

## FORTY-FOURTH DAY

## Thursday, April 4, 2013

The Senate of the Twenty-Seventh Legislature of the State of Hawai'i, Regular Session of 2013, convened at 11:43 a.m. with the President in the Chair.

The Roll was called showing all Senators present with the exception of Senator Kidani who was excused.

The President announced that she had read and approved the Journal of the Forty-Third Day.

At this time, Senators Hee, Shimabukuro, Nishihara, and Green recognized and commended the Honolulu Community Action Program (HCAP) for providing opportunities and inspiration to enable low-income individuals or families to achieve self-reliance, and for their dedicated services and commitment to making a difference in the O'ahu community. Representing HCAP were Program Coordinator Krystal Ikeda, Training Coordinator Velvet Fujita, Youth Trainer Cristal Garan, and student intern Loreal Kaleinani Russell.

At 11:54 a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:02 p.m.

## MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 256 to 257 and 1104) were read by the Clerk and were placed on file:

Gov. Msg. No. 256, dated March 28, 2013, transmitting the Relating to Concussions Report, prepared by the Department of Education pursuant to Act 197, SLH 2012.

Gov. Msg. No. 257, dated April 1, 2013, transmitting proposed changes to the FB 2013-15 Biennium Budget for the Department of Human Services.

Gov. Msg. No. 1104, informing the Senate that on April 3, 2013, the Governor signed into law House Bill No. 941 as Act 4, entitled: "RELATING TO THE NATURAL AREA RESERVES SYSTEM COMMISSION."

## DEPARTMENTAL COMMUNICATION

The following communication (Dept. Com. No. 96) was read by the Clerk and was placed on file:

Dept. Com. No. 96, from the Office of the Auditor dated March 27, 2013, transmitting the report, "Management Audit of the Department of Agriculture's Measurement Standards Branch" (Report No. 13-01).

## HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 411 to 416) were read by the Clerk and were disposed of as follows:

Hse. Com. No. 411, informing the Senate that on April 3, 2013, the House disagreed to the amendments proposed by the Senate to H.B. No. 879, H.D. 2 (S.D. 1), was placed on file.

Hse. Com. No. 412, transmitting H.C.R. No. 10, H.D. 1, which was adopted by the House of Representatives on April 3, 2013, was placed on file.

By unanimous consent, action on H.C.R. No. 10, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE UNITED STATES CONGRESS TO PROPOSE A CONSTITUTIONAL AMENDMENT TO OVERTURN THE UNITED STATES SUPREME COURT'S

HOLDING RELATING TO CORPORATE INDEPENDENT EXPENDITURES IN *CITIZENS UNITED V. FEDERAL ELECTION COMMISSION*," was deferred.

Hse. Com. No. 413, transmitting H.C.R. No. 239, which was adopted by the House of Representatives on April 3, 2013, was placed on file.

By unanimous consent, action on H.C.R. No. 239, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE GOVERNOR TO FACILITATE THE DEPLOYMENT OF RENEWABLE-ENERGY TECHNOLOGIES, INCLUDING WASTE-TO-ENERGY, IN HAWAII AND TO ATTRACT FOREIGN DIRECT INVESTMENT AND INTERNATIONAL TRADE FROM THE REPUBLIC OF KOREA," was deferred.

Hse. Com. No. 414, returning S.B. No. 6, S.D. 1, as amended in H.D. 1, which passed Third Reading in the House of Representatives on April 3, 2013, was placed on file.

By unanimous consent, action on S.B. No. 6, S.D. 1 (H.D. 1), entitled: "A BILL FOR AN ACT RELATING TO ANIMAL CRUELTY," was deferred until Friday, April 5, 2013.

Hse. Com. No. 415, returning S.B. No. 54, S.D. 1, as amended in H.D. 1, which passed Third Reading in the House of Representatives on April 3, 2013, was placed on file.

By unanimous consent, action on S.B. No. 54, S.D. 1 (H.D. 1), entitled: "A BILL FOR AN ACT RELATING TO AGING," was deferred until Friday, April 5, 2013.

Hse. Com. No. 416, returning S.B. No. 286, S.D. 1, as amended in H.D. 1, which passed Third Reading in the House of Representatives on April 3, 2013, was placed on file.

By unanimous consent, action on S.B. No. 286, S.D. 1 (H.D. 1), entitled: "A BILL FOR AN ACT RELATING TO REAPPORTIONMENT," was deferred until Friday, April 5, 2013.

## STANDING COMMITTEE REPORTS

Senator Ige, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1264) recommending that H.B. No. 378, H.D. 1, S.D. 1, as amended in S.D. 2, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1264 and H.B. No. 378, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO BEACH NOURISHMENT," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the majority of the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1265) recommending that H.B. No. 385, H.D. 2, as amended in S.D. 1, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1265 and H.B. No. 385, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1266) recommending that H.B. No. 414, H.D. 2, as amended in S.D. 1, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1266 and H.B. No. 414, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WAIPIO VALLEY," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1267) recommending that H.B. No. 417, H.D. 2, as amended in S.D. 1, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1267 and H.B. No. 417, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1268) recommending that H.B. No. 473, H.D. 1, S.D. 1, as amended in S.D. 2, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1268 and H.B. No. 473, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the majority of the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1269) recommending that H.B. No. 800, H.D. 1, S.D. 1, as amended in S.D. 2, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1269 and H.B. No. 800, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM FROM THE ENERGY SECURITY SPECIAL FUND," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the majority of the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1270) recommending that H.B. No. 673, H.D. 2, S.D. 1, as amended in S.D. 2, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1270 and H.B. No. 673, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PESTICIDES," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1271) recommending that H.B. No. 808, H.D. 1, as amended in S.D. 1, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1271 and H.B. No. 808, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1272) recommending that H.B. No. 858, H.D. 1, as amended in S.D. 1, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1272 and H.B. No. 858, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HI GROWTH INITIATIVE," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1273) recommending that H.B. No. 908, H.D. 2, as amended in S.D. 1, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1273 and H.B. No. 908, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOME VISITING PROGRAM," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the majority of the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1274) recommending that H.B. No. 914, H.D. 1, S.D. 1, as amended in S.D. 2, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1274 and H.B. No. 914, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO OBESITY PREVENTION," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1275) recommending that H.B. No. 1227, H.D. 1, S.D. 1, as amended in S.D. 2, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1275 and H.B. No. 1227, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO IOLANI PALACE," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1276) recommending that H.B. No. 1330, H.D. 1, as amended in S.D. 1, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1276 and H.B. No. 1330, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE DIVISION OF CONSERVATION AND RESOURCES ENFORCEMENT," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1277) recommending that H.B. No. 1392, H.D. 1, as amended in S.D. 1, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1277 and H.B. No. 1392, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PRESERVATION OF HAWAII'S MOVING IMAGES," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1278) recommending that H.B. No. 1430, H.D. 2, S.D. 1, as amended in S.D. 2, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1278 and H.B. No. 1430, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1279) recommending that H.B. No. 1133, S.D. 1, as amended in S.D. 2, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1279 and H.B. No. 1133, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LAND," was deferred until Tuesday, April 9, 2013.

Senator Ige, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1280) recommending that H.B. No. 899, H.D. 2, S.D. 1, as amended in S.D. 2, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 1280 and H.B. No. 899, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO RECYCLING," was deferred until Tuesday, April 9, 2013.

Senator Galuteria, for the Committee on Tourism and Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 1281) recommending that the Senate advise and consent to

the nominations to the Island Burial Council, Island of O'ahu of the following:

DANNA HOLCK, in accordance with Gov. Msg. No. 587; and

KALI FERMANTEZ, in accordance with Gov. Msg. No. 588.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 1281 and Gov. Msg. No. 587 and 588 was deferred until Friday, April 5, 2013.

Senators Green and Wakai, for the Committee on Health and the Committee on Technology and the Arts, presented a joint report (Stand. Com. Rep. No. 1282) recommending that S.C.R. No. 152, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 1282 and S.C.R. No. 152, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION DESIGNATING MARCH AS BRAIN INJURY AWARENESS MONTH," was deferred until Friday, April 5, 2013.

Senators Green and Wakai, for the Committee on Health and the Committee on Technology and the Arts, presented a joint report (Stand. Com. Rep. No. 1283) recommending that S.R. No. 111, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 1283 and S.R. No. 111, S.D. 1, entitled: "SENATE RESOLUTION DESIGNATING MARCH AS BRAIN INJURY AWARENESS MONTH," was deferred until Friday, April 5, 2013.

Senators Solomon, Gabbard, and Espero, for the majority of the Committee on Water and Land and the majority of the Committee on Energy and Environment and the Committee on Public Safety, Intergovernmental and Military Affairs, presented a joint report (Stand. Com. Rep. No. 1284) recommending that S.R. No. 136, as amended in S.D. 1, be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the joint report of the majority of the Committees was adopted and S.R. No. 136, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE PRESIDENT OF THE SENATE TO ESTABLISH A WORKING GROUP TO DISCUSS STRATEGIES FOR THE DEVELOPMENT AND EXPANSION OF GEOTHERMAL ENERGY AND TECHNOLOGY," was referred to the Committee on Ways and Means.

Senators Wakai and Baker, for the Committee on Technology and the Arts and the Committee on Commerce and Consumer Protection, presented a joint report (Stand. Com. Rep. No. 1285) recommending that H.B. No. 1287, H.D. 1, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Espero, seconded by Senator Slom and carried, the joint report of the Committees was adopted and H.B. No. 1287, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PERSONAL INFORMATION," passed Second Reading and was placed on the calendar for Third Reading on Tuesday, April 9, 2013.

Senators Dela Cruz and Espero, for the Committee on Economic Development, Government Operations and Housing and the Committee on Public Safety, Intergovernmental and Military Affairs, presented a joint report (Stand. Com. Rep. No. 1286) recommending that H.B. No. 471, H.D. 1, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Espero, seconded by Senator Slom and carried, the joint report of the Committees was adopted and H.B. No. 471, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STARLIGHT RESERVE," passed Second Reading and was placed on the calendar for Third Reading on Tuesday, April 9, 2013.

## ORDER OF THE DAY

### AGREE/DISAGREE

### MATTERS DEFERRED FROM WEDNESDAY, APRIL 3, 2013

S.B. No. 2 (H.D. 1):

By unanimous consent, action on S.B. No. 2 (H.D. 1), entitled: "A BILL FOR AN ACT RELATING TO SIMULATED FIREARMS," was deferred until Friday, April 5, 2013.

S.B. No. 30, S.D. 1 (H.D. 1):

By unanimous consent, action on S.B. No. 30, S.D. 1 (H.D. 1), entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," was deferred until Friday, April 5, 2013.

S.B. No. 31 (H.D. 1):

By unanimous consent, action on S.B. No. 31 (H.D. 1), entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," was deferred until Friday, April 5, 2013.

S.B. No. 192 (H.D. 1):

By unanimous consent, action on S.B. No. 192 (H.D. 1), entitled: "A BILL FOR AN ACT RELATING TO PROSTITUTION," was deferred until Friday, April 5, 2013.

S.B. No. 194, S.D. 1 (H.D. 1):

By unanimous consent, action on S.B. No. 194, S.D. 1 (H.D. 1), entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL PROCEDURE," was deferred until Friday, April 5, 2013.

S.B. No. 442, S.D. 1 (H.D. 1):

By unanimous consent, action on S.B. No. 442, S.D. 1 (H.D. 1), entitled: "A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR," was deferred until Friday, April 5, 2013.

S.B. No. 502, S.D. 1 (H.D. 1):

By unanimous consent, action on S.B. No. 502, S.D. 1 (H.D. 1), entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE SELLER DISCLOSURE," was deferred until Friday, April 5, 2013.

S.B. No. 853, S.D. 1 (H.D. 1):

By unanimous consent, action on S.B. No. 853, S.D. 1 (H.D. 1), entitled: "A BILL FOR AN ACT RELATING TO THE ELECTIONS COMMISSION," was deferred until Friday, April 5, 2013.

S.B. No. 966 (H.D. 1):

By unanimous consent, action on S.B. No. 966 (H.D. 1), entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM MEDIATION ACT," was deferred until Friday, April 5, 2013.

S.B. No. 995 (H.D. 1):

By unanimous consent, action on S.B. No. 995 (H.D. 1), entitled: "A BILL FOR AN ACT RELATING TO IRRIGATION WATER DEVELOPMENT," was deferred until Friday, April 5, 2013.

### FINAL READING

S.B. No. 870, S.D. 1, H.D. 1:

On motion by Senator Hee, seconded by Senator Shimabukuro and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 870, S.D. 1, and S.B. No. 870, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO USE OF FORCE BY PERSONS WITH SPECIAL RESPONSIBILITY FOR CARE, DISCIPLINE, OR SAFETY OF OTHERS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kidani).

### THIRD READING

Stand. Com. Rep. No. 1238 (H.B. No. 369, H.D. 3, S.D. 2):

On motion by Senator Baker, seconded by Senator Galuteria and carried, Stand. Com. Rep. No. 1238 was adopted and H.B. No. 369, H.D. 3, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO FIRE SAFETY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kidani).

H.B. No. 200, H.D. 1, S.D. 1:

Senator Ige moved that H.B. No. 200, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Chun Oakland.

Senator Ige rose to speak in support of the measure as follows:

"I just wanted to start by thanking the members of the Ways and Means Committee and the entire Senate for their input, contributions, and suggestions that helped guide the development of the Senate draft of the executive budget. And I would also like, if you would permit me, a moment to acknowledge the staff of the Ways and Means Committee. I think all of you – as the senator from the Big Island, in the moment of contemplation, had mentioned – I think we all understand how important the staff is in our being able to carry out our obligations on behalf of the people of Hawai'i; and I did want to take a moment to introduce the staff from the Ways and Means Committee and my office staff who really helped the committee to keep on task and really move forward. So, if you could hold your applause until they are all introduced, I would like to introduce all of them here.

"First, and this is in alphabetical order: Ashley Advincula; Cal Azama; Rod Becker, budget chief; Dayna Chikamoto; Jonathan Chikamoto; Brittany Dunton; Michael Hamasaki; bills chief Susan Hirai; Joyce Kami, my office manager; Will Kane, who works on the CIP; Sabrina Nasir; Robert Nishimoto; Derek Okubo; Alan Sarhan; Michelle Scala; Mei Yee Cheng Steele; Daniel Truong; Ryan Tsuji; and Tony Valdez. Members, if you could give them a round of applause. They keep me on task and focused on the budget.

"Madam President, the approach that your Ways and Means Committee took in dealing with the executive budget was cautious, conservative, with a regard to budget expansion in fiscal matters. You know, as living through several sessions of budget cutting, we clearly did not want to grow the state budget too fast where we would be faced with making reductions to the

state budget. As a priority, we believe that we need to provide a solid financial base for the state as the economy recovers and expands.

"This proposed Senate draft of House Bill 200 cuts about \$134 million from the executive request while still making important strategic investments in our community. In developing the budget, we continued to adhere to the following principles: First, support the state's core functions, including programs that provide services for those most in need; next, make strategic investments in people and programs that encourage economic growth and lower future costs; and third, support long-term planning and accountability efforts to fundamentally change the character and delivery of government services.

"Our committee has supported the recapitalization of the Emergency Budget and Reserve Fund and the Hurricane Relief Fund to ensure that the state has adequate reserves as we pursue a broader capital improvement program.

"And I did want to comment on the unfunded liabilities of other post-employment benefits. Despite the scarcity of general funds, the Senate draft continues to include \$200 million over the fiscal biennium to begin making payments for other post-employment benefits. Over the past several years, the state has made significant progress in addressing the unfunded liability of the Employees' Retirement System. The appropriation of funds for OPEB payments and the passage of the Senate's version of S.B. No. 946 that serves as solid foundation and framework for future payments will also demonstrate the Legislature's commitment to address the unfunded liability of the EUTF. We believe that paying down our unfunded liabilities must be a priority, not left to discretion. Our proposal ensures that all state and county employers pay 100 percent of the annual required contribution for OPEB within six years. This would ensure that our unfunded liabilities on both fronts are currently in hand.

"I did want to comment on the fact that the executive budget is the largest component of the state general fund financial plan. Since the Senate's plan does not consider increases in any broad-based tax, this committee has exerted control over growth in the budget so that resources are available to address issues the budget document does not. As presented to the Legislature, the state general fund financial plan relied upon a carryover balance and revenue measures that the Legislature was not certain to adopt. As would be expected of any household or business, your committee carefully scrutinized expenses in an effort to avoid a budget that could not be supported by realistic operating revenue.

"The executive budget request would add about \$1.2 billion in general funds over the upcoming fiscal biennium. While this is significant, the costs are largely nondiscretionary in nature; \$78 million in the budget in each year is needed to restore labor costs. This amount represents the five percent reduction in compensation that state workers have endured over the last two years in an effort to keep our budget balanced. This restoration does not include any increase for collective bargaining contracts that are arrived at before the end of session. This cost and others, such as debt service, health premiums, retirement benefits, Medicaid, federal sequestration mitigation, and the state's first payments for its share of the EUTF unfunded liability, amount to \$908 million, or nearly three-quarters of the governor's general fund budget request. This draft of the executive budget supports the payment of all of these costs and other high priority items, yet still reduces the general fund budget request of the governor by more than \$130 million.

"The governor's budget request includes several significant initiatives and numerous other requests from state departments. Many of these requests would restore some of the significant

reductions enacted over the past few years. Some of the significant items that we funded included: \$54 million for the Office of Information Management and Technology to modernize the state's IT infrastructure; \$27 million to establish an early learning program; \$55 million for the weighted student formula to support students in the classroom. The committee found value in nearly all of the requests for funds it reviewed; however, tough choices had to be made. Though the Council on Revenues' projection has relieved some of the financial pressure, the increase pales in comparison to the countless requirements and needs of the state. Thus, the committee was judicious in their allocation of the state's limited resources. This budget provides \$6.1 billion for FY14 and \$6.2 billion for FY15 in general funds, and \$11.9 billion in FY14 and \$12.2 billion for FY15 across all means of financing.

"Controlling the increase in state government expenditures allows us to assure that funds are available in the financial plan to consider, first, collective bargaining costs, should the executive and collective bargaining agents arrive at a contract that is ratified; and payments of future liabilities so that the next generation does not bear the cost accrued by the current generation; and we also have space available for possible tax relief in the form of tax credits or income tax adjustments as appropriate.

"Colleagues, I encourage all of you to support the budget, as I believe that it identifies the most pressing priorities for all of us to move forward. Thank you."

Senator Baker rose to request that remarks in support of the measure be entered into the Journal, and the Chair so ordered.

The Chair having so ordered, Senator Baker's remarks read as follows:

"Madam President, I rise in support of HB200 HD1 SD1 relating to the state budget. At this time in our history it is especially important to put forth a prudent budget focusing on investments in our infrastructure, paying down our debts, promoting quality education and ensuring access to health care for all. These areas should be appropriately funded and are critical for the economic growth of our State and overall well-being of our people.

"First, provide appropriate funding for education. I'm pleased to see that additional dollars were appropriated for weighted student formula to cover costs incurred while preparing our students for the Common Core State Standards assessments. When we invest in student success, we are also promoting economic growth.

"I would like express a special mahalo to the Ways and Means Committee especially Chair Ige and Vice Chair Kidani for including the full authorization for construction of the much needed high school in Kihei. The South Maui region is the fastest growing area in the state with no high school. A high school in the Kihei-Makena region is long overdue and will significantly alleviate overcrowding in central Maui at Maui High and Baldwin High Schools. The Kihei campus will benefit students and teachers by providing a state-of-the-art facility conducive to project-based learning for our students. With this authorization for the full project amount of \$130 million, DOE can bid out the entire project as design-build, thus saving the DOE millions of dollars. I would note for the record that the land has already been purchased and the EIS completed. We just need to get the school constructed. It will help put many construction workers back to work as well.

"Second, get our unfunded liability under control. This budget seriously and methodically sets us on a path to address unfunded liabilities in our employees' health fund. As a policy statement, the Senate passed SB946 which establishes a framework for future payments. This budget appropriates funds

to make a down payment on the unfunded liability in OPEB, other post employment benefits, so our retirees can be assured their hard-earned and promised benefits will be there for them. By these actions, we truly make solid strides forward to fully address the unfunded liability of the Employer-Union Health Benefits Trust Fund.

"Third, make sure neighbor island hospitals receive much needed support. This budget continues important funding for Hawaii Health Systems Corporation's acute care hospitals including Maui Memorial Medical Center. HHSC is under increasing financial pressures as health care costs continue to rise while federal and private reimbursement rates decline. HHSC is the principal health care provider for Hawaii's most vulnerable citizens and visitors on the neighbor islands. Unless and until we find a private partner to assist the neighbor island hospitals, the State must continue its commitment to health care on the neighbor islands by providing operating and capital project funding to HHSC to ensure that all of Hawaii's citizens and visitors continue to receive adequate health care services and are not forced to travel away from home for life-saving, healing care.

"Fourth, invest in our people and our infrastructure. University of Hawaii, Maui College like other community colleges in Hawaii, play an important role in providing post-secondary educational opportunities for the people of Hawaii. Due to enrollment restrictions, Hawaii's community colleges are unable to generate the tuition revenues required to meet their operational needs. Therefore, it is pertinent that this body supports funding for the operating expenses of Hawaii's community colleges. As our community colleges thrive so will our non-traditional students and life-long learners who armed with new skills will be able to fill in-demand jobs and add to the economic growth of our community.

"Our physical infrastructure is the second part of our economic sustainability equation. This budget invests in our roadways, harbors and airports as well as refurbishing state buildings. These are crucial for sustained economic growth and job creation as well as the productivity of our state workforce. For instance, I'm pleased that WAM acknowledged the Public Utilities Commission's need for funds to obtain a larger more appropriate space to accommodate additional personnel and equipment necessary to better execute their duties in regulatory functions. The PUC provides critical oversight and regulation of our move to more renewable energy generation and distribution, the current electric companies, interisland shipping among others. They've outgrown their current space to do the important work required of them.

"These are just a few highlights I wanted to mention as I rose in support of H.B. No. 200, S.D. 1. I look forward to the conference draft which hopefully will retain the best of the Senate draft and some of the other projects for my district contained in the H.D. 1. Mahalo to the committee and their staff for crafting a budget we can proudly support."

Senator Slom rose to speak in support of the measure with reservations as follows:

"First of all, no one can deny the hard work of the Ways and Means Chair and the committee members, and also the openness and cooperation of the chair and the Ways and Means staff.

"Having said that, however, there is a need to change in our state: change in how we view real education, change in how we view economic development, change in our business climate. And yet, we don't see change, and we don't see it in the budgetary process because in the budget again this year, Madam President, the governor proposed a budget with nearly \$1 billion in additional new spending. The House reduced that,

but it was still an increase in spending. The Senate put back many of the things supporting the executive budget.

"The bottom line is we're still staring at more than \$23 billion in the next two years at a time when our economy continues to wander. We have not seen, as I have mentioned time and time again, an overall improvement – overall improvement – of our economy. We're being held up by the visitor industry single-handedly, and we know how that could change.

"We need further diversification in construction, retailing, manufacturing, wholesaling. We need to reduce the burden on our taxpayers and residents in this state who are struggling, and I know that all my colleagues get notes and emails and phone calls from their constituents telling them this – that every day it gets more and more difficult.

"So our role in here in this body should be to try to alleviate those hardships, and that has not been done in our budget process because we're focused on, as always, the growing demands of people seeking government funds. People come down here every day; they come and crowd into room 211, the Ways and Means, looking for, begging for, emotionally demanding funds for their particular project. And everybody's project and everybody's agency seems to be number one in importance. We haven't learned in government the realistic approach to prioritizing actual demands, and we make promises that, fiscally, we can't keep. Fiscally, we don't have the economic engine to deliver, and yet we continue doing this.

"I'm supporting this budget because I know we still have a long way to go in conference and there will still be further changes, and we'll find out, hopefully, more information. Hopefully, we'll have more positive information. But again, the thrust of the budget is more spending, more debt, and not lessening the burdens of our residents.

"Also, if we look at this bill, this budget bill, from the perspective of business and investment, we don't see any major changes in terms of economic development or making things better or providing more incentives or more opportunities. And we invite people down here to the Capitol to tell us: what do you need to do to expand your business? What do you need to do to have more investment? What do you need to do to hire more people? To pay greater wages? And they tell us, but we don't listen to them. And unfortunately, the budget process goes along in ignoring, basically, what the job creators are telling us as we pander more and more to those people that have become dependent on government. We spend an inordinate amount of time trying to fund union contracts for public union workers, and they are but a small part of the overall work force, yet we spend a great deal of time in doing it.

"I think that we are spending too much money, money that we do not have, and further burdening people. And I sincerely believe we need a change in direction and in priorities, and I don't see that fully recorded in this budget document. But I do like a number of the approaches the Senate took over the House and over the executive positions, and again, that's why I will support this with reservations.

"However, Madam President, I think it is important for me to indicate that, as has been the practice for the last several years, the Senate minority has worked diligently and hard in researching an alternative budget. And I'd like to introduce my staff today and have them recognized because very few of you in this room know what it's like to come to work every day and be outnumbered 24 to 1 – to have votes that are 24 to 1 – day after day after day after day. And yet we talk about bipartisanship and we talk about reaching across the aisles and all that. But we take our responsibilities seriously, and we may

be small in number, but I think we're great in terms of what we've accomplished.

"As I said, the Senate President, the Ways and Means director, the staff, and the Budget and Finance chief all got copies of our alternative budget last week. It was put online as we have done every year, but this year's a little different because it's much more detailed, it's much more specific. And at this time, I'd like to ask my staff to stand; please hold your applause until all have been introduced. Starting with our budget director who has done a tremendous job this year, Mr. Paul Harleman; Julia Allen of our staff; up in the gallery, Kaitlyn Baria, Noelani Bonifacio, Herb Laybon, and Melvin Ah Ching. Now you can applaud for them. Thank you so much.

"This is a document that we've introduced. It is full of statistics, full of data. We've attended every hearing. Paul has been to the Sunday sessions and looked at all the worksheets – and again, I want to thank the staff and the chair for all of their cooperation.

"We had four simple objectives in proposing an alternative budget. The budget accomplishes these objectives, and they are:

"(1) The budget does not rely on any current or future tax, or fee increases, in order to balance the budget.

"(2) It is our objective to reduce the size and cost of government through a combination of budget reductions, program consolidations, and policy reforms.

"(3) The budget provides a sustainable path to solve our problem with unfunded retirement benefit liabilities and recapitalize our budget reserves.

"And finally, the budget leaves the state treasury with a projected general fund surplus of \$741 million in fiscal year 2015, which could be used to lower the tax burden for our struggling taxpayers and small businesses.

"Our budget is \$1.6 billion less in total funding in comparison with the proposed executive budget; \$1 billion with the House of Representatives' budget. I urge you to look through it, to be critical of it, but it shows that, in fact, we can have an alternative and go in a direction that is different from what has been proposed.

"So I won't go into greater detail in the interest of time, and I will be actively looking at the negotiations that continue. Again, I thank the Ways and Means chair, staff, and everyone involved. The overall objective is to have a good, sustainable, and affordable budget for the people of the State of Hawai'i. Thank you, Madam President."

Senator Solomon rose to speak in support of the measure as follows:

"I would like to thank the Ways and Means chairman for taking the unfunded liability pilikia that we have been in for many, many years – taking it very seriously. That has been one of my particular concerns, and I have expressed this mana'o many, many times.

"But I, too, would like to express my concerns, Madam President, as to the direction of our state budget. I'm hoping that in our deliberations, or even for next session, that we would consider more incentives to be able to create more of what I consider to be revenue generators for the State of Hawai'i. I still don't understand why we can't consider some kind of gaming as a possibility, increasing our cash situation. I'm thinking also of why we cannot consider looking at more investment in alternative energy, such as geothermal energy production. I think that this would be a key for our future. I'm hoping that as we address our Hawaiian issues that we are

going to be giving more autonomy to the Department of Hawaiian Home Lands so they, in fact, can use their resources in helping to be able to provide the kinds of programs that are needed by their beneficiaries and being able to become more self-sufficient.

"I cannot express the importance of the public-private partnership legislation. It's unfortunate that we were not able to – I don't know where it is right now as I'm speaking, but if we had some dollars backing up this thought, I think that we could really provide more incentive to be able to get the private sector up and running.

"The bottom line, Madam President, as well you know, is building capacity in the private sector that is going to be our future for our Hawai'i nei, and to be able to provide the opportunities for our future generations.

"So again, thank you very much for this opportunity. Thanks to the Ways and Means Committee; I know how hard they're working and will continue to support their efforts. Thank you. Aloha."

Senator Tokuda rose to speak in support of the measure as follows:

"Contrary to the minority leader's belief, I do believe that this budget is fiscally prudent while allowing for targeted investments that will yield silent returns on investments that will save resources going forward and still hold agencies accountable on all levels of government.

"But specifically, I would like to highlight the Senate's support for education and our efforts to focus resources at the school level and in the classroom. I'd like to thank the Ways and Means chair and vice chair and the WAM staff for their diligence and ongoing commitment to understanding the many complex issues and systems surrounding education, and their willingness to work with your Education Committee to address the challenges we face through both the budget and our bills.

"House Bill 200, S.D. 1 increases the weighted student formula by \$10 million each fiscal year through Federal Impact Aid funds to ensure that these resources directly benefit students, and appropriates an additional \$40 million in Impact Aid for regular instruction in EDN100 to further support our schools. We have also included \$5 million in each year of the biennium within the weighted student formula to deal with the upcoming Common Core transition and Smarter Balanced assessments in 2014-15 and the preparations that are already underway.

"I recognize that there are still many questions on how we best implement the Common Core, a transition and shift that is taking place not only in Hawai'i, but in 45 other states, the District of Columbia, four territories, and all the DoDEA schools across the globe. What excites me about this is the opportunities this transition presents to transform how and what we teach. While much of the discussion on this line item has centered around the fact that it would be based on a one-to-one digital device, it really is much more than that. The real opportunity lies in the integrated professional development; the standardized, rigorous, and updated curriculum; and the use of formative assessments to individually move students forward. I appreciate that while we continue to address these questions, we have included a nominal placeholder amount in the budget to keep the discussion alive going into conference on how we best support schools, teachers, and students in this transition.

"We have also provided an additional \$4 million in general funds, subject to match from administrative funds, for school bus transportation. This is very much in line with your Education Committee's focus on reforms and greater accountability in the area of the department's operations for

school bus transportation. We will be doing a briefing during the interim to follow up on the results of the department's transportation pilot project and our expectations for the near and long-term future in this particular area.

"I should also note we have also passed S.C.R. 97 and sent it over to the House, which calls upon the department and board to undertake a systemwide review and overhaul of its school food services branch.

"In the area of charter schools, our budget reflects full staffing support for the Charter School Commission, which is critical given the complete recodification of our law passed last session and the new responsibilities placed on them as the state's sole authorizer. I should also note that as a result of your support in passing Act 130 last year, Hawai'i has moved up in national rankings, in terms of the strength of our charter laws, from being 35th out of 42 states to number 14 in the country. Our budget also includes a nominal placeholder amount for facilities funding for charter schools to allow us to take this discussion and concept to conference. I appreciate the chair's consideration of this, and I would like to acknowledge Senators Ruderman and Solomon for being strong advocates on this particular issue, and look forward to working on moving this forward.

"And last, but definitely not least, I'd like to express my deepest appreciation for support received for early learning in the budget: \$1.269 million in the first year, and \$24.553 million in the second year, with an additional \$4 million each year to expand and redirect Preschool Open Doors.

"Colleagues, I could talk for hours about the studies that tell us why investments in early learning make a difference. From Nobel Prize-winning economist James Heckman and his equation based on decades' worth of data and research that investments in early learning development yields high societal gains, to the Perry report that tracked high-risk three- and four-year-olds until age 40, with results pointing to the positive outcomes of preschool; from reductions in delinquencies and lifetime arrests, to the greater wage earnings and economic independence and less reliance on public assistance. We could also talk about the study done specifically for Hawai'i that estimates that for every dollar spent on early learning, we would see a return on investments or savings of \$4.20.

"But rather than go into those studies and go into detail on them as to why this appropriation that we have in our Senate budget is so significant to so many people, the governor got me thinking the other day when he told me about a family he met in Foodland: about how, while money was so tight that they budget down to the very last item that they decide what they can afford to spend on down to the can of Spam or that container of milk, the first thing they pay for every single month is that child's \$700 preschool tuition. They know that that's their child's ticket to a better way of life.

"This couple's story got me thinking about another young couple – two teenagers who had a child – and while they struggled, living in various rentals, Section 8 housing, and Grandma's house, they, too, made the sacrifice to pay for preschool to give their child a chance at a life and options they never had. And when that child started kindergarten, it didn't really matter what they didn't have; in fact, that child thought she had everything. In fact, she actually did: a family that loved her, and educational foundations that got her ready for school and whatever life brought next. Not a day goes by that I am not eternally grateful for all that those two teenage parents did for me growing up, and how blessed I am that my father is still here able to help me raise my two young sons.

"I know that life could have been very different and far worse for me. I saw it in the lives of people around me growing

up, and I know there are thousands of stories that are even more dramatic as to the power of preschool and early learning. All you need to do is look in your own life, in your own family, amongst friends, and in your own communities, and it will become ever so clear why this significant appropriation in our budget is so important to so many people. Thank you very much for your support for education in our budget.”

Senator Galuteria rose to speak in support of the measure as follows:

“I’d like to take this opportunity to thank the minority leader for sharing his perspective and the previous speakers for their specificity during their remarks. I will fly at about 30,000 feet and simply say, ‘Madam President, the majority supports this budget.’

“Hawai‘i stands at a threshold, colleagues, of a very bright, new future. As we also take this opportunity to thank the hard work of our Ways and Means chair and Ways and Means vice chair and our staff up there, because of their hard work, we’re well positioned as a state to lead the country in economic growth that will lift us – all of our people – and define the 21st century.

“In recent years, colleagues, our people and our state have faced immense challenges. The recession has left no family, no business, no community unaffected, and though there are still challenges to address, today we can say confidently that with this budget Hawai‘i has emerged in a better position than most other states.

“But we cannot sit back and wait for the economy to develop as we go into our conference committee. We must lead the way. Now is the time for Hawai‘i to choose our path forward to build the foundation for a stronger, more innovative economic future with the leadership of our Ways and Means Committee that harnesses the greatness of our people and allows for all of our citizens to succeed. So with that in mind, colleagues, I urge your support of this budget. Mahalo, Madam President.”

Senator Ige rose to speak in support of the measure as follows:

“Madam President, if I could just make one final comment: I did want to publicly thank – members, I’m sorry that the vice chair of Ways and Means is not here, but I did want to publicly acknowledge her work and her partnership in shaping the capital improvements programs that is part of this budget.

“Members, it still is a good time to make needed investments in state facilities. The interest rates are still at record low, the construction industry is still hurting (although recovering), and this budget does make a significant investment in the capital improvement infrastructure of our state.

“I just wanted to highlight a handful of things: \$120 million for the IT Enterprise Resource Planning System, as well the tax modernization project. We’ve made more than \$230 million for state-owned facilities for repair, maintenance, and health and safety investments in our public schools, our public hospitals, and the University of Hawai‘i System; and we funded \$33 million for the College of Pharmacy and made other significant investments in the University of Hawai‘i – West O‘ahu, and in public school facilities throughout this state, which I think goes a long way to ensuring that our communities and our citizens have access to quality public facilities. Thank you.”

The motion was put by the Chair and carried, H.B. No. 200, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO THE STATE BUDGET,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kidani).

Stand. Com. Rep. No. 1242 (H.B. No. 865, H.D. 1, S.D. 1):

Senator Ige moved that Stand. Com. Rep. No. 1242 be adopted and H.B. No. 865, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Chun Oakland.

Senator Slom rose to speak in opposition to the measure as follows:

“I am opposing the bill as I have consistently because it does include a new fund – a new special fund, the school facilities special fund. Thank you.”

Senator Thielen rose to speak in support of the measure with reservations as follows:

“First of all, I want to commend the Education chair for how far she has brought this bill and this idea. It is true that many of our schools need to be repaired and upgraded. We have changing population in areas that are long overdue for new school facilities, and I applaud her conservative approach to a pilot project that takes a look at the possibility of redeveloping two school properties to determine whether that could become a means of helping to improve our schools which so desperately need it.

“But I think one thing that we’ve learned in the last couple years is that people want to make sure that when the state does enter into long-term leases for the development of lands that it is done in an open process, and also that there is some community involvement. And I think there are two loose threads in this bill that I hope, as we go into conference committee, are addressed.

“The first loose thread really, I think, is an oversight, and it deals with the process the state would enter into negotiations for a long-term lease in the development of these school lands. Normally, any development that’s done through the Department of Land and Natural Resources is done under Chapter 171, which lays out a very specific public bidding and public notice process, and these are statutes that were enacted by this body to make sure that when we enter into long-term leases of public lands, it’s done in a manner to protect public trust. Other agencies that have been exempted from Chapter 171 either have enabling legislation, which lays out criteria and procedures they must follow when they lease lands, or administrative rules that lay out that procedure.

“What this bill does is it de-links DOE from the DLNR development, which is fine; it’s probably appropriate for the pilot projects for the possibility of development to be pursued by other agencies. But in that de-linking, I think it inadvertently leaves that long-term leasing process ungoverned by any statute or criteria or procedure. And I don’t think it’s appropriate to have an utter absence of procedure for long-term leases of state lands, but I think it could be rectified by referring to procedures that are used by other agencies or other statutes.

“The second area that I’m hoping that the conference committee addresses – and I believe it will – is the community engagement process in the selection of these two sites and the types of developments that will occur there. While I believe the Senate version of the bill is generally superior to the House version, in one area I think it’s worthwhile to take a look at the House version. They do have more specificity as far as the community engagement process. And because these are pilot projects that will determine how we proceed in the future, I think it’s worthwhile to make the extra effort to have the community involvement so that we can gain support and success.



"And so I wish our Education chair the greatest success in her efforts in conference committee, and thank her again for all the hard work that she has done to bring the bill this far."

Senator Taniguchi requested his vote be cast "Aye with Reservations," and the Chair so ordered.

Senator Dela Cruz rose to speak in support of the measure as follows:

"I just wanted to follow up on some of the comments that were just made. When you look at most of the properties that the Department of Education has even considered in regards to some of these programs, the land is owned by the city. So regardless of what process DLNR has, it still has to go through the city process of leasing land. So you know, I think we're mixing apples and oranges as far as ensuring that DLNR's process is exempt when DLNR is not even included in most of these processes anyway since the city owns the land."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1242 was adopted and H.B. No. 865, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SCHOOL REDEVELOPMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22; Ayes with Reservations (Taniguchi, Thielen). Noes, 1 (Slom). Excused, 2 (Green, Kidani).

Stand. Com. Rep. No. 1243 (H.B. No. 927):

Senator Ige moved that Stand. Com. Rep. No. 1243 be adopted and H.B. No. 927, having been read throughout, pass Third Reading, seconded by Senator Chun Oakland.

Senator Slom rose to speak in support of the measure with reservations as follows:

"First of all, this employment training fund is a tax; it's attached to the unemployment compensation tax that almost every employer pays. In the past, we've seen that there has been abuse of the use and distribution of these funds, not unlike some of the problems with Act 221, that the money was not actually going for training; it was going for specific programs. We also learned that only a few businesses used the fund for the purposes that it was allowed. And I think the premise of the bill is that training is the biggest problem facing small businesses in our community, and I would dispute that.

"The biggest problem, as I keep mentioning, are taxes, employer mandates, and regulations, and this of course doesn't do anything to absolve that. The problem is the tax is already being collected; the money is already there. I would urge other businesses, particularly the small businesses that make up 98 percent of our business climate, to find out how they can take advantage of these funds. But further, this time there's got to be oversight on how the monies are actually dispensed, whether or not people are held accountable for the actual training, and when the application is made for those funds – that there be a follow-up to see if the funds were actually used for that purpose. Thank you, Madam President."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1243 was adopted and H.B. No. 927, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYMENT AND TRAINING FUND," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Green, Kidani).

Stand. Com. Rep. No. 1244 (H.B. No. 925):

On motion by Senator Ige, seconded by Senator Chun Oakland and carried, Stand. Com. Rep. No. 1244 was adopted and H.B. No. 925, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYMENT SECURITY APPEALS REFEREE'S OFFICE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Green, Kidani).

Stand. Com. Rep. No. 1245 (H.B. No. 921):

On motion by Senator Ige, seconded by Senator Chun Oakland and carried, Stand. Com. Rep. No. 1245 was adopted and H.B. No. 921, entitled: "A BILL FOR AN ACT RELATING TO PROCEEDINGS BEFORE THE LABOR AND INDUSTRIAL RELATIONS APPEALS BOARD," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Green, Kidani).

Stand. Com. Rep. No. 1246 (H.B. No. 919):

On motion by Senator Ige, seconded by Senator Chun Oakland and carried, Stand. Com. Rep. No. 1246 was adopted and H.B. No. 919, entitled: "A BILL FOR AN ACT RELATING TO STATE EMPLOYMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 1 (Slom). Excused, 2 (Green, Kidani).

Stand. Com. Rep. No. 1247 (H.B. No. 527, H.D. 1):

Senator Ige moved that Stand. Com. Rep. No. 1247 be adopted and H.B. No. 527, H.D. 1, having been read throughout, pass Third Reading, seconded by Senator Chun Oakland.

Senator Slom rose to speak in opposition to the measure as follows:

"I find it interesting that the committee report says, 'Your Committee further finds that the numerous benefits accorded by the State to the National Guard and other military members in recent years will more than cover the loss of funds experienced by enlisted personnel upon the repeal of the uniform maintenance allowance.'

"I find that hard to believe, and if it were true, we're basically taking away a benefit from our armed forces personnel, and specifically from the enlisted personnel who would be the least likely to afford these costs. So I think it's a bad bill. I just signed a certificate this morning on behalf of the armed forces. We do a lot of talking about how we support the military, but this bill is not pro-military. Thank you."

Senator Espero rose to speak in support of the measure as follows:

"This measure has to do with the uniform maintenance allowance, and previously that was primarily for dry cleaning of uniforms. Today, many of the new uniforms are wash-and-wear; and speaking with General Wong on this matter, he'd like to see more funding for our personnel go towards education and tuition. There was no opposition to this measure, and that is one of the reasons why we are passing this bill. Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1247 was adopted and H.B. No. 527, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO UNIFORM MAINTENANCE ALLOWANCE," passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 1 (Slom). Excused, 2 (Green, Kidani).

Stand. Com. Rep. No. 1248 (H.B. No. 1314, H.D. 1, S.D. 1):

Senator Baker moved that Stand. Com. Rep. No. 1248 be adopted and H.B. No. 1314, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Galuteria.

Senator Slom rose to speak in opposition to the measure as follows:

"It was interesting testimony that we had during the public hearing of this bill. This bill really has nothing to do with consumers. It really is a turf battle between two competing breweries, basically. And the problem is that with the industry here, we certainly want to encourage more brewing, more employment, more activity, and more local products, but this bill doesn't do that. Thank you."

Senator Baker rose to speak in support of the measure as follows:

"I respectfully disagree with the assessment of the minority leader. It is not about a disagreement between two breweries, as there are a number of small-craft brewers that would like to be able to grow their industry, grow their business.

"I really look at this measure as akin to the 'Island Fresh' that we put on eggs and milk and things that are done here – not done offshore and come back here – or even Kona coffee. And I would also note that this is a permissive activity, and one that does not require funding, a regime to set up, or any kind of monitoring; it's a way to help our small-craft breweries grow. Thank you, Madam President."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1248 was adopted and H.B. No. 1314, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 1 (Slom). Excused, 2 (Green, Kidani).

Stand. Com. Rep. No. 1249 (H.B. No. 811, H.D. 2, S.D. 1):

On motion by Senator Baker, seconded by Senator Galuteria and carried, Stand. Com. Rep. No. 1249 was adopted and H.B. No. 811, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY INFORMATION REPORTING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Green, Kidani).

Stand. Com. Rep. No. 1250 (H.B. No. 654, H.D. 2, S.D. 1):

On motion by Senator Baker, seconded by Senator Galuteria and carried, Stand. Com. Rep. No. 1250 was adopted and H.B. No. 654, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO NURSING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Green, Kidani).

#### WAIVERS OF REFERRAL

Senator Ige, Chair of the Committee on Ways and Means, requested that the referrals of S.C.R. No. 166 and S.R. No. 123 to the Committee on Ways and Means be waived.

Senator Ige noted:

"I'm requesting this waiver because in reviewing the proposed resolutions it is clear it's a volunteer task force and there is no fiscal impact on the state."

The Chair granted the waivers.

On motion by Senator Ige, seconded by Senator Hee and carried, the following Senate concurrent resolution and Senate resolution were placed on the calendar for adoption on Friday, April 5, 2013:

S.C.R. No. 166, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE CONVENING OF A TASK FORCE TO STUDY THE SOCIAL, ECONOMIC, AND RELIGIOUS IMPACTS OF ENACTING MARRIAGE EQUALITY IN HAWAII," and

S.R. No. 123, entitled: "SENATE RESOLUTION REQUESTING THE CONVENING OF A TASK FORCE TO STUDY THE SOCIAL, ECONOMIC, AND RELIGIOUS IMPACTS OF ENACTING MARRIAGE EQUALITY IN HAWAII."

At 12:50 p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:51 p.m.

Senator Hee, Chair of the Committee on Judiciary and Labor, requested a waiver of the notice requirement pursuant to Senate Rule 21 for H.B. No. 668, S.D. 1.

Senator Hee noted:

"This is a measure dealing with medical marijuana. The measure has already been heard in a public hearing by the previous Committee on Health. We have conferred with the Committee on Health, and therefore, we are requesting a waiver to take up decision making only."

The Chair granted the waiver.

Senator Hee announced that the Committee on Judiciary and Labor and the Committee on Ways and Means would hold a public decision making meeting on Friday, April 5, 2013, at 11:00 a.m. in Conference Room 211.

At this time, the Chair made the following announcements:

"The deadline to file committee reports on House bills that need to pass Second Reading is 6:00 p.m. this evening."

Senator Dela Cruz rose to announce a lemonade stand contest sponsored by Lemonade Alley, with a cash prize to benefit the public schools in his senatorial district.

At 12:52 p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:54 p.m.

Senator Dela Cruz rose to note that the contest was not a fundraiser, but a contest in which students would be competing and learning about business.

Senator Espero rose to announce that the Committee on Public Safety, Intergovernmental and Military Affairs would be holding an informational briefing that day at 2:30 p.m. in Conference Room 224 regarding recent prison inmate escapes and incidents at OCCC.

#### ADJOURNMENT

At 12:55 p.m., on motion by Senator Espero, seconded by Senator Slom and carried, the Senate adjourned until 11:30 a.m., Friday, April 5, 2013.