

Honolulu, Hawaii

May 1, 2007

RE: S.B. No. 1365
S.D. 2
H.D. 3
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1365, S.D. 2, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO THE INNOVATION ECONOMY,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Require the Employees' Retirement System, by January 1, 2009, to develop criteria to ensure that it gives preference to Hawaii venture capital investments of equal or lesser risk and equal or greater return to out-of-state investments and caps these investments at three per cent of system funds; and
- (2) Appropriate funds to the University of Hawaii Office of Technology Transfer and Economic Development to enter into a partnership with a private sector entity.



Your Committee on Conference has amended this measure by:

- (1) Deleting the specific requirements for the development of criteria related to Hawaii venture capital investments;
- (2) Requiring the Employee's Retirement System Board, by January 1, 2008, to develop criteria to determine the amount of funds that may be prudently invested in Hawaii private placement investments;
- (3) Adding a requirement that the Employees' Retirement System report annually to the Legislature on any Hawaii venture capital investments; provided that if the board determines it is not prudent to invest in any Hawaii venture capital investment the board shall report the rationale for the decision;
- (4) Deleting the appropriation to the University of Hawaii Office of Technology Transfer and Economic Development; and
- (5) Changing the effective date of July 1, 2020, to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1365, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1365, S.D. 2, H.D. 3, C.D. 1.




Respectfully submitted on behalf
of the managers:

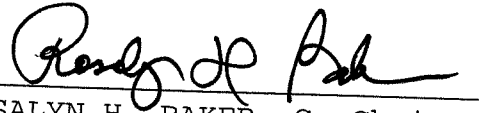
ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE


KYLE T. YAMASHITA, Co-Chair



CAROL FUKUNAGA, Chair


JERRY L. CHANG, Co-Chair


ROSALYN H. BAKER, Co-Chair

- excused -

ALEX M. SONSON, Co-Chair


MARCUS R. OSHIRO, Co-Chair



Hawaii State Legislature

CCP 203

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.:
SB 1365, SD 2, HD 3

Date/Time: **4/27/07 11:17pm**

The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure


The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

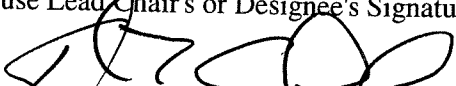
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
FUKUNAGA, Carol, Chr.	✓				YAMASHITA, Kyle T., Co-Chr.	✓			
BAKER, Rosalyn H., Co-Chr.	✓				CHANG, Jerry L., Co-Chr.	✓			
IGE, David Y.	✓				SONSON, Alex M., Co-Chr.	✓			
SLOM, Sam				✓	OSHIRO, Marcus R., Co-Chr.	✓			
					WARD, Gene, Ph.D.				✓
TOTAL	3			1	TOTAL	4			1

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is:
 Adopted Not Adopted

House Recommendation is:
 Adopted Not Adopted

Senate Lead Chair's or Designee's Signature:


House Lead Chair's or Designee's Signature:


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