation and Intergovernmental Affairs and Economic Development on S.R. No. 8

The purpose of the measure is to urge the United States military to use Hawaii grown coffee on all military vessels.

Testimony in support of the measure was received from the Department of Agriculture.

Your Committees find that Hawaii grown coffee has been one of the most successful local products in both crop production and marketing and sales in recent years. It is the only coffee grown in the United States and has a reputation as one of the best coffees in the world. Its use on military vessels would enhance the meal service as well as expose personnel from all over the world to this unique product.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Affairs and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 8 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Bunda, M. Ige, Iwase).

SCRep. 3397 Commerce and Consumer Protection on S.C.R. No. 25

The purpose of this resolution is to request the Department of Commerce and Consumer Affairs and various organizations representing certified public accountants to develop and propose an omnibus legislation to regulate certified public accountants.

Your Committee finds that persons professing special competence in accounting and representing themselves to be certified public accountants should demonstrate their qualifications to be a member of this profession. Conversely, persons who have not demonstrated and maintained their qualifications should not be permitted to represent themselves as having such special competence or to offer such assurance.

Your Committee received testimony on this measure from the Department of Commerce and Consumer Affairs, the Hawaii Society of Certified Public Accountants, PricewaterhouseCoopers LLP, Wachi and Watanabe, Inc., and the National Association of Tax Preparers.

The National Association of Tax Preparers expressed concern that those not representing themselves to be certified public accountants would also be affected by an omnibus legislation. Your Committee was given assurances by certified public accountants present that the omnibus legislation will only impact those that represent themselves as certified public accountants. Accordingly, your Committee has amended this concurrent resolution to reflect the Committee's intent that the omnibus legislation regulate only certified public accountants or those who represent themselves to be certified public accountants.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 25, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 25, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Matsuura).

SCRep. 3398 Labor and Environment on Gov. Msg. No. 228

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII SCHOOL-TO-WORK EXECUTIVE COUNCIL

G.M. No. 228 HARVARD C. S. KIM, for a term to expire June 30, 2001;

JODEE MALIA CRANE and NORMAN JIMENO, for terms to expire June 30, 2002; and

NOBLEZA E. MAGSANOC, for a term to expire June 30, 2003.

Upon the review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are willing to serve without compensation, and will work with compassion and commitment to assist in administering the duties and responsibilities of the Hawaii School-To-Work Executive Council.

Your Committee notes the specific qualifications of the nominees:

Harvard C. S. Kim holds Bachelor's degrees in Accounting and Computer Science and a Master's degree in Public Administration. He is currently Vice President and Chief Operating Officer for Alu Like, Inc., overseeing sixteen programs relating to employment and training, career development, vocational education, and literacy. Mr. Kim is also a volunteer member of the Native Hawaiian Education Council and the Boy Scouts of America Aloha Council.

Jodee Malia Crane is currently a senior at Kauai High School. Her scholastic activities include being president of the Spanish Club, Kauai District Student Council Representative to the Hawaii State Student Council, and a member of the Mock Trial Team. Ms. Crane is familiar with school-to-work since she served as a member of the Kauai Central Complex Executive Board for five years.

Norman Jimeno has been with the Hawaii Laborers Training Program since 1970 first as an instructor and then as Director of Training from 1987. He has been involved with numerous School-To-Work programs throughout Oahu: Kalani Complex School-To-Work Program, Aiea School-To-Work Opportunities Partnership, and Central Oahu School-To-Work Consortium. Mr. Jimeno served in the Hawaii National Guard for thirty-four years primarily in the areas of Training and Logistics, was a member of the Governor's Council for Literacy, and is currently President of Local 368.

Nobleza E. Magsanoc holds a Bachelor's degree and Master's degree in Business Administration. Ms. Magsanoc has been Controller for Pacific Resource Partnership since 1994, a lecturer of accounting courses at Leeward Community College for the last four years, and an instructor at the Waipahu Adult School from 1994-1997. She is a member of the Hawaii Business Education Association, the Hawaii Adult Education Association, and the National Society for Accountants.

Testimony in support of Nobleza E. Magsanoc was received from three individuals.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, M. Ige).

SCRep. 3399

Judiciary on S.C.R. No. 92

The purpose of this resolution is to request that the President and the Congress recognize an official political relationship between the United States government and the native Hawaiian people.

Your Committee finds that the United States government and the native Hawaiian people have before them a prime opportunity to resolve the status of their relationship. Your Committee further agrees that until this status is resolved and officially recognized, further actions with regard to native Hawaiian sovereignty will remain clouded and incomplete.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 92, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3400

Judiciary on S.R. No. 45

The purpose of this resolution is to request that the President and the Congress recognize an official political relationship between the United States government and the native Hawaiian people.

Your Committee finds that the United States government and the native Hawaiian people have before them a prime opportunity to resolve the status of their relationship. Your Committee further agrees that until this status is resolved and officially recognized, further actions with regard to native Hawaiian sovereignty will remain clouded and incomplete.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 45, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3401 Judiciary on S.C.R. No. 93

The purpose of this resolution is to urge the Governor to appoint the trustees to the Office of Hawaiian Affairs to serve out their terms of office if the Rice v. Cayetano decision requires their removal as elected officials.

Your Committee finds that the recent U.S. Supreme Court decision in the Rice case cast a cloud on how the Office of Hawaiian Affairs trustees should be selected, given that the court held that the election in which they were selected was unconstitutional. Your Committee further finds that in order to lend stability and continuity to the Office of Hawaiian Affairs while the method of selection is resolved, the Governor should appoint the elected trustees to serve in an interim capacity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 93, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3402 Judiciary on S.C.R. No. 104

The purpose of this resolution is to ask the Congress of the United States to address the issue of availability of obtaining a false identification via the Internet.

Your Committee finds that access to false identification from sites posted on the Internet offers the opportunity for minors to "legally" purchase alcohol or cigarettes. Your Committee further finds that the offer of false identification is also a temptation for certain unscrupulous individuals to engage in myriad types of fraud, including identity theft and self-appointment to legitimate positions such as President of the Senate and Speaker of the House of Representatives.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 104, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 3403 Government Operations and Housing on S.C.R. No. 137

The purpose of this measure is to encourage landlords, apartment associations, and all tenants, to respect each others' rights, including the right to pet ownership.

Testimony in support of this measure was received from the Hawaiian Humane Society and the Hawaii Association of Realtors.

Your Committee finds that although increasing a tenant's well-being through pet ownership is of vital importance, there are more pressing matters requiring the attention of the legislature which affect the welfare of all of the people of Hawaii.

Your Committee has amended this measure by deleting its contents, changing the title to reflect the changes, and inserting language which:

- (1) Reflects allegations of public housing mismanagement which are being investigated by the Federal Department of Housing and Urban Development (HUD);
- (2) Requests HUD to continue to investigate the management of federally funded projects in Hawaii;
- (3) Requests HUD to commit to preserving section 8 subsidies to ensure non-profit tenant ownership of section 8 projects; and
- (3) Requests HUD to report findings and recommendations to the legislature no later than twenty days prior to the convening of the regular session of 2001.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 137, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 137, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 4 (Levin, Matsunaga, Sakamoto, Tanaka).

SCRep. 3404**Government Operations and Housing on S.R. No. 91**

The purpose of this measure is to restore the public's faith in the procurement process for State contracts for architectural and engineering services.

This measure directs that during the interim following the Regular Session of 2000, the Government Operations and Housing (GOH) Committee shall work with the assistance the American Institute of Architects to develop legislation which will restore the public's faith in the procurement process for architectural and engineering services.

Testimony in support of this measure was received from the American Institute of Architects and SSFM International. Testimony in opposition of this measure was received from the Department of Accounting and General Services. Your Committee also received a letter of support from the Administrator of the State Procurement Office.

Your Committee finds that additional departmental information as well as information from the private sector is required because the parties testifying in support and in opposition of this measure raised valid considerations.

Your Committee has amended this measure to require the GOH Committee in developing appropriate legislation to obtain the assistance of all affected state departments, SSFM International, and the Hawaii Section of the American Society of Civil Engineers.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 91, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 91, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Chun, Levin, Tanaka, Anderson).

SCRep. 3405**Transportation and Intergovernmental Affairs on S.C.R. No. 76**

The purpose of the measure is to support the efforts of the World Health Organization and Waris Dirie to end the harmful tradition of female genital mutilation.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Program for Appropriate Technology in Health (PATH), and the Hawaii Women's Coalition.

Your Committee finds that female genital mutilation is a horrid tradition practiced most extensively in Africa. There is no place in the modern world for this kind of human indignity that has no justification whatsoever.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 76, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Buen, Bunda, D. Ige).

SCRep. 3406**Transportation and Intergovernmental Affairs on S.R. No. 30**

The purpose of the measure is to support the efforts of the World Health Organization and Waris Dirie to end the harmful tradition of female genital mutilation.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Program for Appropriate Technology in Health (PATH), and the Hawaii Women's Coalition.

Your Committee finds that female genital mutilation is a horrid tradition practiced most extensively in Africa. There is no place in the modern world for this kind of human indignity that has no justification whatsoever.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 30, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Buen, Bunda, D. Ige).

SCRep. 3407**Education and Technology on S.C.R. No. 14**

The purpose of this measure is to urge that Pu'u O Kapolei be placed on the State and National Historic Registers by the Department of Land and Natural Resources.

Testimony in support of the measure was received from the Department of Land and Natural Resources.

Your Committee finds that in ancient times, in the ahupua'a of Honouliuli, on the island of O'ahu, Pu'u O Kapolei was a prominent, renowned volcanic cone rising above the floor of the 'Ewa Plain where a heiau was strategically placed. Unfortunately, as with too many other prehistoric Hawaiian landmarks whose historical and cultural significance were unknown to modern society, the heiau stones were removed from Pu'u O Kapolei and crushed to build roads and other construction sites. On the makai side of Pu'u O Kapolei, there was a large rock shelter where chants tell us the demi-god Kama'ehu'iaha brought his grandmother, Kamaunaniho, and established her reign as ali'i after he conquered most of the island of O'ahu.

Your Committee also finds that while Pu'u O Kapolei may have seemed detached, equally distant from mountain and sea, it was ideally located for Kamaunaniho to accept tribute from travelers bringing taro and sweet potato from 'Ewa in the east, fish from the coastal areas, and bananas from the mountains.

Your Committee believes that as a thriving municipality and population continues to develop around the most significant natural landmark in the City of Kapolei, the historic, legendary, and physical prominence of Pu'u O Kapolei should be appropriately honored with historical research and registration.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 14, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Bunda, Tam).

SCRep. 3408 (Joint) Education and Technology and Transportation and Intergovernmental Affairs on S.C.R. No. 157

The purpose of this measure is to request the Board of Education to establish a position of Military Liaison Officer for the BOE.

Testimony in support of the measure was received from the Director for Manpower, Personnel and Administration for the U.S. Pacific Command and the Chamber of Commerce of Hawaii. The Board of Education (BOE) concurs with the intent of the measure but believes it is not necessary and should be held.

Your Committees find that military service members and their families constitute a large presence in Hawaii. The military contributes millions of dollars in tax revenues to the State in wages earned from local employment and local purchases. In addition, the military is responsible for millions of dollars in federal impact aid funds directed to Hawaii public schools.

Because military service members do not usually change their voter registration when they move, they are unable to vote in elections for the BOE. Consequently, they do not have a way to voice their concerns and needs regarding the public school education system in Hawaii.

Your Committees agree that adding a liaison member from the armed forces to the BOE will improve the communication and information flow between the public education system and military service members and their families.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 157 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (Bunda, Chumbley, Iwase).

SCRep. 3409 (Joint) Education and Technology and Transportation and Intergovernmental Affairs on S.R. No. 78

The purpose of this measure is to request the Board of Education to establish a position of Military Liaison Officer for the BOE.

Testimony in support of the measure was received from the Director for Manpower, Personnel and Administration for the U.S. Pacific Command and the Chamber of Commerce of Hawaii. The Board of Education (BOE) concurs with the intent of the measure but believes it is not necessary and should be held.

Your Committees find that military service members and their families constitute a large presence in Hawaii. The military contributes millions of dollars in tax revenues to the State in wages earned from local employment and local purchases. In addition, the military is responsible for millions of dollars in federal impact aid funds directed to Hawaii public schools.

Because military service members do not usually change their voter registration when they move, they are unable to vote in elections for the BOE. Consequently, they do not have a way to voice their concerns and needs regarding the public school education system in Hawaii.

Your Committees agree that adding a liaison member from the armed forces to the BOE will improve the communication and information flow between the public education system and military service members and their families.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 78 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Bunda, Chumbley, Iwase).

SCRep. 3410 Education and Technology on S.C.R. No. 166

The purpose of this measure is to request the Department of Education and all youth organizations to access the upcoming website of the Hawaii Criminal Justice Data Center to obtain relevant information on sex offender registration information that is necessary to protect the public.

Your Committee received testimony in support of this measure from the State Representative from the forty-first District, the Department of Education, Attorney General, Department of Human Services, and Sex Abuse Treatment Center-Kapiolani Medical Center for Women and Children.

The new website will make access to information quick and easy, which has been the greatest deterrent to accessing the information. Convenient access could result in not hiring the wrong person, which could result in preventing a tragedy and in potential savings on litigation and damage awards.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 166, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Bunda, Tam).

SCRep. 3411 Ways and Means on S.C.R. No. 18

The purpose of this measure is to request the federal government to honor the State's definition of the term "state resident" as used in the Federal Defense Appropriations Act of 1986.

Your Committee finds that the lack of a definition of "state resident" in the federal statute results in military construction projects in Hawaii being awarded to mainland contractors who import mainland workers to work on those construction projects. Your Committee finds that a clear and reasonable definition of "state resident" will encourage the federal government to award projects to local contractors and thereby provide work to local residents.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 18, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3412 Ways and Means on S.R. No. 52

The purpose of this measure is to urge public support for the completion of the documentary film "An Untold Triumph: America's Filipino Soldiers", which tells of the larger-than-life experiences, exploits, and heroic deeds of Filipino-American soldiers in the United States Army during World War II.

Specifically, this measure requests the State Foundation on Culture and the Arts to provide funds to assist with the completion of this documentary.

Because many Filipino-American soldiers in the United States Army during World War II were assigned to highly secretive, unconventional warfare (Special Forces) units, their role during the war in the Pacific could not be fully acknowledged and was never adequately documented. Acknowledging their role during the war was not an option since this would have jeopardized operational security and, consequently, the success of their missions. After the end of the war, the country's interests, as well as the interests of these Filipino-American soldiers, turned away from documenting military pursuits and toward getting on with civilian life.

Completing this documentary will preserve the experiences, exploits, and heroic deeds of these Filipino-American soldiers so they can be retold to future generations of Americans, who can take pride and find consolation in the costly sacrifices that were laid upon the altar of Freedom by these men.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 52, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3413**Ways and Means on S.C.R. No. 57**

The purpose of this measure is to request the Auditor to review and assess the Department of Education's development of educational standards for public schools statewide to ensure that Hawaii's standards for competency in the basic educational skills are on par with the standards of other states.

Despite complaints from the National Education Association that the Fordham Foundation's analysis of state education standards and accountability measures is "based on a tortured set of criteria, that is designed to paint a picture of public school failure" and "completely out of line with more objective analyses, such as that published by Education Week in January 1999", your Committee finds that Hawaii's educational standards may, indeed, be lacking. In January 2000, Education Week gave Hawaii a grade of "D+" for its standards, assessment, and accountability; in January 1999, it gave the State a grade of "D-". In January 2000, the Fordham Foundation gave Hawaii a grade of "D-"; in July 1998, it gave the State a grade of "D+".

While your Committee is uncertain how to interpret the different directions of change observed by Education Week ("positive") and the Fordham Foundation ("negative") over time, the meaning of a "D" grade is clear.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 57 and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3414**Ways and Means on S.C.R. No. 59**

The purpose of this Concurrent Resolution is to request the Ombudsman to investigate the demographic effects of geographic exceptions granted by the Department of Education.

Specifically, this resolution requests the Ombudsman to find out which public schools experience significant losses in enrollment due to geographic exceptions, identification of the schools those students transfer to, and possible reasons why certain schools are susceptible to enrollment losses from geographic exceptions.

Your Committee finds that the information sought through this resolution will assist the Department of Education with future planning and policy initiatives.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 59, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3415**Ways and Means on S.R. No. 68**

The purpose of this measure is to request the United States Navy and the University of Hawaii to agree to transfer an advanced tethered vehicle to the University of Hawaii's Hawaii Undersea Research Laboratory.

Your Committee finds that the United States Navy has a surplus advanced tethered vehicle which the University of Hawaii could utilize in undersea research. Furthermore, the Pacific Missile Range Facility on Kauai lacks the capability to operate an advanced tethered vehicle for underwater acoustic range maintenance and recovery efforts.

Your Committee finds that an agreement between the United States Navy and the University of Hawaii over the use of an advanced tethered vehicle will serve the interests of both national security and scientific progress.

As affirmed by the record of votes of the members of your Committees on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 68, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3416**Ways and Means on S.C.R. No. 74**

The purpose of this concurrent resolution is to request all executive departments and agencies to submit reports to the legislature on-line and requesting the Department of Accounting and General Services to study other means of reducing paper usage.

Your Committee finds that the advent of the computer, along with e-mail means that messages can be left for friends, relatives, and colleagues at any time during the day and mail can be read at the convenience of the recipient. If hard copy is needed, it can be printed on an as needed basis. In view of these technological advances, the reports that the Legislature requires of various state agencies could also be prepared and transmitted in the same fashion. It is with this in mind that this Concurrent Resolution has been presented.

The Legislature must continue to be informed of the accomplishments, problems, and issues in each department but it is not necessary to print every single report into hundreds of copies if an electronic transmittal will suffice. This effort should reduce paperwork, printer's ink, photocopying, binding and stapling, and so on. A report of recommendations from the Department of Accounting and General Services will help the Legislature decide the best method to reduce paper usage by state agencies.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 74, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3417 Ways and Means on S.C.R. No. 77

The purpose of this concurrent resolution is to request the Department of Hawaiian Home Lands and the Department of Transportation to work cooperatively to allow public access to Haiku Stairs, in a manner consistent with the underlying purposes for which the land is held.

Your Committee finds that the Haiku Stairs are a unique structure with historical, cultural, educational, and recreational significance for the State, and represent an historic feat of civil engineering. The Haiku Stairs preserves an innovative use of natural topography in the construction of the United States Radio Station Haiku, a vital element in Pacific military operations during World War II, and which were found to be a significant contributing element in a proposed Haiku Valley National Register of Historic Places District.

Your Committee further finds that while the City and County of Honolulu is undertaking to repair Haiku Stairs for public use, access to the Haiku Stairs is over public lands held and managed for various purposes by the Department of Hawaiian Home Lands and the Department of Transportation. Your Committee agrees that these Departments should be encouraged to work cooperatively to allow public access to Haiku Stairs, consistent with the underlying purposes for which the land is held.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 77, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3418 Ways and Means on S.C.R. No. 95

The purpose of this concurrent resolution is to urge the federal government to share in the cost of conducting a comprehensive inventory of the ceded lands in Hawaii.

The ceded lands were property of the federal government while Hawaii was a territory. At statehood these lands were transferred to the State, but without a complete inventory. The State has a duty, under the Admission Act, to use the revenues from the ceded lands for a number of uses, including the support of Native Hawaiians. It is important to have a complete inventory of the lands in order to assure that the State is complying with these mandatory responsibilities. Your Committee finds that it is equitable and fair to ask the federal government to participate in the cost of this inventory.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 95, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3419 Ways and Means on S.C.R. No. 103

The purpose of this measure is to urge public support for the completion of the documentary film "An Untold Triumph: America's Filipino Soldiers", which tells of the larger-than-life experiences, exploits, and heroic deeds of Filipino-American soldiers in the United States Army during World War II.

Specifically, this measure requests the State Foundation on Culture and the Arts to provide funds to assist with the completion of this documentary.

Because many Filipino-American soldiers in the United States Army during World War II were assigned to highly secretive, unconventional warfare (Special Forces) units, their role during the war in the Pacific could not be fully acknowledged and was never adequately documented. Acknowledging their role during the war was not an option since this would have jeopardized operational security and, consequently, the success of their missions. After the end of the war, the country's interests, as well as the interests of these Filipino-American soldiers, turned away from documenting military pursuits and toward getting on with civilian life.

Completing this documentary will preserve the experiences, exploits, and heroic deeds of these Filipino-American soldiers so they can be retold to future generations of Americans, who can take pride and find consolation in the costly sacrifices that were laid upon the altar of Freedom by these men.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 103, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3420 Ways and Means on S.C.R. No. 113

The purpose of this concurrent resolution is to request the Office of Hawaiian Affairs to study alternate governance mechanisms to replace the prior election system found unconstitutional in Rice v. Cayetano.

Since its formation after the 1978 Constitutional Convention, the Office of Hawaiian Affairs has been a body led by Hawaiians who were elected by Hawaiians and native Hawaiians for the benefit of all Hawaiians. The Rice decision has struck down the election portion of that format. An alternate system must be constructed.

Your Committee finds that the Office of Hawaiian Affairs is best suited to investigate the options and make a recommendation on the one best suited to meet the Office of Hawaiian Affairs' needs. The office is requested to include consideration of the following five issues:

- (1) How Office of Hawaiian Affairs will remain sensitive to the needs of all Hawaiians;
- (2) Ensuring that persons who will lead the Office of Hawaiian Affairs be at least part Hawaiian;
- (3) Whether trustees should be full time or not;
- (4) How fair and equitable representation on the board can be made; and
- (5) The future accountability of trustees or directors to their constituents.

Your Committee finds that these will provide a starting point for Office of Hawaiian Affairs' report on this important issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 113, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3421 Ways and Means on S.C.R. No. 141

The purpose of this measure is to request the United States Navy and the University of Hawaii to agree to transfer an advanced tethered vehicle to the University of Hawaii's Hawaii Undersea Research Laboratory.

Your Committee finds that the United States Navy has a surplus advanced tethered vehicle which the University of Hawaii could utilize in undersea research. Furthermore, the Pacific Missile Range Facility on Kauai lacks the capability to operate an advanced tethered vehicle for underwater acoustic range maintenance and recovery efforts.

Your Committee finds that an agreement between the United States Navy and the University of Hawaii over the use of an advanced tethered vehicle will serve the interests of both national security and scientific progress.

As affirmed by the record of votes of the members of your Committees on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 141, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3422 Ways and Means on S.C.R. No. 142

The purpose of this concurrent resolution is to request that the department of education to consider establishing a work experience, community service, or service learning component as a requirement for graduation from high school.

Your Committee finds that for many students the shift from school to work is often made with very little regard for the new responsibilities involved with the business world. Self reliance, learning to follow instructions, careful listening, promptness, reliability, judgment, and other personal habits are critical to becoming a successful employee. Your Committee further finds that the

education of a student, therefore, encompasses more than mere book learning. If the educational system provided alternatives to academic work, some students may realize the value of what they are exposed to in class.

Work experience, volunteer community service, or service learning programs can extend the benefits of school work and bring a different level of awareness to some students. They may discover new interests or career paths, or skills they did not know they possessed. This enriches their lives and could make them more valuable members of Hawaii's society.

Your Committee also finds that this concurrent resolution requests the Department of Education to submit a report about these three types of alternative non-academic programs to the Legislature before the regular session of 2001. These reports will help the Legislature to determine the value of these programs before making any further fiscal commitments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 142, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3423 Ways and Means on S.C.R. No. 176

The purpose of this concurrent resolution is to request the Office of the Governor to develop a proposal for a chief information officer for the State of Hawaii.

Your Committee finds that the age of technology requires a state to take proactive steps towards being in and keeping up with the advances made in communication, data transmission, and information technology in order to stay competitive with the rest of the world. The connectedness that is a result of the technological boom affects public service, financial investment of state moneys, employee retraining programs, and many other vital state government functions. In order for the whole state government to move forward with one mind on this effort, it is essential to have a person at the cabinet level to coordinate resources, provide policy guidance, and other standards in this area. This concurrent resolution is a beginning toward recognizing the need for this kind of position. Proposals can be presented to the 2001 regular session for the Legislature to consider all options.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 176, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3424 Ways and Means on S.C.R. No. 185

The purpose of this concurrent resolution is to request the University of Hawaii to conduct an analysis of current and comparative patterns of public school financing for K-12 education.

Your Committee finds that despite ranking third in the nation in state general revenue per capita, Hawaii was 37th (among the states and the District of Columbia), in average daily enrollment expenditures. Additionally, Hawaii was dead last in the nation, with respect to the proportion of general expenditures dedicated to education at 14.3 per cent.

Your Committee also finds that Hawaii's public schools:

- (1) Are among the largest in the nation, ranking fourth in average size for elementary schools and second in average size for secondary schools;
- (2) Have suffered chronic facilities under-investment resulting in a backlog of \$240,000,000 in repair and maintenance demands and \$1,500,000,000 in backlogged capital improvement projects; and
- (3) During the six year period 1994-2000, have seen a thirty-nine per cent decrease in position funding and forty-one per cent by fiscal allocation.

These conditions have severely reduced the system's capacity to engage in sustained self-renewal and reform, and have diminished the system's capacity to support schools instructionally and administratively. Therefore, a comprehensive analysis of Hawaii's ability to fund K-12 education is necessary in order to establish sound fiscal policy and continued growth of our education system.

The concurrent resolution also requests an analysis of peer states and districts, and recommendations with respect to levels of funding necessary to meet the system's needs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 185 and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3425 Ways and Means on S.C.R. No. 47

The purpose of this measure is to request the Auditor to review and identify fiscally-related powers conferred upon or assumed by the Executive branch since 1987 that may be reclaimed or reasserted by the Legislature.

Your Committee finds that the Legislature, in the interest of promoting government efficiency and effectiveness through fiscal flexibility, has explicitly conferred upon the Executive branch, and tacitly allowed the Executive branch to assume, certain fiscally-related powers originally intended for the Legislature.

The "power of the purse" is the hallmark of the Legislature's authority and independence, and the mechanism by which the framers of the state constitution sought to give to the Legislature the dominant role in fiscal affairs. The inability or unwillingness of the Legislature to reclaim and reassert its fiscal powers could eventually erode the system of "checks and balances" that forms the backbone of our modern democracy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 47, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (D. Ige, Iwase, Tam, Taniguchi, Anderson).

SCRep. 3426 Ways and Means on S.C.R. No. 56

The purpose of this concurrent resolution is to request the presiding officers of the Senate and House of Representatives to convene a joint interim committee to develop a uniform policy on bill limits to be adopted by rule in each chamber.

Your Committee received testimony in favor of this measure from the League of Women Voters of Hawaii.

Your Committee finds that each session, duplicate bills are introduced because special interest groups or individuals have the same bill introduced by several legislators. This results in a very large number of bills that are introduced in Hawaii each year, most of which are not passed by the Legislature. While the Speaker of the House of Representatives has issued a memorandum urging House members to abide by a limit of ten bills per session, subject to exceptions for the Speaker, minority chair, and committee chairs, the Senate has no similar policy limiting bill introductions, nor does the Legislature have a uniform policy regarding legislative bill limits.

Your Committee finds that limiting bill introductions in each house will help to reduce the number of duplicative measures; allow legislators more time to read and understand bills; reduce printing, paper, and distribution costs; and allow committees to manage their workloads more effectively. Your Committee further finds that establishing bill limits by rules adopted in each chamber, which has already been accomplished in a number of other states, will increase the Legislature's efficiency and productivity, and make it more responsive to the needs of the people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 56, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (D. Ige, Iwase, Nakata, Tam, Taniguchi, Anderson).

SCRep. 3427 Ways and Means on S.C.R. No. 16

The purpose of this measure is to approve the adjustments made to the civil service employee compensation plans by the Public Employees' Compensation Appeals Board; and submitted to the Legislature by the Conference of Personnel Directors of the State, the Judiciary, the Hawaii Health Systems Corporation, and the counties, as required by law.

Your Committee has studied and reviewed the adjustments made by the Conference of Personnel Directors, and the report submitted by the Public Employees' Compensation Appeals Board. The adjustments and report appear to be reasonable and acceptable.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 16, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3428 Ways and Means on S.C.R. No. 29

The purpose of this concurrent resolution is to urge the counties to revise their respective building code provisions for accessibility for persons with disabilities.

Your Committee finds that the Americans with Disabilities Act requires the design and construction of certain specific buildings and facilities to be accessible and usable by persons with disabilities. The Americans with Disabilities Act requirements for new construction and alteration apply under Title II of the Americans with Disabilities Act to state and local government projects and to private projects involving public accommodations and commercial facilities under Title III. The design requirements of the Americans with Disabilities Act are supplemented by the Americans with Disabilities Act Accessibility Guidelines, 36 C.F.R. Pt. 1191, to ensure compliance with the Americans with Disabilities Act as to "accessibility and usability".

Your Committee further finds that the United States Department of Justice has encouraged state and local governments to incorporate the Americans with Disabilities Act Accessibility Guidelines into their respective building codes, and has developed a process to certify local codes that provide equivalent or greater requirements than the Americans with Disabilities Act for design and construction. While section 103-50, Hawaii Revised Statutes, requires public buildings and facilities to conform to the Americans with Disabilities Act Accessibility Guidelines, there is no similar requirement for private buildings and facilities.

Your Committee further finds the City and County of Honolulu and the counties of Hawaii, Kauai, and Maui have adopted the Uniform Building Code of the International Conference of Building Officials. However, none of the amended codes include the Americans with Disabilities Act Accessibility Guidelines in its entirety. Your Committee agrees that the long-term goal of the State should be to have a state building code incorporating all of the Americans with Disabilities Act Accessibility Guidelines and Fair Housing Amendments Act Guidelines to benefit the design and construction community so that it knows what is required and can conform to the Americans with Disabilities Act and Fair Housing Act, thereby avoiding access problems for persons with disabilities and costly litigation for design professionals, building owners, and managers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 29, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3429 Ways and Means on S.C.R. No. 38

The purpose of this concurrent resolution is to request Hawaii Appleseed Public Interest Law Foundation (Hawaii Appleseed) to continue discussion and seek additional input in its comprehensive assessment of current state child protective statutes.

Specifically, the concurrent resolution asks Hawaii Appleseed, in cooperation with the Child Protection Legislative Roundtable, to continue its assessment of child protection laws undertaken pursuant to Senate Concurrent Resolution No. 77, 1999, and to organize a conference and working groups on child protection reform to finalize a new Child Protective Act.

Your Committee finds that members of the Child Protection Legislative Roundtable, including Hawaii Appleseed, have made significant contributions to improving our Child Protective Services. In 1999, Hawaii Appleseed provided to the Roundtable and other community members a discussion draft of a proposed new Child Protective Act. This resolution will allow the Roundtable and Hawaii Appleseed to continue and finalize their discussions, soliciting additional input from the child protection community and general public, to produce a thoughtful and effective final version of a Child Protective Act for Hawaii's children.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 38, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3430 Ways and Means on S.R. No. 16

The purpose of this resolution is to request Hawaii Appleseed Public Interest Law Foundation (Hawaii Appleseed) to continue discussion and seek additional input in its comprehensive assessment of current state child protective statutes.

Specifically, the resolution asks Hawaii Appleseed, in cooperation with the Child Protection Legislative Roundtable, to continue its assessment of child protection laws undertaken pursuant to Senate Concurrent Resolution No. 77, 1999, and to organize a conference and working groups on child protection reform to finalize a new Child Protective Act.

Your Committee finds that members of the Child Protection Legislative Roundtable, including Hawaii Appleseed, have made significant contributions to improving our Child Protective Services. In 1999, Hawaii Appleseed provided to the Roundtable and other community members a discussion draft of a proposed new Child Protective Act. This resolution will allow the Roundtable and Hawaii Appleseed to continue and finalize their discussions, soliciting additional input from the child protection community and general public, to produce a thoughtful and effective final version of a Child Protective Act for Hawaii's children.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 16, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3431 Ways and Means on S.C.R. No. 73

The purpose of this measure is to urge the United States Congress to support legislation to extend Medicare benefits to include prescription drug coverage for the elderly and disabled.

Your Committee finds that most federally funded health care programs, including Medicaid, the Veterans Health Administration, the Public Health Service, and the Indian Health Service, obtain prescription drugs for their beneficiaries at low prices. Medicare beneficiaries, however, are denied this benefit and cannot obtain their prescription drugs at the favorable prices available to other federally funded health care programs. Unlike other states, Hawaii does not have a state funded program, separate from Medicare, to assist elderly and disabled individuals to purchase prescription drugs.

Because of high costs, more than one in eight older Americans are forced to choose between buying their food and buying their medicines. Substantially lowering the costs of prescription drugs for older Americans, who represent some of the most vulnerable individuals in our nation, will substantially improve the health and well-being of older Americans and lower the costs to the federal taxpayer of the Medicare program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 73, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3432 Ways and Means on S.R. No. 28

The purpose of this measure is to urge the United States Congress to support legislation to extend Medicare benefits to include prescription drug coverage for the elderly and disabled.

Your Committee finds that most federally funded health care programs, including Medicaid, the Veterans Health Administration, the Public Health Service, and the Indian Health Service, obtain prescription drugs for their beneficiaries at low prices. Medicare beneficiaries, however, are denied this benefit and cannot obtain their prescription drugs at the favorable prices available to other federally funded health care programs. Unlike other states, Hawaii does not have a state funded program, separate from Medicare, to assist elderly and disabled individuals to purchase prescription drugs.

Because of high costs, more than one in eight older Americans are forced to choose between buying their food and buying their medicines. Substantially lowering the costs of prescription drugs for older Americans, who represent some of the most vulnerable individuals in our nation, will substantially improve the health and well-being of older Americans and lower the costs to the federal taxpayer of the Medicare program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 28, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3433 Ways and Means on S.C.R. No. 85

The purpose of this Concurrent Resolution is to urge the Department of Health with the help of the Department of the Attorney General to train and consult with operators and staff of adult residential care homes, at the time of licensing and periodically thereafter, regarding their duties and responsibilities for their residents, and to request the Department of Health to amend the rules on adult residential care homes to address concerns by the operators.

Your Committee finds that many seniors, handicapped, and disabled citizens reside in adult residential care homes when there is no family member to care for them. These adult residential care homes provide a needed service and are licensed by the Department of Health for the health and safety of the residents, both for the protection of the residents and to try to minimize the potential liability of the care homes.

Your Committee also finds that like many government provisions, the one-size-fits-all mentality that occurs in rulemaking may have resulted in some rules creating difficulties for adult residential care homes to provide individualized care and use a flexible approach for some residents. In view of these concerns, this Concurrent Resolution asks for collaboration among the adult residential care homes, the Department of Health, and Department of the Attorney General to find ways to ameliorate these concerns through education, training, and the like.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 85, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3434**Ways and Means on S.R. No. 38**

The purpose of this Resolution is to urge the Department of Health with the help of the Department of the Attorney General to train and consult with operators and staff of adult residential care homes, at the time of licensing and periodically thereafter, regarding their duties and responsibilities for their residents, and to request the Department of Health to amend the rules on adult residential care homes to address concerns by the operators.

Your Committee finds that many seniors, handicapped, and disabled citizens reside in adult residential care homes when there is no family member to care for them. These adult residential care homes provide a needed service and are licensed by the Department of Health for the health and safety of the residents, both for the protection of the residents and to try to minimize the potential liability of the care homes.

Your Committee also finds that like many government provisions, the one-size-fits-all mentality that occurs in rulemaking may have resulted in some rules creating difficulties for adult residential care homes to provide individualized care and use a flexible approach for some residents. In view of these concerns, this Resolution asks for collaboration among the adult residential care homes, the Department of Health, and Department of the Attorney General to find ways to ameliorate these concerns through education, training, and the like.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 38, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3435**Ways and Means on S.C.R. No. 88**

The purpose of this concurrent resolution is to request the Department of Health to improve statewide diabetes awareness and education and to convene a task force to address early detection and screening.

Your Committee finds that diabetes is on the increase as one of the leading chronic illnesses of the modern age. While there are many hypotheses for this increase, the end result is still a great number of medically needy people who require daily attention to diet, medications, and often, education. Because of its insidious nature, many diabetics do not realize they have the disease, or are not aware of the ongoing damage occurring to their vital organs including their circulatory system and nervous system. It is imperative to the State that medical costs be sustained at as low as possible as Hawaii's residents have one of the longest average life expectancies in the nation and older people use more medical care per capita than younger persons. The early detection of diabetes along with proper care can reduce diabetes related complications that can place a heavy burden upon the State's health care system.

This concurrent resolution asks for a program to promote early detection of diabetes through the Department of Health, and the development of plans, with recommendations for the Legislature's action during the regular session of 2001.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 88, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3436**Ways and Means on S.C.R. No. 89**

The purpose of this measure is to request the Department of Land and Natural Resources to convene a study group to determine how to protect the endangered turtles and other threatened species at Punalu'u Beach and Kamehame Beach as well as the beaches themselves.

Your Committee finds that the overlapping governmental jurisdiction over the beach area is not functioning optimally in protecting the animals or the beaches. Your Committee believes that a comprehensive integrated multi-lateral public-private cooperative approach is highly desirable and beneficial in effectuating the common goal of conserving the ecosystem at the beach park areas.

Your Committee has amended this measure by requesting an interim report for the Regular Session of 2001 as well as the final report for the Regular Session of 2002.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 89, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 89, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3437**Ways and Means on S.C.R. No. 105**

The purpose of this concurrent resolution is to request the Governor to create a temporary task force chaired by the Legislative Reference Bureau to study and report on alternative medicine in Hawaii.

Your Committee finds that alternative medicine -- which includes such therapies as herbal medicine, diet regimen, homeopathy, chiropractic, acupuncture, naturopathy, massage, oriental medicine, and meditation -- has recently made significant inroads in the way Americans perceive health care and is being used for the treatment or alleviation of HIV, arthritis, cancer, pain, hypertension, headache, and other medical conditions.

Your Committee finds that Hawaii is an ideal place to stimulate the growth of alternative medicine in a credible and responsible way, given the number of medical providers in an array of alternative medicine specialties in the State and the presence of the University of Hawaii School of Medicine. Your Committee agrees that a task force is needed to examine and discuss alternative medicine, including the possibility of making alternative medicine into an economic growth instrument for Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 105, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3438 Ways and Means on S.C.R. No. 129

The purpose of this measure is to request the Department of Health to convene a task force to study issues relevant to unplanned releases of emissions and spills at Campbell Industrial Park.

Your Committee, in light of recent unplanned releases of emissions and spills at the Campbell Industrial Park in the latter half of the 1990's, finds that further study is needed regarding air pollutant concentration levels at Campbell Industrial Park in the event of such unplanned releases. Your Committee further finds that unplanned releases were not within the scope of a prior task force's study of existing air quality at the industrial park.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 129, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3439 Ways and Means on S.C.R. No. 133

The purpose of this concurrent resolution is to request the Director of Health to convene a task force to study the implications of increased access to sterile syringes.

Your Committee finds that nationally, one-third of all AIDS cases, sixty per cent of all new hepatitis C cases, and a significant portion of hepatitis B cases are linked, directly or indirectly to the use of contaminated syringes by drug users. The unavailability of sterile syringes has led to the sharing of contaminated syringes which can transmit these blood-borne infections.

The United States Public Health Service, along with the American Medical Association, the American Pharmaceutical Association, and the Association of State and Territorial Health Officials, all recommend drug users to use new, sterile syringes.

Present law, however, bans the sale of sterile syringes without a prescription, in effect, preventing its purchase and use by drug users.

The task force requested by this concurrent resolution will provide the Legislature with the knowledge and information necessary for the Legislature to determine whether the State should allow the purchase of sterile syringes without a prescription.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 133, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3440 Ways and Means on S.C.R. No. 135

The purpose of this measure is to request the Department of Human Services to convene a working group to find out how to maximize federal funding assistance for Hawaii's health and human services programs.

Your Committee finds that Hawaii is not receiving its maximum possible share of federal funding for health and human services programs. Your Committee believes that it is fiscally desirable to maximize federal funding in order to alleviate the costs of such programs on state taxpayers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 135, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3441 Ways and Means on S.C.R. No. 143

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to convene a working group to identify potential sources of permanent dedicated funding and funding needs of the Natural Area Reserves system.

Your Committee finds that Hawaii's native and endemic plants are quickly becoming extinct at a rate much faster than in other locations in the world. For many centuries the native and endemic species in Hawaii have had no competitors or natural enemies and as a result lost their defense mechanisms such as, for example, thorns or odors. The rapid globalization brought on by jet travel and a heavy tourist influx have taken their toll on the native ecosystems.

Your Committee also finds that the 1987 Natural Area Reserves Strategic Plan and the creation of nineteen Natural Area Reserves on the islands of Kauai, Oahu, Molokai, Maui, and Hawaii have been a good start toward preserving native species and ecosystems, but there has been virtually no money to manage these areas for the long term. In an effort to solve this dilemma, this concurrent resolution requests the Department of Land and Natural Resources to take an active step to use the knowledge and experience of a working group of experts to come up with ways to pay for and staff, as well as expand, the Natural Area Reserves system. This report will provide the 2001 regular session of the Legislature a better understanding of how to approach this issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 143, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3442 Ways and Means on S.C.R. No. 196

The purpose of this concurrent resolution is to request annual reports from the Department of Health over the next three years regarding the transition of the Hawaii State Hospital to a secured psychosocial facility.

Your Committee finds that it is advisable for the Legislature to monitor the progress of the transition of the hospital from a confinement to rehabilitation facility in view of the progress of current litigation with the federal government over the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 196, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3443 Ways and Means on S.C.R. No. 204

The purpose of this concurrent resolution is to request the Department of Health to test the individual homes in composites seventeen and twenty-five to clarify the levels of toxic substances in each home and make a determination of habitability for each.

The residents of Village Park and West Loch Fairways have complained for years about physical conditions brought on, they allege, by chemicals in the ground. The Department of Health tested composite groups of homes, and significant levels of DDT, chromium, and arsenic were found in composite seventeen, and significant levels of arsenic were found in composite twenty-five. Your Committee finds that the positive composite readings now need to be broken down for the individual homes in those composites to accurately judge each home's level of risk.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 204, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3444 Ways and Means on S.C.R. No. 58

The purpose of this measure is to request the Legislative Reference Bureau to review the various school choice programs implemented in other states and design a school choice program for Hawaii that fosters competition among public schools for both resources and students.

School choice generally means allowing parents more freedom, flexibility, and educational options in deciding where their children attend school and encompasses a diverse range of programs, including school-within-a-school, vouchers, statewide open enrollment, special schools, interdistrict choice, postsecondary enrollment options, magnet schools, and enrollment for dropouts.

Although some of the school choice programs discussed in this measure already exist within the Department of Education, your Committee believes that a competitive system of choice is currently lacking. For example, although the Department of Education makes allowances for open enrollment through the granting of geographic exceptions, the number of geographic exceptions that can be granted is limited by physical plant capacity.

Your Committee believes that a competitive school choice system could improve the quality of individual schools by creating an environment where good schools are strengthened and unproductive schools are forced to improve, in response to demands for higher academic standards, safer schools, and better opportunities for parental involvement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 58, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3445 Ways and Means on S.C.R. No. 102

The purpose of this measure is to request the United States Navy to brief the Legislature and community business leaders on the future work load plans for the Pearl Harbor Naval Shipyard.

Furthermore, this measure also requests the United States Navy to increase the workload and employment in Pearl Harbor Naval Shipyard to utilize the full capacity of the Hawaiian ship repair industry.

Your Committee finds the Pearl Harbor Naval Shipyard has been significantly downsized over the last ten years. The Pearl Harbor Naval Shipyard has sustained reductions in its resident civilian work force and in the number of ships and submarines based there.

Your Committee nonetheless finds that the Pearl Harbor Naval Shipyard has initiated the practice of meeting work demands through the hiring of out-of-state workers. Your Committee is accordingly concerned that the Pearl Harbor Naval Shipyard is underutilizing human resources available locally.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 102, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3446 Ways and Means on S.C.R. No. 207

The purpose of this concurrent resolution is to urge the Attorney General and the plaintiffs in the case of Kalima v. State of Hawaii to informally resolve this action.

The Legislature adopted chapter 674, Hawaii Revised Statutes -- to resolve individual claims for breaches of the Hawaiian Home Lands trust occurring prior to June 30, 1988. Over twenty-seven hundred claimants timely filed their claims, but only four hundred eighteen were able to complete the process before the time period for the claims office expired. This forced the remainder of the claimants to go to court to preserve their claims. One such case is Kalima v. State of Hawaii. Your Committee finds that continued and protracted litigation will cause the State to incur significant legal costs and will adversely affect the interests of the claimants. Resolving the issue through negotiation and settlement will be in the best interests of all concerned.

Your Committee has amended the measure by clarifying the history of the claims process in the sixth whereas clause for the purposes of historical accuracy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 207, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 207, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3447 Ways and Means on S.C.R. No. 125

The purpose of this concurrent resolution is to request the Department of Transportation to expand the capacity of the central H-1 freeway corridor.

In addition, this concurrent resolution requests the Department to explore additional tradeoffs with the Federal Highway Administration to relax standards as necessary to allow a "shoulder lane" for peak-hour travel; identify specific recommendations from the City's Waikiki Regional Traffic Impact Plan, December 1995, the state Department of Transportation's Investigation of the Effects of Limited Ramp Closures Along the H-1 Freeway, December 1999, and other pertinent analyses of the best means of reducing traffic congestion generated by increased Waikiki/Ala Moana traffic; and work more closely in formal workshops, to be scheduled in 2000, with private citizens and interested groups to consider other options.

Your Committee finds that there is a need to reduce traffic congestion on Oahu, which has increased significantly in recent years, particularly on controlled access facilities such as the H-1 freeway. The most effective means of reducing traffic congestion on this corridor without seriously increasing automobile passenger trips may be to increase roadway capacity, such as through the use of high occupancy vehicle (HOV) lanes that carry more people with less congestion.

Your Committee further finds that the state Department of Transportation seeks to increase the capacity of the central H-1 freeway corridor (from the "Middle Street Merge" to the Punahou or Kapiolani offramp) to address this problem, and has already conducted several studies of this issue. Your Committee agrees that the Department should work towards achieving additional capacity on the central H-1 freeway corridor to the greatest extent feasible in order to reduce traffic congestion for Oahu's motorists.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 125, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3448**Ways and Means on S.R. No. 61**

The purpose of this resolution is to request the Department of Transportation to expand the capacity of the central H-1 freeway corridor.

In addition, this resolution requests the Department to explore additional tradeoffs with the Federal Highway Administration to relax standards as necessary to allow a "shoulder lane" for peak-hour travel; identify specific recommendations from the City's Waikiki Regional Traffic Impact Plan, December 1995, the state Department of Transportation's Investigation of the Effects of Limited Ramp Closures Along the H-1 Freeway, December 1999, and other pertinent analyses of the best means of reducing traffic congestion generated by increased Waikiki/Ala Moana traffic; and work more closely in formal workshops, to be scheduled in 2000, with private citizens and interested groups to consider other options.

Your Committee finds that there is a need to reduce traffic congestion on Oahu, which has increased significantly in recent years, particularly on controlled access facilities such as the H-1 freeway. The most effective means of reducing traffic congestion on this corridor without seriously increasing automobile passenger trips may be to increase roadway capacity, such as through the use of high occupancy vehicle (HOV) lanes that carry more people with less congestion.

Your Committee further finds that the state Department of Transportation seeks to increase the capacity of the central H-1 freeway corridor (from the "Middle Street Merge" to the Punahou or Kapiolani offramp) to address this problem, and has already conducted several studies of this issue. Your Committee agrees that the Department should work towards achieving additional capacity on the central H-1 freeway corridor to the greatest extent feasible in order to reduce traffic congestion for Oahu's motorists.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 61, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3449**Ways and Means on S.C.R. No. 206**

The purpose of this concurrent resolution is to request the Auditor to conduct a management audit on the impact of increased workloads of school principals and other administrators and their ability to be effective instructional leaders.

Your Committee finds that school principals perform critical functions as administrators of their individual schools. In recent years, however, downsizing and budget cuts have left principals with the same, if not more work with less administrative support.

This concurrent resolution would provide the Legislature with necessary information and recommendations to study and assess the nature of this problem to provide assistance to principals as warranted.

Your Committee has amended the bill by correcting the reporting date of the Auditor to twenty days before the convening of the Regular Session of 2001.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 206, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 206, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, M. Ige, Iwase, Tam, Anderson).

SCRep. 3450 Ways and Means on S.C.R. No. 30

The purpose of this concurrent resolution is to urge the Hawaii Nurses' Association and the Healthcare Association of Hawaii to begin discussions on acute-care issues relating to patient safety, nursing care, and the potential nursing shortage.

Your Committee finds that Hawaii's healthcare system is undergoing a dramatic transformation in patient management, healthcare financing, and the delivery of healthcare services. These changes, coupled with the deregulation of the healthcare industry have resulted in unprecedented competition and consolidation among healthcare providers. Your Committee, however, is concerned that these changes may compromise patient safety and adequacy of care. Therefore, your Committee supports the discussions provided by this concurrent resolution to provide the Legislature with the necessary information and guidance to ensure that Hawaii residents continue to have access to safe, dependable, and quality healthcare services.

Your Committee has amended the concurrent resolution by requesting the Hawaii Nurses' Association and the Healthcare Association of Hawaii to consult with public and private sector nurses in their discussions pursuant to this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 30, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 30, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3451 Ways and Means on S.C.R. No. 134

The purpose of this concurrent resolution is to request the Auditor to conduct a program and financial audit of the Department of Health's Adult Mental Health Division.

Your Committee finds that in two years, \$83,000,000 has or will be appropriated to either fund the operating costs of the Division or implement its compliance plan pursuant to United States v. State of Hawaii, et al., Civil No. 91-00137 DAE. Considering the State's economic outlook, and the substantial funding appropriated to the Division, your Committee is concerned with the Division's ability to address the issues that resulted in the above lawsuit and to operate in an efficient and cost effective manner.

This concurrent resolution will provide the Legislature with the necessary information and recommendations to properly fund the Division to ensure that the needs of patients are met, as well as provide a comprehensive review and evaluation of the Division's operating system.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 134, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3452 Ways and Means on S.C.R. No. 208

The purpose of this concurrent resolution is to request the Department of Human Services to convene a public-private interagency working group to assist low-income families to become self-sufficient.

Your Committee finds that Congress replaced the Aid to Families with Dependent Children entitlement program, with the Personal and Work Opportunity Reconciliation Act of 1996. The Act set a five-year lifetime limit on cash assistance to recipients of state temporary assistance programs. The first group of welfare recipients that began receiving benefits under the Act in 1996 will reach their five-year limit on December 1, 2001.

Your Committee is concerned that an estimated 3,000 families, including thousands of children will be affected by the termination of assistance. Therefore, in preparation for that transition, your Committee is requesting the Department of Human Services to convene a public-private interagency working group to assist these families. The working group is requested to discuss such topics as:

- (1) Overcoming barriers to work;
- (2) Increasing job retention through key support;
- (3) Securing education, training, or work experience for higher paying jobs;
- (4) Reducing poverty among families and children;

- (5) Worker stipend programs;
- (6) State earned income tax credits; and
- (7) Job retention and advancement services.

The working group is also requested to develop a model to help welfare recipients find jobs and to report its finding and recommendations back to the Legislature twenty days before the Regular Session of 2001.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 208, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3453 Ways and Means on S.R. No. 98

The purpose of this resolution is to request the Department of Human Services to convene a public-private interagency working group to assist low-income families to become self-sufficient.

Your Committee finds that Congress replaced the Aid to Families with Dependent Children entitlement program, with the Personal and Work Opportunity Reconciliation Act of 1996. The Act set a five-year lifetime limit on cash assistance to recipients of state temporary assistance programs. The first group of welfare recipients that began receiving benefits under the Act in 1996 will reach their five-year limit on December 1, 2001.

Your Committee is concerned that an estimated 3,000 families, including thousands of children will be affected by the termination of assistance. Therefore, in preparation for that transition, your Committee is requesting the Department of Human Services to convene a public-private interagency working group to assist these families. The working group is requested to discuss such topics as:

- (1) Overcoming barriers to work;
- (2) Increasing job retention through key support;
- (3) Securing education, training, or work experience for higher paying jobs;
- (4) Reducing poverty among families and children;
- (5) Worker stipend programs;
- (6) State earned income tax credits; and
- (7) Job retention and advancement services.

The working group is also requested to develop a model to help welfare recipients find jobs and to report its finding and recommendations back to the Legislature twenty days before the Regular Session of 2001.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 98, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3454 Ways and Means on S.C.R. No. 210

The purpose of this concurrent resolution is to request the Department of Health to develop a comprehensive plan for providing mental health services to ensure that proper levels of treatment are being provided to mentally ill persons.

Your Committee finds that a lawsuit filed by the Department of Justice in 1991 to protect the constitutional rights of patients at Hawaii State Hospital resulted in a stipulated settlement agreement and court order that requires the Department of Health to correct deficiencies at the Hawaii State Hospital. The Hospital is in the process of reducing the number of available beds from 168 to 108, leaving no beds for non-forensic patients. The Legislature hired Dr. Richard Lamb, a psychiatrist, as an independent consultant to review the Department of Health's plans for the Hawaii State Hospital. After Dr. Lamb visited mental health facilities and consulted with a number of officials, he submitted his findings and recommendations to the Legislature.

Your Committee further finds that the mentally ill require different levels of treatment and programs. Reducing the number of available beds at Hawaii State Hospital with no clear alternatives, will only contribute to homelessness and criminalization of mentally ill persons. This concurrent resolution will assist the Department of Health, working with other service providers and stakeholders and

using Dr. Lamb's recommendations as a guideline, to ensure that mentally ill patients receive appropriate treatment in the appropriate facility.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 210, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3455 Ways and Means on S.C.R. No. 6

The purpose of this concurrent resolution is to urge the Judiciary, in consultation with other departments and agencies, as appropriate, to establish by internal administrative action, a domestic violence court or division to promote:

- (1) Immediate and consistent response to domestic violence crimes;
- (2) Intensive monitoring of defendants' compliance with court orders, so that violations result in a swift response;
- (3) Oversight of victim safety through victim advocacy;
- (4) Continuous judicial supervision of cases and improved use of technology in gathering information; and
- (5) Sharing of resources for interagency collaboration.

Your Committee finds that a domestic violence court created to focus specifically on domestic violence cases would provide improved, expeditious judicial handling of these cases and a unified approach to all stages of domestic violence. In addition, your Committee finds that a domestic violence court or division would improve the quality of life for victims, their children, and the community by promoting victim safety and support and defendant accountability.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 6, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3456 Ways and Means on S.C.R. No. 26

The purpose of this concurrent resolution is to request the Judiciary to determine the feasibility of establishing Drug Courts on the Big Island and on Kauai.

Your Committee finds that the number of drug courts nationwide has increased significantly, with drug courts now underway in forty-seven states plus the District of Columbia, Guam, Puerto Rico, and two federal districts, including Drug Court planning in a number of Native American Tribal Courts. Your Committee also finds that Hawaii's Drug Court program in the city and county of Honolulu has been extremely successful since its inception in January, 1996. Hawaii's Drug Court is a treatment-based program, run by the Judiciary, that diverts nonviolent pre-trial and post-conviction defendants from the usual criminal justice process and incarceration and places them in a comprehensive, intensive treatment program. The program includes on-going judicial supervision and incentives for good behavior and immediate sanctions for relapses with drug use. Your Committee further finds that drug use by participants in Drug Court programs is substantially reduced and significantly lower than that reported for non-Drug Court defendants and that recidivism rates of Drug Court participants are also substantially lower.

Given the success of Hawaii's Drug Court in the city and county of Honolulu, your Committee believes that establishing Drug Courts on the Big Island and on Kauai would help to address the growing number of substance abuse cases in these counties and the resulting increase in the number of detained and incarcerated individuals with drug abuse problems, by offering an alternative to incarceration for nonviolent drug-abusing offenders.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 26, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3457 Ways and Means on S.C.R. No. 32

The purpose of this concurrent resolution is to request the Auditor to study mandatory health insurance coverage for diabetes self-management education and training.

Your Committee finds this concurrent resolution must be passed before the Legislature can consider passing S.B. No. 2657, as amended, which mandates the new health insurance coverage.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 32, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3458 Ways and Means on S.C.R. No. 60

The purpose of this Concurrent Resolution is to request that the Department of Land and Natural Resources study the feasibility of establishing, assessing, and collecting user fees to offset the cost of maintaining Kokee State Park, Alakai Swamp, and Waimea Canyon State Park on the island of Kauai.

Your Committee finds that like many popular tourist attractions, the impact of human intervention has had negative impacts on the environment. The impact of many visitors to Hanauma Bay for example has necessitated parking restrictions and limits on visitors, rules against feeding the fish, and so on. In addition, the cost to the State of maintenance and upkeep continues to spiral upwards as heavy use of these facilities and locations mean more wear and tear on the buildings and environment itself.

Kauai's Kokee State Park, Alakai Swamp, and Waimea Canyon State Park are other examples of popular locations heavily used by tourists and residents alike. In an effort to shift the cost of maintaining these facilities, this Concurrent Resolution requests a feasibility study that can help the Legislature to make a decision during the 2001 regular session on how best to approach this issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 60, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3459 Ways and Means on S.R. No. 24

The purpose of this Resolution is to request that the Department of Land and Natural Resources study the feasibility of establishing, assessing, and collecting user fees to offset the cost of maintaining Kokee State Park, Alakai Swamp, and Waimea Canyon State Park on the island of Kauai.

Your Committee finds that like many popular tourist attractions, the impact of human intervention has had negative impacts on the environment. The impact of many visitors to Hanauma Bay for example has necessitated parking restrictions and limits on visitors, rules against feeding the fish, and so on. In addition, the cost to the State of maintenance and upkeep continues to spiral upwards as heavy use of these facilities and locations mean more wear and tear on the buildings and environment itself.

Kauai's Kokee State Park, Alakai Swamp, and Waimea Canyon State Park are other examples of popular locations heavily used by tourists and residents alike. In an effort to shift the cost of maintaining these facilities, this Resolution requests a feasibility study that can help the Legislature to make a decision during the 2001 regular session on how best to approach this issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 24, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3460 Ways and Means on S.C.R. No. 68

The purpose of this concurrent resolution is to request the Hawaii Institute for Public Affairs to conduct a public policy report on Hawaii and the New Economy.

Specifically, the concurrent resolution requests a report on the State's strategic environmental, human, and technological resources and capabilities, focusing on activities that can be initiated currently but whose impacts will mainly be felt in the formation of a New Economy.

The report is to include a summary of Hawaii's strategic environmental, human, and technological resources and capabilities that can be used to attract overseas investment and diversify the State's economy; estimates of current national and international trends and future demands for products and services in key industries that correspond to these strategic resources and capabilities; recommendations for promoting and enhancing the visibility and attractiveness of Hawaii's strategic assets in world markets; and a strategy for promoting and sustaining partnerships among government, industrial, and educational policies and programs that can facilitate networking of resources, expedite technology transfers, and foster entrepreneurial growth.

The Hawaii Institute for Public Affairs is further requested to work in collaboration with appropriate government, business, labor, community, and educational institutions and leaders statewide in preparing the report, and is further requested to address the potential

negative effects of excluding rural and indigent communities that do not have access to technology or lack sufficient educational and technological skills.

Your Committee finds that the "New Economy" that has emerged in the United States has brought about fundamental changes in the industrial and occupational order, introduced unprecedented levels of entrepreneurial dynamism and competition, and initiated a dramatic trend toward globalization. Your Committee finds that although Hawaii performs well in certain aspects of the New Economy, including foreign direct investment, workforce education, and education technology in the schools, it nevertheless ranks poorly in a number of critical areas, particularly new business startups and high technology jobs.

Your Committee finds that a public policy report on Hawaii by the Hawaii Institute for Public Affairs, a nonpartisan and independent research and educational organization, will assist in exploring ways to promote and enhance Hawaii's strategic position in the global marketplace as well as assist the State's businesses and residents in their ability to compete successfully in the New Economy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 68, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3461 Ways and Means on S.C.R. No. 82

The purpose of this measure is to request the Department of Land and Natural Resources to resume fry/seed production at the Anuenue Fisheries Research Center.

Your Committee finds that commercial fish farms need time to fully develop the production of fish fingerlings in order to meet the demands of new foreign markets. Moreover, current fish fingerling production at private facilities is operating at capacity and is not able to support the fisheries' capability of meeting the burgeoning demands of new foreign markets. Your Committee also finds that the Anuenue Fisheries Research Center has the capability of assuming the current fish fingerling production from private facilities and producing fry at greater levels of capacity. Your Committee finds that such a use of the Anuenue Fisheries Research Center serves the interests of the State's economy to a greater extent than does the Center's current use of its facilities to research fish stock enhancement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 82, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3462 Ways and Means on S.R. No. 34

The purpose of this measure is to request the Department of Land and Natural Resources to resume fry/seed production at the Anuenue Fisheries Research Center.

Your Committee finds that commercial fish farms need time to fully develop the production of fish fingerlings in order to meet the demands of new foreign markets. Moreover, current fish fingerling production at private facilities is operating at capacity and is not able to support the fisheries' capability of meeting the burgeoning demands of new foreign markets. Your Committee also finds that the Anuenue Fisheries Research Center has the capability of assuming the current fish fingerling production from private facilities and producing fry at greater levels of capacity. Your Committee finds that such a use of the Anuenue Fisheries Research Center serves the interests of the State's economy to a greater extent than does the Center's current use of its facilities to research fish stock enhancement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 34, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3463 Ways and Means on S.R. No. 26

The purpose of this resolution is to request the Hawaii Institute for Public Affairs to conduct a public policy report on Hawaii and the New Economy.

Specifically, the resolution requests a report on the State's strategic environmental, human, and technological resources and capabilities, focusing on activities that can be initiated currently but whose impacts will mainly be felt in the formation of a New Economy.

The report is to include a summary of Hawaii's strategic environmental, human, and technological resources and capabilities that can be used to attract overseas investment and diversify the State's economy; estimates of current national and international trends and future demands for products and services in key industries that correspond to these strategic resources and capabilities; recommendations for promoting and enhancing the visibility and attractiveness of Hawaii's strategic assets in world markets; and a strategy for promoting and sustaining partnerships among government, industrial, and educational policies and programs that can facilitate networking of resources, expedite technology transfers, and foster entrepreneurial growth.

The Hawaii Institute for Public Affairs is further requested to work in collaboration with appropriate government, business, labor, community, and educational institutions and leaders statewide in preparing the report, and is further requested to address the potential negative effects of excluding rural and indigent communities that do not have access to technology or lack sufficient educational and technological skills.

Your Committee finds that the "New Economy" that has emerged in the United States has brought about fundamental changes in the industrial and occupational order, introduced unprecedented levels of entrepreneurial dynamism and competition, and initiated a dramatic trend toward globalization. Your Committee finds that although Hawaii performs well in certain aspects of the New Economy, including foreign direct investment, workforce education, and education technology in the schools, it nevertheless ranks poorly in a number of critical areas, particularly new business startups and high technology jobs.

Your Committee finds that a public policy report on Hawaii by the Hawaii Institute for Public Affairs, a nonpartisan and independent research and educational organization, will assist in exploring ways to promote and enhance Hawaii's strategic position in the global marketplace as well as assist the State's businesses and residents in their ability to compete successfully in the New Economy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 26, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3464**Ways and Means on S.C.R. No. 97**

The purpose of this concurrent resolution is to support the Hawaii Psychiatric Medical Association's interest in having a future annual meeting of the American Psychiatric Association in Hawaii.

Your Committee finds that the Hawaii Convention Center could be developed into a much sought after convention site for medium-sized professional associations. It is centrally located between downtown and Waikiki, and as a central place in the Pacific, is easily accessible to island nations and Pacific rim countries.

Your Committee also finds that specialized professions like psychiatry, dentistry, travel tour operators, realtors, and the like can benefit from a gentle nudge to consider Honolulu's Convention Center for future conventions. Often these groups simply have not considered Honolulu as a site with all the amenities of other big cities.

In this case, your Committee finds that extending an invitation to the American Psychiatric Association could be a major boost for the Convention Center and the addition of another professional group in what, hopefully, will become a long line of professional groups selecting Hawaii as a site for conventions and meetings.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 97, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, M. Ige, Iwase, Tam, Anderson).

SCRep. 3465**Ways and Means on S.C.R. No. 101**

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to study the effects of big box retailers on local small and medium retail businesses.

Your Committee finds that there have been allegations that big box retailers, which typically offer low prices due to their large volume, are siphoning customers away from small and medium size local merchants who are not able to offer the same prices. The State has a number of big box retailers and more are expected. To accurately predict their effect on local businesses, the State needs solid economic data concerning the impact to date by these large chains on smaller local retailers.

The Department of Business, Economic Development, and Tourism is particularly well suited to perform this analysis. Not only does the department have a professional research and economic analysis division, but the department is charged with performing economic research and making broad policy determinations with respect to economic development in the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 101, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3466 Ways and Means on S.C.R. No. 114

The purpose of this concurrent resolution is to establish a 2000 Domestic Violence Working Group to:

- (1) Oversee the implementation of the recommendations in the "Domestic Violence and Criminal Justice System in Hawaii" report;
- (2) Act as the coordinating body for the monitoring and assessment of that process; and
- (3) Coordinate an examination of practices and procedures, in the civil and criminal justice system, as they relate to children and youth involved in domestic violence situations.

Your Committee finds that the 2000 Domestic Violence Working Group will ensure that the valuable efforts of the 1999 Domestic Violence Working Group will continue. Your Committee also notes that the 2000 Domestic Violence Working Group will obtain much needed input from the relevant child and adolescent service community.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 114, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3467 Ways and Means on S.C.R. No. 115

The purpose of this concurrent resolution is to request the Legislative Reference Bureau, in cooperation with the Campaign Spending Commission, to study Hawaii's campaign finance laws and make suggestions to clarify or simplify the laws governing campaign finance.

Specifically, the resolution requests:

- (1) The Legislative Reference Bureau to identify problems including poor organization, confusing language, redundant provisions, and inconsistencies;
- (2) The Campaign Spending Commission to provide the Legislative Reference Bureau with a list of recognized problems in the campaign finance laws;
- (3) The Legislative Reference Bureau to make recommendations for recodification that can be achieved without substantive change to the law; and
- (4) The Campaign Spending Commission to submit proposed legislation for substantive changes to the campaign finance law.

Your Committee finds that Hawaii's campaign finance laws, quite often, are difficult to understand and apply. A review of the law will help discover and eliminate the seeming inconsistencies and redundancies. Suggestions for recodification will provide "user-friendly" organization, and recommendations for substantive changes will aid in understanding and compliance with the law. This measure will increase public confidence in Hawaii's election procedures and in elected officials.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 115, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3468 Ways and Means on S.C.R. No. 116

The purpose of this concurrent resolution is to encourage more openness in judicial evaluations and more public confidence in the quality of our judges and justices.

At present, the Chief Justice of the Supreme Court conducts evaluations of sitting judges, but that does not include the rest of the Supreme Court Justices and the judges of the Intermediate Court of Appeals. The present evaluations should continue, and evaluations for these other justices should be added to assist them in their professional growth. The evaluation process at present is entirely confidential, but it should be made more open by including evaluation by a panel of qualified persons, including former judges and members of the public. An education program for the public on the evaluation process is necessary for confidence by the public in the Judiciary.

Additionally, the Judiciary is requested to provide opportunities for public recognition of excellent judges and justices. Too often negative comments are the only ones heard, and again, it will improve public confidence in the judicial system if the positive is also heard. Your Committee finds that the steps requested in this concurrent resolution will help improve the quality of judges and justices in the State and build an increasing level of public confidence in the system.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 116, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SRep. 3469 Ways and Means on S.C.R. No. 117

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study of social work licensing laws.

In particular, the Bureau is requested to review chapter 467E, Hawaii Revised Statutes, and the social work licensure laws of other states, including multi-tiered laws that allow for "clinical level", "bachelor level", and other levels of licensure.

The study is further requested to include the rationale of the majority of states to support multi-tiered licensing of social workers; the impact on, and benefits to, the public of multi-tiered licensing; the rationale for states to choose "practice laws" rather than "title protection" licensure laws; continuing education requirements in other states' licensing requirements; funding mechanisms in other states; levels of supervision, credentialing, education, training, experience, and expertise required in other states' licensing laws; and the cost of implementing alternative social work licensure laws for Hawaii.

Your Committee finds that there is an increased interest in the professional social work community to enhance and restructure the current social work licensure law, and that there are a variety of licensure options to be considered in restructuring the current law. Your Committee agrees that an independent review of the options available, in consultation with the major professional social work groups, the public, and other stakeholders, will facilitate an understanding of the various restructuring options.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 117, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SRep. 3470 Ways and Means on S.R. No. 58

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study of social work licensing laws.

In particular, the Bureau is requested to review chapter 467E, Hawaii Revised Statutes, and the social work licensure laws of other states, including multi-tiered laws that allow for "clinical level", "bachelor level", and other levels of licensure.

The study is further requested to include the rationale of the majority of states to support multi-tiered licensing of social workers; the impact on, and benefits to, the public of multi-tiered licensing; the rationale for states to choose "practice laws" rather than "title protection" licensure laws; continuing education requirements in other states' licensing requirements; funding mechanisms in other states; levels of supervision, credentialing, education, training, experience, and expertise required in other states' licensing laws; and the cost of implementing alternative social work licensure laws for Hawaii.

Your Committee finds that there is an increased interest in the professional social work community to enhance and restructure the current social work licensure law, and that there are a variety of licensure options to be considered in restructuring the current law. Your Committee agrees that an independent review of the options available, in consultation with the major professional social work groups, the public, and other stakeholders, will facilitate an understanding of the various restructuring options.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 58, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SRep. 3471 Ways and Means on S.C.R. No. 122

The purpose of this concurrent resolution is to request that the Legislative Reference Bureau conduct a study on criminal history records checks, including:

- (1) A review of the legal ramifications of requiring such checks;
- (2) A review of existing federal, state, and county requirements; and

- (3) The feasibility of making Hawaii an open records state, which would allow the general public, including non-criminal justice agencies, to receive state non-conviction information.

Your Committee finds that statutory provisions dealing with criminal history records are confusing. For example, section 378-2, Hawaii Revised Statutes (HRS), prohibits discriminatory employment practices on the basis of a person's arrest and court record. On the other hand, section 378-2.5, HRS, permits an employer limited inquiry into and consideration of criminal conviction information, if it bears a rational relationship to the duties and responsibilities of a position for which a conditional offer of employment has been made.

To further complicate matters, various exceptions presently exist in the law that either permit or mandate criminal history records checks in select instances, including but not limited to: employees in public and private schools; operators and employees in child caring institutions or foster homes and adult foster homes; correctional or detention facilities; private investigators and guards; and condominium employees.

Furthermore, your Committee notes that a number of bills introduced during the 2000 Regular Session attempt to carve out additional exceptions for criminal history record checks. For example, S.B. No. 2876, S.D. 1, requires the Department of Health to develop procedures for obtaining verifiable information, including criminal history record checks, regarding the criminal history of persons seeking employment with the Department, its providers, or its subcontractors. S.B. No. 2098, H.D. 2, requires private schools, in cooperation with the Hawaii Criminal Justice Data Center, to conduct criminal history verifications of employment applicants to positions involving close proximity with children.

Although your Committee acknowledges that persons who were once convicted of an offense and have been rehabilitated deserve equal access to employment opportunities, your Committee also recognizes that there are many occupations where an employer should be made aware of an applicant or employee's criminal history, especially if the position works closely with vulnerable populations. Accordingly, your Committee believes that a comprehensive review of the issue of criminal record checks is necessary in order to ensure fair and consistent application, rather than continuing to impose requirements in a piecemeal fashion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 122, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3472 Ways and Means on S.C.R. No. 130

The purpose of this concurrent resolution is to request the Department of Commerce and Consumer Affairs to evaluate existing construction laws and practices relating to remedial work required by owners of newly completed residential homes.

Your Committee finds that the purchase of a new home sometimes requires remedial work after construction is completed. The relative responsibilities of the parties regarding remedial work, however, can be shrouded in vague industry standards and confusing third-party warranties.

This concurrent resolution will provide the Legislature with the necessary information and recommendations from construction industry experts to understand the laws and practices regarding remedial work and to ultimately enhance the existing level of protection of new home-buying consumers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 130, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3473 Ways and Means on S.R. No. 63

The purpose of this resolution is to request the Department of Commerce and Consumer Affairs to evaluate existing construction laws and practices relating to remedial work required by owners of newly completed residential homes.

Your Committee finds that the purchase of a new home sometimes requires remedial work after construction is completed. The relative responsibilities of the parties regarding remedial work, however, can be shrouded in vague industry standards and confusing third-party warranties.

This resolution will provide the Legislature with the necessary information and recommendations from construction industry experts to understand the laws and practices regarding remedial work and to ultimately enhance the existing level of protection of new home-buying consumers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 63, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3474 Ways and Means on S.C.R. No. 131

The purpose of this measure is to request the Legislative Reference Bureau to evaluate the ability of Hawaii's public and private agriculture loan systems to meet the credit needs of today's small, individually-owned, diversified enterprises.

Your Committee finds that large, static plantations are rapidly being replaced by smaller, more dynamic farms. Unlike large plantations, small farms are able to adapt their growing and marketing strategies to take advantage of, and to temporarily weather changing local, mainland, and overseas marketforces. One of the major problems encountered by small farms, however, is the lack of available capital to adapt existing plantation-sized infrastructure, such as roads and irrigation and drainage systems, to meet the specific needs of the "small farm", *i.e.*, a farm of less than ten acres and reported gross annual revenues of \$50,000 or less.

The present public and private farm credit systems evolved to meet the needs of mature, plantation-sized agriculture, and may not be appropriate for emerging, family-sized enterprises. These family-sized enterprises make up eighty-six per cent of the more than 5,500 farm and ranch businesses in Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 131, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3475 Ways and Means on S.R. No. 64

The purpose of this measure is to request the Legislative Reference Bureau to evaluate the ability of Hawaii's public and private agriculture loan systems to meet the credit needs of today's small, individually-owned, diversified enterprises.

Your Committee finds that large, static plantations are rapidly being replaced by smaller, more dynamic farms. Unlike large plantations, small farms are able to adapt their growing and marketing strategies to take advantage of, and to temporarily weather changing local, mainland, and overseas marketforces. One of the major problems encountered by small farms, however, is the lack of available capital to adapt existing plantation-sized infrastructure, such as roads and irrigation and drainage systems, to meet the specific needs of the "small farm", *i.e.*, a farm of less than ten acres and reported gross annual revenues of \$50,000 or less.

The present public and private farm credit systems evolved to meet the needs of mature, plantation-sized agriculture, and may not be appropriate for emerging, family-sized enterprises. These family-sized enterprises make up eighty-six per cent of the more than 5,500 farm and ranch businesses in Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 64, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3476 Ways and Means on S.C.R. No. 149

The purpose of this measure is to request the Public Utilities Commission to open a generic docket to consider, analyze, and evaluate the broad issues of overheading versus undergrounding electric transmission lines.

Your Committee finds that the general context of a generic docket would allow the Public Utilities Commission to consider the issues concerning the placement of electric transmission lines in a general context, instead of a piecemeal approach that considers one specific proposal at a time. Changes in technology and public sentiment require a comprehensive evaluation of all the issues to develop clearly understood criteria, guidelines, and procedures used in all decisions regarding placement of transmission lines underground or overhead. This measure will assist in making those decisions predictable and understood by all concerned parties.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 149, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3477 Ways and Means on S.R. No. 73

The purpose of this measure is to request the Public Utilities Commission to open a generic docket to consider, analyze, and evaluate the broad issues of overheading versus undergrounding electric transmission lines.

Your Committee finds that the general context of a generic docket would allow the Public Utilities Commission to consider the issues concerning the placement of electric transmission lines in a general context, instead of a piecemeal approach that considers one specific proposal at a time. Changes in technology and public sentiment require a comprehensive evaluation of all the issues to develop clearly understood criteria, guidelines, and procedures used in all decisions regarding placement of transmission lines underground or overhead. This measure will assist in making those decisions predictable and understood by all concerned parties.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 73, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3478 Ways and Means on S.C.R. No. 155

The purpose of this measure is to request the Department of Land and Natural Resources to implement the recommendations regarding Hawaii's commercial boating and ocean recreation industry made by the Small Business Task Force on Regulatory Relief.

In addition, this measure:

- (1) Requests the Department of Land and Natural Resources to replace commercial fishing permits with licenses that are registered annually;
- (2) Requests the Small Business Regulatory Review Board to convey the complaints and concerns identified by members of the boating industry in the final report of the Small Business Task Force on Regulatory Relief to the Department of Land and Natural Resources; and
- (3) Requests the Department of Land and Natural Resources to:
 - (A) Respond to the complaints and concerns identified by members of the boating industry in the final report of the Small Business Task Force;
 - (B) Make specific recommendations to create consistency in fees, rules, and requirements;
 - (C) Explain or justify overlapping fees; and
- (4) Requests the Auditor to:
 - (A) Investigate existing boating facilities management, operations, and standards; and
 - (B) Assess the feasibility of transferring the Division of Boating and Ocean Recreation from the Department of Land and Natural Resources to the Department of Transportation.

The Small Business Task Force on Regulatory Relief found that Hawaii's commercial boating industry is being constrained by the manner in which it is being regulated. Because of burdensome administrative rules, the State has hamstrung commercial boating to the point that continued growth and vitality is threatened. The commercial boating industry is heavily burdened by increased and sometimes overlapping fees charged by the Department of Land and Natural Resources; and commercial boat operators perceive a lack of consistency in fees, permit standards, and contract requirements from year-to-year, facility-to-facility, and for varying jurisdictions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 155, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3479 Ways and Means on S.C.R. No. 169

The purpose of this concurrent resolution is to request the Public Utilities Commission to study methods of financing the cost of placing utility lines underground.

Your Committee finds that changes in technology and an increase in public interest often supports underground placement of new and existing utility lines. However, there has been no clear resolution of who pays for this. The cost of undergrounding must be borne by either the utility provider, the consumers, the State and the counties, or a combination of those groups. Other communities on the mainland have successfully converted existing overhead lines to underground and mandated new lines to be placed underground. This concurrent resolution will assist in the determination of an equitable plan for financing underground placement of electric transmission lines where it is found desirable.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 169, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3480 Ways and Means on S.C.R. No. 170

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to collaborate with every electric service provider located in the State and assess the feasibility and utility of a net energy metering program.

"Net energy metering" generally refers to the difference between the electricity supplied to an eligible customer-generator and the electricity generated and fed back to the electric grid by the eligible customer-generator over an annual billing period. An "eligible customer-generator" is a customer of an electric service provider who uses a solar-electric generating facility located on the customer's premises, is interconnected and operates in parallel with the electric grid, and is intended to offset part or all of the customer's electrical requirements.

Your Committee finds that a program to provide net energy metering for eligible customer-generators may encourage private investment in renewable resources, stimulate Hawaii's economic growth, enhance the diversification of the State's energy sources, and reduce costs for electric service providers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 170, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3481 Ways and Means on S.C.R. No. 171

The purpose of this concurrent resolution is to request the Department of Transportation to convene a working group to study the feasibility of establishing a one-call system for locating underground utilities.

Your Committee finds that the underground utility infrastructure in the State tends to be concentrated in the same areas. When one utility needs to dig underground to fix its own utilities, care must be taken not to impact on other utilities that may be in the same area. Homeowners too are concerned with finding the locations of all utility lines on their properties when they need to dig on their properties.

The concept of a "one call" system whereby those who need to know can find out the location of all utilities in a given area with one phone call is of significant interest. However, certain barriers would need to be overcome before such a system would become feasible, such as the effect of such a system on the utilities, both operationally and economically; available resources; and penalty and funding provisions. The implementation of a working group composed of utilities, governmental agencies, and others can help address these barriers and smooth the path toward a successful system.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 171, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 5 (Buen, M. Ige, Iwase, Tam, Anderson).

SCRep. 3482 Ways and Means on S.C.R. No. 173

The purpose of this concurrent resolution is to request Hawaiian Electric Company to retain the solar water heating rebate levels at the current level for at least one year beyond April 1, 2000.

Additionally, the concurrent resolution requests Hawaiian Electric Company to submit a report to the Legislature prior to the convening of the 2001 Regular Session and also requests the Public Utilities Commission to monitor the situation to ensure that the concurrent resolution's intent is implemented.

Your Committee finds that demand side management programs benefit consumers and support state policies of encouraging use of renewable energy and energy efficiency. These programs benefit both residential and business electric utility consumers. Hawaiian Electric Company's plans to reduce rebates offered for the installation of solar water heating systems hinders the advancement of state energy policies. Your Committee finds that the concurrent resolution will benefit energy consumers as well as promote the State's energy policies.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 173, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3483 Ways and Means on S.R. No. 84

The purpose of this resolution is to request Hawaiian Electric Company to retain the solar water heating rebate levels at the current level for at least one year beyond April 1, 2000.

Additionally, the resolution requests Hawaiian Electric Company to submit a report to the Legislature prior to the convening of the 2001 Regular Session and also requests the Public Utilities Commission to monitor the situation to ensure that the resolution's intent is implemented.

Your Committee finds that demand side management programs benefit consumers and support state policies of encouraging use of renewable energy and energy efficiency. These programs benefit both residential and business electric utility consumers. Hawaiian Electric Company's plans to reduce rebates offered for the installation of solar water heating systems hinders the advancement of state energy policies. Your Committee finds that the resolution will benefit energy consumers as well as promote the State's energy policies.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 84, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3484 Ways and Means on S.C.R. No. 179

The purpose of this concurrent resolution is to request the Public Utilities Commission to complete Docket No. 7310, short-run avoided energy costs for as-available resources and issue a decision and order.

The concurrent resolution also requests the Public Utilities Commission to implement a plan to calculate avoided cost within one hundred twenty days from the filing of a petition by a qualifying facility.

Your Committee finds that one of the barriers to the use of renewable energy is unresolved avoided cost issues. Unresolved avoided cost issues are a factor in protracted contract negotiations for power purchase agreements between electric utilities and qualifying facilities. Moreover, these unresolved issues increase the cost of doing business and cost of living in Hawaii and contribute to Hawaii's negative image as a place to do business.

Your Committee further finds that this concurrent resolution will encourage the implementation of procedures that will facilitate and expedite the ability of all parties concerned to arrive at reasonably determined avoided cost estimates for the purpose of determining fair estimates of generating capacity costs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 179, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3485 Ways and Means on S.C.R. No. 181

The purpose of this concurrent resolution is to request the Public Utilities Commission to create and implement a standardized interconnection agreement for independent power producers whose production capacity is less than one hundred kilowatts.

The concurrent resolution further requests that in conducting this review, the Public Utilities Commission is requested to consult with other appropriate authorities and experts, including representatives of the states of New York and Texas, the Sacramento Municipal Utility District, the Vermont Public Service Board, and any other areas having standardized interconnection agreements.

Your Committee finds that as renewable energy becomes more attractive for venture capital investment in Hawaii, and as fuel cells and photovoltaics become commercially available, Hawaii's residents may seek to use these emerging technologies. In the event of a natural disaster, various customer-generators, including military installations that generate their own power, could assist in providing electricity to other consumers.

Your Committee further finds that entities that seek to provide power to the electric grid must satisfy certain interconnection requirements in order to maintain the grid's reliability. Currently, however, it may take up to five years per agreement to resolve these issues. Your Committee finds that having a standardized interconnection agreement that is publicly available on the Internet would result in all potential power generators knowing in advance the requirements to connect to the electric grid. This knowledge could strengthen Hawaii's economy by leading to increased competition in the area of electric generation, lowering the costs of electricity for consumers, and providing greater security in times of disaster.

Your Committee has amended this concurrent resolution by changing the minimum capacity of electricity produced by independent power producers from one hundred to one thousand kilowatts.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 181, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 181, S.D. 2.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, M. Ige, Iwase, Tam, Anderson).

SCRep. 3486 Ways and Means on S.C.R. No. 183

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to conduct a study of the use of hydrogen as a fuel for transportation and power generation.

Your Committee finds that Hawaii's reliance on fossil fuels has often raised concerns by environmentalists and others who would like to see Hawaii surviving with less dependence on imported oil. Hawaii should also be part of the global solution to greenhouse warming and encourage the use of alternative fuels for energy. Therefore, this concurrent resolution proceeds on an admirable premise, that Hawaii can do its part to not only reduce its dependence on fossil fuels, but also with proper use of available technologies participate in utilizing hydrogen as a fuel for transportation and power generation.

Your Committee finds that the Department of Business, Economic Development, and Tourism is the department best able to do this assessment and submit a report to the Legislature before the 2001 regular session to enable the Legislature to determine the next steps and best courses of action to make hydrogen fuel a reality.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 183, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3487 Ways and Means on S.C.R. No. 199

The purpose of this concurrent resolution is to request the Attorney General to convene a task force to study the existing statutory and penal code provisions concerning the sexual exploitation of women and children in Hawaii and make recommendations for improving these laws, as appropriate.

In particular, the task force is requested to focus on the specific issues related to:

- (1) The commercial exploitation of minors and young women;
- (2) The noncommercial exploitation and coercion of young women by men; and
- (3) The role and use of current sexual assault laws in protecting women and children from sexual exploitation.

Your Committee finds that trafficking in women and children, and sexual exploitation of minors, most of whom are female, is happening in this State, and in Honolulu in particular, at an alarming rate and in ways in which most of the community is not aware. Your Committee also finds that the harmful effects of sexual exploitation may include substance abuse, suicide, sexually transmitted diseases, depression, and psychological trauma. Your Committee believes that this concurrent resolution may lead to measures that will reduce the incidence of sexual exploitation of women and children in Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 199, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, M. Ige, Iwase, Tam, Anderson).

SCRep. 3488 Ways and Means on S.C.R. No. 151

The purpose of this concurrent resolution is to request the Auditor to update its 1992 summary of special and revolving funds.

Your Committee finds that according to the Auditor's report in 1992:

- (1) There are many special and revolving funds with growing cash balances;
- (2) There is an increasing effort by agencies to establish and use special and revolving funds; and
- (3) There is a failure of many funds to meet the criteria for establishment as a special or revolving fund.

These conditions may not have changed since the Auditor's 1992 report, especially since the Legislature has continued to create more special and revolving funds than it has disbanded. With the proliferation of these funds, an Auditor's update is necessary, especially during hard economic times, to ensure that all available state funds are accounted for.

Your Committee has amended the concurrent resolution by requesting the Auditor to also conduct a financial and management audit of the University of Hawaii. Your Committee finds that an audit of the University is timely and appropriate, since the University has requested autonomy in its operations and budget functions. An audit would provide necessary information that would indicate whether the University has addressed the fiscal and management issues previously identified by audits conducted earlier by the Auditor.

Additionally, an audit would be able to assess the University as it prepares to implement the Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments (GASB Statement No. 34) and - for Public Colleges and Universities (GASB Statement No. 35). The audit would be able to assess how the University has prepared for, and implemented the GASB Nos. 34 and 35 requirements. Since the implementation is scheduled for July 1, 2001, your Committee has requested that the audit be conducted after July 1, 2002.

Your Committee has also amended the title of the concurrent resolution to reflect its amended intent.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 151, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 151, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 3 (Buen, Iwase, Tam).

SCRep. 3489 Economic Development on H.C.R. No. 126

The purpose of this measure is to recognize the importance of the golf course industry in Hawaii and to designate the Ewa Plains/Kapolei region the golf capital of Oahu.

Testimony in favor of this measure was submitted by the Estate of James Campbell, Gentry Companies, and Haseko Homes, Inc. The Hawaii Audubon Society submitted testimony in opposition.

Your Committee finds that golf courses supply a popular form of recreation for Hawaii's residents and visitors alike, as well as open space in an area of increasing development.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 126, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Buen, M. Ige).

SCRep. 3490 Water, Land, and Hawaiian Affairs on H.C.R. No. 27

The purpose of this measure is to commemorate the centennial anniversary of the passage of the Organic Act.

The measure also encourages the members of the House of Representatives and the Senate of the Twentieth Legislature of the State of Hawaii and the President and Congress of the United States of America to gather with the Native Hawaiian community at Iolani Palace on April 30, 2000, to celebrate the occasion.

Your Committee finds that the measure will serve as a reminder to the United States Congress of its involvement in the transformation of the Kingdom of Hawaii through the enactment of the Organic Act and the subsequent emergence of Hawaii as a state.

Your Committee has amended the measure by amending the title to better reflect its contents.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 27, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 27, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kanno, Tanaka, Anderson).

SCRep. 3491 Health and Human Services on Gov. Msg. No. 199

Recommending that the Senate advise and consent to the nominations of the following:

REPRODUCTIVE RIGHTS PROTECTION COMMITTEE

G.M. No. 199 ROSEMARY C. ADAM-TEREM, Ph.D., for a term to expire June 30, 2002,

JENNIFER SCHEMBER-LANG and GAILYNN WILLIAMSON, Ph.D., for terms to expire June 30, 2004,

Upon review of the background information submitted by each nominee, your Committee finds that each of the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

Your Committee specifically notes the following upon the information and resumes submitted by the nominees:

Rosemary C. Adam-Terem, Ph.D., is a clinical psychologist and is on the clinical faculty of the Department of Psychiatry of the John A. Burns School of Medicine, University of Hawaii. She is also an instructor in clinical psychology at the University of Hawaii at Manoa, a coordinator of adult mental health services at Kapiolani Medical Center for Women and Children, and in private practice. She provides pro bono services.

Jennifer Schember-Lang is being reappointed. She is an attorney and the Executive Director of the Learning Disabilities Association of Hawaii. Her has been Director of Legal Services for the Protection and Advocacy Agency of Hawaii, Staff Attorney for the Disabled Rights Legal Project, and an associate attorney for a mainland law firm. She received the Legal Advocacy Award from the Mental Health Association in Hawaii and the Friends of Social Work Award from the Hawaii Chapter of the National Association of Social Workers. She is a Weinberg Fellowship Program Graduate. Current community activities include being on the Board of Directors of the John Howard Association and a member of the Childrens Community Council (Windward).

Gailynn Williamson, Ph.D., is being reappointed. She is an instructor in philosophy at Leeward Community College, University of Hawaii. Her community service includes membership in the Hawaii Chapter for the Humanities, Queen's Hospital Ethics Committee, and Animal Rights Hawaii.

Testimony in support of the nominees was received from the Department of Health.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 3492 Health and Human Services on Gov. Msg. No. 226

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII HEALTH SYSTEMS CORPORATION

G.M. No. 226 WAYNE M.T. LU, WILLIAM F. MIELCKE, CAROLYN A. NII, DIANE J. PLOTTS, and CLIFTON K. TSUJI, for terms to expire June 30, 2004,

Upon review of the background information submitted by each nominee, your Committee finds that each of the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

Your Committee specifically notes the following upon the information and resumes submitted by the nominees:

Wayne M.T. Lu is being reappointed. He is retired as a project manager from the Research Corporation of the University of Hawaii, where he had lead responsibility for the technical and administrative oversight of the design, fabrication, assembly, installation, integration, and testing of the advanced electro optical system telescope high resolution spectrograph under contract with the United States Air Force Phillips Laboratory. He has served as Chair of the Maui Region Management Advisory Committee and as a member of the State Management Advisory Committee.

William F. Mielcke is being reappointed. He is President of Mauna Kea Properties, Inc., and a former executive at Interisland Resorts, Ltd. He is currently the President of the Lucy Henriques Medical Center, and has served as Chair and Member of the Hawaii County Planning Commission and the Hawaii County Board of Appeals.

Carolyn A. Nii is being reappointed. She is a self-employed certified public accountant. Her community service activities include serving as the President of the YWCA of Kauai, Director of the Lihue Hongwanji Women's Association, and Director of Wilcox Memorial Hospital. She has served with numerous other community organizations in various capacities.

Diane J. Plotts is being reappointed. She currently a personal investment portfolio manager. She is also a Director of Hawaiian Electric Industries, Inc., Hawaiian Electric Company, Inc., Malama Pacific Corp., and American Savings Bank. From 1963 to 1990, she served in various management and executive position with the Hemmeter/Plotts Partnerships and Corporations. Her current community service includes serving as Director and President of the University of Hawaii Foundation and Trustee of the National Symphony Orchestra. She also served in the past with numerous other community organizations in various capacities.

Clifton K. Tsuji is Senior Vice President of Central Pacific Bank. He a member of the Statewide Health Coordinating Council and Medical Advisory committee. He has served as President and Director of the Japanese Chamber of Commerce, Treasurer and Director of the Hawaii Island Chamber of Commerce, Treasurer of the Big Island Press Club, and Vice President and Treasurer of the Hawaii Island Japanese Community Association.

Testimony in support of all the nominees was submitted by the Hawaii Health Systems Corporation.

Your Committee diligently questioned the nominees who appeared before your Committee about their qualifications for the position to which they are being nominated. Your Committee also questioned the nominees about their vision and priorities relating to the positions to which they are being appointed, and about their commitment to public service. Based on this discussion, your Committee believes the nominees adequately responded to the Committee's inquiries and sufficiently satisfied the Committee's concerns.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

SCRep. 3493 Health and Human Services on Gov. Msg. No. 252

Recommending that the Senate advise and consent to the nominations of the following:

STATE REHABILITATION COUNCIL

G.M. No. 252 VICTORIA A. SUYAT, for a term to expire June 30, 2001,

CARRICK WONG, for a term to expire June 30, 2002,

LYNN C. FOX, PETER L. FRITZ, STERLING KRYSLER, LILLIAN Y. SHIBATA, RICHARD W. SMITH,
and MARK YABUI, for terms to expire June 30, 2003,

Upon review of the background information submitted by each nominee, your Committee finds that each of the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

Victoria A. Suyat is the Director of Development and Training for Winners at Work, Inc., where she is also Program Coordinator for Ke Ala Holomua & School to Work Transition Project. She is also President of Advantage Skill Builders. She has served in various directorship capacities with the American Diabetes Association, American Lung Association of Hawaii, National Multiple Sclerosis Society, United Cerebral Palsy Association, and Muscular Dystrophy Association.

Carrick Wong is a person with a disability. She is a graduate of the University of Hawaii at Manoa.

Lynn C. Fox is a vocational rehabilitation counselor with Lynn C. Fox & Associates, Incorporated. She has worked for Crawford Health & Rehabilitation and Goodwill Vocational Training Centers of Hawaii. She is Certified Rehabilitation Counselor (national level) and is a Registered Rehabilitation Counselor (Hawaii). She is currently on the Board of the Hawaii Rehabilitation Counseling Association and is its past President, and was on the Board of the Hawaii Rehabilitation Association. She was named Counselor of the Year, 1993.

Peter L. Fritz is being reappointed. He is an attorney with the law firm of Watanabe, Ing, and Kawashima. He has been in practice in Hawaii since 1990. He is also licensed in Florida, New Jersey, and New York.

Sterling Kryslar is being reappointed. He is a computer consultant with Kryslar Consulting. He is currently the Vice President and member of the Spinal Cord Injury Support Group, and is a member of the Community Advisory Committee for Hawaii Assistive Technology and Training Project, Community Advisory Committee for Community Long Term Care Branch, Community Advisory Committee for Prime Care Services Hawaii, and Technical Advisory Group for MedQUEST. He is also involved with the Independent Living Housing Project and is a Board Member for the Aloha Special Technology Access Center and Hawaii Centers for Independent Living.

Lillian Y. Shibata is being reappointed. She most recently was an Equal Employment Opportunity Specialist with the United States Army Garrison, Hawaii. Prior to that, she was with the United States Department of Health and Human Services.

Richard W. Smith is President of Simple Solutions, Inc., in Kailua-Kona, which provides business consultation computerization and training services for individuals and businesses. His community service experience includes memberships and directorships in numerous community organizations, including the Workforce Development Council, Hawaii Island Workforce Investment Board, West Hawaii School to Work, and Hawaii Island United Way.

Your Committee received testimony in support of Richard W. Smith from the Workforce Development Council.

Mark Yabui is being reappointed. He is the Coordinator for the Hawaii Centers for Independent Living. He was formerly a Project Assistant for Winners at Work. He has served on the Hawaii Council for Independent Living and has been named the Outstanding Young Person by the Hawaii Jaycees.

Testimony in support of all nominees was received from the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

SCRep. 3494 Health and Human Services on Gov. Msg. No. 255

Recommending that the Senate advise and consent to the nominations of the following:

STATE COMMISSION ON THE STATUS OF WOMEN

G.M. No. 255 MARGARET K. MASUNAGA, for a term to expire June 30, 2002; and

NANCI KREIDMAN, for a term to expire June 30, 2003,

Upon review of the background information submitted by each nominee, your Committee finds that each of the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

Margaret K. Masunaga is a Deputy Corporation Counsel in West Maui, Office of the Corporation Counsel, County of Hawaii. She is currently on the Board of Directors of the Legal Aid Society of Hawaii and the Kona Hongwanji Mission. She is also currently on the Board of Governors of the Hawaii Community Foundation.

Testimony in support of Ms. Masunaga was received from the Department of Labor and Industrial Relations, Hawaii State Commission on the Status of Women, Hawaii Women Lawyers, and a private individual.

Nanci Kreidman is the Executive Director of the Domestic Violence Legal Hotline. She has been a consultant for the Military Family Abuse Shelter, writer and producer of domestic violence training materials and a sexual assault documentary in Hawaii. She has received a Certificate of Accomplishment from the Family Crisis Shelter on the Big Island and was named Outstanding Young Women of America, 1986. Her community service includes service in numerous organizations, including the Commission on Sexual Orientation and the Law, Permanent Committee on Gender and Other Fairness, and Oahu Domestic Violence Task Force. She is also the Vice Chair for the Hawaii State Coalition Against Domestic Violence.

Testimony in support of Ms. Kreidman was received from the Department of Human Services, Judiciary, University of Hawaii at Manoa, Hawaii State Commission on the Status of Women, Salvation Army Family Treatment Services, National Association of Social Workers, Hawaii Women's Political Caucus, Dispute Prevention Resolution, and Bank of Hawaii.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

SCRep. 3495 Health and Human Services on Gov. Msg. No. 262

Recommending that the Senate advise and consent to the nominations of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 262 ABE KAAHUI, RICHARD I.C. CALDITO Sr., FREDERICK K. LEE, BETTY M. MATSUMURA, BRUCE W. MCCULLOUGH, HAROLD KOZUMA, DED., and ROBERT Y. MASUDA, for terms to expire June 30, 2004,

Upon review of the background information submitted by each nominee, your Committee finds that each of the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

Abe Kaahui is being reappointed. He is a retired district education specialist with the Department of Education. He was Principal of Puunene School in Maui, Vice Principal of Kihei School in Maui, and Vice Principal of Ilima Intermediate School on Oahu. He belongs or has belonged to numerous educational professional organizations.

Testimony in support of Mr. Kaahui was received from the Executive Office on Aging.

Richard I.C. Caldito Sr., is a life insurance underwriter with Maui Realty Company, Inc., where he has worked since 1962. He has been on the Board of Supervisors of Maui County. He has been Chairman of the Boy Scout WorldJamboree, and he is the founder of the Maui Fil-Am Golf Club.

Frederick K. Lee is being reappointed. He is retired from the ILWU, Local 142, where he was a contract administrator. He is a Board Member of the Rehabilitation Hospital of the Pacific, Hawaii State Council of Senior Citizens, and President of the Pensioners Council, Oahu Division.

Testimony in support of Mr. Lee was received from the Executive Office on Aging and ILWU Local 142.

Betty M. Matsumura is being reappointed. She is retired from the Department of Education in school food services. She has been Chair of the Kauai Planning Commission.

Testimony in support of Ms. Matsumura was received from the Executive Office on Aging.

Bruce W. McCullough is being reappointed. He is a retired Pacific Area Manager for the Social Security Administration. He is an ex-officio member of the Policy Advisory Board for Elder Affairs, and has been a Board Member of the Aloha United Way and Kalihi-Palama Immigration Service Center.

Testimony in support of Mr. McCullough was received from the Executive Office on Aging and ILWU Local 142.

Harold Kozuma, DED., is a retired counselor and professor at the University of Hawaii - Hilo. He is currently a psychological and educational consultant. He is a Board Member of St. Joseph School, Catholic School Diocese Board, and Child and Family Service. He has served with the Commission on the Status of Women for Hawaii County, and the Hilo March of Dimes as Vice President.

Robert Y. Masuda is retired from the University of Hawaii where he was Assistant Dean for Student Academic Services in the School of Social Work. He is a member of the National Association of Social Workers, Moiliili Community Center Senior Advisory Board, American Association of Retired Persons State Legislative Committee, Kokua Council, Coalition for Long Term Care, and Policy Advisory Board for Elderly Affairs.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

SCRep. 3496

Judiciary on Gov. Msg. No. 224

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 224 JACK LAW, for a term to expire June 30, 2002;

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, serving without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Civil Rights Commission.

Your Committee notes the following specific qualifications of the nominee:

Jack Law graduated from Fraser High School in Fraser, Michigan, and attended Macomb County Community College and the University of Hawaii. He is the President of Pacific Bar Associates, Ltd., and was a founding board member, treasurer, and vice-president of the Life Foundation.

Your Committee diligently questioned the nominee about his role on the Civil Rights Commission and believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Matsunaga).

SCRep. 3497 Judiciary on Gov. Msg. No. 227

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII PAROLING AUTHORITY

G.M. No. 227 **LANI RAE GARCIA**, for a term to expire June 30, 2004;

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon her professional credentials, integrity, and a desire to make Hawaii better through her participation on the Hawaii Paroling Authority.

Your Committee notes the following specific qualifications of the nominee:

Lani Rae Garcia holds a B.A. and M.A. degree in Education from the University of Hawaii at Manoa and a J.D. degree from the University of Hawaii's Richardson School of Law. She has served as a member of the Hawaii Paroling Authority since 1997, and prior to her appointment was a managing partner in a private law firm. Ms. Garcia has participated on such professional and community organizations as the Hawaii Women Lawyers, the Native Hawaiian Bar Association, and the Prince Kuhio Hawaiian Civic Club.

Your Committee diligently questioned the nominee about her role on the Hawaii Paroling Authority and believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Matsunaga, Tanaka).

SCRep. 3498 Judiciary on Gov. Msg. No. 248

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION, ISLAND OF OAHU

G.M. No. 248 **EUCLID LEE**, for a term to expire June 30, 2004;

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, serving without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Board of Registration.

Your Committee notes the following specific qualifications of the nominee:

Euclid Lee holds a B.S. degree from the University of Idaho, and currently works in the field of computer sales. Mr. Lee has served as the Chair of the State Elections Observers since 1974, and has participated on the Honolulu Toastmasters and Hawaii Kai Rotary.

Your Committee diligently questioned the Chief Election Officer about the nominee's role on the Board of Registration and believes that the nominee will adequately fulfill his duties.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Matsunaga, Tanaka).

SCRep. 3499 Judiciary on Gov. Msg. No. 249

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION, ISLAND OF HAWAII

G.M. No. 249 **DAVID VIEIRA, SR.**, for a term to expire June 30, 2004;

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, serving without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Board of Registration.

Your Committee notes the following specific qualifications of the nominee:

David Vieira, Sr. graduated from St. Louis High School, and is retired from West Hawaii Motors. Mr. Vieira, Sr. served in the US Army from 1945 to 1947, and has participated in the Elks Club and the Lions Club.

Your Committee received a letter respectfully submitted by the nominee to the Committee in lieu of his attendance and diligently questioned the Chief Election Officer who appeared before the Committee about the nominee's role on the Board of Registration and believes that the nominee will adequately fulfill his duties.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Matsunaga, Tanaka).

SCRep. 3500 Judiciary on Gov. Msg. No. 250

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION, KAUAI AND NIIHAU

G.M. No. 250 **PAUL K. SHINSEKI**, for a term to expire June 30, 2004;

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, serving without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Board of Registration.

Your Committee notes the following specific qualifications of the nominee:

Paul K. Shinseki attended Kauai High School and Bradley University, and currently works as an Insurance Executive for Mokihana Insurance Agency. Mr. Shinseki has participated on the Kiwanis Club of Kauai and the Kauai Keiki Accident Prevention Committee.

Your Committee received a letter respectfully submitted by the nominee to the Committee in lieu of his attendance and diligently questioned the Chief Election Officer about the nominee's role on the Board of Registration and believes that the nominee will adequately fulfill his duties.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Matsunaga, Tanaka).

SCRep. 3501 Judiciary on Gov. Msg. No. 251

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGISTRATION, MAUI, MOLOKAI, LANAI, AND KAHOO LAWE

G.M. No. 251 **ANTHONY MONDELLO**, for a term to expire June 30, 2004;

CRAIG G. NAKAMURA, for a term to expire June 30, 2003;

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the board to which they have been nominated.

Your Committee notes the following specific qualifications of the nominees:

Anthony Mondello served in the Peace Corps. from 1966 to 1968 and currently works as a self employed general contractor. He has participated as a member of the Chamber of Commerce of Hawaii, and as a second vice chair for the Republican Party.

Craig G. Nakamura holds a B.A. degree from the University of Colorado and a J.D. degree from the University of Hawaii's Richardson School of Law. He is presently an attorney for the law firm Carlsmith Ball and has participated on the American Bar Association, the Maui County Bar Association, and Kapalua Maui Charities.

Your Committee received letters respectfully submitted by the nominees to the Committee in lieu of their attendance and diligently questioned the Chief Election Officer about the nominees' role on the Board of Registration and believes that the nominees will adequately fulfill their duties.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Matsunaga, Tanaka).

SCRep. 3502 Judiciary on Gov. Msg. No. 254

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION TO PROMOTE UNIFORM LEGISLATION

G.M. No. 254 **HIROSHI SAKAI**, for a term to expire June 30, 2004;

ROBERT S. TOYOFUKU, for a term to expire June 30, 2004;

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the commission to which they have been nominated.

Your Committee notes the following specific qualifications of the nominees:

Hiroshi Sakai holds a LL.B. and a LL.M. degree from George Washington University, and has been in private law practice since 1955. Mr. Sakai served in the US Army from 1944 to 1947, and has participated on the ABA Journal Advisory Board, the Hawaii State Bar Association, and the National College of Real Estate Lawyers.

Robert S. Toyofuku holds a B.S. degree from Tufts University, a LL.B. degree from the Boston University Law School, and a LL.M. degree from the New York University Law School. Mr. Toyofuku serves as the executive director for the Hawaii Academy of Plaintiffs' Attorneys, and has participated on the Hawaii State Bar Association, American Bar Association, and the Association of Continuing Legal Education Administrators.

Your Committee diligently questioned the nominees who appeared before the Committee about their role on the Commission to Promote Uniform Legislation and believes that the nominees adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Matsunaga, Tanaka).

SCRep. 3503 Health and Human Services on Gov. Msg. No. 229

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

G.M. No. 229 SUSAN K. FORBES, DrPH., for a term to expire June 30, 2001;

MELODY S. FANNING, for a term to expire June 30, 2003; and

CRAIG KADOOKA, M.D., NOELLA J. KONG, ROSEMARY NELSON, and PATRICK S. SAKA, for terms to expire June 30, 2004,

Upon review of the background information submitted by the nominees, your Committee finds that the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

Susan K. Forbes, DrPH., is President of the Hawaii Health Information Corporation, which is engaged in collecting, analyzing, and disseminating statewide health information to support high quality and cost-effective health care services in Hawaii. She has held executive positions with the Kapiolani Health Care System. She is a member of the Healthcare Information Management Systems Society and works with the State Office of Information Practices, State Health Planning and Development Agency, Patient Rights Task Force, and Agency for Health Policy and Research.

Melody S. Fanning is the Windward Area Manager of Kaiser Permanente. She is currently a Board Member of the Hawaii Society for Public Health Education, of which she is also its past President.

Craig Kadooka, M.D., is being reappointed. He is a physician in his own private practice in Hilo. He is the East Hawaii representative to the Hawaii Medical Association and co-founder of the East Hawaii Independent Physician Association and the Family Practice Residency Clinic. He is currently on the Life Care Center Advisory Board. He has been on the Board of the American Diabetes Association.

Noella J. Kong is being reappointed. She is an Administrator of Human Services at Alu Like, Inc. She has worked for Straub Clinic & Hospital, Inc., Hawaii Medical Service Association, and State Farm Insurance Company. She is presently with the Pihana Na Mamo Advisory Council (Department of Education), Aloha United Way Allocation Panel, and Hui 'Imi Task Force.

Rosemary Nelson is a lieutenant colonel in the Army Nurse Corps. and is Chief Information Officer and Program Manager of the Pacific Regional Program Office at Tripler Army Medical Center. She has participated in numerous Army organizations, committees, and projects concerning health care delivery. She is also widely published in Healthcare Information Management and other health care journals. She is currently the Vice Chair elect of the Healthcare Information Management Systems Society.

Patrick S. Saka is the General Manager and Publisher of the Maui Publishing Company, Ltd., dba The Maui News. He is involved in numerous community activities, including Board Member of Kiwanis Club of Maui, Executive Board of Maui County Council of Boy Scouts of America, Board Member of Ka Lima O Maui, and Board Member of Hospice Maui.

Testimony in support of each nominee was received from the State Health Planning and Development Agency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3504 Health and Human Services on Gov. Msg. No. 230

Recommending that the Senate advise and consent to the nominations of the following:

HONOLULU SUBAREA HEALTH PLANNING COUNCIL

G.M. No. 230 PAMELA HINSDALE, ROBYN KAUFMAN, and KATHLEEN DELAHANTY for terms to expire June 30, 2003, and

MARK TAYLOR, JAMES P. WALSH, PATRICIA TOMPKINS, and ANDREW W. CHAR for terms to expire June 30, 2004,

Your Committee notes that Governor's Message No. 265 dated March 29, 2000, withdrew from consideration by the Senate, the nomination of Stephen A. Kula.

Upon review of the background information submitted by the nominees, your Committee finds that the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

Pamela Hinsdale is the Financial Director of Kaiser Health Plan. She is a certified public accountant who was with Touche Ross & Company, now known as Deloitte and Touche.

Robyn Kaufman is the Executive Director of the Organ Donor Center of Hawaii. She has served with the Hawaii Community Foundation as program officer, Hawaii Cancer Information Service as contract officer, and Hawaii Mothers' Milk Bank as Director. She is President of the Society for Public Health. She has served in various capacities with the U.S. Department of Health and Human Services (Native Hawaiian Health Care Act funding), Council on Foundations, Department of Health, and Governor's Conference on Health Promotion and Disease Prevention.

Testimony in support of Ms. Kaufman was received from a private individual.

Kathleen Delahanty is the Director of Business Development and Community Relations for Kahi Mohala Behavioral Healthcare. She was formerly with the Hawaii Medical Service Association as Manager of Underwriting and Product Development and as legislative liaison to the Joint Legislative Committee on Long Term Care. She was a member of the finance committee of Ho'omana'olana. She belongs to the Hawaii Association of Health Underwriters.

Mark Taylor is being reappointed. He is an Assistant Vice President for Development and Planning at First Hawaiian Bank. He was with the Executive Office of the President of the United States in the Office of Management and Budget as a policy and budget analyst in natural resource programs and American Indian programs. He is the Vice-Chair of Neighborhood Board No. 18 (Salt Lake, Aliamanu, Foster Village).

James P. Walsh is being reappointed. He is an Administrator of Clinical Operations for Straub Clinic and Hospital. He belongs to the American College of Medical Practice Executives as a Certified Medical Practice Executive, and is active with St. John's Church in Mililani, Catholic Services to the Elderly, and St. Louis School Parent Teachers Guild.

Patricia Tompkins is with the City and County of Honolulu as Chief Planner for Elderly Affairs. She has worked for the Rand Corporation as a research administrator. She is active with the Vision 21st Century Oahu and Empowerment Zone programs of Honolulu.

Testimony in support of Ms. Tompkins was received from the HGEA-AFSCME.

Andrew W. Char is a partner with McCorriston Miho Miller Mukai. He was a Fulbright Hays Fellow at Hangzhou University in the People's Republic of China. He is active with the Community Church of Honolulu, Chamber of Commerce of Hawaii (Chair, Government Affairs Committee of Tourism Council), and Chinese Chamber of Commerce.

Testimony in support of each nominee was received from State Health Planning and Development Agency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3505 **Health and Human Services on Gov. Msg. No. 231**

Recommending that the Senate advise and consent to the nominations of the following:

WEST OAHU SUBAREA HEALTH PLANNING COUNCIL

G.M. No. 231 WENDY A. ABE, LEE ELLEN BUENCONSEJO, M.D., NELSON M. HIGA, C. MIKE KIDO, and RICHARD F. KOLBE, for terms to expire June 30, 2004,

Upon review of the background information submitted by the nominees, your Committee finds that the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on

their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

Wendy A. Abe is being reappointed. She is the Vice President for Campaign for the Aloha United Way. She has worked for the Family Survival Project in San Francisco.

Lee Ellen Buenconsejo, M.D., is the Associate Residency Program Director of the University of Hawaii Family Practice Residency Program. She is Co-Chair of the Hawaii Consortium for Continuing Medical Education. She has been a consultant for the Department of Education's Safe Schools Grant and has conducted the community oriented primary care project for the Wahiawa community.

Nelson M. Higa is an Administrative Assistant for the Weed and Seed Community Organizer of the Young Men's Christian Association of Honolulu. He is a member of the Association of Professional Directors, and has been with the Hawaii Senior Olympics as a Board Member, YMCA's Mens International - Nuuanu Club, and Maemae School Community Base Management Council as a facilitator.

C. Mike Kido is being reappointed. He is the Legislative Manager for the Estate of James Campbell. He has been active with many community service organizations, including the Association of Hawaiian Civic Clubs, Interfaith Ministry of Hawaii, and Aloha United Way.

Richard F. Kolbe is Claims Administration Director for the Hawaii Medical Service Association. He has served previously on the West Oahu Subarea Health Planning Council.

Testimony in support of each nominee was received from State Health Planning and Development Agency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3506 Health and Human Services on Gov. Msg. No. 232

Recommending that the Senate advise and consent to the nominations of the following:

WINDWARD OAHU SUBAREA HEALTH PLANNING COUNCIL

G.M. No. 232 JIM D. ALDRED, for a term to expire June 30, 2003,

JOHN E. AOKI, M.D., AGNES E.P. CADIZ, LESLIE S. CHINEN, and ANNETTE L. OSTREM, for terms to expire June 30, 2004,

Upon review of the background information submitted by the nominees, your Committee finds that the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

Jim D. Aldred is the Director of Marketing for Castle Medical Center. He was previously with Sun Health in Phoenix, Arizona. He belongs to the Society for Healthcare Strategy and Market Development and the Military Civilian Council.

John E. Aoki, M.D., is being reappointed. He is a physician with Straub Clinic and Hospital. He has been a Member of the Kailua Neighborhood Board and the American Cancer Society.

Agnes E.P. Cadiz is a registered nurse. She is a public health nurse with the Department of Health. She has been active with the Hawaii Nurses' Association, American Nurses' Association, and Hawaii Public Health Association.

Leslie S. Chinen is being reappointed. He is Director of Corporate Development for the Queens' Health Systems. He belongs to the Healthcare Financial Management Association and Hawaii Society of Corporate Planners. His community service includes the American Youth Soccer Association and Girl Scouts of America.

Annette L. Ostrem is with Kahuku High School as a program director. Her community service includes service with the Ko'olauloa Intra-Agency Community Council, Children's Trust Fund Coalition, and Hawaii State Pregnant Teen Council.

Testimony in support of each nominee was received from State Health Planning and Development Agency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3507 Health and Human Services on Gov. Msg. No. 233

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COUNTY SUBAREA HEALTH PLANNING COUNCIL

G.M. No. 233 ROBERTA M. CARTWRIGHT, and SUSAN B. HUNT, for terms to expire June 30, 2003,

JOHN MCNEIL, CLIFFORD K. MOTTA, IDA H. OTAKE, PAUL P. PAIVA, ALAN R. PARKER, and
BEVERLY JEAN WITHINGTON, for terms to expire June 30, 2004,

Upon review of the background information submitted by the nominees, your Committee finds that the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

Roberta M. Cartwright is an Account Executive with the Hawaii Medical Service Association. She is currently on the Board of Directors of the Japanese Chamber of Commerce, Big Island. She has been the Executive Director of the East Hawaii Unit of the American Cancer Society, on the Board of Directors of the Hospice of Hilo and the Hawaii Island Adult Care, and Vice President of the American Cancer Society.

Susan B. Hunt is the Director of Women's and Pediatric Outpatient Services for Kapiolani Medical Center for Women and Children, where she previously was Director of Quality Management and Manager of Ambulatory Services. She is a Diplomate of the American College of Healthcare Executives and a member of the National Association of Women Healthcare Professionals. She is past President of the Healthcare Executives Forum of Hawaii, and past Treasurer of the Hawaii Section of the American Society for Quality Control and the Susan G. Komen Breast Cancer Foundation - Race for the Cure Hawaii.

John McNeil is being reappointed. He is the Chief Executive Officer of the North Hawaii Community Hospital in Kamuela. He is a member of the American College of Healthcare Educators.

Clifford K. Motta is being reappointed. He is a Social Service Assistant with the Department of Human Services. He has been a member of the Keaukaha Community Association.

Ida H. Otake is being reappointed. She is a registered nurse and a mental health supervisor for the Hawaii County Comprehensive Mental Health Center. She is also currently Chair of the Mental Health and Substance Abuse Subcommittee for the State Health Planning and Development Agency.

Paul P. Paiva is a firefighter with the Hawaii County Police Department. He is a member of the National Registry of Emergency Medical Technicians as a certified paramedic.

Alan R. Parker is a Program Specialist for the Hawaii County Office of Aging. He has extensive administrative experience in aging programs.

Beverly Jean Withington is being reappointed. She is a Deputy Corporation Counsel, Department of the Corporation Counsel, County of Hawaii, where she is in the Family Support Division. She has worked for the Department of Health.

Testimony in support of each nominee was received from State Health Planning and Development Agency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3508 Health and Human Services on Gov. Msg. No. 234

Recommending that the Senate advise and consent to the nominations of the following:

KAUAI COUNTY SUBAREA HEALTH PLANNING COUNCIL

G.M. No. 234 PETRA LOPEZ, DAVID PETERS, and BELLE SHEPHERD, for terms to expire June 30, 2003; and

LILI BRYAN-CONANT, CESAR G. CADABES, CARMEN L. PANUI, ELIZABETH UBAY, and KENNETH VILLABRILLE, for terms to expire June 30, 2004,

Upon review of the background information submitted by each nominee, your Committee finds that each of the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

Petra Lopez has been employed with the Kauai Economic Opportunity, Head Start Program. She is currently with the Kauai Dental Health Task Force. She has served with Malama Pono Kauai AIDS Project and the Head Start Policy Council.

David Peters is the Executive Director of Ho'ola Lahui Hawaii. He is a member of the Dental Health Task Force for the Garden Island, American Red Cross Advisory Board, and Boys Club/Girls Club of Kauai.

Belle Shepherd is a health education specialist with the Na Lei Wili Area Health Education Center at Kauai Community College. She is currently on the Board of Directors as Interim Secretary for the Malama Pono, Kauai AIDS Project. She has been with the Kauai Department of Health as an HIV tester and counselor, and with the American Red Cross as a volunteer.

Lili Bryan-Conant is a Senior Coordinator for the Hawaii Medical Service Association on Kauai. She previously has been with the Wilcox Memorial Hospital as a supervisor of long term care activities and the Cancer Research Center as an information assistant. She is currently a member of the Kauai Dental Health Task Force. She has been Chair of the St. Francis Medical Center's Home Care Advisory Committee and President of the American Heart Association Kauai Branch.

Cesar G. Cadabes is the Executive Director of the Malama Pono, Kauai AIDS Project. He has belonged to the Prevention Community Planning Group (State of Hawaii), AIDS Community Care Team, Gay Asian Pacific Alliance, and National Association for People with AIDS.

Carmen L. Panui is a Community Affairs Coordinator for the Office of Hawaiian Affairs. She has been associated with the Muscular Dystrophy Association, March of Dimes, Kauai/Niihau Burial Council, Kauai Rural Health Association, and Area Health Education Center II.

Elizabeth Ubay is the Human Resources Manager for the Princeville Corporation. She is on the Board of Directors of the Kauai Chamber of Commerce, Vice President of the Society for Human Resources Management, and a member of the Zonta Club of Kauai (community service organization).

Kenneth Villabrille is being reappointed. He formerly worked for the County of Kauai.

Testimony in support of each nominee was received from State Health Planning and Development Agency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3509 Health and Human Services on Gov. Msg. No. 235

Recommending that the Senate advise and consent to the nomination of the following:

MAUI COUNTY SUBAREA HEALTH PLANNING COUNCIL

G.M. No. 235 TIMOTHY T. SHIROMA, for a term to expire June 30, 2004,

Upon review of the background information submitted by the nominee, your Committee finds that the nominee is qualified to serve in the positions to which he is nominated. Your Committee further finds that the nominee is being appointed based on his professional credentials, integrity, and a desire for public service, and that he possesses skills, abilities, and experiences that are assets.

Timothy T. Shiroma is being reappointed. He is an Account Executive and Sales Manager for the Hawaii Medical Service Association, where he has worked as a health maintenance organization coordinator and health service representative. He is currently the Secretary for the Tri-Island Community Mental Health Center, Inc. He is a certified health consultant for Blue Shield and Blue Cross.

Testimony in support of each nominee was received from State Health Planning and Development Agency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Anderson).

SCRep. 3510 Health and Human Services on Gov. Msg. No. 237

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE INDEPENDENT LIVING COUNCIL

G.M. No. 237 GARRETT TOGUCHI, for a term to expire June 30, 2001, and

BARBARA FISCHLOWITZ-LEONG, RANDALL LICHTER, and MARK T. OBATAKE for terms to expire June 30, 2003,

Upon review of the background information submitted by each nominee, your Committee finds that each of the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

Your Committee specifically notes the following upon the information and resumes submitted by the nominees:

Garrett Toguchi is Executive Director of The Arc in Hawaii and a member of the Hawaii State Board of Education. He has been a researcher for the Lieutenant Governor and a budget analyst for the Senate Committee on Judiciary. His community service activities include being the current Director of the Japanese American Citizens League and serving on the Governor's Okinawan Centennial Celebration Commission.

Barbara Fischlowitz-Leong is being reappointed. She is the Director of the Hawaii Assistive Technology Training and Services Project (HATTS). She has been a planner for community services for the Department of Health, Developmental Disabilities Division. She has held numerous positions in many community service organizations, mostly relating to disability services.

Testimony in opposition to Ms. Frischlowitz-Leong was received from a private individual.

Randall Lichter is being reappointed. He coaches youth sports and is a volunteer at Queen's Medical Center. He has served on the Beach Access Task Force and the Technical Advisory Board Group for MedQUEST. From 1983 to 1992, he worked for W.H. Fiddler.

Mark T. Obatake is being reappointed. He is a consultant with the Equality Access LLC, providing consulting services to private non-profit and for-profit business and government agencies to address a comprehensive array of disability issues. He is currently an adjunct faculty member at the Brigham Young University - Hawaii Campus and Executive Director of the Hawaii Centers for Independent Living. His community service activities include numerous positions in various community service organizations, including the Queen Emma Foundation, Goodwill Industries of Hawaii, Aloha United Way Council of Agency Executives, Governor's Commission on Persons with Disabilities, and Affordable Housing Alliance.

Testimony in support of all nominees was received from the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

SCRep. 3511 Transportation and Intergovernmental Affairs on H.C.R. No. 40

The purpose of the measure is to urge the Secretary of Veteran Affairs and the congressional leaders to work towards allowing Filipino-American veterans who served under USAFE, the Philippine Army, the Philippine Scouts or recognized guerrilla units to be interred in national or state veterans cemeteries.

Testimony in support of the measure was received from the Office of Veteran Services.

Your Committee finds that those Filipino American veterans who have courageously served our country should be allowed to be interred in national or state veterans cemeteries and strongly supports this measure.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 40, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Slom).

SCRep. 3512 Transportation and Intergovernmental Affairs on H.C.R. No. 55

The purpose of the measure is to request the Hawaii Community Development Authority (HCDA) to provide a status report on the relocation of the City and County of Honolulu's baseyard facilities from the Kakaako makai area to allow for the redevelopment of a vital waterfront area for the use of Hawaii's residents.

Testimony in support of the measure was received from the HCDA.

Your Committee was informed that the HCDA is willing to provide status updates upon request from the legislature. Your Committee finds that the relocation of the baseyards from Kakaako Makai is a high priority and that the HCDA will continue to aggressively pursue the completion of the plan.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 55, and recommends that it be referred to the Committee on Water, Land, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Slom).

SCRep. 3513 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on H.C.R. No. 132

The purpose of this measure is to request that the Department of Hawaiian Home Lands and the Department of Transportation work cooperatively together to allow public access to Haiku Stairs, in a manner consistent with the underlying purposes for which the land is held.

Testimony in support of the measure was received from the Department of Transportation. The Department of Hawaiian Home Lands had no objections to the adoption of the measure.

Your Committees find that the Haiku Stairs is a unique structure with historical/cultural, educational, and recreational significance for the State of Hawaii which represents an historic feat of civil engineering that showcased an innovative use of natural topography in the construction of the United States Radio Station Haiku.

Your Committees also find that the City and County of Honolulu is undertaking to repair Haiku Stairs for public use in view of its great value for residents and visitors alike. However, access to the Haiku Stairs is over public lands held and managed by the Department of Hawaiian Home Lands and the Department of Transportation, and any project that would open the Haiku Stairs to the public would have to be done with the approval of these two agencies.

Your Committees believe that the restoration of the Haiku Stairs project could not only be of great benefit to the general public, but could also serve as a perfect venue to demonstrate government agencies working cooperatively together.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 132, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (Bunda, D. Ige, Kanno, Tanaka, Anderson, Slom).

SCRep. 3514 Water, Land, and Hawaiian Affairs on H.C.R. No. 149

The purpose of this measure is to request that the Department of Hawaiian Home Lands consider the views of McCully/Moiliili area residents concerning future development of Department of Hawaiian Home Lands property where the Stadium Bowl-O-Drome operated until its closure on December 31, 1999.

Testimony in support of the measure was submitted by the Honolulu Japanese Chamber of Commerce and three private citizens. Testimony in opposition was provided by a concerned individual. The Department of Hawaiian Home Lands and numerous area residents commented on the measure.

Your Committee finds it beneficial to foster community harmony by encouraging residents to express their hopes concerning development expected to take place in their neighborhood. At the same time, your Committee acknowledges that the Department of Hawaiian Home Lands is under a strict fiduciary duty to manage the site for the benefit of its beneficiaries.

It is the understanding of your Committee that the Department of Hawaiian Home Lands is willing to keep the area residents apprised of the Department's plans for the Bowl-O-Drome site and will do so before the development plans are finalized.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 149, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Tanaka).

SCRep. 3515 Labor and Environment on H.C.R. No. 102

The purpose of this measure is to request the National Marine Fisheries Service to close the Northwestern Hawaiian Islands lobster fishery for at least three years to replenish the Hawaiian monk seals' food source.

Testimony in support of this measure was received from Earthjustice Legal Defense Fund, the Hawaiian Political Action Council of Hawaii, and the Hawaii Audubon Society. Testimony in opposition to this measure was received from the Western Pacific Regional Fishery Management Council. Oral testimony in opposition was received from one individual.

The Hawaiian monk seal is an endangered marine mammal found only in the Hawaiian Islands. There are approximately 1,300 to 1,400 Hawaiian monk seals remaining. This measure attempts to encourage the increase of the Hawaiian monk seal population by closing the lobster fishery for three years thereby sustaining the food source of the Hawaiian monk seal.

Your Committee amended this measure by changing the focus of the measure from a request for the Fishery's three-year closure to an expression of support of on-going studies to determine the factors contributing to the declining numbers of the Hawaiian monk seal and of continued efforts toward the recovery of the Hawaiian monk seal. A provision was also added to request DLNR to monitor these efforts and report its findings to the Legislature. Finally, the title of the measure was amended to reflect the foregoing amendments.

Your Committee notes that due to deadline constraints, there were difficulties encountered trying to accommodate all viewpoints of the interested parties. Your Committee notified the testifiers to continue advocating their positions to the Committee on Water, Land, & Hawaiian Affairs.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 102, as amended herein, and recommends that it be referred to the Committee on Water, Land, and Hawaiian Affairs, in the form attached hereto as H.C.R. No. 102, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, Ihara).

SCRep. 3516 Labor and Environment on Gov. Msg. No. 263

Recommending that the Senate advise and consent to the nominations of the following:

ENVIRONMENTAL COUNCIL

G.M. No. 263 VERNON D. INOSHITA, for a term to expire June 30, 2002; and

DONN T. FUKUDA, ARNOLD L. LUM, RAYMOND S. TABATA, and PATRICIA TUMMONS, for terms to expire June 30, 2004,

Your Committee notes that Governor's Message No. 270 withdraws the nomination of Barbara M. Robeson from consideration by the Senate.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering the duties and responsibilities of the Environmental Council. Your Committee further finds that the nominees have been appointed based on their professional credentials.

Your Committee notes the specific qualifications of the nominees:

Mr. Vernon D. Inoshita is a professional architect and has had additional training as a Certified Value Engineer and a Certified Waste Assessment Inspector. He is currently President and CEO of Design Partners, Inc. Mr. Inoshita was lead architect for the

Weather Forecast Office located in Tiyan, Guam and incorporated into it the "Clean Air Design" with features such as: low maintenance, energy efficiency and use of alternate energy resources, waste reduction, and optimal indoor environmental quality.

Mr. Donn T. Fukuda received a Bachelor's degree in Zoology and a Master's degree in Environmental Health Science. For over twenty six years, he has worked for the Hawaiian Electric Company (HECO) in the Environmental Department. He started as a marine biologist, expanded to solid and hazardous waste, and since 1994 has been the Principal Environmental Scientist overseeing the Water & Hazardous Materials Division. Mr. Fukuda is also a HECO representative on the State Source Water Assessment Program Advisory Committee and the City and County of Honolulu's Mamala Bay Regional Monitoring Program.

Mr. Arnold L. Lum is an attorney specializing in environmental law and is currently with the Native Hawaiian Legal Corporation. Past employment includes the Sierra Club Legal Defense Fund and the Department of Environmental Management in the Commonwealth of Massachusetts. He has served on the Hawaii Natural Area Reserves System Commission and the University of California Natural Area Reserves Board. During his first term with the Environmental Commission, Mr. Lum's major contribution was drafting the cultural impact assessment guidelines.

Raymond S. Tabata received Master's degrees in both Geography and Urban & Regional Planning. He was an Environmental Specialist for the Office of Environmental Quality Control and is currently an extension agent for the University of Hawaii Sea Grant Extension Service. Mr. Tabata is a member of various environmental groups: Hawaii Ecotourism Association, Hawaii Environmental Education Association, Ecotourism Society, Hawaii Audubon Society, and the Conservation Council for Hawaii. Mr. Tabata is being nominated for a second term.

Ms. Patricia Tummons is editor of and writer for Environment Hawai'i. She is a member of the Society of Environmental Journalists and has received awards for investigative reporting, public service, and vocational service. Community services include membership on the Hawaii Department of Health Solid Waste Task Force, Statewide Advisory Committee to the Hawaii Coastal Zone Management Program, and the Sierra Club.

The Office of Environmental Quality Control (OEQC) submitted testimony in support of all the nominees. In addition, four individuals submitted testimony in support of Vernon D. Inoshita and two individuals submitted testimony in support of Donn T. Fukuda.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Chumbley, Fukunaga, M. Ige).

SCRep. 3517 Economic Development on Gov. Msg. No. 236

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS, HIGH TECHNOLOGY DEVELOPMENT CORPORATION

G.M. No. 236 DAVID LASSNER, Ph.D., for a term to expire June 30, 2001,

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Board of Directors, High Technology Development Corporation, to which he has been nominated.

Your Committee notes the following specific qualifications of the nominee:

David Lassner, Ph.D., serves as the University of Hawaii's first Chief Information Officer, and has been instrumental in designing, implementing, and directing a new integrated organization to support academic and administrative computing, distance learning technology, and voice, data, and video telecommunications that serve the entire university system. Dr. Lassner holds a doctorate in Communication and Information Sciences from the University of Hawaii, and master's and undergraduate degrees from the University of Illinois. He is an internationally-recognized expert in information technology, and has held a number of related positions at the University, as well as serving as a Research Fellow at the East-West Center.

Testimony in support of Dr. Lassner's appointment were received from the Department of Business, Economic Development, and Tourism, High Technology Development Corporation, University of Hawaii, and one individual.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Buen, M. Ige).

SCRep. 3518 Economic Development on Gov. Msg. No. 225

Recommending that the Senate advise and consent to the nomination of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

G.M. No. 225 HIN CHIU LAU, for a term to expire June 30, 2003,

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Community-Based Economic Development Advisory Council to which he has been nominated.

Your Committee notes the following specific qualifications of the nominee:

Hin Chiu Lau is an independent real estate broker and successful private business owner who has participated in such community initiatives as the Mayor's Downtown/China Town Task Force and the Mayor's Blue Ribbon Committee to select department directors and deputy directors. He is also a past member of the Hawaii Board of Realtors, and a successful entrepreneur, having founded several restaurants in Honolulu, California, and Hong Kong.

Testimony in support of Mr. Lau's appointment was received from the Department of Business, Economic Development, and Tourism and one individual.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Buen, M. Ige).

SCRep. 3519 Economic Development on Gov. Msg. No. 194

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY COMMITTEE ON PESTICIDES

G.M. No. 194 RICHARD L. KLEMM, CALVIN H. ODA, and BLAKE VANCE, PH.D., for terms to expire June 30, 2004,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Advisory Committee on Pesticides to which they have been nominated.

Your Committee notes the following specific qualifications of the nominees:

Richard L. Klemm is Executive Director for RESCUE Hawaii, an organization that represents the Western Crop Protection Association, and a self-employed public affairs consultant. He holds master's and undergraduate degrees from the University of Hawaii and has been a member of the Advisory Committee on Pesticides since 1996.

Calvin H. Oda, Senior Director for pineapple research, has been with Del Monte Fresh (Hawaii) Inc. for twenty two years. A graduate of the University of Hawaii, he is familiar with pesticide issues affecting the pineapple industry and is in regular communication with the U.S. Environmental Protection Agency on pesticide use practices for pineapple.

Blake Vance, Ph.D., a chemist with Hawaii Agricultural Research Center, has served on the Advisory Committee on Pesticides since 1996. He holds a doctorate and a master's degree from the University of Wyoming and an undergraduate degree from the University of Hawaii. He brings a comprehensive knowledge of chemistry, quality assurance, pesticide regulatory matters, and computers to the Committee.

Testimony in support of these three nominations was received from the Department of Agriculture and Hawaii Agriculture Research Center. Additional letters of support were received for Richard Klemm and Calvin Oda from the Pineapple Growers Association of Hawaii, and for Richard Klemm from American Crop Protection Association, Western Crop Protection Association, Brewer Environmental Industries, LLC, DuPont Agricultural Products, Gay & Robinson, Inc., RISE, UAP Northwest, and Novartis Crop Protection, Inc.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Buen, M. Ige).

SCRep. 3520 Economic Development on Gov. Msg. No. 148

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS, AGRIBUSINESS DEVELOPMENT CORPORATION

G.M. No. 148 BERT L. HATTON, LARRY G. JEFTS, DENIS C. H. KAM, CHRIS J. KANAZAWA, YUKIO KITAGAWA, DIANE L. LEY, ALLAN A. SMITH, and ROBERT S. SUTHERLAND, for terms to expire June 30, 2001,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Board of Directors of the Agribusiness Development Corporation (ADC) to which they have been nominated.

Your Committee notes the following specific qualifications of the nominees:

Bert L. Hatton currently serves as manager for agriculture/natural resources for the Estate of James Campbell. A former executive director of the ADC, Mr. Hatton was also instrumental in the acquisition of Waiahole Ditch. He holds a degree in civil engineering and has extensive experience in Hawaii's agricultural industry.

Larry G. Jefts is president of a farming operation in Kunia that is the State's largest producer of import replacement crops, including watermelon, tomatoes, and bell peppers. He holds a degree in business administration and has been a full time farmer, both on the mainland and in Hawaii, since 1970.

Denis C. H. Kam, Executive Vice President, Hawaii National Bank, is responsible for loan portfolio management and credit administration. He has twice been the recipient of awards from the U.S. Small Business Administration.

Chris J. Kanazawa, a real estate development and investment consultant, served for many years as president of the real estate division of AMFAC/JMB. He holds an MBA in accounting and finance, and is a member of numerous professional and community organizations, including the Urban Land Institute and the Land Use Research Foundation, of which he is a past president.

Yukio Kitagawa, retired Chairperson of the Board of Agriculture, began his career in the Cooperative Extension Service in 1958. He holds a master's degree and has been involved in a wide range of agricultural issues over his many years with State government.

Diane L. Ley is administrative assistant with the Big Island Farm Bureau Federation, where she is responsible for the daily operations of the Hilo, Hamakua, Kohala, and Kona chapters. Ms. Ley has been involved in various phases of the agricultural industry in Hawaii for over twenty five years and is active in a number of professional and community organizations. She has been a member of the ADC board since 1997.

Allan A. Smith, Vice President and Chief Operating Officer, Grove Farm, Co., has extensive experience in plantation field operations management and serves on many business and community organizations. He holds a bachelor's degree in agricultural economics and has been a member of the ADC board since 1994.

Robert S. Sutherland is currently a trustee of the John T. Waterhouse Trust and manages ranch operations. He holds a bachelor's degree and began his agriculture career with the Hawaii Sugar Planters Association in 1958. He has been involved with sugar and papaya for many years and has extensive knowledge of farming operations in these areas.

Testimony in support of these nominees was received from the Department of Agriculture, Agribusiness Development Corporation, Hawaii Farm Bureau, and Hawaii Agriculture Research Center.

As affirmed by the records of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (M. Ige, Taniguchi).

SCRep. 3521 Economic Development on Gov. Msg. No. 260

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF AGRICULTURE

G.M. No. 260 NEIL N. NAKAMURA, for a term to expire June 30, 2004,

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Board of Agriculture to which he has been nominated.

Your Committee notes the following specific qualifications of the nominee:

Neil N. Nakamura is a second-generation farmer in the Kula area of Maui, growing lettuce, cabbages, Maui onions, and baby greens. As a farmer he is well aware of the challenges facing agriculture and brings a valuable perspective to the board. Mr. Nakamura is also an active member of the Maui Farm Bureau and has first hand knowledge of the concerns of the farmers he will represent.

The Department of Agriculture and Hawaii Farm Bureau submitted testimony in support of the nominee.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (M. Ige, Taniguchi).

SCRep. 3522 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 273

Recommending that the Senate advise and consent to the nominations of the following:

BARBERS POINT NAVAL AIR STATION REDEVELOPMENT COMMISSION

G.M. No. 273 HOWARD C.O. LUM, for a term to expire June 30, 2001; and

RICK EGGED, for a term to expire June 30, 2004,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Barbers Point Naval Air Station Redevelopment Commission to which they have been nominated.

Your Committee notes the following specific qualifications of the nominees:

Mr. Howard C.O. Lum is the General Manager and President of Aloha Gourmet Products, Incorporated, a food distribution company. Mr. Lum possesses over twenty-six years of sales and marketing experience, skills that will be an asset to the redevelopment of the Barbers Point Naval Air Station.

Your Committee finds that Rick Egged is the President of the Waikiki Improvement Association (WIA), a private, nonprofit organization focusing on the physical revitalization of Waikiki. As President of the WIA, Mr. Egged's responsibilities include legislative and community-related matters, bringing together public and private sectors on a range of issues, zoning and land use planning, improving and expanding Waikiki's beaches and parks, and providing a safe and friendly pedestrian experience in the Waikiki area.

Prior to working at the WIA, Mr. Egged was Director of the Office of Planning with responsibility for land use issues statewide. In 1996, Mr. Egged was named Chair of the Barbers Point Naval Air Station Redevelopment Commission in his capacity as Director of Planning.

Testimony in favor of Mr. Egged's nomination was received from the Director of Business, Economic Development, and Tourism, and the executive director of the Barbers Point Naval Air Station Redevelopment Commission.

Your Committee members diligently questioned the nominees regarding their vision of the purpose and charge of the Barbers Point Naval Air Station Redevelopment Commission. Based on this discussion, your Committee believes that the nominees will be assets to the work of the Commission.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Tanaka).

SCRep. 3523

Water, Land, and Hawaiian Affairs on Gov. Msg. No. 282

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF HAWAII

G.M. No. 282 PERRY H. KEALOHA and K. KEALOHA PISCIOTTA, for terms to expire June 30, 2003; and

PEARL ULUNUI GARMON, J. KEOLALANI HANOA, E. NALEI PATE-KAHAKALAU, and JOHN B. RAY, for terms to expire June 30, 2004,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Island Burial Council, Island of Hawaii to which they have been nominated.

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

Your Committee notes the following specific qualifications of the nominees:

Mr. Perry H. Kealoha is being nominated as a landowners' representative. He is in charge of resource protection for the Hawaii Island lands under the control of Kamehameha Schools, Bernice Pauahi Bishop Estate. His commitment to historic preservation in general, and the sensitive treatment of burial sites in particular, is high. He was appointed to the Council on an interim basis last year and has served in a conscientious and diligent manner.

Ms. K. Kealoha Pisciotta is being nominated as Hilo District representative and is employed at the James Clark Maxwell telescope on Mauna Kea. She also was appointed to the Council on an interim basis last year and has served in a diligent and conscientious manner.

Testimony in support of Ms. Pisciotta's appointment was submitted by Kuikalahiki, a native Hawaiian student organization, and a private citizen.

Ms. Pearl Ulunui Garmon is being nominated as a regional representative for the Waimea area. She and her family are highly respected for their activities involving the perpetuation of the Hawaiian culture.

Ms. J. Keolalani Hanoa has served on the Council in a conscientious and diligent manner as a regional representative for the Kau District for the past four years. She and her family have been active for many years in matters relating to the preservation and protection of historic properties and the Hawaiian culture.

Mr. E. Nalei Pate-Kahakalau has served on the Council in a conscientious and diligent manner as a regional representative for the Hamakua District for the past four years and has served as chair of the Council for the past year. He is active in the perpetuation of the Hawaiian culture and is the head of the Native Hawaiian Institute, a charter school.

Mr. John B. Ray is being nominated as a landowners' representative and currently holds the position of executive director for the Leeward Hawaii Planning Conference.

Testimony in support of Mr. Ray's appointment was submitted by the Chair of the Hawaii County Council, the Kona-Kohala Chamber of Commerce, Current Events, Lanihau Partners, L.P, the Hawaii Island Economic Development Board, the Hawaii Ocean Science and Technology (Host) Park, and Waimea Water Services.

As affirmed by the records of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Tanaka).

SCRep. 3524

Water, Land, and Hawaiian Affairs on Gov. Msg. No. 284

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF MAUI AND LANAI

G.M. No. 284 GLENN RICHARDSON, for a term to expire June 30, 2003; and

MERCER K. VICENS, for a term to expire June 30, 2004,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Island Burial Council for the Islands of Maui and Lanai to which they have been nominated.

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

Your Committee notes the following specific qualifications of the nominees:

Mr. Glenn Richardson is employed with the Department of Education and has been active within the Hawaiian community on Lanai. Mr. Richardson's interests include being a member of the Lanai Horse Club, the Hawaiian Civic Club, and the Lanai Archers. He was appointed to the Island Burial Council on an interim basis last year and has served in a conscientious and diligent manner.

Mr. Mercer K. Vicens is employed by Alexander and Baldwin Properties, Incorporated, as its Vice President and is being nominated for a second term. He has served with the Island Burial Council in a conscientious and diligent manner. Mr. Vicens's professional interests include membership with the American Management Association, the Propeller Club, and Hoo Hoo International #270.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Tanaka).

SCRep. 3525 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 285

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF MOLOKAI

G.M. No. 285 ROBERT ALCAIN, for a term to expire June 30, 2003; and

WAYDE H. LEE, for a term to expire June 30, 2004,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Island Burial Council for the Island of Molokai to which they have been nominated.

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

Your Committee notes the following specific qualifications of the nominees:

Robert Alcain is employed as a firefighter on the Island of Molokai and currently serves as the Chair of Hui Kuapa. Mr. Alcain also serves as the Vice President of the Molokai Homestead Association and Pono Kaulike.

Wayde H. Lee is employed with Alu Like Incorporated. Mr. Lee is the President of Hui Malama O Moomomi, has volunteered with the Boy Scouts of America for fifteen years, and is a board member of the Office of Youth Coalition.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Tanaka).

SCRep. 3526 Education and Technology on Gov. Msg. No. 160

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII TEACHERS STANDARDS BOARD

G.M. No. 160 LORRAINE HENDERSON, for a term to expire June 30, 2001,

Upon review of the statement submitted by the nominee, your Committee finds that Lorraine Henderson has the necessary character, experience, and qualifications to serve on the Hawaii Teachers Standards Board, and is willing to serve without compensation.

Your Committee notes the specific qualifications of the nominee:

Lorraine Henderson has lived in Hawaii for almost 23 years. Since 1992, Dr. Henderson has been the principal of Kailua Intermediate School, which received national recognition for its exemplary efforts in technology while under Dr. Henderson's leadership. Previously, Dr. Henderson was vice-principal at Waianae Intermediate, Aliamanu Intermediate, and Kaimuki High School, where she was the first recipient to represent Hawaii as the 1991 Outstanding Vice-Principal. Dr. Henderson has a Ph.D. in Educational Leadership and began her career in 1977 as a Language Arts teacher at Nanakuli High and Intermediate School.

Your Committee received testimony in support of Dr. Henderson from the Hawaii Teachers Standards Board and HGEA-AFSCME.

Your Committee diligently questioned the nominee and believes that the nominee adequately responded to your Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3527 Education and Technology on Gov. Msg. No. 239

Recommending that the Senate advise and consent to the nominations of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

G.M. No. 239 LYONS K. NAONE III, for a term to expire June 30, 2001;

ERIC K. KEAWE, for a term to expire June 30, 2003; and

MARY LANI AKUI, CASINA K. WATERMAN, and LANE KAAIAI, for terms to expire June 30, 2004,

Upon review of the statement submitted by the nominees, your Committee finds that Lyons K. Naone III, Eric K. Keawe, Mary Lani Akui, Casina K. Waterman, and Lane Kaaiai have the necessary character, experience, and qualifications to serve on the King Kamehameha Celebration Commission, and are willing to serve without compensation.

Your Committee notes the specific qualifications of the nominees:

Lyons K. Naone III is a cultural consultant who has been a lifetime resident of Hawaii. As a healing practitioner, Mr. Naone belongs to Papa La'au Lapa'au. Mr. Naone is also a lua practitioner with Pa Ku'i a Holo. In addition, Mr. Naone has been the part of the Royal Order of Kamehameha and president of the non-profit organization Kumu A'o.

Eric K. Keawe was born and raised in Hawaii and has been involved in Kamehameha Day for many years. Currently, Mr. Keawe is a life insurance agent for New York Life Insurance Company. He is the state leader for extraction in the family history for The Church of Jesus Christ of Latter Day Saints and a member of the Papakolea Association.

Mary Lani Akui was born and raised in Hawaii. Currently, she is an education aide and classroom kumu hula for the Department of Education. Mrs. Akui has taught kupuna classes in ukulele, hula, and Hawaiian language. She is a member of the Kahaluu Lions Club and Ahahui Kaahumanu.

Casina K. Waterman was born and raised in Hawaii and has been involved in Kamehameha Day for many years. Ms. Waterman is an appointment reception clerk for the Kaiser Permanente Foundation and has been a member of the Political Action Committee Local 5 since 1993. Ms. Waterman is active in community service organizations, including membership in the Association of Hawaiian Civic Clubs, Oahu Council of Hawaiian Civic Clubs, and Queen Emma Hawaiian Civic Club, for which she served as president.

Lane Kaaiai has been a lifetime resident in Hawaii. Mr. Kaaiai is an expediter/accountant for Eddie's Plumbing, Inc. Mr. Kaaiai has been an instructor for adult education classes in methods, style, and techniques for Hawaiian lei making. Since 1986, Mr. Kaaiai has been active in the King Kamehameha Commission in various roles, including chairman and head judge.

Your Committee received oral testimony in support of the nominees from the Kamehameha Day Celebration Commission. Additionally, one individual submitted testimony in support of Mrs. Akui.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3528 Education and Technology on Gov. Msg. No. 246

Recommending that the Senate advise and consent to the nominations of the following:

STATE POST-SECONDARY EDUCATION COMMISSION

G.M. No. 246 CHARLES T. ARAKI, Ed.D. and DONALD S. KARIMOTO, for terms to expire June 30, 2004,

Upon review of the statements submitted by the nominees, your Committee finds that Charles T. Araki, Ed.D. and Donald S. Karimoto have the necessary character, experience, and qualifications to serve on the State Post-Secondary Education Commission, and are willing to serve without compensation.

Your Committee notes the specific qualifications of the nominees:

Charles T. Araki has a long history of experience in Hawaii education at both the secondary and post-secondary school levels. Mr. Araki is Emeritus Dean and Professor of Education at the University of Hawaii at Manoa. He has worked at the university for 27 years as a professor of Educational Administration, Associate Dean for Graduate Studies and Research, and Interim Dean for the College of Education. Mr. Araki was educated by the public school system and served as a teacher and administrator with the state Department of Education for 15 years.

Donald S. Karimoto committed his whole career to the children of this State by working as a teacher and administrator for over 30 years. In the mid-1970's, Mr. Karimoto held positions of principal for Molokai, Makakilo Elementary, and Makawao schools. At the latter, he developed a comprehensive literacy program which became the model for the State. In 1991, Mr. Karimoto became an Administrator for Adult Education. Just prior to his retirement in 1995, Mr. Karimoto was Special Assistant to the Superintendent of Education.

Your Committee received testimony in support of Mr. Karimoto from three individuals.

Your Committee diligently questioned the nominees and believes that the nominees adequately responded to your Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3529 Education and Technology on Gov. Msg. No. 253

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS, RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII

G.M. No. 253 LYNN C. KINNEY, for a term to expire June 30, 2001,

Upon review of the statement submitted by the nominee, your Committee finds that Lynn C. Kinney has the necessary character, experience, and qualifications to serve on the Board of Directors, Research Corporation of the University of Hawaii, and is willing to serve without compensation.

Your Committee notes the specific qualifications of the nominee:

Lynn C. Kinney has resided in Hawaii for 48 years. For the past 25 years, Mr. Kinney has worked for the International Brotherhood of Painters and Allied Trades, District Council 50, where he is currently the Business Manager and Secretary-Treasurer. As part of the Government Affairs department of District Council 50, Mr. Kinney has participated in numerous private and public activities to create and attract investment to Hawaii. Mr. Kinney is a current board member of the Make a Wish Foundation and is knowledgeable of the diverse, competing needs of the community.

Your Committee received testimony in support of Mr. Kinney from the Congressman for the 1st District, Hawaii; Painting and Decorating Contractors Association of Hawaii, Hawaii Operating Engineers, HGEA-AFSCME, Hawaii State AFL-CIO, International Brotherhood of Electrical Workers, and two individuals.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3530 Education and Technology on Gov. Msg. No. 261

Recommending that the Senate advise and consent to the nominations of the following:

STATE FOUNDATION ON CULTURE AND THE ARTS COMMISSION

G.M. No. 261 STANLEY S. GIMA and IAN L. MATTOCH, for terms to expire June 30, 2004,

Upon review of the statements submitted by the nominees, your Committee finds that Stanley S. Gima and Ian L. Mattoch have the necessary character, experience, and qualifications to serve on the State Foundation on Culture and the Arts Commission, and are willing to serve without compensation.

Your Committee notes the specific qualifications of the nominees:

Stanley S. Gima was born and raised in a sugar plantation village on Maui. Complementing his education in art and design, Mr. Gima has over 35 years of experience as an architect. Currently, Mr. Gima is the president and owner of Gima Architects, Inc., where he works part-time. He is licensed as a professional architect in California and Hawaii, where he has served as president of the American Institute of Architects - Hawaii State Council and of the Maui Section of the American Institute of Architects.

Testimony in support of Mr. Gima was received from fifteen individuals.

Ian L. Mattoch is an attorney with offices throughout the state. He has been a member of the Hawaii State Bar Association since 1969. In addition to his membership in various legal associations, Mr. Mattoch has been a member of the boards of directors for PREVENT Child Abuse Hawaii and Make-A-Wish Hawaii, respectively. Mr. Mattoch's strong appreciation for the arts has been cultivated through personal friendships with artists, including John Young and William Stamper. He continues to support Hawaii's artists through private sponsorships, donations, memberships, and a modest family art collection.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3531 Education and Technology on Gov. Msg. No. 280

Recommending that the Senate advise and consent to the nominations of the following:

HAWAI'I HISTORIC PLACES REVIEW BOARD

G.M. No. 280 WILLIAM K. MILLS, for a term to expire June 30, 2002,

LINDA NISHIGAYA, Ph.D., for a term to expire June 30, 2003, and

MICHIKO KODAMA-NISHIMOTO, AGNES E. GRIFFIN, and GAYLORD C. KUBOTA, for terms to expire June 30, 2004,

Upon review of the statement submitted by the nominees, your Committee finds that William K. Mills, Michiko Kodama-Nishimoto, Agnes E. Griffin, Gaylord C. Kubota, and Linda Nishigaya, Ph.D. have the necessary character, experience, and qualifications to serve on the Hawai'i Historic Places Review Board, and are willing to serve without compensation.

Your Committee notes the specific qualifications of the nominees:

William K. Mills was born and raised in Hawaii. Currently, Mr. Mills is the evaluation manager and cultural specialist for the Office of Hawaiian Affairs. As a fluent speaker of the Hawaiian language, Mr. Mills taught Hawaiian language at the immersion and university levels. He is a current member of the Board of Geographic Names.

Linda Nishigaya, Ph.D., has been a Professor of Sociology at West O'ahu College since 1981. Dr. Nishigaya has been teaching sociology for approximately 30 years and conducts research on sociological issues of Hawaii. She is currently involved with the Peace Education Center in Waianae.

Michiko Kodama-Nishimoto was raised in Kalihi and earned degrees in history and anthropology from the University of Hawaii at Manoa. As a historian and research associate at the University's Center for Oral History for approximately 20 years, Ms. Kodama-Nishimoto has helped plan and implement oral history projects and conduct archival research and oral history reviews. She has directed such projects as The History of Okinawans in Hawaii and the World War II Families Without Patriarchs Project.

Agnes E. Griffin is an archaeologist who has lived in Hawaii for the past 24 years. Ms. Griffin has a master of arts degree in anthropology. Currently, she works as an archaeologist for the Pacific Division of the Department of the Navy in the Naval Facilities Engineering Command. Previously, Ms. Griffin worked as a consultant to and staff archaeologist for the Division of State Parks and was involved for many years in the State's Historic Preservation program. Ms. Griffin is a member of both the Society for Hawaiian Archaeology and the Society for American Archaeology.

Gaylord C. Kubota has been the museum director for the Alexander & Baldwin Sugar Museum in Puunene on the island of Maui since 1983. Previously, he was the manager for the Hawaii Immigrant Heritage Preservation Center at the Bishop Museum. Mr. Kubota holds bachelor's and master's degrees in history and has published over two dozen articles on ethnic history and heritage, sugar plantation history, and museum concerns.

The Department of Land and Natural Resources submitted testimony in support of the nominees. The State Senator from the 19th District submitted testimony in support of Mr. Kubota. One individual provided oral testimony supporting Mr. Kubota.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Chumbley, Matsunaga).

SCRep. 3532 Economic Development on H.C.R. No. 37

The purpose of this measure is to support the responsible use of agricultural biotechnology for the benefit of Hawaii's people, the nation, and the world.

Testimony in favor of this measure was submitted by the Department of Agriculture, College of Tropical Agriculture and Human Resources, University of Hawai'i, Hawaii Farm Bureau, Hawaii Agriculture Research Center, Pineapple Growers Association of Hawaii, Grocery Manufacturers of America, Garst, RESCUE Hawaii, and American Crop Protection Association.

Your Committee finds that Hawaii has benefited substantially from agricultural biotechnology. A significant portion of Hawaii's export agricultural potential must rely on high value niches to compete in the world marketplace, and cutting edge science is critical to market sustainability. Biotechnology provides that cutting edge.

Your Committee has heard that biotechnology is also in its infancy and must be promoted and developed in an environmentally responsible manner. The U.S. regulatory system provides oversight through three agencies in order to ensure responsible development and use of biotechnology products. This oversight has been in place for ten years, and has proved highly effective.

Your Committee is strongly supportive of responsible biotechnology and the opportunities it offers Hawaii and others.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 37, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (M. Ige, Taniguchi).

SCRep. 3533 Economic Development on H.C.R. No. 24

The purpose of this measure is to request the Department of Agriculture to conduct a study on the feasibility of establishing a farmer's market in the State.

Testimony in favor of this measure was submitted by the Department of Agriculture (DOA), Department of Business, Economic Development, and Tourism, and Hawaii Food Industry Association.

Your Committee finds that Hawaii produces a wide variety of agricultural, manufactured food, aquaculture, and seafood products from all islands. A centrally located, permanent farmer's market where these products could be showcased could provide economic benefits to both producers and consumers. Your Committee further finds that this market would serve as an excellent venue to test market new products and to build on the growing mail order and Internet markets.

Your Committee has heard the concerns of the DOA regarding the extensive scope of this measure, as amended. Accordingly, your Committee has deleted the changes made in the House draft and amended this measure to reflect the language in the measure as introduced.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 24, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 24, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 3534 Economic Development on H.C.R. No. 96

The purpose of this measure is to request the Hawaii Institute of Public Affairs to conduct a public policy report on Hawaii's strategic resources and capabilities, focusing on activities whose impacts will mainly be felt in the formation of a New Economy.

Testimony in favor of this measure was submitted by the Hawaii Institute for Public Affairs (HIPA), Hawaii State Commission on the Status of Women, Pacific Century, Inc., and one individual.

Your Committee finds that the information gathered for this report will provide important research and base-line information on Hawaii's new economy activities, assets, and policies, and will be beneficial to decision-makers in both the public and private sectors. HIPA includes representatives from public and private organizations in its membership, and will draw on these resources in conducting the research and subsequent report.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 96, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 3535 Economic Development on H.C.R. No. 164

The purpose of this measure is to request the Hawaii Tourism Authority to establish a transition plan, including proposed legislation, to transfer the functions and responsibilities of the Convention Center Authority to the Hawaii Tourism Authority.

Testimony in favor of this measure was submitted by the Hawaii Tourism Authority (HTA) and two members of the Convention Center Authority (CCA).

Your Committee finds that the CCA has completed its primary purpose, to approve the proposed convention center development plan and to supervise all development within that plan. With the creation of the HTA in 1998, there is now an opportunity to bring the ongoing operations and marketing of the CCA under one entity, the HTA. This measure would ensure an orderly transition to the HTA for the long term operations of the CCA through a transition plan, as recommended by the Auditor in the most recent audit of the CCA. Your Committee finds such a transition plan to be a prudent next step in ensuring the success of a resource of considerable importance to the people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 164, H.D. 2, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 3536 (Joint) Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs on H.C.R. No. 41

The purpose of this measure is to provide legislative support to the sovereign rights of Native Hawaiians and to recognize the need to develop a government-to-government relationship between a Hawaiian nation and the United States government.

The measure also requests that the United States Congress and the President articulate and implement a federal policy of Native Hawaiian self-government with a distinct, unique, and special trust relationship and to implement reconciliation pursuant to Public Law 103-150.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, the Department of Hawaiian Home Lands, the Native Hawaiian Chamber of Commerce, the Association of Hawaiian Civic Clubs, and four private citizens.

The Hawaiian Political Action Council of Hawaii, Kanawai O Na Lahui, and a private citizen testified in opposition to the measure.

Your Committees find that during the 1980s and early 1990s, there were many impediments at the federal level, to a consideration and resolution of issues related to ceded lands and to Hawaiian political status. In 1983, the federal Native Hawaiian Study

Commission Majority Report concluded that the federal government was not liable for the loss of sovereignty or lands arising from the overthrow, and in 1989, the Bush administration disavowed the position of the Carter administration that there was a trust relationship between the Hawaiian people and the federal government. Additionally, in early 1993, the Department of the Interior's Solicitor's Office issued a legal opinion that the federal government "had no trust responsibilities to the native Hawaiians either before Statehood or thereafter."

However, in recent years, the Clinton administration has taken a more thoughtful view of federal responsibilities relating to Hawaiians, rescinding the Department of the Interior's legal opinion and enacting Public Law 103-150, commonly referred to as the "Apology Resolution". Other federal efforts sympathetic to the Hawaiian people have included the return of Kaho'olawe in 1994 and the creation by the Office of Management and Budget of a distinct category of Hawaiians and Pacific Islanders for federal purposes.

Your Committees believe that in order to comprehensively resolve the longstanding issues over sovereignty and native Hawaiian rights that have beleaguered the State, the federal government, and most importantly, the Hawaiian people, the federal government must recognize the sovereign rights of the indigenous people of Hawaii to establish a governmental structure of their own choosing. Any attempt at a comprehensive solution prior to such recognition would be at best, incomplete.

Your Committees also recognize the importance of petitioning the United States government with a single voice speaking for all Hawaiian people towards a common goal so that the federal government will understand the depth of conviction of Native Hawaiians on this issue.

Recognizing the need for a unified message, your Committees have amended the measure by:

- (1) Inserting new "WHEREAS" clauses that describe the importance of the centennial observation of the illegal overthrow of the Kingdom of Hawaii;
- (2) Recasting the existing "WHEREAS" clauses in the measure to focus on the need for the federal government to effect a clear statement about the political status of Native Hawaiians and to establish a Native Hawaiian nation;
- (3) Adding the word "native" before the word "Hawaiian" in the title and text of the measure;
- (4) Adding the National Congress of American Indians, the Alaska Federation of Natives, and the members of the Hawaiian Homes Commission to the transmittal clause; and
- (5) Limiting the requirement that certified copies of the measure be transmitted to all the members of the 106th Congress of the United States to just the presiding officers of the United States Senate and House of Representatives.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Hawaiian Affairs and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 41, as amended herein, and recommend that it be adopted in the form attached hereto as H.C.R. No. 41, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (Bunda, Chun, D. Ige, Kanno, Tanaka, Taniguchi).

SCRep. 3537 Economic Development on H.C.R. No. 94

The purpose of this measure is to support the Hawaii Psychiatric Medical Association's interest in having a future annual meeting of the American Psychiatric Association (APA) in Hawaii.

Testimony in favor of this measure was submitted by the Hawaii Tourism Authority, Convention Center Authority, Hawaii Medical Association, Hawaii Psychiatric Medical Association, and Nami Oahu.

Your Committee finds that the Hawaii Dental Association conference, held in October 1999, had a significant, positive impact on Hawaii's visitor industry and economy. Should the APA choose Hawaii as its meeting site, the economy should experience a similar increase in tourism dollars. In addition, the presence of such a prestigious organization, which represents 40,000 psychiatrists, would provide unparalleled opportunities for those working in the mental health field in Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 94, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (M. Ige, Taniguchi).

SCRep. 3538 Commerce and Consumer Protection on H.C.R. No. 145

The purpose of this measure is to facilitate a determination as to whether the reform of the motor vehicle insurance laws has affected consumers' access to referrals for massage therapy and physical therapy.

Testimony on the measure was submitted by the Insurance Commissioner, Hawaii State Chiropractic Association, Massage Therapists Association of Hawaii, and Hawaii Chapter of the American Physical Therapy Association.

After the enactment of Act 251, Session Laws of Hawaii 1997, the measure that implemented reform of the motor vehicle insurance laws, the practice of referring insureds to massage therapists and physical therapists by chiropractors was no longer permitted. Although motor vehicle insurance premium rates have decreased since the reform was implemented, it is uncertain whether these savings are related to the restrictions on referrals and whether the restrictions have affected an insured's ability to obtain a medically reasonable, necessary, and appropriate referral for massage therapy and physical therapy. This measure authorizes a study that would provide the Legislature with a clearer understanding of the relationship between the law's reform and savings in premium costs, and of how the changes in the law have affected access to treatment for victims of motor vehicle accidents.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 145, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3539 Economic Development on H.C.R. No. 103

The purpose of this measure is to request a study of the impact that commercial marine mammal watching tours may have on marine mammals in waters off the Waianae Coast of Oahu.

Testimony in favor of this measure was submitted by the Department of Land and Natural Resources and one individual.

Your Committee has heard that the department has met with members of the Waianae community to discuss the possible formation of a task force, and the issues to be covered. The department expressed concerns that because there are no funds, the study should be more focused on the impact of these tours on the akule fishing industry.

Your Committee has amended this measure by:

- (1) Amending the title to: "REQUESTING A STUDY OF THE IMPACT THAT COMMERCIAL MARINE MAMMAL WATCHING TOURS MAY HAVE ON COMMERCIAL FISHING IN WATERS OFF THE WAIANAE COAST OF OAHU";
- (2) Deleting the first five WHEREAS clauses;
- (3) Changing the focus of the study to the impact that commercial marine mammal watching tours may have on commercial fishing in waters off the Waianae Coast of Oahu, and adding recommendations for guidelines so that the commercial marine mammal watching tours and the local commercial fishers can coexist;
- (4) Clarifying that the review of reports on user conflict are between commercial marine mammal watching tours and commercial fishers; and
- (5) Making technical amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 103, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 103, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 3540 Economic Development on H.C.R. No. 165

The purpose of this measure is to request the Department of Land and Natural Resources to implement the recommendations regarding Hawaii's commercial boating and ocean recreation industry made by the Small Business Task Force on Regulatory Relief.

Testimony in favor of this measure was submitted by the Small Business Regulatory Review Board, Hawaii Business League, NFIB Hawaii, Activity Owners Association, Bluewater Sailing Kauai, Inc., Capt. Andy's Sailing, Inc., Captain Sundown Enterprises, Ed Robinson's Diving Adventures, Expeditions, Flexible Flyer Yacht Charters, Lahaina Divers, Maui Classic Charters, Na Pali Eco Adventures, Neptune Underwater Adventures, Inc., Paragon Sailing Charters, Pride Charters Incorporated, South Pacific Kayaks & Outfitters, Trilogy, and Body Glove Cruises. The Department of Land and Natural Resources submitted testimony in opposition.

Your Committee has heard that the department is actively pursuing recommendations to redraft administrative rules affecting the commercial ocean recreation industry, including a reassessment of the present fee structure for commercial use of the State's facilities and resources. The department expressed concern, however, that some of the recommendations by the Small Business Task Force on Regulatory Relief can be implemented only if existing statutes are changed, and others are currently in litigation.

Your Committee heard considerable discussion regarding the handling of information requested by the Task Force on complaints and concerns listed in one of their reports, in the event any of these complaints are currently in litigation. As stated by the Committee, it is not the intent of the Legislature to approve legislation that may interfere with the judicial process. However, after further consideration, it was determined that the annual report that was submitted by the Task Force in December 1998, does not contain such specific information, so the issue of complaints in litigation would not arise.

Your Committee has amended this measure accordingly, to clarify that the report referenced in this measure is the annual report submitted in 1998.

Your Committee is well aware that there remains a great deal of frustration among the members of the commercial boating and recreation industry, and wishes to commend both the industry and the department for their continued dialogue to resolve their many differences. Your Committee believes that the information requested in this measure will assist in those efforts, and should not be unduly burdensome to the department, as much of the information is contained in existing reports.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 165, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 165, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 3541 Commerce and Consumer Protection on H.C.R. No. 38

The purpose of this measure is to address the problem of the inadequate supply of licensed psychologists available to meet the community's mental health needs by authorizing a review of the psychology licensure requirements.

Testimony on the measure was submitted by the Department of Commerce and Consumer Affairs (DCCA), Department of Health (DOH), Department of Education (DOE), and Hawaii Psychological Association (HPA). Oral testimony was presented by an individual.

Your Committee finds that DOH and DOE have experienced difficulty in recruiting and hiring licensed psychologists to provide mental health services. A sizable pool of post-doctoral level psychologists are unable to meet the licensing requirements under the current administrative rules, and therefore, cannot be retained. Additionally, the difficulty of obtaining licensure through reciprocity under the current rules further hinders the hiring of qualified professionals. This measure would authorize a review of current licensure requirements in an effort to determine whether changes to the law are necessary in order to facilitate the hiring of qualified mental health services providers.

Your Committee notes that HPA has expressed concerns about undertaking a review of the State's psychology licensure requirements at a time when model legislation is being considered by a task force convened by the American Psychological Association. Your Committee acknowledges HPA's concerns and encourages the group to share its concerns and views with DCCA during the review process.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 38, H.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3542 (Joint) Commerce and Consumer Protection and Transportation and Intergovernmental Affairs on H.C.R. No. 65

The purpose of this measure is to facilitate an assessment of the need for the regulation of the alarm industry.

The Honolulu Police Department submitted testimony on the measure.

House Bill No. 2125, introduced this session, proposes to regulate the alarm industry. State policy, as established in section 26H-2, Hawaii Revised Statutes (HRS), is to undertake the regulation and licensing of professions and vocations only where reasonably necessary to protect the health, safety, or welfare of consumers. Therefore, pursuant to section 26H-6, HRS, this measure authorizes the auditor to conduct an analysis of the probable effects of the proposed regulation, determine whether regulation is consistent with state policy, and assess alternative forms of regulation.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Transportation and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 65, H.D. 1, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Bunda, Hanabusa, Ihara, Iwase).

SCRep. 3543 Commerce and Consumer Protection on H.C.R. No. 87

The purpose of this measure is to support the efforts to maintain the operations of the Star-Bulletin and to secure a buyer for the newspaper.

Your Committee finds that the closing of the Star-Bulletin will have a widespread and adverse impact on the State, including the loss of jobs, the potential exodus of residents seeking employment outside the State, and potentially higher costs for businesses that buy advertising in the newspaper.

Further, the State will lose a separate and independent editorial voice in the community, and the breadth and quality of news coverage will be affected. The community will no longer have access to diverse points of view in the daily print media that is vital to the participation of an informed citizenry in a democracy. Therefore, the continued operation of the Star-Bulletin is important to the social and economic well-being of this State and should be supported.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 87, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3544 Commerce and Consumer Protection on H.C.R. No. 184

The purpose of this measure is to authorize a study of health care purchasing arrangements in an effort to reduce the costs of providing health care coverage for QUEST beneficiaries and public employees.

Testimony on the measure was submitted by the Department of Human Services (DHS), Hawaii Public Employees Health Fund (HPEHF), and Legislative Reference Bureau (LRB).

Your Committee finds that collaborative health care purchasing arrangements between HPEHF and the Hawaii QUEST Program may help to stabilize health care costs and result in administrative cost savings. Additionally, increasing the size of the overall purchasing pool may provide the State with greater negotiating leverage and stimulate competition in the commercial health insurance marketplace. This measure authorizes the establishment of a task force to study the possible benefits of collaborative health care purchasing arrangements and to examine the feasibility of establishing such arrangements between HPEHF and the Hawaii QUEST Program.

Your Committee notes that LRB has requested that DHS provide administrative and clerical support to the task force, including the production and printing of the task force's report, and that DHS is in agreement with this request.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 184, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3545 Health and Human Services on H.C.R. No. 7

The purpose of this measure is to express the legislature's support of the Hawaii State Commission on the Status of Women (HSCSW).

Your Committee received testimony in support of this measure from the Department of Public Safety, Department of Labor and Industrial Relations, Hawaii State Commission on the Status of Women, Honolulu Department of Community Services, University of Hawaii at Manoa, Hawaii Women Lawyers, Sex Abuse Treatment Center, Parents and Children Together, Hawaii Coalition for Affordable Long Term Care, Hawaii Women's Political Caucus, Honolulu Information Service, Volunteer Legal Services Hawaii, Domestic Violence Clearinghouse and Legal Hotline, Violence Prevention Consortium, and five private individuals.

The HSCSW is integral to educating, coordinating, and disseminating information regarding women, family, and community issues. Working women in particular have a dual commitment to family and work, and their voice is being heard in policy-making decisions, as evidenced by the presence of the HSCSW at the legislature during each Session. The testimony of the HSCSW is strong, clear, and precise. The HSCSW provides a perspective that represents women, families, and children. This kind of input is unique and valuable.

This measure is intended to reaffirm the legislature's commitment to the HSCSW and its outstanding work in the community and in advocacy.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 7, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3546 Health and Human Services on H.C.R. No. 44

The purpose of this measure is to urge the Hawaii Nurses' Association (HNA) and the Healthcare Association of Hawaii (HAH) to begin discussions to identify and solve acute-care issues relating to patient safety, nursing care, and the potential nursing shortage.

Your Committee received testimony in support of this measure from the HGEA-AFSCME, Hawaii Nurses' Association, and Healthcare Association of Hawaii.

This measure is intended to address many of the recent issues relating to managed care and downsizing of hospital staff. Your Committee's primary concern is for patient safety and adequacy of care. Your Committee prefers that patient care procedures should be left to hospitals and professional staff; however, legislation may be necessary if the discussions do not yield results. The HNA and HAH are requested to report to the legislature before the 2001 Session on their discussions.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 44, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3547 Health and Human Services on H.C.R. No. 47

The purpose of this measure is to support the efforts of the World Health Organization and Waris Dirie to end the harmful tradition of female genital mutilation.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Hawaii Nurses' Association, Hawaii State Coalition Against Domestic Violence, Parents and Children Together, and two private individuals.

Female genital mutilation is a horrid tradition practiced most extensively in Africa. There is no place in the modern world for this kind of human indignity that has no justification whatsoever.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 47, and recommends that it be referred to the Committee on Transportation and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3548 Health and Human Services on H.C.R. No. 66

The purpose of this measure is to request the Department of Human Services (DHS) to convene a public-private interagency working group to examine ways to advocate the capture and maximization of federal funds to support Hawaii's health and human services programs.

Your Committee received testimony in support of this measure from the DHS and Welfare & Employment Rights Coalition.

The intent of this measure is for Hawaii to evaluate and determine how best to maximize available federal funds to support Hawaii's health and human services programs in a way that uses the resources and abilities of both the public and private sectors. Federal funding is diverse and complex, including matching funds, waivers, and exceptions. Even within established federal programs, such as Medicare, Hawaii may not be receiving its share of home care and skilled nursing care compared with other states. More distressingly, federal moneys could go unclaimed by Hawaii because of an inability of the State to devote the necessary staff to plan programs and submit applications.

Your Committee has amended this measure by inserting Senate Concurrent Resolution No. 135, S.D. 1, a similar measure.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 66, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 66, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3549 Health and Human Services on H.C.R. No. 75

The purpose of this measure is to urge the counties to incorporate into the county building codes provisions for disability accessibility.

Your Committees received testimony in support of this measure from the Disability and Communication Access Board, the American Institute of Architects, and the Hawaii Center for Independent Living.

The Americans with Disabilities Act (ADA) requires that the design and construction of certain specific buildings and facilities be accessible and usable by people with disabilities. Section 103-50, Hawaii Revised Statutes, requires public buildings and facilities to conform to the ADA Accessibility Guidelines.

This measure is intended to assure that the counties adopt the ADA Accessibility Guidelines in their entirety in order to conform with federal and state laws, and to benefit the construction and building design industries so that they will know what is required and may avoid costly litigation.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 75, H.D. 1, and recommends that it be referred to the Committee on Transportation and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3550 Health and Human Services on H.C.R. No. 77

The purpose of this measure is to request the State Health Planning and Development Agency (SHPDA) to require a social impact statement to be submitted for any proposed youth facility involving mental health or public safety in a community.

Your Committee received testimony in support of this measure from SHPDA.

The object of this measure is the current construction of a full-time residential treatment facility that will treat up to ten children age twelve to seventeen who have exhibited inappropriate sexual behavior. The facility is located at the Waimano Training School and Hospital in Pearl City and is scheduled to open in June, 2000. The Department of Health (DOH) did not inform the community of this plan until January, 2000, when construction had already begun. Your Committee believes that if the DOH had informed the community before commencing the construction and solicited community input, appropriate safety and security measures could have been integrated into the planning and construction of the facility. This measure would address future similar situations in any community in the State.

Your Committee has amended this measure by:

- (1) Clarifying in the last WHEREAS clause that a social impact statement should be required for a proposal to utilize an existing structure or to construct a new structure in a community for any purpose involving mental health or safety;
- (2) Clarifying that the departmental public information meeting process be for purchase of service, capital improvement project, or repair and maintenance contracts;
- (3) Including in the meeting process the appropriate state departments, such as the DOH, Department of Human Services, Department of Public Safety, and the Judiciary; and
- (4) Revising the title to accurately reflect the amended measure.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 77, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 77, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3551 Health and Human Services on H.C.R. No. 86

The purpose of this measure is to request the Executive Office on Aging (EOA) to conduct a comprehensive review of all programs in the State concerning Hawaii's elders.

Your Committee received testimony in support of this measure from the EOA.

Persons age sixty years and older presently account for almost one-fifth of the adult population in the State. By 2002, they are estimated to account for one-fourth of Hawaii's adult population. Their needs for long-term care will grow accordingly. In order to rationally address the myriad of problems of aging in Hawaii, it is necessary for the legislature to have a clear and comprehensive purview of the issues and resources concerning aging in Hawaii. Sufficient and accurate information will enable the legislature to properly consider measures in the future concerning aging and the elderly.

Your Committee has amended this measure on the recommendation of the EOA by:

- (1) Changing the list of items to be included in EOA review to:
 - (A) Delete the age-related demographic data because the 2000 Census would not be available for this study;
 - (B) Clarify that the data for the review and summary of government program benefits be provided by the Department of Taxation, Department of Budget and Finance, and the Honolulu Department of Budget and Fiscal Services;
 - (C) Clarify that the review of other states be confined to two or three other states with economic profiles, total population size, or tax base similar to Hawaii; and
- (2) Adding the Directors of the departments added by (1)(B) above to the list of persons receiving certified copies of the measure.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 86, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 86, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3552 Health and Human Services on H.C.R. No. 111

The purpose of this measure is to request the Auditor to conduct a program and financial audit of the Department of Health's Adult Mental Health Division.

Your Committee received testimony in support of this measure from the HGEA-AFSCME and Department of Health.

The intent of this measure is to assure that the Department of Health is in compliance with the stipulated agreement and court order of the United States District Court in a 1991 lawsuit against the State brought by the United States Department of Justice. The legislature remains concerned that, while it is being asked to appropriate millions of additional dollars for adult mental health services, it has not seen a firm plan of action to address the court orders.

Your Committee has amended this measure by adding the states of New Hampshire, Maine, and Vermont to the list of states the Auditor is requested to examine.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 111, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 111, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3553 Health and Human Services on H.C.R. No. 196

The purpose of this measure is to request the Governor to convene a task force to develop and implement a comprehensive statewide plan to address the issue of the State's compliance with the integration mandate of Title II of the Americans with Disabilities Act (ADA).

Your Committee received testimony in support of this measure from the Department of Health, Disability and Communication Access Board, State Planning Council on Developmental Disabilities, Hawaii State Commission on the Status of Women, ARC in Hawaii, Hawaii Disability Rights Center, Mental Health Association in Hawaii, Hawaii Centers for Independent Living, NAMI Oahu, and a private individual.

The ADA has been interpreted by the United States Supreme Court in Olmstead v. L.C., to apply to the mentally retarded and mentally ill who are confined in state-run institutions, despite the fact that their treatment professional had determined that they could be appropriately served in a community setting. A similar case was recently decided in Hawaii in the United States District Court in Makin, Mullen, et. al. v. Cayetano, in which Judge David Ezra held that the integration mandate of the ADA applied to persons at risk of institutionalization (although not yet living in institutions), and that the State must have a comprehensive plan to move persons off the wait lists for community services at a reasonable pace.

This measure is intended to facilitate and expedite the Makin decision. Your Committee believes that a task force comprised of a broad sector of public and community service agencies is necessary to achieve compliance with Makin.

Your Committee has amended this measure by inserting in its place Senate Concurrent Resolution No. 163, S.D. 1, a companion measure.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 196, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 196, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3554 (Majority) Water, Land, and Hawaiian Affairs on H.C.R. No. 31

The purpose of this measure is to encourage the State of Hawaii to acquire two parcels of land adjacent to Limahuli Stream on the island of Kauai for the preservation of important cultural resources and their incorporation into Ha'ena State Park.

Testimony in support of the measure was received from the Department of Land and Natural Resources and a number of environmental and Hawaiian cultural organizations and private citizens.

The representative of the owner of the land subject to the measure testified in opposition to the measure's adoption.

Your Committee finds that the two parcels of land adjacent to Limahuli Stream on the Island of Kauai are worthy of preservation because of the area's important cultural resources. However, according to the testimony of the landowner's representative, the landowner has been a good steward of the land and was not informed of any legislative action to condemn or otherwise obtain the two parcels by the State. The landowner's representative also stated that the landowner is willing to negotiate a conservation easement to protect the culturally and environmentally significant sites on the property.

Your Committee believes that a conservation easement is the appropriate solution to this situation and should ameliorate the concerns of the Hawaiian and environmental community without abrogating the property rights of the landowner. However, your Committee also notes that if a conservation easement is not entered into by the landowner to protect the culturally and historically significant sites, the Department of Land and Natural Resources should consider condemnation as an alternative.

In light of these beliefs, your Committee has amended the measure by recasting the title and text of the measure to more accurately reflect the actions of the landowner and to support the negotiation and implementation of a conservation easement on the property at issue.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 31, H.D. 2, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 31, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 2 (Matsuura, Tanaka). Excused, 2 (Kanno, Anderson).

SCRep. 3555 Water, Land, and Hawaiian Affairs on H.C.R. No. 101

The purpose of this measure is to request a study to ascertain the feasibility of amending the Hawaiian Homes Commission Act to allow for direct election of members.

The measure also requests that the study include determinations on:

- 1) Who should be allowed to run;
- 2) Who should be permitted to vote;
- 3) How the seats should be apportioned; and
- 4) How such an election should be financed.

Testimony in support of the measure was received from the Department of Hawaiian Home Lands. The Legislative Reference Bureau submitted comments.

Your Committee finds that the members of the Hawaiian Homes Commission are at present not elected but nominated and appointed by the Governor with the advice and consent of the Senate in accordance with the Hawaiian Homes Commission Act, Section 202 and section 26-34, Hawaii Revised Statutes.

Your Committee believes that establishing a system of governance for the Department of Hawaiian Home Lands that allows for direct election of the members of the Hawaiian Homes Commission by their beneficiaries while preserving the system of regional representation embodied in Section 202(a) of the Hawaiian Homes Commission Act of 1920, as amended, would provide a more direct link to beneficiary representation than the existing system currently provides.

Toward this end, requesting that the Legislative Reference Bureau undertake a study to determine the legal issues involved in amending the Hawaiian Homes Commission Act to allow for direct election of the members of the Hawaiian Homes Commission by their beneficiaries is appropriate.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 101, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 3556 Water, Land, and Hawaiian Affairs on H.C.R. No. 120

The purpose of this measure is to request the establishment of a task force to create a master plan for water quality and flood mitigation for Waimanalo.

Testimony in support of the measure was received from the Department of Land and Natural Resources and the Department of Agriculture.

Your Committee finds that the Kailua reservoir, the Kahawai stream, and other bodies of water in the Waimanalo area have caused serious damage to private property in the past and threaten to cause further damage to property and possible loss of life in the future. The pollution resulting from this periodic flooding combined with continuous agricultural and urban runoff has had serious negative consequences on water quality and water ecology not only in the freshwater streams of Waimanalo but also for the whole marine ecology of Waimanalo Bay.

The 1996-1998 Water Body Assessment conducted by the Department of Health's Environmental Planning Office identified Waimanalo stream as suffering from "severe impairment" of water quality as one of Hawaii's four most seriously polluted bodies of water.

Your Committee believes that the safety of our citizens and the protection of their property, as well as the purity and natural ecology of our waters are important and that a water quality and flood mitigation master plan for the Waimanalo area is necessary.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 120, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 3557 Water, Land, and Hawaiian Affairs on H.C.R. No. 151

The purpose of this measure is to prepare a comprehensive master plan for Kokee and Waimea Canyon State Parks (Parks).

Specifically, the Department of Land and Natural Resources is requested to:

- (1) Facilitate the development of the master plan with existing lessees and other stakeholders and interested parties;
- (2) Prioritize needs of the Parks; and
- (3) Determine how to best fund and implement programs to address priorities indicated in the master plan.

Testimony in support of the measure was received from the Department of Land and Natural Resources and the Kokee Leaseholders Association.

Your Committee finds that the existing infrastructure (e.g. water, sewer, and roads) at Kokee and Waimea Canyon State Parks is inadequate to meet the current and future needs. There is also an urgent need to repair and maintain the existing infrastructure that serves Kokee and Waimea Canyon State Parks and to provide necessary staffing and equipment.

Your Committee believes that the development of a master plan for these areas is a necessary first step.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 151, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 3558 Water, Land, and Hawaiian Affairs on H.C.R. No. 156

The purpose of this measure is to request that the Office of Hawaiian Affairs commission a study to determine the security of trust assets currently under the management of the Office of Hawaiian Affairs in light of the Rice v. Cayetano decision.

Testimony in support of the measure was provided by the Office of Hawaiian Affairs.

Based on the concerns raised by the U.S. Supreme Court's ruling on the Rice v. Cayetano case, your Committee finds that the best interest of the Hawaiian community at this juncture will be served if the Office of Hawaiian Affairs is encouraged to investigate whether threats to ceded lands assets exist as a result of changes to the trustee selection process mandated under that decision.

Your Committee is aware that other measures addressing concerns over the outcome of the Rice v. Cayetano decision are moving through the legislative process. It is your Committee's intent that through the adoption of this measure, the Office of Hawaiian Affairs will address in its study any other concern or issue that may be enacted or adopted by the Legislature this session that deals with the Rice v. Cayetano decision.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 156, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 3559 Education and Technology on H.C.R. No. 52

The purpose of this measure is to request the Department of Education to continue working with student leaders and advisors of various public schools on the Big Island to facilitate and develop strategies to:

- (1) Strengthen existing student leadership programs;
- (2) Form greater partnerships to assist with the implementation of more programs;
- (3) Expand programs to reach more students; and
- (4) Establish an accountability system for monies appropriated for the Student Leadership Program.

Testimony in support of the measure was received from the Hilo Hamakua Community Development Corporation, the Hamakua District Development Council, the Hamakua Youth and Family Fun Day, the Rural South Hilo Community Association, and thirteen individuals.

Your Committee finds that since 1995 student leaders and advisors on the Big Island have played an active role in addressing issues critical to their respective schools and communities. In response to the adoption in 1996 of House Concurrent Resolution No. 24, student leaders on the Big Island developed school and community-based after-school programs and activities. In their continued efforts, students helped develop legislation to implement programs to help curb problems such as substance abuse, gang activity, and teen pregnancy.

Your Committee agrees that the continuation of collaborative work of student leaders on the Big Island and concerned individuals is valuable and has a positive impact on the current and future well-being of students.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 52, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 3560 Education and Technology on H.C.R. No. 81

The purpose of this measure is to request the Legislature to designate the second Tuesday in September as the Legislators' Back-to-School Day in Hawaii whereby legislators are urged to visit schools to promote a greater understanding of the legislative institution.

Testimony in support of the measure was received from the Department of Education.

Your Committee finds that in recent years, citizen interest in government and knowledge of the political system have declined, in part, due to a weakening belief in, and a lack of understanding of, the virtues and knowledge needed for a successful form of government. Such public understanding of the institutions and processes of government are critical to building public trust and confidence.

Your Committee agrees that a Legislators Back-to-School Day will promote greater understanding of the legislature and the role of legislators in a representative democracy while providing legislators an opportunity to interact with students, teachers, and administrators. Your Committee finds that the National Conference of State Legislatures (NCSL) has already passed a similar measure.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 81, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 3561 (Joint) Education and Technology and Economic Development on H.C.R. No. 116

The purpose of this measure is to request the Governor's Special Advisor for Technology Development to establish an advisory council within the Office of the Governor to study legal, economic, and other pertinent issues relating to encouraging and attracting the development of public and private high technology bioscience research to Hawaii.

This measure requests the advisory council to submit a report of its findings, recommendations, and any proposed legislation to the Governor and the Legislature no later than twenty days prior to the convening of the Regular Session of 2001.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism, Hawai'i Technology Trade Association, and Glaxo Wellcome Inc. Oral testimony in support of the measure was received from the Governor's Special Advisor for Technology Development and HTDC.

Your Committees find that it is important for Hawaii to develop new and expand existing businesses in the State's technology sectors. Hawaii has strategic environmental, human, and technological resources and capabilities which place it in a position of global leadership. In addition, Hawaii's diverse land and ocean environments host a wide range of bioresources that provide unique opportunities for research and commercialization.

As affirmed by the records of votes of the members of your Committees on Education and Technology and Economic Development that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 116, H.D. 1, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Bunda, Matsunaga, Tam, Taniguchi).

SCRep. 3562 Education and Technology on H.C.R. No. 123

The purpose of this measure is to request the Department of Health and the Department of Agriculture to help farmers near Maili Elementary to take measures to ensure that the school is not infested with flies, inundated by dust, or subject to unpleasant odors associated with farming.

Testimony in support of the measure was received from the Department of Education and two individuals. The Department of Agriculture submitted testimony concurring with the intent of the measure. Testimony in opposition to the measure was received from Hawaii Egg Producers Cooperative. Oral testimony in opposition was received from the Hawaii Farm Bureau and one individual.

Your Committee finds that students, teachers, and other school personnel at Maili Elementary School operate in a school environment that is unhealthy, unsafe, and not conducive to effective learning. Because the school is located very close to residential and farm lands, the school is regularly infested with flies, is subject to highly unpleasant odors, and experiences blowing dust that can result in respiratory problems for students and school personnel. In addition, severe drainage deficiencies cause flooding of the school during heavy rains.

Your Committee is concerned about requesting the Department of Health (DOH) and Department of Agriculture (DOA) to completely eliminate flies, dust, and unpleasant odors associated with farm activity, as that may be impossible to do. Accordingly, your Committee amended the measure to request the DOH and DOA to help farmers near the school to take measures to help mitigate and minimize these nuisances.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 123, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 123, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 3563 Education and Technology on H.C.R. No. 157

The purpose of this measure is to request the University of Hawaii to conduct a comprehensive, current, and comparative analysis of the State's ability to fund K-12 education.

Testimony in support of the measure was received from the University of Hawaii and the Department of Education.

Your Committee finds that recent statistics indicate that funding for Hawaii's statewide public school system is not adequate to prepare Hawaii's students to meet the challenges of the future in this State. Over the past six years, state and district resources have been reduced 39 percent by position count and 41 percent by fiscal allocation. This severely diminished the system's capacity to support schools in numerous instructional and administrative areas.

Your Committee agrees that it is necessary to review agency funding and questions regarding the adequacy of funding for public schools in order to establish a sound fiscal policy for them.

Upon further consideration, your Committee amended the measure by deleting the paragraph on per pupil expenditure.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 157, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 157, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 3564 Education and Technology on H.C.R. No. 158

The purpose of this measure is to request the Department of Education and the University of Hawaii Community Colleges (UHCC) to initiate a collaborative partnership to improve services for adults and expand opportunities for high school students that will result in substantive outcomes for both entities.

Testimony in support of the measure was received from the Department of Education, University of Hawaii, and Hawaii School-to-Work.

Your Committee finds that the UHCC programs and adult community school courses both offer students learning opportunities that will assist them in developing basic skills needed to function effectively in the workplace. However, there are several areas in their respective responsibilities, services, and resources that overlap. In addition, they have competing interests.

Your Committee agrees that a solution is needed that will best serve the needs of students, employers, and the workforce, while making the most efficient use of the State's resources.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 158, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 3565 Education and Technology on H.C.R. No. 163

The purpose of this measure is to request the Department of Health to establish and implement a "CPR in Schools" program in every public high school.

In addition, the measure requests that all students be required to take and pass such a program.

Testimony in support of the measure was received from the Honolulu Fire Department, State Fire Council, Honolulu Police Department, Hawaii Medical Association, Hawai'i Nurses Association, Department of Health, American Red Cross-Hawaii State Chapter, American Heart Association-Hawaii Affiliate, and two individuals. The Department of Education supports the measure but believes it is not necessary.

Your Committee finds that heart disease is the national leading cause of death for adults. On Oahu, the survival rate of pre-hospital cardiac arrest patients is only 5 percent. Because current resources are insufficient to provide adequate medical treatment statewide, a CPR program in schools can help save lives through community education and education of knowledgeable citizens.

Your Committee agrees that such a program will be beneficial to the public throughout Hawaii.

Upon further consideration, your Committee amended the measure by:

- (1) Removing the requirement that all students take and pass a "CPR in Schools" program; and
- (2) Encouraging, instead of requiring, private schools to implement a similar CPR program for their students.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 163, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 163, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 3566 Education and Technology on H.C.R. No. 188

The purpose of this measure is to encourage the establishment of a research institute and a master of arts program at the University of Hawaii at Manoa's Center for Hawaiian Studies.

Testimony in support of the measure was received from the School of Hawaiian, Asian and Pacific Studies at the University of Hawaii at Manoa (UH-Manoa), the Center for Hawaiian Studies, UH-Manoa, the Native Hawaiian Health Research Program, Mission Houses Museum, and thirteen individuals.

Your Committee finds that the establishment of a research institute and master of arts program will promote and preserve Hawaiian culture, heritage, and history. The University of Hawaii at Hilo already has a successful Hawaiian language program that could be a valuable resource for the institute.

Your Committee agrees that the establishment of a research institute and master of arts program in Hawaiian studies will enable native Hawaiian and other students to fill the gaps of knowledge of the history and culture of these islands, and become established scholars and leaders in Hawaiian issues.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 188, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 3567 Government Operations and Housing on Gov. Msg. No. 198

Recommending that the Senate advise and consent to the nomination of the following:

RENTAL HOUSING TRUST FUND ADVISORY COMMISSION

G.M. No. 198 LESLIE Y. KURISAKI, for a term to expire June 30, 2004,

Upon review of the testimony and the statements submitted by the nominee, your Committee finds that Leslie Y. Kurisaki has the necessary character, experience, and qualifications to serve on the Rental Housing Trust Fund Advisory Commission.

Testimony in support of Leslie Y. Kurisaki was received from the Governor's Special Assistant for Housing and the Housing and Community Development Corporation of Hawaii.

Leslie Y. Kurisaki earned her Master's degree in urban planning at the University of California, Los Angeles, and is a current member of the Rental Housing Trust Fund Advisory Commission. Leslie Y. Kurisaki possesses an extensive professional background in planning and is a member of the American Planning Association.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Levin, Matsunaga, Sakamoto, Anderson).

SCRep. 3568 Economic Development on Gov. Msg. No. 272

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS, ALOHA TOWER DEVELOPMENT CORPORATION

G.M. No. 272 FRANK JAMES "JIM" LYON, for a term to expire June 30, 2004,

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Board of Directors of the Aloha Tower Development Corporation to which he has been nominated.

Your Committee notes the following specific qualifications of the nominee:

Frank James "Jim" Lyon is Vice President of Lyon Associates, Inc., a civil engineering consulting firm, and is a licensed civil engineer and a licensed real estate salesperson. Mr. Lyon holds an undergraduate degree in engineering and a master's degree in business administration specializing in marketing. He is active in professional and community organizations, including Young Entrepreneurs Organization and Consulting Engineers Council of Hawaii.

The Aloha Tower Development Corporation submitted testimony in support of the nominee.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 3569 Judiciary on Gov. Msg. No. 274

Recommending that the Senate advise and consent to the nomination of the following:

DEFENDER COUNCIL

KEITH E. TANAKA, for a term to expire 06-30-2003;

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Defender Council.

Your Committee notes the following specific qualifications of the nominee:

Keith E. Tanaka holds a B.Ed. from the University of Hawaii at Manoa and a J.D. from the University of Hawaii's Richardson School of Law. Mr. Tanaka is currently an attorney in private law practice, and participates in several professional and community organizations including the Hawaii State Bar Association, the Boy Scouts, and the Special Olympics.

Your Committee received a letter respectfully submitted by the nominee to the Committee in lieu of his attendance and diligently questioned a Deputy Public Defender about the nominee's role on the Defender Council and believes that the nominee will adequately fulfill his duties.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Tanaka).

SCRep. 3570 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 283

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF KAUAI AND NIIHAU

G.M. No. 283 R. KALANI FRONDA, MICHAEL H. FURUKAWA, BRUCE B. ROBINSON, DONNA KALIKO SANTOS, PRESLEY V. WANN, and A. JAMES WRISTON III, for terms to expire June 30, 2003; and

JOHN A.P. KRUSE and LA FRANCE KAPAKA-ARBOLEDA, for terms to expire June 30, 2004,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Island Burial Council for the Islands of Kauai and Niihau to which they have been nominated.

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

Your Committee notes the following specific qualifications of the nominees:

R. Kalani Fronda is being nominated as the landowners' representative and is employed as a Land Manager for Kamehameha Schools/Bishop Estate. Mr. Fronda is a Director with the Haleiwa Mainstreet Association, the Molokai Business Association, and Aoao Terraces at Launani Valley.

Michael H. Furukawa is being nominated as the landowners' representative and is employed by Grove Farm as a Vice President and Project Manager. Mr. Furukawa is a member of the Kauai Chamber of Commerce, the Contractors Association of Kauai, and the State's Na Ala Hele Trails Advisory Program.

Bruce B. Robinson has served as the regional representative for the Island of Niihau on the Island Burial Council for Kauai and Niihau for the past four years. He possesses strong affiliations with the Niihau community and the Department of Land and Natural Resources has testified that the perspective he brings to Council deliberations are invaluable.

Donna Kaliko Santos is being nominated as the regional representative for the Lihue District. She is employed by the Office of Hawaiian Affairs and is a member of the American Red Cross.

Presley V. Wann is being nominated as the regional representative for the Napali District. He has been involved with building canoes and the protection and preservation of heiau. Mr. Wann is a member of Na Kalai Waa of Kauai, the Kamehameha Parent Association, and the Hui Makaainana Omakana.

A. James Wriston III is being nominated as the landowners' representative and is employed by Amfac Land Company, Limited, as the Manager of Land Administration. Mr. Wriston is a member of the Better Business Bureau, the Hawaii Farm Bureau, the Rotary Club, and possesses a landscape contractor's license.

John A. P. Kruse is being nominated as the regional representative for the Koloa District. He has been active for many years in the area of historic preservation and cultural resource management. Through his dedication in this area, Mr. Kruse has garnered much experience in the handling and treatment of Hawaiian burial sites.

La France Kapaka-Arboleda is being nominated as the regional representative for the Lihue District. She has formerly served on the Island Burial Council for Kauai and Niihau as its Chair, and over the years has been extremely dedicated to protection and appropriate treatment of burial sites.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Tanaka).

SCRep. 3571

Water, Land, and Hawaiian Affairs on Gov. Msg. No. 286

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF OAHU

G.M. No. 286 A. VAN HORN DIAMOND and LURLINE NAONE SALVADOR, for terms to expire June 30, 2002;

KALEI S. KINI, for a term to expire June 30, 2003; and

PETER K. APO, PHYLLIS COOCHIE CAYAN, CLARENCE DE LUDE, and THOMAS T. SHIRAI, JR., for terms to expire June 30, 2004,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Island Burial Council for the Island of Oahu to which they have been nominated.

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

Your Committee notes the following specific qualifications of the nominees:

A. Van Horn Diamond is being nominated as the regional representative for the Honolulu area of the Kona District. He is the historian for Hale O Na Alii and has been actively involved with the determination and handling of burial sites on the Island of Oahu.

Mr. Diamond has a sincere interest in the protection and proper treatment of Hawaiian burial sites and is well known within the community, having worked for many years with the Hawaii Government Employees Association and Alu Like.

Lurline Naone Salvador is being nominated as the large landowners' representative. She is employed by Kamehameha Schools/Bishop Estate as a Cultural Resources Manager. She has served previously on the Island Burial Council and was appointed on an interim basis last year.

Kalei S. Kini is being nominated as the regional representative for the Koolau District. Mr. Kini is currently employed by the Department of Budget and Finance. Mr. Kini's family has deep roots in the Waimanalo area and was appointed on an interim basis to the Island Burial Council last year.

Peter K. Apo is being nominated as the large landowners' representative, being employed by the City and County of Honolulu. Mr. Apo has served in many capacities within the state and city and county government and is known for his ability to handle difficult issues and forging win-win solutions for all parties involved.

Phyllis Coochie Cayan is being nominated as the regional representative for the Aiea area of the Kona District. She previously sat on the Oahu Island Burial Council and served as its past Chair. Ms. Cayan is presently employed by the Office of Hawaiian Affairs.

Clarence De Lude is being nominated as the regional representative for the Waianae District. He has been very active in Koa Mana for a number of years, and has demonstrated an abiding commitment to historic preservation in general, and the sensitive treatment of burial sites in particular.

Thomas T. Shirai is being nominated as the regional representative for the Waialua District. He has been actively involved with the protection and preservation of the Puuiki cemetery, and has deep family roots on the north shore of Oahu.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun, Kanno, Tanaka).

SCRep. 3572 Water, Land, and Hawaiian Affairs on Gov. Msg. No. 303

Recommending that the Senate advise and consent to the nomination of the following:

KANEOHE BAY REGIONAL COUNCIL

G.M. No. 303 RANDALL QUINONES, for a term to expire June 30, 2003,

Upon review of the qualifications of the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, who will work with compassion and commitment. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Kaneohe Bay Regional Council to which he has been nominated.

Your Committee notes the following specific qualifications of the nominee:

Mr. Randall Quinones is currently employed by the Office of Hawaiian Affairs as an Economic Development Specialist. Mr. Quinones is a graduate of Kamehameha Schools, Dartmouth College, and Yale University. He has worked for the Nature Conservancy as a docent, the National Park Service as a park ranger, and as a teaching assistant for Punana Leo of Hawaii and the Nature Center. Mr. Quinones is a member of the Ahahui Malama I Ka Lokahi, Hawaii CALLS, the Kaneohe Bay Board, and the State Community Based Economic Development Advisory Council.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Anderson).

SCRep. 3573 Commerce and Consumer Protection on H.C.R. No. 18

The purpose of this measure is to facilitate the development of legislation governing the regulation of certified public accountants that is consistent with the standards of the national professional association and uniform law.

Testimony on the measure was submitted by the Department of Commerce and Consumer Affairs, PricewaterhouseCoopers LLP, Hawaii Accountants Coalition, National Association of Tax Practitioners, and Hawaii Society of Certified Public Accountants.

Your Committee finds that this measure supports current ongoing efforts by the State, certified public accountants (CPAs), and tax practitioners to develop proposed legislation relating to the regulation of CPAs.

Your Committee further finds that the licensure of non-CPA tax practitioners is not contemplated under the proposed legislation. Therefore, your Committee notes that in developing the omnibus legislation, the parties should consider "safe harbor" language or provisions that would protect non-CPA tax practitioners from being in violation of the licensing law for performing certain tasks such as preparing tax statements and compiling information for CPAs.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 18, H.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Hanabusa, Ihara).

SCRep. 3574 Education and Technology on H.C.R. No. 93

The purpose of this measure is to request the development of a ten-year plan for teacher education on the neighbor islands.

For the purposes of public hearing, your Committee distributed a proposed draft of a concurrent resolution that replaced the title and substantive contents of this measure. As amended, this draft:

- (1) Changes the title to "ESTABLISHING A CITY, STATE, AND COMMUNITY TASK FORCE TO DEVELOP A MASTER PLAN FOR IMPROVEMENTS TO ROOSEVELT HIGH SCHOOL COMPLEX";
- (2) Requests the Superintendent of Education and the Mayor of the City and County of Honolulu to convene a joint state and county task force to develop a master plan for improvements to the Roosevelt Sports/Recreational Complex adjoining the Lincoln, Stevenson, and Roosevelt campuses;
- (3) Delineates members that should be included on the task force;
- (4) Requests the task force to include in its master plan an identification of areas in need of improvement, specifically the Roosevelt gymnasium and field, Stevenson field, the parking lots, lighting system for the entire area, playground equipment, estimated costs, and an indication of the priority to be given to each area in need of improvement; and
- (5) Requests the task force to submit its findings and recommendations and proposed legislation to the Legislature no later than 20 days before the convening of the Regular Session of 2001.

Testimony in support of the measure was received from the State Senator from the Eleventh District and the Principal of Roosevelt High School. The Department of Education submitted testimony not objecting to the measure.

Your Committee finds that the schools in the Roosevelt complex serve a culturally rich and thriving community that is in great need of improved educational and recreational facilities consistent with the cultural and environmental preservation projects of the area.

Your Committee agrees that the establishment of the task force will facilitate the planning needed to provide necessary improvements to the Roosevelt school complex.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 93, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 93, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 3575 Ways and Means on H.C.R. No. 62

The purpose of this measure is to request the Legislative Reference Bureau to compile data on the number and percentage of employees of state contractors who may be affected by the implementation of a living wage law.

Your Committee finds that the State does not compile comprehensive data on the number of people that would be affected by the implementation of a living wage law. Your Committee furthermore finds that such data is relevant in determining whether a living wage law should be implemented.

Your Committee has amended this measure by removing the "whereas" clause on living wage studies and by requesting the Legislative Reference Bureau to contact other jurisdictions that have enacted living wage laws.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 62, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 62, H.D. 1, S.D. 1.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Chun Oakland, Tam, Taniguchi).

SCRep. 3576 Ways and Means on H.C.R. No. 89

The purpose of this measure is to request the Auditor to update its 1992 summary report on special and revolving funds.

Specifically, this measure requests the Auditor to provide:

- (1) For each new special and revolving fund created since July 1, 1990, an analysis of the fund's conformance with the criteria used by the Auditor in complying with Act 240, Session Laws of Hawaii 1990;
- (2) For each special and revolving fund existing as of July 1, 1999, the cash balance in the fund as of June 30, 2000;
- (3) A list of all special and revolving funds terminated since July 1, 1990; and
- (4) A discussion and analysis of alternatives available to the Legislature in strengthening its oversight over non-general fund moneys.

Your Committee finds that the use of special and revolving funds to pay for operating and capital investment costs constitutes a significant part of the state budget, and a review of the status and use of those funds is appropriate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 89, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Chun Oakland, Tam, Taniguchi).

SCRep. 3577 Ways and Means on H.C.R. No. 101

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study the feasibility of amending the Hawaiian Homes Commission Act to allow for the direct election of members.

Your Committee finds that, after the *Rice v. Cayetano* decision, the future of organizations that benefit only Hawaiians may be subject to constitutional scrutiny. The Department of Hawaiian Home Lands presently is served by an appointed commission. The Bureau is asked to study the issue of an elected commission, including the questions of who should be allowed to run, and who should be permitted to vote. After the *Rice* case, it appears as though a Hawaiian-only election is not constitutional, so the Bureau will have to explore other options.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 101, H.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Chun Oakland, Tam, Taniguchi).

SCRep. 3578 Ways and Means on H.C.R. No. 111

The purpose of this Concurrent Resolution is to request the Auditor to conduct a program and financial audit of the Department of Health's Adult Mental Health Division.

Specifically, the measure requests the Auditor's review to include the operations of the Hawaii State Hospital, the Department of Health's plans for complying with court orders applicable to the Hawaii State Hospital, the availability of appropriate community-based services for severely mentally ill persons, and legislative appropriations for the Adult Mental Health Division.

Deficiencies at the Hawaii State Hospital led to a settlement agreement between the State of Hawaii and the U. S. Government which required the Hawaii State Hospital to comply with court orders to correct the deficiencies. Although the Legislature has been asked to appropriate emergency funding for the Adult Mental Health Division for fiscal years 1999-2000 and 2000-2001, it is not clear that the Department of Health's plans are adequate and appropriate to address the court orders.

Your Committee finds that this Concurrent Resolution will provide useful information for the Legislature to consider in making funding decisions concerning the provision of adult mental health services and the State's compliance with court orders applicable to the Hawaii State Hospital.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 111, H.D. 1, S.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Chun Oakland, Tam, Taniguchi).

SCRep. 3579 Ways and Means on H.C.R. No. 190

The purpose of this concurrent resolution is to request the Housing and Community Development Corporation of Hawaii to explore home ownership options at Palolo Homes I and II and other state-owned and operated housing facilities.

Your Committee finds that Palolo Homes and their strong resident association have distinguished themselves in the community by sponsoring various programs including an annual festival, "Palolo Pride" and by providing a safe and secure environment for their families.

Palolo Homes has also taken an interest in the Housing and Community Development Corporation of Hawaii's plans to sell the Palolo housing facility to a private company. The Housing and Community Development Corporation of Hawaii is interested in partnering with private, nonprofit entities, including the Mutual Housing Association of Hawaii, an affiliate of the National NeighborWorks Network.

This concurrent resolution is consistent with the on-going efforts of Palolo Homes and the Housing and Community Development Corporation of Hawaii by requesting the Corporation to explore the feasibility of implementing a mutual housing demonstration project at Palolo Homes and other state-owned housing facilities. The project would hopefully be a first step in assuring permanent housing affordability at state-owned housing facilities.

Since this resolution now may impact all state owned and operated housing projects, your Committee urges the Housing and Community Development Corporation of Hawaii to make those other projects aware of this resolution.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 190, H.D. 1, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Buen, Chun, Chun Oakland, Tam, Taniguchi).

SCRep. 3580 (Majority) Ways and Means on H.C.R. No. 192

The purpose of this concurrent resolution is to request an investigation into the acquisition of the No. 1 Capitol District building by the State.

Your Committee finds that for many decades the building now known as No. 1 Capitol District housed the Armed Forces YMCA. Many young persons used this building for meetings, exercise classes, and even as an inexpensive hotel. There used to be a restaurant on the first floor and a swimming pool still exists on its two-acre site. Over time, the building housed law offices and various state offices. It has a historic past and an architectural importance quite evident from a glance, sitting under many stately trees, across from the State Capitol.

Your Committee also finds that the location of No. 1 Capitol District makes it advantageous for housing state offices. These offices would be located near other government offices in the civic center, the courts, and other facilities. Acquisition of this building for state offices would mean less moneys being spent on rent, future relocation, or new office construction costs. On the other hand, the building is more luxurious than would be considered appropriate for most government offices, and the cost per square foot of usable space per employee could be considered exorbitant in times of fiscal austerity.

Numerous issues and concerns were raised by your Committee with respect to the administration's announced intention to acquire Hemmeter using certificates of participation. It was clear from the tenor of the hearing that legislative support is currently lacking for such a process. Moreover, if the administration does not fully address the issues and concerns that were voiced, it will be most difficult to secure legislative support in the future.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 192, and recommends its adoption.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 6. Noes, 2 (M. Ige, Anderson). Excused, 5 (Buen, Chun, Chun Oakland, Tam, Taniguchi).

SCRep. 3581 Education and Technology on H.C.R. No. 81

The purpose of this measure is to request the Legislature to designate the second Tuesday in September as the Legislators' Back-to-School Day in Hawaii whereby legislators are urged to visit schools to promote a greater understanding of the legislative institution.

Testimony in support of the measure was received from the Department of Education.

Your Committee finds that in recent years, citizen interest in government and knowledge of the political system have declined, in part, due to a weakening belief in, and a lack of understanding of, the virtues and knowledge needed for a successful form of government. Such public understanding of the institutions and processes of government are critical to building public trust and confidence.

Your Committee agrees that a Legislators Back-to-School Day will promote greater understanding of the legislature and the role of legislators in a representative democracy while providing legislators an opportunity to interact with students, teachers, and administrators. Your Committee finds that the National Conference of State Legislatures (NCSL) has already passed a similar measure.

As affirmed by the record of votes of the members of your Committee on Education and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 81, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Matsunaga, Tam).

SCRep. 3582 Labor and Environment on Gov. Msg. No. 221

Recommending that the Senate advise and consent to the nomination of the following:

LABOR AND INDUSTRIAL RELATIONS APPEALS BOARD

G.M. No. 221 RANDALL Y. IWASE, for a term to expire June 30, 2010,

Upon review of the resume and statement submitted by the nominee, your Committee finds that Randall Y. Iwase holds a Juris Doctor degree from the University of San Francisco School of Law. Mr. Iwase was employed as a deputy attorney general and then a supervising deputy attorney general at the Department of Attorney General from 1974 to 1985. He has served the public sector as a Honolulu City Council member, Executive Director of the Aloha Tower Development Corporation, and since 1990, as a Senator in the State Legislature. Currently, Mr. Iwase is also of counsel to Dwyer, Imanaka, Schraff, Kudo, Meyer & Fujimoto.

Testimony in support of the nominee was received from the Department of Human Resources Development, Local Union 1186 International Brotherhood of Electrical Workers, Electrical Contractors Association of Hawaii, National Federation of Independent Business, Plumbers and Fitters Local 675 United Association, Building Industry Association of Hawaii, Hidano Construction, Inc., Hawaii Hotel Association, International Brotherhood of Electrical Workers, Hawaii Operating Engineers Industry Stabilization Fund, Small Business Economic Revival Force, Chamber of Commerce of Hawaii, General Contractors Association of Hawaii, Pacific Resource Partnership, Hawaii Business Roundtable, and 26 individuals.

The supporting testimony repeatedly espoused Mr. Iwase's fairness, knowledge of the law, and analytical ability. Testifiers attested that he listens to all sides of the issue, is not biased toward management or labor, analyzes and interprets laws and rules carefully and impartially, and is not afraid to embrace difficult positions in furtherance of justice. Other testimony praised his many years of government service in diverse capacities that have resulted in his expertise in administrative law and ability to act decisively, fairly, and in the best interest of the community at-large. Oral testimony was received by two individuals; one in favor and one opposed to the nomination. The opposing testimony focused on Mr. Iwase's lack of medical background and lack of a strong worker's compensation background.

Your Committee members diligently questioned the nominee regarding the current problems plaguing the appeals board process and possible solutions to expedite the process. Your Committee further questioned Mr. Iwase on the statute governing the qualifications of the appeals board members, his interpretation of the statute, his qualifications, and the possibility of retaining experts. Based upon this discussion, your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, none.

SCRep. 3583 Judiciary on Gov. Msg. No. 310

Recommending that the Senate advise and consent to the nomination of the following:

KARL KENJI SAKAMOTO, gubernatorial nominee to the Circuit Court of the First Circuit, for a term of Ten years,

Upon review of the background information submitted by the nominee, your Committee finds that Karl Kenji Sakamoto holds a B.A. degree in psychology from the University of Hawaii and a J.D. degree from the William S. Richardson School of Law at the University of Hawaii. Mr. Sakamoto's legal career includes serving as a deputy public defender, an associate in the civil litigation section of a private law firm, and most recently as senior attorney and deputy executive director for the state Civil Rights Commission.

Mr. Sakamoto's legal background has included criminal and civil litigation, appellate work, and administrative practice. Further, Mr. Sakamoto participates in community organizations including the National Employment Lawyers Association Hawaii Chapter, the National Asian Pacific American Bar Association, the Japanese American Citizen's League, and the Honolulu Civic Entrepreneur Initiative.

Testimony in support of the nominee was submitted by the Hawaii Civil Rights Commission, the Office of the Public Defender, the National Employment Lawyers Association Hawaii Chapter, and 20 private individuals and members of the legal community. In summary, the testimony indicated that Mr. Sakamoto possesses the necessary temperament and legal ability to serve as a jurist. Additionally, testifiers indicated that he is well-prepared, willing to make decisions, and is a fair-minded person with good listening skills.

Your Committee members diligently questioned the nominee regarding his thoughts on the creation of special classes of criminal offenses, how to address substance abuse offenses, and whether his civil rights experience would bias his opinions. Additionally, your Committee requested clarification regarding a public reprimand issued against Mr. Sakamoto by the Office of Disciplinary Counsel. Your Committee believes that the nominee adequately responded to the Committee's inquiries. Your Committee also raised concerns regarding the perception of potential conflicts of interest if Mr. Sakamoto continued to serve as the President of the Board of Directors for the Japanese American Citizens League. Mr. Sakamoto agreed to tender his resignation prior to his confirmation as a judge and your Committee received notice of his resignation effective May 1, 2000.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 3584

Judiciary on Gov. Msg. No. 311

Recommending that the Senate advise and consent to the nomination of the following:

SIMEON R. ACOBA, JR., gubernatorial nominee to the State Supreme Court, for a term of Ten years,

Upon review of the background information submitted by the nominee, your Committee finds that Simeon R. Acoba, Jr., holds a B.A. degree from the University of Hawaii and a J.D. degree from Northwestern University School of Law. Further, Judge Acoba has served as a state jurist since 1979, having been first appointed as a per diem judge for the District Court of the First Circuit, and subsequently serving as a judge in the Circuit Court of the First Circuit, and most recently as an Associate Judge for the Intermediate Court of Appeals. His legal experience prior to his service as a judge included positions as legal counsel for several government agencies and a private law practice which included both civil and criminal litigation. Additionally, Judge Acoba has served in a variety of positions in the legal community, including Hawaii Supreme Court Bar Examiner, member of the Hearing Committee for the Office of Disciplinary Counsel, member of the Medical Claims Conciliation Board, member of the Committee to Consider the Adoption of the ABA Model Rules of Professional Conduct, Member of the Supreme Court Committee on Pattern Civil Jury Instructions, Chair of the Ad Hoc Committee related to Jury Master List, member of the Hawaii Supreme Court Judicial Education Committee, member of the Hawaii Supreme Court Permanent Committee on Rules of Penal Procedure and Circuit Court Rules, member of the Certification of Legal Specialist Committee, and Chair of the Judiciary Incentive Awards Committee. Beyond his legal career, Judge Acoba has also participated in several civic organizations, including the Legal Aid Society, the Hawaii Mental Health Association, the Nuuanu YMCA, and the Kalaniana'ole Athletic Club Board.

Testimony in support of the nominee was submitted by the Office of the Federal Public Defender for the Districts of Hawaii and Guam, retired Judge E. John McConnell, retired Justice William S. Richardson, the Personnel Director for the Judiciary, the State Public Defender, the Chief Deputy Public Defender, five deputy public defenders, the General Counsel for the University of Hawaii, Hawaii Pacific University Justice Administration Program, the Filipino Women's Civic Club, Sadiri Ti San Nicolas International Hawaii Chapter, the National Employment Lawyers Association Hawaii Chapter, and 80 private citizens and members of the legal community. In summary, the testimony indicated that Judge Acoba is an experienced jurist, who possesses a highly developed knowledge of the law and of judicial procedures. Further, Judge Acoba is viewed as a fair, unbiased deliberator who makes his decisions based strictly upon the facts of the case and the current law. Additional comments mentioned his sense of efficiency and proficiency in ensuring that his rulings and opinions were issued in a timely manner. Finally, many individuals who have worked for and argued before Judge Acoba acknowledge his diligent work ethic and strong sense of ensuring that justice is served upon all who come before him. Testimony in opposition to the nominee was submitted by the Prosecuting Attorney for the City and County of Honolulu who criticized the Judge's rulings as being impractical and overly technical in several cases.

Your Committee members diligently questioned the nominee regarding his legal background and philosophies, his rulings and the cases in which his rulings were overturned, and his opinions of several recent Hawaii Supreme Court decisions. Further, your Committee requested his thoughts and views on the privacy provision of the Hawaii constitution, the need for an evaluation process for jurists sitting at the appeals level courts, the need for constitutional rights for crime victims, and the constitution as a "living" document. Your Committee also inquired about the criticisms of his rulings in certain cases. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Sakamoto, Anderson).

SCRep. 3585 Ways and Means on Gov. Msg. No. 200

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, FIRST TAXATION DISTRICT (OAHU)

G.M. No. 200 CAROL RAE BAPTISTA, for a term to expire June 30, 2004,

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the government functions related to tax appeals. Your Committee finds that the nominee has been appointed based upon the nominee's credentials, integrity, and a desire to make Hawaii better through the nominee's participation on the Board of Taxation Review to which the nominee has been appointed.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, M. Ige, Iwase, Nakata, Taniguchi).

SCRep. 3586 Ways and Means on Gov. Msg. No. 201

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF TAXATION REVIEW, SECOND TAXATION DISTRICT (MAUI COUNTY)

G.M. No. 201 RANDOLPH R. CABANILLA, for a term to expire June 30, 2004,

ALAN K. BERNALDO, for a term to expire June 30, 2000,

ALAN K. BERNALDO, for a term to expire June 30, 2004.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the government functions related to tax appeals. Your Committee further finds that the nominees have been appointed based upon their credentials, integrity, and a desire to make Hawaii better through their participation on the Board of Taxation Review to which they have been nominated.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, M. Ige, Iwase, Nakata, Taniguchi).

SCRep. 3587 Ways and Means on Gov. Msg. No. 202

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF TAXATION REVIEW, THIRD TAXATION DISTRICT (OAHU)

G.M. No. 202 BRADLEY T. KINOSHITA, for a term to expire June 30, 2003;

GORDON Y. INABA, for a term to expire June 30, 2004;

RICHARD G. WITHINGTON, for a term to expire June 30, 2004;

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the government functions related to tax appeals. Your Committee finds that the nominees have been appointed based upon their credentials, integrity, and a desire to make Hawaii better through their participation on the Board of Taxation Review to which they have been appointed.

As affirmed by the records of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, M. Ige, Iwase, Nakata, Taniguchi).

SCRep. 3588 Ways and Means on Gov. Msg. No. 203

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, FOURTH TAXATION DISTRICT (KAUAI)

G.M. No. 203 SANDRA I. KLUTKE, for a term to expire June 30, 2004,

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the government functions related to tax appeals. Your Committee further finds that the nominee has been appointed based upon her credentials, integrity, and a desire to make Hawaii better through her participation on the Board of Taxation to which she has been nominated.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found her to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, M. Ige, Iwase, Nakata, Taniguchi).

SCRep. 3589 Health and Human Services on Gov. Msg. No. 276

Recommending that the Senate advise and consent to the nominations of the following:

STATE PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 276 MAUREEN SATURNIO, for a term to expire June 30, 2000;

ANGIE CONNOR, M.D. and CANDICE CULLIN-PAYNE, for terms to expire June-30, 2003; and

WILLIAM AUSTIN BURWELL, ELLEN M. CHING, MARTHA GUINAN, GARY A. OKAMOTO, M.D., HEATHER PROUD, LAURA ROBERTSON, MAUREEN SATURNIO, BETSY WHITNEY, and ANITA YUSKAUSKAS, Ph.D., for terms to expire June 30, 2004,

Upon review of the background information submitted by the nominees, your Committee finds that the nominees are qualified to serve in the positions to which they have been nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

Maureen Saturnio is filling a vacancy until June 30, 2000, and is being reappointed until June 30, 2004.

Anita Connor, M.D., is a retired public health physician with the Department of Health where she worked from 1948 to 1976. She organized the first Developmental Disabilities Council. She is currently a Board Member with The ARC of Hawaii.

Candice Cullin-Payne is a Kaiser Hospital volunteer and a volunteer with Hospice Hawaii. She has certificates in bereavement facilitation, community mediation, and older adult chemical dependency.

William Austin Burnell is a custodian at Network Enterprises, Inc. He has been with the Robert Woods Johnson committees at the local and state levels. He has also been with the March of Dimes Walkathon.

Ellen M. Ching is the Executive Director of The ARC of Hawaii. She has been a Weinberg Fellow and has received the Aim for Excellence Award for Outstanding Achievement for Nonprofit Management. She has been a member of Zonta, and Lawai International Center as a volunteer consultant.

Martha Guinan is a Program Specialist with Hawaii University Affiliated Program. She has been with the Zero to Three Hawaii Project, Keiki Tech Project, Access Council of the City and County of Honolulu, Honolulu Department of Parks and Recreation, and a self-employed home health care provider.

Gary A. Okamoto, M.D., is a physician in private practice specializing in rehabilitation medicine. He has been the medical director at the Rehabilitation Hospital of the Pacific. He received his training at the Children's Orthopedic Hospital in Seattle, Washington. He is a member of the Fragile Child Committee at Kapiolani Medical Center for Women and Children.

Heather Proud is being reappointed. She is a consumer advocate. She has been a financial benefits consultant with the Hawaii Centers for Independent Living on Maui. She is the Chairwoman for the Maui Spinal Cord Injury Support Group. She has been a Board Member for the Hawaii Centers for Independent Living, and an advocate for chore services for disabled persons.

Laura Robertson is being reappointed. She is the President and Chief Executive Officer of Goodwill Industries of Honolulu, where she has worked since 1982 in various managerial capacities in rehabilitation and vocational services. She has been with the Commission on Accreditation of Rehabilitation Facilities of Hawaii and the National Rehabilitation Association. She has a Master's degree in Rehabilitation Administration from the University of San Francisco.

Betsy Whitney is the President of Dolphin Press and an alternate format translator. She has been the Executive Director of the Handicapped Energy Assistance Team. She is the Board President of the Hawaii Centers for Independent Living, Committee Chair of the Mayor's Committee on People with Disabilities, a Board Member of Disability Rights Hawaii, and a member of the National Braille Transcriber's Association.

Anita Yuskas, Ph.D., is Chief of the Developmental Disabilities Division of the Department of Health. Her doctorate is in rehabilitation and special education. She has been Board Director of The ARC of Montgomery County, Pennsylvania, and an Advisor for Speaking for Ourselves, a self-advocacy organization.

Testimony in support of the nominees was received from the State Planning Council on Developmental Disabilities.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3590 Health and Human Services on Gov. Msg. No. 277

Recommending that the Senate advise and consent to the nominations of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

G.M. No. 277 KENNETH C.C. CHANG, JAN LORI FRIED, AARON S. FUJII, GRETCHEN S. LAWSON, and MARK B. MACANAS, for terms to expire June 30, 2001;

RONALD K. AWA, HAROLD R. DECOSTA, DEAN M. GEORGIEV, STEPHEN G. LARACUENTE, DONALD A. MEDEIROS, and CHRISTINA M. PILKINGTON, for terms to expire June 30, 2002; and

ANTHONY S. AKAMINE, RICHARD R. CHAVES, FRANCINE M.L. AONA KENYON, LUCY MILLER, Ph.D., PATRICIA M. NIELSEN, and OSCAR C. PAEZ, JR., for terms to expire June 30, 2003,

Upon review of the background information submitted by the nominees, your Committee finds that the nominees are qualified to serve in the positions to which they have been nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

Kenneth C.C. Ching is President and Principal Architect of Innovative Architectural Designs, Inc., and President of Residential Planning Consultants, Inc. He is a Member of the Neighborhood Board No. V (Kapahulu, St. Louis Heights), and has been active in many community organizations, such as the Central Oahu Care Givers Support Group, Honolulu Japanese Junior Chamber of Commerce where he is a past President, and Diamond Head Lions Club.

Jan Lori Fried is an Assistant Professor at Kapiolani Community College. She is the current recipient of the Rotary Grant for University Teachers to Serve in Developing Countries, and serves on the Hawaii Supreme Court Committee on the Certification of Court Interpreters, Hawaii State Coordinating Council on Deafness, and Aloha State Association of the Deaf. She has been a Board Member of the Hawaii Services on Deafness.

Aaron S. Fujii is a Project Manager for Mitsunaga & Associates, Inc. He has been Vice President for Ka Lima Kokua, Inc., and a member of the Manoa Youth Organization.

Gretchen S. Lawson is Executive Director of the Kona Association for Retarded Citizens. She has been Director of Vocational Services for Goodwill Industries of Honolulu, Executive Director of the KCAA Pre-Schools of Hawaii, and Chair of the West Hawaii Health and Human Services Council. She is a member of the West Hawaii Committee of the State Planning Council for Persons with Disabilities. She received the Vocational Rehabilitation Award for Best Practices in the Pacific Region in 1994.

Mark B. Macanas is a graphics technician for the Maui Bulletin. He has been a member of the Civil Air Patrol.

Ronald K. Awa is an architect with Awa & Associates. He has been with the Vision Design Assistance Team of the City and County of Honolulu, and the Architectural Access Committee.

Harold R. DeCosta is a retired union officer and owns a business. He has served on the St. Louis Education Foundation Board.

Dean M. Georgiev is a health and life insurance agent. He belongs to the Hawaii Association of Insurance and Financial Advisors. He has been a member of the Waipahu Neighborhood Board.

Stephen G. Laracuenta is a special education resource teacher at the Hawaii Center for the Deaf and Blind. He holds a Professional Special Education Certificate from Hawaii to teach the hearing impaired and deaf. He is President of the Aloha State Association of the Deaf, and the Treasurer and a Board Member of Hawaii Services on Deafness. He has been with the Hawaii Center for the Deaf and Blind Advisory Council and Straub Rehabilitation Council.

Donald A. Medeiros is Managing Director of Maui Economic Opportunity, Inc. He is past President and current member of the Maui Non-Profit Executive Directors Association. He has been Committee Chair of the Maui Aloha United Way Fund Distribution Committee.

Christina M. Pilkington is a coordinator for the Americans With Disabilities, County of Kauai. She is with Kauai Developmental Education Services. She has been Area Director for Kauai Special Olympics and has received the Easter Seals Advocate Award.

Anthony S. Akamine is with Starcom Sports Radio and Starcom Wireless. He is the past Chairperson of the Commission on Persons with Disabilities. He belongs to the International Association of Administrative Professionals.

Richard R. Chaves is a retired bank executive with the Bank of Hawaii, where he served as Vice President and Americans with Disabilities coordinator. He has been a Member of the Commission on Persons with Disabilities. He is versed in employment law.

Francine M.L. Aona Kenyon is a data entry clerk with Staffing Partners. She has been with the Hawaii Services on Deafness, Hawaii State Coordinating Council on Deafness, Aloha State Association of the Deaf as Board Member, and Hawaii Centers for Independent Living as Board Member.

Lucy Miller, Ph.D., is a marriage and family therapist in private practice.

Patricia M. Nielsen is Vice President of ParaTransit (Handi-Van). She has been Accessibility Program Manager for Tri-Met (public transportation system in Portland, Oregon). She has received the Project ACTION Cooperation Award for Excellence in Promoting Accessible Transportation, and has participated in the National Transit Institute Disability Awareness Program. She is a Board Member of the National Easter Seals Project ACTION.

Oscar C. Paez, Jr., is an architect with the Department of the Navy, Public Works Center, Pearl Harbor. He has been Vice President of the Filipino American League of Engineers and Architects. He has been with the Architectural Access Committee.

Testimony in support of the nominees was received from the Disability and Communications Access Board.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3591 Health and Human Services on Gov. Msg. No. 278

Recommending that the Senate advise and consent to the nominations of the following:

DRUG PRODUCT SELECTION BOARD

G.M. No. 278 JAMES P. EPURE, M.D. and STEPHEN K. MIYASATO, M.D., for terms to expire June 30, 2004,

Upon review of the background information submitted by the nominees, your Committee finds that the nominees are qualified to serve in the positions to which they have been nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

James P. Epure, M.D., is a staff physician for the Veterans Administration in Honolulu. He completed the Geriatric Medicine Fellowship program at the John A. Burns School of Medicine. He has been Assistant Clinical Professor of Medicine at the John A. Burns School of Medicine and on the Ethics Committee at Kuakini Medical Center.

Stephen K. Miyasato, M.D., is a physician in private practice specializing in internal medicine.

Testimony in support of the nominees was received from the Department of Health.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3592 Health and Human Services on Gov. Msg. No. 279

Recommending that the Senate advise and consent to the nominations of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE

G.M. No. 279 DAVID WILLIAM MAY, for a term to expire June 30, 2002;

TEOFILO PHIL TACBIAN, for a term to expire June 30, 2003; and

PATRICIA S. JONES, DOUG CONNORS, Ed.D., ANGELA M. TEXEIRA, CATHY STEVENS, JOSEPH W. TURBAN, M.D., and MILTON C. MARTIN, for terms to expire June 30, 2004,

Upon review of the background information submitted by the nominees, your Committee finds that the nominees are qualified to serve in the positions to which they have been nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

David William May is a registered nurse at Maui Memorial Hospital emergency room, and Maui County Supervisor for Hawaii Air Ambulance.

Teofilo Phil Tacbian is General Manager for Kalapaki Bay Memorial Park and part-time Assistant Manager for the Hyatt Regency Kauai. He is past President of the Kauai Jaycees. He has served on the Land Use Commission.

Patricia S. Jones is an emergency medical technician (paramedic) for the City and County of Honolulu and a licensed practical nurse. She has been an advanced cardiac life support instructor and has volunteered with numerous community organizations.

Doug Connors, Ed.D., teaches office software as an independent contractor on the Big Island. He is Secretary for the Hawaii Island Rural Health Association, and he established the Emergency Response Academy. He has been the Director of the Laupahoehoe Telework/Teleservice Center.

Angela M. Teixeira is Housing Manager for Hale Mahaolu. She participates in numerous community service projects.

Cathy Stevens is with the Hawaii Police Department as SANE program coordinator and a part-time registered nurse at Hilo Medical Center emergency room.

Joseph W. Turban, M.D., is with Wahiawa General Hospital and the Hawaii Emergency Physicians Association, Inc. He is a member of the American College of Emergency Physicians and Society of Academic Emergency Medicine.

Milton C. Martin is an emergency medical technician with American Medical Response. He is President of Medical Education and Consultation Services, Inc., and a distributor of automated external defibrillators. He conducts various free training classes for Kula Hospital, Maui Memorial Medical Center, Association for Retarded Citizens, and Imua Rehab.

Testimony in support of the nominees was received from the Department of Health.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3593 Health and Human Services on Gov. Msg. No. 299

Recommending that the Senate advise and consent to the nomination of the following:

STATE PLANNING COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 299 ELROY K. MALO, for a term to expire June 30, 2004,

Upon review of the background information submitted by the nominee, your Committee finds that the nominee is qualified to serve in the position to which he has been nominated. Your Committee further finds that the nominee is being appointed based on his professional credentials, integrity, and a desire for public service, and that he possess skills, abilities, and experiences that are assets.

Elroy K. Malo is a program specialist and storyteller for the Pacific Resources for Education & Learning. He is a Board Member of the Public Library for the Blind and Visually Impaired.

Testimony in support of Mr. Malo was received from the State Planning Council on Developmental Disabilities and the Hawaii State Public Library System.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3594 Health and Human Services on Gov. Msg. No. 302

Recommending that the Senate advise and consent to the nomination of the following:

KAUAI COUNTY SUBAREA HEALTH PLANNING COUNCIL

G.M. No. 302 STANLEY G. YATES, for a term to expire June 30, 2003,

Upon review of the background information submitted by the nominee, your Committee finds that the nominee is qualified to serve in the position to which he has been nominated. Your Committee further finds that the nominee is being appointed based on his professional credentials, integrity, and a desire for public service, and that he possesses skills, abilities, and experiences that are assets.

Stanley G. Yates is a program specialist for the Department of Health, Commission on Persons with Disabilities. He has been with the State Health Planning and Development Agency's Long-Term Care Sub-Committee.

Testimony in support of Mr. Yates was received from the State Health Planning and Development Agency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3595 Health and Human Services on Gov. Msg. No. 304

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON MENTAL HEALTH

G.M. No. 304 PAULINE D. ARELLANO, VICKY M. FOLLOWELL, and ALBERT HAUOLA PEREZ, for terms to expire June 30, 2001, and

SHARON P. YOTOKE, DEBRA T. FARMER, SALLY J. CROVO, JAMES M. MIHALKE, WILLIAM C. LENNOX, Jr., HOWARD A. LESSER, LONIA BURROUGHS, GORDON M. BRONSON, and SHARON ROSE NOBRIGA, for terms to expire June 30, 2004,

Upon review of the background information submitted by the nominees, your Committee finds that the nominees are qualified to serve in the positions to which they have been nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials, integrity, and a desire for public service, and that they possess skills, abilities, and experiences that are assets.

Pauline D. Arellano is a full-time caregiver. She has been a volunteer with the Haleiwa Psychosocial Rehab Center.

Testimony in support of Ms. Arellano was received from the Central Oahu Community Mental Health Center Branch.

Vicky M. Followell is Co-Executive Director of Hawaii Families as Allies. She has been a case manager for the Waianae Coast Community Health Center, home visitor for Kupulani (Kamehameha Schools/Bishop Estate), parent educator for Child and Family Service, and parent involvement/nurse assistant for Parents and Children Together.

Albert Hauola Perez is a vocational rehabilitation supervisor with the Vocational Rehabilitation Division of the Department of Human Services.

Sharon P. Yokote is a consultant in community resources and advocacy. She has worked for the Office of the Lieutenant Governor as a researcher in elections and legislation. She is currently a member of the Hawaii State Hospital Patient Protection Committee, State Planning Council on Mental Health, Mental Health Association in Hawaii, Equal Insurance Coalition, MedQUEST Roundtable, and Protection and Advocacy Agency of Hawaii, Inc. She has been with the The Very Big Sandwich Group of Mental Health Consumers.

Debra T. Farmer is a special education administrator for the Department of Education. She has worked on the Felix Response Team for the DOE. She is on the School Board of Cathedral School.

Sally J. Crovo is a parent and most recently worked with the Hyatt Hotel on Maui for a School Based Day Treatment facility for high need children under twelve in West Maui. She has worked on fundraising for HUGS (terminally ill children and family services), Honolulu Theater for Youth, and Hawaii Nature Center. She is a member of the Children's Community Council of Central Maui and National Alliance for the Mentally Ill.

James M. Mihalke is Director of the Hui Hana Pono Clubhouse in Waianae. He received the Mental Health Advocate Volunteer of the Year Award in 1998 in Pittsburgh. He is founder of the Pittsburgh Recovery Center, serving the poor, homeless, and mentally ill.

William C. Lennox, Jr., is being reappointed. He is a social worker for the YWCA of Kauai, working with the mentally ill. He is also resident manager for the Steadfast Housing Development Corporation, at a group home for the mentally ill. He is member of the Kauai Area Service Board for Mental Health Substance Abuse. He has been with United Self Help as a program specialist in the consumer/family collaboration project.

Howard A. Lesser is being reappointed. He is Deputy Director of the Hawaii Center for Independent Living. He has been Director of Rehabilitation for Goodwill Industries of Honolulu, case advocate for the Protection and Advocacy Agency of Hawaii, program specialist for the Developmental Disabilities Council, and Executive Director of the Autistic Vocational Education Center. He is the Chair of the Hawaii State Planning Council on Mental Health.

Lonia Burroughs is a housewife. She has been with the Koolauloa Community Childrens Council as Parent Co-Chair, State Community Children's Council, and Windward Family Guidance Center as its Chief.

Gordon M. Bronson is a researcher and writer. He most recently was engaged in the practice of law in Hawaii. He is a certified trainer for Building Recovery in Individual Dreams and Goals Through Education and Support, a Board Member of United Self-Help, member of the National Alliance of the Mentally Ill, and on the Advisory Board of the Honolulu Clubhouse. He has been with the Mental Health Association.

Testimony in support of Mr. Bronson was received from the Oahu Community Mental Health Center (Rehabilitation Section and Honolulu Clubhouse) and Mental Health Association in Hawaii.

Sharon Rose Nobriga is Co-Executive Director of Hawaii Families as Allies. She has been a case manager for the Waianae Coast Comprehensive Mental Health Center and an outreach worker for Child and Family Service.

Testimony in support of the nominees was received from the Department of Health.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Iwase, Levin).

SCRep. 3596

Labor and Environment on Gov. Msg. No. 300

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII LABOR RELATIONS BOARD

G.M. No. 300 BRIAN K. NAKAMURA and KATHLEEN RACUYA-MARKRICH for terms to expire June 30, 2006,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are willing to serve, and will work with compassion and commitment to assist in administering the duties and responsibilities of the Hawaii Labor Relations Board. Your Committee further finds that the nominees have been appointed based on their professional credentials.

Your Committee notes the specific qualifications of the nominees.

Mr. Nakamura has been a member of the Hawaii bar since 1981. He is currently in private practice. Past employment include being general, chief, or legal counsel to the Hawaii State Campaign Spending Commission, the Senate Judiciary Committee, United States Senate Sergeant at Arms, and the Office of United States Senator Daniel K. Inouye. In addition, he has served as project manager for the Pacific International Center for High Technology, executive officer for the Hawaii Natural Energy Institute and Executive Assistant/Staff Attorney for the Office of the Lieutenant Governor. Although Mr. Nakamura has not practiced labor law, his extensive experience in other areas of law and accomplishments with the Office of the Sergeant at Arms evidence his ability as a quick learner and an able administrator.

Testimony in support of Mr. Nakamura's nomination was submitted by the Department of Human Resources Development, Campaign Spending Commission, a United States Senator, U.H. Professional Assembly, three individuals from the Hawaii Renewable Energy Alliance, Hawaii State Teachers Association, and nine individuals.

Mrs. Racuya-Markrich received her law degree from the U.H. Richardson School of Law. For eight years, she was a deputy attorney general with the Department of Attorney General in the Employment Law Division representing the State and its agencies in labor and employment litigation. Besides being legal counsel of record for various boards and commissions, Mrs. Racuya-Markrich represented the State in arbitration proceedings concerning denial of sabbatical, sexual harassment procedure, and termination. Since January of 1995, she has been press secretary to the Governor.

Testimony in support of Mrs. Racuya-Markrich's nomination was submitted by the Department of Human Resources Development, three individuals from the Department of Public Safety, HGEA-AFSCME Retirees Unit, U.H. Professional Assembly, and four individuals. Testimony in opposition to this nomination was received from one individual.

Your Committee diligently questioned the nominees and believes that the nominees adequately responded to your Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Fukunaga, M. Ige, Ihara).

SCRep. 3597 Commerce and Consumer Protection on Gov. Msg. No. 223

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 223 ROEN K. HIROSE, for a term to expire June 30, 2004,

Upon review of the nominee's statement, your Committee finds that Roen K. Hirose has the necessary character, experience, and qualifications to serve on the State Board of Public Accountancy and is willing to serve without compensation.

Roen K. Hirose is a graduate of the University of Hawaii and a certified public accountant. He is a principal in the accounting firm of Hirose, Kato, and Martin, and has seventeen years of accounting experience. Mr. Hirose is a member of the Hawaii Society of Certified Public Accountants, American Institute of Certified Public Accountants, and Hawaii Association of Public Accountants.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Matsuura, Slom).

SCRep. 3598 Commerce and Consumer Protection on Gov. Msg. No. 241

Recommending that the Senate advise and consent to the nominations of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

G.M. No. 241 HOWARD A. OKITA, MORRIE STOEBNER, and ROBERT K. TIRRELL, for terms to expire June 30, 2004,

The Department of Commerce and Consumer Affairs submitted testimony in support of nominees Howard A. Okita and Morrie Stoebner.

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that Robert K. Tirrell, Howard A. Okita, and Morrie Stoebner have the necessary character, experience, and qualifications to serve on the Motor Vehicle Industry Licensing Board (Board) and are willing to serve without compensation.

Howard A. Okita, a women's softball coach, currently serves as a public member of the Board. Mr. Okita's community service activities include coaching with the Kailua American Little League, Kailua Pop Warner, and Kailua High School, and serving as an umpire with the Koolau Bobby Sox. Additionally, Mr. Okita is a past officer of the Kailua Community Recreational Council.

Morrie Stoebner is president and general manager of Honda Windward, with forty years of experience in motor vehicle sales. Mr. Stoebner, a past president of the Hawaii Automobile Dealers Association, currently sits on the Board as its vice-chairperson.

Robert K. Tirrell, nominated as a public member, is a retired insurance agent who has been active in various community organizations. Mr. Tirrell is currently vice president of the Alii Landing Community Association and previously served as its president. He has also served on the boards of the Olomana Community Association, Kamehameha Alumni Association, and Kamehameha Alumni Glee Club.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Matsuura, Slom).

SCRep. 3599 Commerce and Consumer Protection on Gov. Msg. No. 243

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF EXAMINERS IN NATUROPATHY

G.M. No. 243 STEPHEN G. DUBEY, N.D., and DIANA JOY OSTROFF, N.D., for terms to expire June 30, 2004,

The Department of Commerce and Consumer Affairs submitted testimony in support of the nomination of Stephen G. Dubey, N.D.

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that Stephen G. Dubey, N.D., and Diana Joy Ostroff, N.D., have the necessary character, experience, and qualifications to serve on the Board of Examiners in Naturopathy (Board) and are willing to serve without compensation.

Stephen G. Dubey, N.D., studied at the National College of Naturopathic Medicine and has been in private practice for almost twenty years. Dr. Dubey has served as president and treasurer of the Hawaii Society of Naturopathic Physicians and is a member of the Commission on Naturopathic Medical Education. Dr. Dubey has been a member of the Board since August, 1996, and currently serves as its vice-chairperson.

Diana Joy Ostroff, N.D., was educated at the National College of Naturopathic Medicine and has practiced naturopathic medicine since 1989. Dr. Ostroff is a member of the American Association of Naturopathic Physicians and the Hawaii Society of Naturopathic Physicians.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Matsuura, Slom).

SCRep. 3600 Commerce and Consumer Protection on Gov. Msg. No. 244

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 244 CHERILYN S.L. LAI, O.D., for a term to expire June 30, 2004,

Upon review of the nominee's statement, your Committee finds that Cheryl S.L. Lai, O.D., has the necessary character, experience, and qualifications to serve on the Board of Examiners in Optometry and is willing to serve without compensation.

Cheryl S.L. Lai, O.D., graduated from the University of Hawaii and the Southern California College of Optometry. She is a licensed optometrist who was been employed with Mid Pacific Eyecare since 1994. Ms. Lai is a member of the Hawaii Optometric Association and the American Optometric Association.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Matsuura, Slom).

SCRep. 3601 Commerce and Consumer Protection on Gov. Msg. No. 245

Recommending that the Senate advise and consent to the nominations of the following:

PEST CONTROL BOARD

G.M. No. 245 MICHAEL E. KRUPNICK, for a term to expire June 30, 2003, and

HENRY L. GUERRERO, SR. and GORDON M. MACHADO, for terms to expire June 30, 2004,

The Department of Commerce and Consumer Affairs and the Hawaii Pest Control Association submitted testimony in support of the nominations of Michael E. Krupnick and Gordon M. Machado.

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that Michael E. Krupnick, Henry L. Guerrero, Sr., and Gordon M. Machado have the necessary character, experience, and qualifications to serve on the Pest Control Board (Board) and are willing to serve without compensation.

Michael E. Krupnick is the founder and owner of Certified Pest Control and Fumigation Services, Inc. He is a past director of the Hawaii Pest Control Association and past committee member of the National Pest Control Association. Mr. Krupnick has served on the Board since July, 1995, and is currently its chairperson.

Henry L. Guerrero, Sr., nominated as a public member to the Board, has owned and operated an insurance agency for thirty-five years. Mr. Guerrero has served as president and vice-president of the Salt Lake Association.

Gordon M. Machado is vice-president of Island Termite, Inc. He has worked in the pest control industry for over twenty-five years and has also been active with the Hawaii Pest Association. Mr. Machado has been a member of the Board since July, 1996.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Matsuura, Slom).

SCRep. 3602 Commerce and Consumer Protection on Gov. Msg. No. 247

Recommending that the Senate advise and consent to the nomination of the following:

RADIOLOGIC TECHNOLOGY BOARD

G.M. No. 247 ALBERT K.P. AH NEE, for a term to expire June 30, 2004,

Upon review of the nominee's statement, your Committee finds that Albert K.P. Ah Nee has the necessary character, experience, and qualifications to serve on the Radiologic Technology Board and is willing to serve without compensation.

Albert K.P. Ah Nee received his education at Honolulu Community College, the United States Army Academy of Health Science, St. Phillip's College and St. Joseph's College. Mr. Ah Nee is licensed as a radiologic technician in the State and has almost twenty years of experience working in medical facilities in Hawaii and Texas.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has

found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Matsuura, Slom).

SCRep. 3603 Commerce and Consumer Protection on Gov. Msg. No. 275

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 275 DEBORAH E. LICHOTA, RDH, JILL TSUCHITORI, and RONALD L. YOUNG, D.M.D., for terms to expire June 30, 2001,

WALLACE F. CHONG, JR., D.D.S. and ROGER H. YOKOYAMA, D.D.S., for terms to expire June 30, 2004,

Your Committee notes that Governor's Message No. 293 withdrew the nomination of Clinton Cho, D.D.S, from consideration by the Senate.

Testimony in support of one or more of the nominees was submitted by the Department of Commerce and Consumer Affairs, Hawaii Dental Hygienists' Association, the Senator from the Second Senatorial District, and two individuals.

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that Wallace F. Chong, Jr., D.D.S., Deborah E. Lichota, RDH, Jill Tsuchitori, Roger H. Yokoyama, D.D.S., and Ronald L. Young, D.M.D., have the necessary character, experience, and qualifications to serve on the Board of Dental Examiners (Board) and are willing to serve without compensation.

Deborah E. Lichota, RDH, holds a certificate in dental hygiene from the University of Hawaii. Ms. Lichota has been a dental hygienist for almost thirty years and has been actively involved with the Hawaii Dental Hygienists Association for six years.

Jill Tsuchitori, nominated to the Board as a public member, is an attorney at law. Ms. Tsuchitori has served as a youth camp coordinator and counselor with the American Diabetes Association, has served on the board of the Juvenile Diabetes Association, and is a member of the Junior League.

Ronald L. Young, D.M.D., received his dentistry degree from Fairleigh Dickinson University and has operated the Nanakuli Dental Office since 1982. Dr. Young is a member of the Honolulu County Dental Association, Hawaii Dental Association, and American Dental Association.

Wallace F. Chong, Jr., D.D.S., is a graduate of the Indiana University School of Dentistry and has practiced dentistry since 1965. He was first appointed to the Board in July, 1996, and is its current Chairperson. Dr. Chong has represented the Board at conferences of the American Association of Dental Examiners and the American Dental Association.

Roger H. Yokoyama, D.D.S., is a graduate of Creighton University Dental School and has practiced dentistry since 1989. Dr. Yokoyama has been a member of the Board since July, 1996, and has served on its Block Anesthesia, Legislative, and Continuing Education committees.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Matsuura, Slom).

SCRep. 3604 Commerce and Consumer Protection on Gov. Msg. No. 281

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TRUSTEES, HAWAII PUBLIC EMPLOYEES HEALTH FUND

G.M. No. 281 GREGORY M. SATO, for a term to expire June 30, 2004,

The Department of Budget and Finance submitted testimony in support of the nomination.

Upon review of the testimony and the nominee's statement, your Committee finds that Gregory M. Sato has the necessary character, experience, and qualifications to serve on the Board of Trustees of the Hawaii Public Employees Health Fund (Board) and is willing to serve without compensation.

Gregory M. Sato has a bachelor's degree from the University of Southern California, a master's degree in business administration, and a law degree from Northwestern University. He is an attorney in private practice who has practiced law since 1982. Mr. Sato has served as Chair of the Board since July, 1999.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Matsuura, Slom).

SCRep. 3605 (Majority) Commerce and Consumer Protection on Gov. Msg. No. 169

Recommending that the Senate advise and consent to the nomination of the following:

PUBLIC UTILITIES COMMISSION

G.M. No. 169 GREGORY G.Y. PAI, PH.D., for a term to expire June 30, 2006,

Testimony on the nomination was received from the Chair, a commissioner, the administrative director, and four employees of the Public Utilities Commission (PUC), the Consumer Advocate, the Korean American Bar Association Hawaii, the Hawaii Korean Chamber of Commerce, and four individuals.

Upon review of the testimony and the statements submitted by the nominee, your Committee finds that Gregory G.Y. Pai, Ph.D. has the necessary character, experience, and qualifications to serve on the Public Utilities Commission.

Gregory G.Y. Pai, Ph.D., has a Bachelor of Arts degree from the University of Hawaii, a Master's degree in architecture from Harvard University and a Ph.D. in economics from the Massachusetts Institute of Technology. Dr. Pai's work experience includes positions as an economist with the Bureau of Economic Analysis, Vice President and Chief Economist at First Hawaiian Bank, Special Assistant to the Governor for Economic Affairs, Director of the Office of State Planning, Special Assistant to the Governor for Policy, and lecturer at the University of Hawaii. Dr. Pai currently sits on the PUC and has been a commissioner since 1998.

Testimony in support of the nominee cited Dr. Pai's diverse educational background and extensive experience in the fields of economics and planning in the public and private sectors as assets to the PUC, and indicated that Dr. Pai's knowledge of economic issues and analytical skills has helped the PUC staff to understand and analyze complex public utility issues. Several supporters of the nominee noted that Dr. Pai has demonstrated a sensitivity to consumer interests and a willingness to work with the parties involved in public utility issues. Other testimony raised concerns about the nominee's lack of receptivity to public input and lack of openness and his ability to act upon his convictions without being influenced by political considerations.

Your Committee members diligently questioned the nominee about the PUC's access to the public, the differential treatment of utility lines placement in Village Park and on Kalaniana'ole Highway, progress in telecommunications deregulation, the status of the Community Visual Impact Task Force, and the nominee's positions on additional power generating systems and the undergrounding of utility lines.

Dr. Pai responded that the PUC is required to seek public input on certain issues, parties are allowed to intervene on orders to show cause, and the PUC maintains a web page on the Internet. He also responded that the Kalaniana'ole Highway project involved joint state and federal funding and that undergrounding utility lines in Village Park would have involved the expense of obtaining rights of way. Additionally, Dr. Pai noted that the telecommunications deregulation docket is approaching a final resolution, the convening of the task force is pending developments in the Waahila Ridge case, and stated that the PUC supports the aesthetics of undergrounding, but has concerns about its costs. The nominee was unable to comment on the pending issue of additional power generating systems.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, 1 (Kanno). Excused, 2 (Hanabusa, Matsuura).

SCRep. 3606 Labor and Environment on Gov. Msg. No. 309

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII WORKFORCE DEVELOPMENT COUNCIL

G.M. No. 309 MAMO P. CUMMINGS, for a term to expire June 30, 2001,

NORM BAKER, EUGENE BAL III, CLAYTON W. DELA CRUZ, MORRIS A. GRAHAM, Ph.D., ROCHELLE LEE GREGSON, RUTHANN QUITQUIT, MYLES SHIBATA, AND RICHARD W. SMITH, for terms to expire June 30, 2003, and

JAMES G. WESTLAKE, for a term to expire June 30, 2004,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are willing to serve without compensation and will work with compassion and commitment to assist in administering the duties and responsibilities of the Hawaii Workforce Development Council (HWDC). Your Committee further finds that the nominees have been appointed based on their professional credentials.

Your Committee notes the specific qualifications of the nominees.

Mamo P. Cummings is currently president of the Kauai Chamber of Commerce. From 1995 to 1999, she was employed as the administrative project manager at County of Kauai's Office of Economic Development.

Testimony in support of Mamo P. Cummings was submitted by the Chamber of Commerce of Hawaii, Maui Economic Development Board, Inc., Hawaii Island Economic Development Board, Kauai Economic Development Board, Kauai Business Council, and two individuals.

Norm Baker has a Bachelor's Degree in Finance, Master's Degree in Business Administration, and a Ph.D. in Education Administration. He served in the U.S. Air Force for some 26 years and is currently employed with the Chamber of Commerce of Hawaii. Mr. Baker is already an active member of the HWDC's planning committee.

Testimony in support of Mr. Baker was received from the Chamber of Commerce of Hawaii.

Eugene Bal III is a member of the Maui Economic Development Board. He served in the United States Navy for 25 years and then was employed at the Maui High Performance Computing Center. Mr. Bal brings to HWDC his expertise in high technology.

Testimony in support of Mr. Bal was received from the Maui Economic Development Board, Inc., the Hawaii Association of Independent Schools, and two individuals.

Clayton W. Dela Cruz's affiliation with the ILWU Local 142 began in 1981. He started as a trustee, progressed to business agent, and since 1994 has been a division director. His past and current involvement with various community organizations include the Kekaha Community Association, Mayor's Advisory Committee on Substance Abuse, Liquor Commission, and the United Way. Mr. Dela Cruz currently serves on the HWDC's youth committee which focuses on training the counties' Youth Councils and service providers in comprehensive youth programming.

Morris A. Graham is currently president of Graham & Associates, consultants in organizational development. He received a Master's Degree and Ph.D. in Psychology and did post doctorate studies in organization and management development. He authored the article "Cross-Cultural Interactive Preference Profile" published in The 1995 Annual: Developing Human Resources.

Rochelle Lee Gregson graduated with a Bachelor's Degree in American Studies. Former employers include the Hawaii State House of Representatives, Hawaii Community Development Authority, and Local 5 of the Hotel Employees & Restaurant Employees Union. She has served on various boards and advisory committees such as: Hawaii Labor Advisory Committee for Rice & Roses, Honolulu County Committee on the Status of Women, and the Industrial Relations Research Association. Ms. Lee is currently Vice President for Community Building at the Aloha United Way. She serves on the HWDC's planning committee and has linked the inventory of youth service providers with ASK 2000.

Ruthann Quitquit has Master's Degrees in Public Health and in Social Work, and a Bachelor's Degree in Business Management & Retail Marketing. She worked for the Department of Human Services as a social worker and is currently executive director of Parents and Children Together (PACT) delivering innovative social and educational services. Ms. Quitquit will represent the large employer segment of the private non-profit industry.

Testimony in support of Ms. Quitquit was received from the Hawaii Island Economic Development Board.

Myles S. Shibata has some 28 years of experience in the Hotel/Resort Development industry. He is currently Vice President/General Manager of TAK Hawaii, Inc./Kawailoa Development commonly known as Hyatt Regency Kauai Resort & Spa and Poipu Bay Golf Course. Mr. Shibata serves on numerous boards and committees including the Hawaii Community Foundation, Kauai Chamber of Commerce, and Kauai Economic Development Board. He chaired and guided the Kauai Workforce Investment Board through its early stages.

Testimony in support of Mr. Shibata was received from the Hawaii Island Economic Development Board, Maui Economic Development Board, Inc., Kauai Economic Development Board, and three individuals.

Richard W. Smith is president of Simple Office Solutions and a member of the Hawaii County Workforce Investment Board and HWDC's new economy committee. He also represents the HWDC on the State Rehabilitation Council and brings energy and enthusiasm to all his endeavors.

James G. Westlake is currently retired but active in the community as vice-chair of the Workforce Development Council, member of the Vocational Education Coordinating Advisory Council, and Palama Settlement trustee. He served for 10 years as executive director of the Hawaii Construction Industry Association, for 23 years as manager of the General Contractors Association of Hawaii, and for seven years as a labor relations consultant for the Hawaii Employers Council. Mr. Westlake formerly chaired the HWDC's predecessor (Commission on Employment and Human Resources). He represents the HWDC on the Career and Technical Education Advisory Council which advises the Board of Regents.

The Workforce Development Council submitted testimony in support of each of the nominees.

As affirmed by the records of votes of the members of your Committee on Labor and Environment that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Fukunaga, M. Ige, Ihara).

SCRep. 3607 Government Operations and Housing on Gov. Msg. No. 288

Recommending that the Senate advise and consent to the nominations of the following:

PROCUREMENT POLICY BOARD

G.M. No. 288 DAVID LEONG and WINIFRED M. ODO, for terms to expire June 30, 2001,

GREG KING and PHYLLIS M. KOIKE, for terms to expire June 30, 2004,

Upon review of the testimony and the resumes submitted by the nominees, your Committee finds that David Leong, Winifred M. Odo, Greg King, and Phyllis M. Koike, have the necessary character, experience, and qualifications to serve on the Procurement Policy Board.

Testimony in support of all the nominees was submitted by the State Procurement Office. Testimony in support of Greg King was submitted by the Department of Finance of the County of Maui and an individual.

David Leong earned his Professional Diploma and Bachelor's Degree in Business Administration from the University of Hawaii. Mr. Leong is currently the sole proprietor of a professional accounting practice providing services primarily to non-profit organizations. Mr. Leong is also a former Assistant Vice President of Fiscal Services for St. Francis Healthcare System and St. Francis Medical Center-West.

Winifred M. Odo received her Master's Degree in social work and is currently the Program Director of the EV Community Development Corporation. Ms. Odo is a former Health Care Consultant for Pacific Rim Healthcare Solutions. Ms. Odo was also the Hawaii State Medicaid Administrator and has held other positions within the Department of Human Services of the State of Hawaii.

Greg King received his Master's Degree in Business Administration from the University of Houston, and is currently the Central Purchasing Agent for the Department of Finance of the County of Maui. Mr. King is the former Purchasing Agent of the Board of Water Supply of the County of Maui and Buyer/Associate Buyer for Houston Lighting and Power Company.

Phyllis M. Koike is currently the Chief of the Services Division at Fort Shafter and is responsible for the award and administration of service contracts in support of all Army installations in Hawaii. Ms. Koike is the former Chief of the Acquisition Division at Fort Devens, Massachusetts, and is a Certified Level III Acquisition Professional, the highest level within the Department of Defense.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Levin, Matsunaga, Matsuura, Sakamoto).

SCRep. 3608 Government Operations and Housing on S.R. No. 11

The purpose of this measure is to request a review and evaluation of air conditioning maintenance service at the State Capitol.

This measure requests the Department of Accounting and General Services to:

- (1) Review the performance of the current air conditioning maintenance service provider; and
- (2) After consulting with the Department of Health, report findings and recommendations to the legislature twenty days prior to the convening of the Regular Session of 2001.

Comments on this measure were received from the Department of Accounting and General Services (DAGS) and an individual.

Your Committee finds that air quality management is of vital importance for the health and safety of Hawaii's indoor workforce, not only for those working at the State Capitol.

Your Committee has amended this measure by:

- (1) Requesting a review of the air conditioning maintenance and air quality standards of all state facilities;
- (2) Deleting references to the illnesses of senators, representatives, and employees working at the State Capitol;
- (3) Deleting the "sick building" reference to the State Capitol building;
- (4) Recognizing that both DAGS and the Department of Health need additional support from the Legislature;
- (5) Recognizing the range and costs of remedial measures proposed by DAGS; and
- (6) Changing the title of this measure to reflect these amendments; and
- (7) Requesting DAGS to report findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2001.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 11, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 11, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Levin, Matsunaga, Sakamoto, Anderson).

SCRep. 3609 Transportation and Intergovernmental Affairs on Gov. Msg. No. 289

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 289 JANE N. YAMASHIROYA, for a term to expire June 30, 2001; and

LESTER T. FUSHIKOSHI and DAVID W. RAE, for terms to expire June 30, 2004,

Testimony in support of all three nominations was received from the Department of Transportation. Testimony in support of Jane N. Yamashiroya was received from the Panda Group Hawaii, and a citizen. Comments were submitted by Ms. Yamashiroya and Mr. Rae.

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that Jane N. Yamashiroya, Lester T. Fushikoshi, and David W. Rae, have the necessary character, experience, and qualifications to serve on the Commission on Transportation, and are willing to serve without compensation.

Jane N. Yamashiroya received a Master's Degree in Education from the University of Hawaii in 1969. She has taught in the public school system for nearly thirty years and currently is serving as an Administrative Assistant for Service Printers, Inc.

Lester T. Fushikoshi, currently a member of the Commission, received a Bachelor of Arts degree from Colorado State College where he also did graduate work. He has worked in the construction industry and was a teacher and vice principal at Paaulo School. Mr. Fushikoshi has demonstrated superior leadership skills while serving on the Commission.

David W. Rae, currently a member of the Commission, has Master's Degrees in Urban and Regional Planning, Public Health, and in Science. He currently is the Community and Government Services Manager for the Estate of James Campbell. This continued service would be an asset to the Commission.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, D. Ige, Sлом).

SCRep. 3610 Government Operations and Housing on Gov. Msg. No. 163

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

G.M. No. 163 DON S. FUJIMOTO and NADINE K. NAKAMURA, for terms to expire June 30, 2004,

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that Don S. Fujimoto, and Nadine K. Nakamura, have the necessary character, experience, and qualifications to serve on the Board of Directors of the Housing and Community Development Corporation of Hawaii (HCDCH).

Testimony in support of both nominees was submitted by the Governor, the Board of Directors of the Housing and Community Development Corporation of Hawaii, the Department of Human Services, and Pacific Housing Assistance Corporation.

Testimony in support of Don S. Fujimoto was also received from the Mayor of Maui, the Maui Department of Housing and Human Concerns, the Department of Human Resources of the City and County of Honolulu, and Pacific Management Consultants.

Testimony in support of Nadine K. Nakamura was also received from the Kauai County Housing Agency, Hawaii Investors for Affordable Housing, and Pacific Housing Assistance Corporation.

Don S. Fujimoto, as a current member of the HCDCH Board and as a licensed civil engineer with over twenty years of experience in real estate development, provides the needed development expertise in the evaluation of proposals submitted by private non-profit and for-profit developers. Don S. Fujimoto's experience in overseeing project engineering, master planning, construction management, and other aspects of development makes him a well-respected member of the HCDCH Board.

As a current member of the HCDCH Board with an extensive background in community planning, Nadine K. Nakamura has played a vital role in the development of HCDCH's strategic plan. Nadine K. Nakamura has also significantly contributed, with her experience in the development of low-income housing projects for the elderly and mentally disabled, to the evaluation of proposals that go before the HCDCH Board of Directors.

As affirmed by the record of votes of the members of your Committee on Government Operations and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 4 (Levin, Matsunaga, Sakamoto, Tanaka).

SCRep. 3611 Economic Development on Gov. Msg. No. 301

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS, HAWAII TOURISM AUTHORITY

G.M. No. 301 MILLICENT M.Y.H. KIM and PETER H. SCHALL, for terms to expire June 30, 2002, and

KEITH VIEIRA and RON WRIGHT, for terms to expire June 30, 2004,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Hawaii Tourism Authority.

Your Committee notes the following specific qualifications of the nominees:

Millicent M.Y.H. Kim, Consultant in Public Issues Management and Community Relations, has extensive experience in government, community development, and rural economic revitalization projects. A resident of the island of Hawaii, Ms. Kim is active in both Big Island and statewide organizations, including the Hamakua Soil and Water Conservation District and Historic Hawaii Foundation. She has served as a review panelist for the National Endowment for the Arts and is the former Chair of the State Foundation on Culture and the Arts.

Peter H. Schall, Area Director, Hilton Resorts Hawaii and Managing Director of Hilton Hawaiian Village joined Hilton in 1965 and has been with the company's Hawaii operations since 1986. He began his hotel career at the age of fifteen and has worked

throughout Europe and the United States. Mr. Schall is active in numerous professional organizations including the Hawaii Visitors & Convention Bureau, Oahu Visitors Bureau, and Hawaii Hotel Association, as well as philanthropic and community organizations.

Keith Vieira, Vice President and Director of Operations, Hawaii, Starwood Hotels & Resorts Worldwide, Inc., has worked in the visitor industry for over twenty-five years. Mr. Vieira is active in many professional organizations including Sales and Marketing Executives of Honolulu and Hawaii Convention Park Council. He is also a member of the Hawaii Visitors and Convention Bureau and the University of Hawaii College of Business Administration alumni boards.

Ron Wright, Continental Airlines Managing Director of Sales and Marketing in Hawaii, has been with the airline for thirty years in Hawaii. He is the official spokesperson for Continental in Hawaii. Mr. Wright is also active in civic and community events, including the Honolulu Chamber of Commerce, Japanese Chamber of Commerce, and Filipino Chamber of Commerce, and has served on a number of Governor's task forces.

Testimony in support of the nominees was submitted by the Department of Business, Economic Development, and Tourism, Hawaii Tourism Authority, Hawaii Hotel Association, Pacific Center for High Technology Research, Kaua'i Chamber of Commerce, Kauai Economic Development Board, Kawaihoa Development, Pahio Resorts, Textron Systems Kauai, Trex Enterprises, and one individual.

Additional testimony in support of Millicent M.Y.H. Kim was received from The Chamber of Commerce of Hawaii, Kona-Kohala Chamber of Commerce, Hawaii Island Economic Development Board, Ameritech, Castle Resorts & Hotels, Kona Historical Society, Laupahoehoe Train Museum, Noe Lani Farms, Princeville Corporation Kauai, Tex Drive In, and eight individuals.

Additional testimony in support of Peter H. Schall was received from the Visitor Industry Coalition, The Chamber of Commerce of Hawaii, Maui Economic Development Board, Inc., AT&T, Bank of Hawaii, First Hawaiian Bank, Hawaiian Dredging Construction Company, Hyatt Resorts, Japan Airlines, Louis Vuitton, O'ahu Visitors Bureau, Outrigger Enterprises, Inc., Pomare, The Queen's Health Systems, United Airlines, Wimberly Allison Tong & Goo, and one individual.

Additional testimony in support of Keith Vieira was received from the Visitor Industry Coalition, Ameritech, Bank of Hawaii, Outrigger Enterprises, Inc., and Watanabe, Ing & Kawashima.

Additional testimony in support of Ron Wright was received from the Visitor Industry Coalition, Ameritech, and Princeville Corporation Kauai.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3612 Commerce and Consumer Protection on Gov. Msg. No. 193

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF TRUSTEES, HAWAII PUBLIC EMPLOYEES HEALTH FUND

G.M. No. 193 HOWENA HIU BLUME, for a term to expire June 30, 2001,

DOLORES FOLEY, Ph.D. and MILTON Y. FUKU, for terms to expire June 30, 2003, and

BRUCE Y. NAKAMURA and JAMES H. YASUDA, for terms to expire June 30, 2004,

Testimony in support of one or more of the nominees was submitted by the Department of Budget and Finance, Executive Office on Aging, the Senator from the Nineteenth Senatorial District, Hawaii Employers Council, University of Hawaii Professional Assembly, Hawaii State Teachers Association (HSTA), Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO (HGEA-AFSCME), Retirees Unit of HGEA-AFSCME, International Longshore and Warehouse Union, Labor's Community Services Liaison Program of Hawaii, Family Mortgage Company of Hawaii, Inc., and numerous individuals.

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that Howena Hiu Blume, Dolores Foley, Ph.D., Milton Y. Fuku, Bruce Y. Nakamura, and James H. Yasuda have the necessary character, experience, and qualifications to serve on the Board of Trustees of the Hawaii Public Employees Health Fund (Board of Trustees) and are willing to serve without compensation.

Howena Hiu Blume is the Human Resources Services Center manager for Tesoro Hawaii Corporation and has worked in the human resources field for thirty years. She received her certified employee benefits specialist designation in 1991. Ms. Blume is a member of the International Society of Certified Employee Benefits Specialists, Hawaii Business Health Council, and Society for Human Resource Management.

Dolores Foley, Ph.D. received her doctorate degree in public administration from the University of Southern California. Dr. Foley is an associate professor in the University of Hawaii's Public Administration Program and a member of the American Society of Public Administration.

Milton Y. Fuke is a graduate of the University of Hawaii. He has been employed as the HSTA's UniServ Director on the island of Hawaii since 1975, providing support and advocacy services for public school teachers.

Bruce Y. Nakamura is a graduate of the University of Hawaii and the University of California at Berkeley Theological Union. He is Resident Minister at Jikoen Hongwanji Mission and previously served as Associate Minister at Honpa Hongwanji Hilo Betsuin. Reverend Nakamura currently sits on the Board of Trustees.

James H. Yasuda, who is seeking reappointment to the Board of Trustees, has thirty years of experience in government service, including seven years with the Office of Collective Bargaining. Currently, Mr. Yasuda serves as Executive Secretary of the Retirees Unit, HGEA-AFSCME.

Your Committee notes that a concern was raised that individuals employed by public employee organizations that provide health care benefits for their members are precluded from serving as trustees under section 87-12, Hawaii Revised Statutes (HRS), which prohibits the appointment of employees of carriers to the Board. Your Committee finds that in an opinion dated March 30, 2000, the Attorney General concluded that a public employee organization that incidentally provides health coverage for its members is not a carrier within the meaning of section 87-12, HRS, and further, that section 87-11, HRS, mandates that three of the nine trustees be representatives of public employee organizations.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.
Record of Votes for Milton Y. Fuke and James H. Yasuda:
Ayes, 5. Noes, none. Excused, 3 (Bunda, Matsuura, Slom).
Record of Votes for all other nominees:
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Taniguchi).

SCRep. 3613 Commerce and Consumer Protection on Gov. Msg. No. 287

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHYSICAL THERAPY

G.M. No. 287 HERBERT K.M. YEE, P.T., for a term to expire June 30, 2004,

Three individuals submitted testimony in support of the nominee.

Upon review of the testimony and the statement submitted by the nominee, your Committee finds that Herbert K.M. Yee, P.T., has the necessary character, experience, and qualifications to serve on the Board of Physical Therapy and is willing to serve without compensation.

Herbert K.M. Yee, P.T., has a Master of Science in Physical Therapy degree from Duke University. The nominee has worked as a physical therapist for over twenty years and is currently employed at Kaiser Permanente. Additionally, Mr. Yee has served several terms as president of the Hawaii Chapter of the American Physical Therapy Association and as a delegate to the National Association of the American Physical Therapy Association.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 3614 Commerce and Consumer Protection on Gov. Msg. No. 295

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOXING COMMISSION OF HAWAII

G.M. No. 295 RANDOLPH B. AHLO, GEORGE M. AMIMOTO, and HERBERT S.L. CHOCK, for terms to expire June 30, 2004,

Upon review of the statements submitted by the nominees, your Committee finds that Randolph B. Ahlo, George M. Amimoto, and Herbert S.L. Chock have the necessary character, experience, and qualifications to serve on the State Boxing Commission of Hawaii (Commission) and are willing to serve without compensation.

Randolph B. Ahlo, who currently sits on the Commission, is Vice President and General Manager for Holiday Inn. Mr. Ahlo is active in various professional and community organizations, including the Hawaii Hotel Association, Chamber of Commerce of Hawaii, Aloha Week Committee/Waikiki Ho'olaulea, and Holy Nativity Parent Teacher Organization.

George M. Amimoto is a retired Aloha Stadium deputy manager with experience in the public and private sectors. Mr. Amimoto is a Reserve Deputy Sheriff, a member of the Disabled American Veterans, and has been active in the past with community youth athletics, the Young Men's Christian Association, and the Democratic Party.

Herbert S.L. Chock is an engineer in the private sector. Mr. Chock is a member of several professional associations and has served with the Fish and Wildlife Advisory Board and the General Contractors Association.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 3615 (Majority) Economic Development on Gov. Msg. No. 264

Recommending that the Senate advise and consent to the nominations of the following:

STADIUM AUTHORITY

G.M. No. 264 MICHAEL JAY GREEN and EDWARD K. HAMADA, for terms to expire June 30, 2004,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Stadium Authority to which they have been nominated.

Your Committee notes the following specific qualifications of the nominees:

Michael Jay Green is an attorney with extensive experience in negotiations, conflict resolution, contracts, and jurisprudence, and currently serves as Chairman of the Stadium Authority. In addition to his legal practice, which includes representation of a number of professional athletes, Mr. Green lectures on trial practice and procedures, evidence, jury selection, and cross examination at the University of Hawaii's William S. Richardson School of Law.

Testimony in support of Mr. Green was received from the Stadium Authority, Matson Navigation Company, a member of the House of Representatives, and one individual. The Hawaii Republican Party, Aloha Flea Market, and one individual submitted letters in opposition.

Edward K. Hamada is a teacher at Iolani School, where he has held a number of academic and athletic positions since 1953. Mr. Hamada has been honored as Coach of the Year three times, and received numerous other athletic honors during his long career in high school athletics. He is currently a member of the Stadium Authority.

The Stadium Authority submitted testimony in support of Mr. Hamada's reappointment.

Your Committee heard considerable discussion regarding issues currently facing the Stadium Authority and believes that these nominees have shown a commitment to resolving the concerns raised by the parties involved.

As affirmed by the records of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Record of Votes for Michael Jay Green:

Ayes, 4. Noes, 1 (Slom). Excused, 1 (Taniguchi).

Record of Votes for Edward K. Hamada:

Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

Recommending that the Senate advise and consent to the nomination of the following:

STADIUM AUTHORITY

G.M. No. 307 T. GEORGE PARIS, for a term to expire June 30, 2004,

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment. Your Committee further finds that the nominee has been appointed based upon his professional credentials, integrity, and a desire to make Hawaii better through his participation on the Stadium Authority to which he has been nominated.

Your Committee notes the following specific qualifications of the nominee:

T. George Paris, President and Business Agent for the Ironworkers Union Local 625, a career he began as an apprentice in 1962. Mr. Paris is active in numerous community organizations, including Honolulu Community Action Program, Na Koa Football Club, Nanakuli Policing, and is a foster parent with the State Judiciary.

Testimony in support of Mr. Paris was received from the Stadium Authority, Hawaii Paroling Authority, Ironworkers Union Local 625, International Brotherhood of Painters and Allied Trades District Council 50, and two individuals.

Your Committee heard considerable discussion regarding issues currently facing the Stadium Authority and believes that the nominee has shown a commitment to resolving the concerns raised by the parties involved.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

SCRep. 3617 Commerce and Consumer Protection on Gov. Msg. No. 294

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF ACUPUNCTURE

G.M. No. 294 TING PONG MA and JAMES K. IKEDA, for terms to expire June 30, 2004,

The Hawaii Acupuncture Association and two individuals submitted testimony in support of Ting Pong Ma.

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that Ting Pong Ma and James K. Ikeda have the necessary character, experience, and qualifications to serve on the Board of Acupuncture and are willing to serve without compensation.

Ting Pong Ma graduated from Canton Medical College in Canton, China and has been licensed to practice acupuncture in the State since 1990. He is currently employed at Acupuncture for Sports Injury.

James K. Ikeda, nominated to a public member position, is a retired public health administrator who has worked in the fields of entomology and environmental health. Mr. Ikeda is a member of the Hawaiian Entomological Society, the American Entomological Society, and the National Environmental Health Association.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 3618 Commerce and Consumer Protection on Gov. Msg. No. 297

Recommending that the Senate advise and consent to the nominations of the following:

CONTRACTORS LICENSE BOARD

G.M. No. 297 RAYMOND S. MORI for a term to expire June 30, 2003; and

ANCLETO "LITO" ALCANTRA, BRUCE KUGIYA, and EARLE S. MATSUDA, for terms to expire June 30, 2004,

Testimony in support of one or more of the nominees was received from the Hawaii Flooring Association, International Brotherhood of Painters and Allied Trades, Hidano Construction, Inc., Albert C. Kobayashi, Inc., QMC Corp., Building Industry Association of Hawaii, General Contractors Association of Hawaii, and Hawaii Carpenters Union.

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that Raymond S. Mori, Ancleto "Lito" Alcantra, Bruce Kugiya, and Earle S. Matsuda have the necessary character, experience, and qualifications to serve on the Contractors License Board and are willing to serve without compensation.

Raymond S. Mori is a flooring contractor who has operated Island Flooring Company, Inc., for over forty years. Mr. Mori served as treasurer of the Hawaii Floor Covering Association and on the board of directors of its successor organization, the Hawaii Flooring Association.

Ancleto "Lito" Alcantra is a contractor and president of Group Builders, Inc. Mr. Alcantra is the recipient of two Entrepreneur of the Year awards and a Regional Minority Contractor of the Year award. The nominee is president elect of the Filipino American League of Engineers and Architects, and has also served as president of the Hawaii Walls and Ceilings Association and the Pacific Bureau for Lathing and Plastering.

Bruce Kugiya is employed with Wasa Electrical Service. Mr. Kugiya has twenty-five years of experience in the electrical construction field that includes public and private projects.

Earle S. Matsuda is president of Heide and Cook, Ltd., and has over twenty-five years of experience in the sheet metal industry. Mr. Matsuda serves on the boards of the Sheet Metal Contractors Association, the Hawaii Sheet Metal Trust Funds, and the Sheet Metal Industry fund.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 3619 Commerce and Consumer Protection on Gov. Msg. No. 298

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 298 GERALD ADACHI, D.M.D., for a term to expire June 30, 2001,

Testimony in support of the nominee was received from an individual.

Upon review of the testimony and the nominee's statement, your Committee finds that Gerald Adachi, D.M.D., has the necessary character, experience, and qualifications to serve on the Board of Dental Examiners and is willing to serve without compensation.

Gerald Adachi, D.M.D., is a graduate of the University of Pennsylvania School of Dental Medicine. Dr. Adachi completed his residency at St. Francis Dental Center and has been in private dental practice since 1987. The nominee belongs to the Hawaii Dental Association, American Dental Association, Honolulu County Dental Society, and Academy of General Dentistry.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 3620 Commerce and Consumer Protection on Gov. Msg. No. 305

Recommending that the Senate advise and consent to the nominations of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

G.M. No. 305 GARY Y. GIBO and RANDAL MORIFUJI, for terms to expire June 30, 2004,

Upon review of the statements submitted by the nominees, your Committee finds that Gary Y. Gibo and Randal Morifuji have the necessary character, experience, and qualifications to serve on the Motor Vehicle Repair Industry Board and are willing to serve without compensation.

Gary Y. Gibo is a foreman/technician who has been employed by Honolulu Ford, Inc., for almost thirty-five years. Mr. Gibo holds a Master Technician certification from Ford Motor Company and received a national award from the Ford Certified Training Program. The nominee serves on numerous industry-related advisory committees.

Randal Morifuji received training in diesel mechanics at Honolulu Community College and is employed as a mechanic at Excel Automotive. Mr. Morifuji currently serves as an advisor on automotive matters for the Regulated Industries Complaints Office.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 3621 Commerce and Consumer Protection on Gov. Msg. No. 306

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PSYCHOLOGY

G.M. No. 306 ELLEN R. CARINGER, PH.D., for a term to expire June 30, 2004,

The Hawaii Psychological Association and two individuals submitted testimony in support of the nomination.

Upon review of the testimony and the nominee's statement, your Committee finds that Ellen R. Caringer, Ph.D., has the necessary character, experience, and qualifications to serve on the Board of Psychology and is willing to serve without compensation.

Ellen R. Caringer, Ph.D., received her doctorate from the University of Hawaii. Dr. Caringer, who is currently in private practice on the island of Maui, previously practiced at Kapiolani Medical Center and taught psychology courses at the University of Hawaii. The nominee is a member of the American Psychological Association, Hawaii Psychological Association, and Maui Mental Health Association.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 3622 Commerce and Consumer Protection on Gov. Msg. No. 308

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF VETERINARY EXAMINERS

G.M. No. 308 ERIC M.F.C. AKO, D.V.M., for a term to expire June 30, 2004,

Two individuals submitted testimony in support of the nomination.

Upon review of the testimony and the nominee's statement, your Committee finds that Eric M.F.C. Ako, D.V.M., has the necessary character, experience, and qualifications to serve on the Board of Veterinary Examiners and is willing to serve without compensation.

Eric M.F.C. Ako, D.V.M., received his veterinary degree from Purdue University. Dr. Ako has practiced veterinary medicine since 1982 and currently operates The Pet Doctor. Dr. Ako is past president of the Honolulu Veterinarian Society and the Hawaii Veterinary Medical Association, and has served as an alternate delegate and state liaison for the American Veterinary Medical Association and the Association of Avian Veterinarians, respectively.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Co-Chairs on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 3 (Bunda, Ihara, Inouye).

SCRep. 3623 Transportation and Intergovernmental Affairs on Gov. Msg. No. 240

Recommending that the Senate advise and consent to the nominations of the following:

MEDICAL ADVISORY BOARD

G.M. No. 240 DAVID MAI, M.D., for a term to expire June 30, 2002,

STEPHEN M. OISHI, M.D., for a term to expire June 30, 2003, and

ROBERT L. SIMMONS, M.D., for a term to expire June 30, 2004,

Testimony in support of the three nominations was submitted by the Department of Transportation. Testimony in support of the nomination of David Mai was submitted by two citizens, and comments were submitted by nominee David Mai.

Upon review of the testimony and the statements submitted by the nominees, your Committee finds that David Mai, M.D., Stephen M. Oishi, M.D., and Robert L. Simmons, M.D., have the necessary character, experience, and qualifications to serve on the Medical Advisory Board (Board), and are willing to serve without compensation.

Dr. David Mai obtained his medical education from Yale University School of Medicine. His post graduate training included his internship in internal medicine at Kaiser Hospital in Santa Clara, California, and his residency in ophthalmology at the Manhattan Eye, Ear, and Throat Hospital in New York.

Dr. Stephen Oishi was appointed to the Medical Advisory Board in July, 1995. His post graduate training included his internship and residency at USC-LAC Medical Center. His knowledge, competence and judgment have contributed significantly to the Board.

Dr. Robert Simmons obtained his medical degree from Georgetown University School of Medicine. His post graduate training included his internship at Highland Hospital in New York and his residency in orthopedics at Georgetown University. He recently retired from his practice in orthopedic surgery.

As affirmed by the records of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 2 (Bunda, Iwase).

SCRep. 3624 Transportation and Intergovernmental Affairs on Gov. Msg. No. 296

Recommending that the Senate advise and consent to the nominations of the following:

CIVIL DEFENSE ADVISORY COUNCIL

G.M. No. 296 LINDA C. TSEU, for a term to expire June 30, 2001; and

ALEJANDRO LOMOSAD, for a term to expire June 30, 2004,

Testimony in support of both of the nominations was received from the Department of Defense. Testimony in support of Linda C. Tseu was received from the Hawaii Women's Political Caucus.

Upon review of the testimony, your Committee finds that Linda C. Tseu and Alejandro Lomosad, have the necessary character, experience, and qualifications to serve on the Civil Defense Advisory Council, and are willing to serve without compensation.

Linda C. Tseu received a Master's Degree in Public Health from the University of Hawaii and a Bachelor's Degree in Political Science from the University of Alberta. Ms. Tseu has extensive experience in public service in the State of Hawaii. She served as the Assistant Director for the Commission on Person with Disabilities from 1983 to 1990, and as Executive Director of the Hawaii Civil Rights Commission from 1990 to 1997. Ms. Tseu currently operates her own business in Hawaii, and has the requisite background and knowledge to become an outstanding member of the Civil Defense Advisory Council.

Alejandro Lomosad served in the Hawaii Air National Guard from 1960 to 1971. He later became a firefighter, a fire inspector, and the fire chief for the County of Kauai. Mr. Lomosad has served on the Civil Defense Advisory Council since July 1996, and is an outstanding member and contributor to the Council. He has devoted 35 years to serving the people of Kauai. Mr. Lomosad is active

in numerous professional and community organizations. His continued participation and contributions as a member of the Civil Defense Advisory Council will be significant.

As affirmed by the record of votes of the members of your Committee on Transportation and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (D. Ige, Inouye, Taniguchi).