

**JOURNAL**

**of the**

**HOUSE OF REPRESENTATIVES**

**of the**

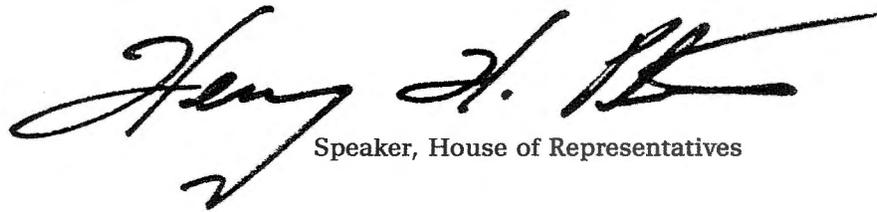
**ELEVENTH LEGISLATURE  
STATE OF HAWAII**

**SPECIAL SESSION OF 1981**

**Convened Monday, June 22, 1981  
Adjourned Monday, June 29, 1981**

**CERTIFICATE**

*We hereby certify that the minutes for each day's session as appears in this House Journal are true and correct and that the original copies have been duly signed by the Speaker and Clerk of the House of Representatives and are on file in the Archives of the State of Hawaii.*

  
Speaker, House of Representatives

  
Clerk, House of Representatives

## TABLE OF CONTENTS

	<b>Page</b>
First Day, Monday, June 22, 1981 .....	1
Second Day, Tuesday, June 23, 1981 .....	4
Third Day, Wednesday, June 24, 1981 .....	10
Fourth Day, Thursday, June 25, 1981 .....	19
Fifth Day, Friday, June 26, 1981 .....	20
Sixth Day, Monday, June 29, 1981 .....	22
 <b>Communication received after adjournment:</b>	
Governor's Message .....	26
 <b>Appendix:</b>	
Conference Committee Report .....	27
Standing Committee Reports .....	28
 <b>History:</b>	
House Bills .....	44
Senate Bills .....	49

THE  
ELEVENTH LEGISLATURE  
STATE OF HAWAII  
SPECIAL SESSION OF 1981  
JOURNAL OF THE HOUSE

FIRST DAY

Monday, June 22, 1981

In accordance with the provisions of Section 10, Article III of the Constitution of the State of Hawaii, the House of Representatives of the Eleventh Legislature of the State of Hawaii convened in Special Session on Monday, June 22, 1981, for consideration of the general appropriations bill and other legislative matters as may be necessary.

The Honorable Henry Haalilio Peters, member of the Twenty-First District, he having been elected Speaker of the House of Representatives on the opening day of the Eleventh Legislature and retaining that position under the provision of Rule 1.5 of the Rules of Procedure of the House of Representatives called the House to order at 9:00 o'clock a.m.

GOVERNOR'S MESSAGE

A message from the Governor (Gov. Msg. No. 1) was read by the Clerk as follows:

"STATE OF HAWAII  
EXECUTIVE CHAMBERS  
Honolulu

June 19, 1981

The Honorable Henry Haalilio Peters  
Speaker of the House of Representatives  
Eleventh State Legislature  
State Capitol  
Honolulu, Hawaii 96813

Dear Speaker Peters:

Transmitted herewith is the Proclamation convening the Legislature of the State of Hawaii in Special Session on Monday, June 22, 1981.

With warm personal regards, I remain,

Yours very truly,

/s/ George R. Ariyoshi

GEORGE R. ARIYOSHI

Enclosure"

"PROCLAMATION

I, GEORGE R. ARIYOSHI, Governor of the State of Hawaii, by virtue of the authority in me vested by law, do hereby convene the Legislature of the State of Hawaii, in Special Session on Monday, the 22nd day of June, 1981, at 9:00 o'clock a.m., for consideration of the general appropriation bill and other legislative matters as may be necessary.

DONE at the State Capitol,  
Honolulu, Hawaii,  
this 19th day of June,  
1981.

/s/ George R. Ariyoshi

GEORGE R. ARIYOSHI  
Governor of Hawaii

APPROVED AS TO FORM:

/s/ Tany S. Hong  
Attorney General"

The Divine Blessing was invoked by the Reverend Charles Wothke representing the Volunteer Information and Referral Service, after which the Roll was called showing all

members present with the exception of Representatives Andrews, D. Hagino, Lacy and Waihee, who were excused.

#### ORDER OF THE DAY

#### INTRODUCTION OF BILLS

Representative Stanley moved that the following bills (H.B. Nos. 1 to 20) pass First Reading by title, seconded by Representative Rohlfiing.

#### House Bill Nos.

1 "A Bill for an Act relating to the state budget."

Introduced by: Representative Peters.

2 "A Bill for an Act relating to the judiciary budget."

Introduced by: Representative Peters.

3 "A Bill for an Act relating to state bonds."

Introduced by: Representative Peters.

4 "A Bill for an Act relating to the 1984 Silver Jubilee of Hawaii's Statehood and making an appropriation therefor."

Introduced by: Representative Peters.

5 "A Bill for an Act relating to state officers and employees excluded from collective bargaining and making appropriations and other adjustments."

Introduced by: Representative Peters.

6 "A Bill for an Act relating to the public employees health fund."

Introduced by: Representative Peters.

7 "A Bill for an Act relating to deferred compensation plans for public employees."

Introduced by: Representative Peters.

8 "A Bill for an Act relating to the establishment of the venture

capital information center."

Introduced by: Representative Peters.

9 "A Bill for an Act relating to the Office of Hawaiian Affairs."

Introduced by: Representative Peters.

10 "A Bill for an Act making an appropriation for payment of a judgement between the State of Hawaii and Sylvia Gamino."

Introduced by: Representative Peters.

11 "A Bill for an Act relating to the compensation of certain persons under the Criminal Injuries Compensation Act and providing appropriations therefor."

Introduced by: Representative Peters.

12 "A Bill for an Act relating to the relief of certain persons' claims against the state and providing appropriations therefor."

Introduced by: Representative Peters.

13 "A Bill for an Act relating to the Hawaii Housing Authority."

Introduced by: Representative Peters.

14 "A Bill for an Act authorizing the issuance of special purpose revenue bonds to secure long-term mortgage refinancing for the Pohai Nani Good Samaritan Kauhale Health Care Facility."

Introduced by: Representative Peters.

15 "A Bill for an Act relating to the authorization of special purpose revenue bonds to assist utilities serving the general public."

Introduced by: Representative Peters.

16 "A Bill for an Act relating to special purpose revenue bonds for health care facilities."

Introduced by: Representative Peters.

17 "A Bill for an Act making an appropriation for the redevelopment

of the Aloha Tower Complex."

Introduced by: Representative  
Peters.

18 "A Bill for an Act relating  
to the tax review commission."

Introduced by: Representative  
Peters.

19 "A Bill for an Act relating  
to the state program for the unemployed."

Introduced by: Representative  
Peters.

20 "A Bill for an Act relating  
to general obligation bonds of  
the State of Hawaii."

Introduced by: Representative  
Peters.

#### COMMITTEE REFERRALS

At this time, the Chair referred  
House Bill Nos. 1 to 20 to the  
Committee on Finance.

Representative Kunimura then  
requested that the 48-hour notice  
for hearing be waived and the  
Chair stated:

"So ordered."

#### ADJOURNMENT

At 9:15 o'clock a.m., on motion  
by Representative Stanley, seconded  
by Representative Rohlfing and  
carried, the House of Representatives  
adjourned until 9:00 o'clock a.m.  
tomorrow, Tuesday, June 23,  
1981.

## SECOND DAY

Tuesday, June 23, 1981

The House of Representatives of the Eleventh Legislature of the State of Hawaii, First Special Session of 1981, convened at 9:00 o'clock a.m., with the Speaker presiding.

The Divine Blessing was invoked by Representative Herbert A. Segawa, after which the Roll was called showing all members present with the exception of Representatives Lacy, Monahan, Nakasato, Sakamoto, Taniguchi and Yamada, who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the First Day was deferred.

At 9:15 o'clock a.m., Representative Kamali'i asked for a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 9:23 o'clock a.m.

## GOVERNOR'S MESSAGES

At this time, the Clerk announced that he has received three (sine die) messages from the Governor dated June 22, 1981, for the Regular Session of 1981, as follows:

A message from the Governor (Gov. Msg. No. 97) returning House Bill No. 241 without his approval and with his statement of objections relating to the measure;

A message from the Governor (Gov. Msg. No. 98) transmitting his statement of objections to Senate Bill No. 1324, which he has returned to the Senate without his approval; and

A message from the Governor (Gov. Msg. No. 99) returning House Bill No. 1428, without his approval and with his statement of objections relating to the measure.

Representative Kamali'i then moved to amend House Bill No. 241, as provided in Article 3, Section 16, of the State Constitution for the purpose of meeting the objections of the Governor.

The motion was seconded by

Representative Rohlfiing.

At 9:24 o'clock a.m., Representative Stanley asked for a recess and the Chair declared a recess, subject to the call of the Chair.

Upon reconvening at 11:10 o'clock a.m., the Chair stated:

"There is a motion before this House," and requested that the Clerk of the House read the motion (to amend House Bill No. 241, as provided in Article 3, Section 16, of the State Constitution for the purpose of meeting the objections of the Governor).

The Chair then ruled the motion out of order.

Representative Kamali'i then rose and stated:

"Mr. Speaker, I would rise on a point of parliamentary inquiry then as to what your objections are to that motion."

The Chair answered:

"On the basis of Article III, Section 16, of the Constitution, it is very clearly stated that the way in which to deal with any measure being vetoed by the Governor. . . that action would have to occur on the 45th day. The 45th day would be July 7th."

Representative Kamali'i stated:

"Mr. Speaker, in discussing this in recess, we find that your interpretation of that is very restrictive and there is no other way that we can deal with the objections of the Governor unless we amend his objections. . ."

At this point, Representative Kunimura interrupted on a point of order and stated:

"I would like to know--is the Minority Leader appealing the ruling of the Chair or debating the ruling of the Chair?"

Representative Kamali'i answered:

"I was trying to get more information as to why you were calling my motion out of order."

Representative Kunimura continued:

"Mr. Speaker, if that be the case, then, I think the proper motion would be for a short recess to find out rather than use the floor for that kind of activity."

The Chair then said:

"Representative Kamali'i, the Chair has made his ruling. If you want to appeal the ruling of the Chair, you may do so, as a remedy."

Representative Kamali'i moved to appeal the ruling of the Chair.

The motion was seconded by Representative Rohlfing.

The Chair stated:

"The ruling of the Chair, for those of you who will be called upon to vote, to sustain the ruling of the Chair, you will vote 'aye'; those who are of the contrary feeling. . . position, will vote 'no'."

The Clerk proceeded with the vote and the Chair's ruling was sustained by a vote of 34 ayes to 11 noes, with Representatives Anderson, Ikeda, Isbell, Kamali'i, Levin, Liu, Marumoto, Medeiros, Narvaes, Rohlfing and Wong voting no, and Representatives Lacy, Monahan, Nakamura, Nakasato, Sakamoto and Yamada being excused.

The Chair then said:

"The ruling of the Chair is sustained. Shall we proceed?"

Representative Kamali'i rose and stated:

"Mr. Speaker, I rise, under your instructions, in how to deal with this measure. I move to override the veto of the Governor."

The motion was seconded by Representative Rohlfing.

At 11:16 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 1:21 o'clock p.m.

The Chair then stated:

"There is a motion before the House. At this time, the Chair would rule that the motion is out of order, that that matter is not

before the House at the present time. We are on item 6, Reports of Standing Committees."

Representative Kamali'i rose on a point of order and appealed the ruling of the Chair.

The Chair asked:

"Is that a motion, Representative Kamali'i?"

Representative Kamali'i so moved.

Representative Rohlfing seconded the motion.

The motion to appeal the ruling of the Chair was put to a vote and the Chair's ruling was sustained by voice vote.

Representative Kamali'i, on a point of information, asked:

"Would you please advise this body as to when it would be proper to veto the Governor's returned measure. . . to override his veto?"

The Chair answered:

"Either by way of a special order or at the appropriate time on the calendar."

Representative Kamali'i asked:

"Mr. Speaker, and when shall that be?"

The Chair answered:

"I suspect that you have the calendar of the day before you. I would suspect that either item number 7 or 8 could be utilized for that purpose."

Representative Kamali'i: "Mr. Speaker, I, therefore, call for the Order of the Day."

The Chair proceeded, "Item number 6, Reports of Standing Committees. . ."

Representative Kamali'i interrupted:

"Item number 6, Mr. Speaker, with regards to Rule 26: Number 6, Introductions of Bills and Resolutions, do not appear in accordance with our order of business and the Order of the Day, which comes prior to that, according to our House Rule 26. As described in our House rules, you have neglected to put certain items on the order of business, and I call for the Order of the Day."

The Chair stated:

"Representative Kamali'i, the Chair rules you out of order. The calendar is before you. Under Order of the Day, we are dealing with item number 6, Reports of Standing Committees."

Representative Kamali'i, on a point of information, asked:

"Are you saying that you are going against our House rules on the order of business?"

The Chair answered:

"Representative Kamali'i, I have made my ruling on this matter. We are on item number 6, Reports of Standing Committees. You want to appeal the ruling of the Chair, you can do so."

Representative Kamali'i replied:

"You know, this is like a broken record," and moved to appeal the ruling of the Chair.

The motion was seconded by Representative Rohlfing.

Chair: "It has been moved and seconded. . . any discussion?"

Representative Kamali'i stated:

"Yes. I am just a little fed up about being muscled in this House."

The Chair then stated:

"Representative Kamali'i, I expect proper decorum on this floor."

Representative Kamali'i answered:

"So do I, Mr. Speaker."

The motion to appeal the ruling of the Chair was put to a vote and the Chair's ruling was sustained by voice vote.

Representative Kamali'i rose on a point of information and asked:

"Question to the Chair, Mr. Speaker, is: Will you be following Rule 26 tomorrow?"

The Chair answered:

"Representative Kamali'i, that matter is not before us at this time. I consider you out of order. Shall we proceed with the Order

of the Day?"

Representative Kamali'i answered:

"You got the votes, you do what you want."

#### STANDING COMMITTEE REPORTS

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1) recommending that H.B. No. 1 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 2) recommending that H.B. No. 2 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 2, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY BUDGET", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 3) recommending that H.B. No. 3 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 3, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 4) recommending that H.B. No. 4 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 4, entitled: "A BILL FOR AN ACT RELATING

TO THE 1984 SILVER JUBILEE OF HAWAII'S STATEHOOD AND MAKING AN APPROPRIATION THEREFOR", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 5) recommending that H.B. No. 5 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 5, entitled: "A BILL FOR AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 6) recommending that H.B. No. 6 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 6, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 7) recommending that H.B. No. 7 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 7, entitled: "A BILL FOR AN ACT RELATING TO DEFERRED COMPENSATION PLANS FOR PUBLIC EMPLOYEES", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No.

8) recommending that H.B. No. 8 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 8, entitled: "A BILL FOR AN ACT RELATING TO THE ESTABLISHMENT OF THE VENTURE CAPITAL INFORMATION CENTER", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 9) recommending that H.B. No. 9 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 9, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 10) recommending that H.B. No. 10 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 10, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PAYMENT OF A JUDGMENT BETWEEN THE STATE OF HAWAII AND SYLVIA GAMINO", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 11) recommending that H.B. No. 11 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 11, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF CERTAIN PERSONS UNDER THE CRIMINAL INJURIES COMPENSATION ACT AND PROVIDING APPROPRIATIONS THEREFOR", passed Second Reading and was

placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 12) recommending that H.B. No. 12 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 12, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 13) recommending that H.B. No. 13 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 13, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING AUTHORITY", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 14) recommending that H.B. No. 14 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 14, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO SECURE LONG-TERM MORTGAGE REFINANCING OF THE POHAI NANI GOOD SAMARITAN KAUALE HEALTH CARE FACILITY", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 15) recommending that H.B. No. 15 pass Second Reading and be

placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 15, entitled: "A BILL FOR AN ACT RELATING TO THE AUTHORIZATION OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST UTILITIES SERVING THE GENERAL PUBLIC", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 16) recommending that H.B. No. 16 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 16, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HEALTH CARE FACILITIES", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 17) recommending that H.B. No. 17 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and H.B. No. 17, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE REDEVELOPMENT OF THE ALOHA TOWER COMPLEX", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the majority of the Committee on Finance, presented a report (Stand. Com. Rep. No. 18) recommending that H.B. No. 18 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the majority of the Committee was adopted and H.B. No. 18, entitled: "A BILL FOR AN ACT RELATING TO THE TAX REVIEW COMMISSION", passed Second Reading and was placed on the calendar for Third Reading, with Representatives Anderson,

Isbell, Kamali'i, Liu, Marumoto, Medeiros, Narvaes, Rohlfing and Wong voting no.

Representative Kunimura, for the majority of the Committee on Finance, presented a report (Stand. Com. Rep. No. 19) recommending that H.B. No. 19 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the majority of the Committee was adopted and H.B. No. 19, entitled: "A BILL FOR AN ACT RELATING TO THE STATE PROGRAM FOR THE UNEMPLOYED", passed Second Reading and was placed on the calendar for Third Reading, with Representatives Anderson, Isbell, Kamali'i, Liu, Marumoto, Medeiros, Narvaes, Rohlfing and Wong voting no.

Representative Kunimura, for the majority of the Committee on Finance, presented a report (Stand. Com. Rep. No. 20) recommending that H.B. No. 20 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the majority of the Committee was adopted and H.B. No. 20, entitled: "A BILL FOR AN ACT RELATING TO GENERAL OBLIGATION BONDS OF THE STATE OF HAWAII", passed Second Reading and was placed on the calendar for Third Reading, with Representatives Anderson, Isbell, Kamali'i, Liu, Marumoto, Medeiros, Narvaes, Rohlfing and Wong voting no.

At this time, the Chair referred Governor's Message No. 97 (Sine Die), of the Regular Session of 1981, returning House Bill No. 241 and the statement of objections relating to the measure, to the Committee on Finance.

The Chair then proceeded to item 8, Announcements.

Representative Kamali'i, on a point of order, stated:

"You have item number 7 which you whizzed by. I wondered why we are not taking up item 7, Miscellaneous Business."

The Chair replied:

"Usual and customary practice."

Representative Kamali'i stated:

"I have some miscellaneous business to take up, Mr. Speaker."

The Chair answered:

"Representative Kamali'i, you are out of order. We have passed that item already."

At 1:30 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 1:57 o'clock p.m.

#### ADJOURNMENT

At 1:58 o'clock p.m., on motion by Representative Stanley, seconded by Representative Rohlfing and carried, the House of Representatives adjourned until 9:00 o'clock a.m. tomorrow, Wednesday, June 25, 1981.

## THIRD DAY

Wednesday, June 24, 1981

The House of Representatives of the Eleventh Legislature of the State of Hawaii, First Special Session of 1981, convened at 9:00 o'clock a.m., with the Speaker presiding:

The Divine Blessing was invoked by the Reverend Marvin R. Bice representing Central Baptist Church, after which the Roll was called showing all members present with the exception of Representatives de Heer, Lacy, Monahan and Tungpalan, who were excused.

By unanimous consent, reading of the Journal was deferred.

## ORDER OF THE DAY

## SUSPENSION OF RULES

On motion by Representative Stanley, seconded by Representative Rohlfing and carried, the rules were suspended for the purpose of considering bills on Third Reading on the basis of a modified consent calendar.

## THIRD READING

The following bills which were on the calendar for Third Reading, were read throughout and the following action taken:

H.B. No. 1:

Representative Kiyabu moved that H.B. No. 1 pass Third Reading, seconded by Representative Morioka.

Representative Kamali'i rose to speak in favor of the bill with reservations stating:

"Mr. Speaker, the House Finance Committee hearing on this bill highlighted the major change effected since we first passed what we thought would be the state budget two months ago. That change is a proviso authorizing the Governor to use his usual if questionable power to transfer monies among programs, and now the highly irresponsible power to use whatever portion or the entirety of the so called "cushion" between the total of what is appropriated and the spending limit.

Why do I call that proviso irresponsible when everyone knows and agrees that it is necessary to protect the Department of Education from whatever disruptions occur because of federal reductions in federal impact aid? Well, I'm certainly in total agreement with the notion that we should be in a position to assess and to respond to those reductions. We, not the Governor acting alone. We, meaning all of the programs reliant on federal funds, not a program at a time.

The Governor should not be given a virtual blank check which may be filled in with an amount somewhere between five million and seventeen million dollars. We don't even have an accurate, commonly agreed on figure for the "cushion". I find that incredible, also.

I have said publicly, and will continue to propose, that this Legislature must be an active part of the budgetary decisions now anticipated as necessary accommodations to the national budget.

But, what is most important to me is that this body accept its role in those difficult decisions, not that we continue to find clever ways of transferring our powers to the Governor, as we have done in this proviso.

Thank you."

The motion to pass H.B. No. 1 entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET", on Third Reading was put by the Chair and carried by a vote of 47 ayes with Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

H.B. No. 2:

On motion by Representative Kiyabu, seconded by Representative Morioka, H.B. No. 2 entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY BUDGET", passed Third Reading by a vote of 47 ayes with Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

The Chair directed the Clerk to note that H.B. Nos. 1 and 2 had passed Third Reading at 9:22 o'clock a.m.

H.B. No. 3:

Representative Kiyabu moved that H.B. No. 3 pass Third Reading, seconded by Representative Morioka.

Representative Kamali'i rose to speak against the bill stating:

"Mr. Speaker, the incorporation of a twelve per cent interest rate on the general obligation bonds necessary to fund these projects should be deferred until next session when we can carefully and thoughtfully consider the implications of this higher interest rate.

Allow me to quote from the Committee report which accompanied the State budget passed during the regular session:

" . . . prudence would dictate the adoption of a reasonably conservative stance in making capital investment appropriations. Because of inordinately high interest rates the State has encountered difficulty in entering the municipal bond market and, in fact, has not done so in the current fiscal year. This means that although hundreds of millions of dollars of appropriations were lapsed on June 30, 1980, as required by the Constitution, there still exists \$495 million in authorized but unissued bonds . . . made in the 1979 and 1980 sessions.

"Because unencumbered appropriations from the 1979 and 1980 Acts are not scheduled to lapse until June 30, 1982, the backlog of authorized but unissued bonds will continue to limit the Legislature's power to authorize new appropriations and bonds, at least through the 1982 session and possibly beyond.

"Thus, the combination of high interest rates and the backlog of old appropriations has compelled your committee to review all capital investment appropriation requests and to hold appropriation levels to that amount which can reasonably be expended or encumbered within the three-year limitation period specified by the Constitution . . ."

I find that reasoning still persuasive and reasonable two months later. Why can't we wait another six months, see what happens on the bond market, and then act in a prudent manner.

I can appreciate the uneasiness

which the Department of Budget and Finance and the Governor are feeling because the interest rates have exceeded our ceiling of nine and a half per cent for a year. But we should not permit that uneasiness to push us into ill-considered over-reaction which could cost us millions and millions of dollars over the thirty-year life of bonds 'rushed into'.

We have the time. Let's use it to our advantage, and to the advantage of the citizens.

Thank you."

At 9:25 o'clock a.m., at the request of Representative Kiyabu, the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 9:26 o'clock a.m.

The motion to pass H.B. No. 3 entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS", on Third Reading was put by the Chair and carried by a vote of 38 ayes to 9 noes with Representatives Anderson, Isbell, Kamali'i, Liu, Marumoto, Medeiros, Narvaes, Rohlfing and Wong voting no, and Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

The Chair directed the Clerk to note that H.B. No. 3 had passed Third Reading at 9:26 o'clock a.m.

H.B. No. 4:

On motion by Representative Kunimura, seconded by Representative Kiyabu, H.B. No. 4 entitled: "A BILL FOR AN ACT RELATING TO THE 1984 SILVER JUBILEE OF HAWAII'S STATEHOOD AND MAKING AN APPROPRIATION THEREFOR", passed Third Reading by a vote of 47 ayes with Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

The Chair directed the Clerk to note that H.B. No. 4 had passed Third Reading at 9:26 o'clock a.m.

H.B. No. 5:

On motion by Representative Kunimura, seconded by Representative Kiyabu, H.B. No. 5 entitled: "A BILL FOR AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS

AND OTHER ADJUSTMENTS", passed Third Reading by a vote of 47 ayes with Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

H.B. No. 6:

On motion by Representative Kunimura, seconded by Representative Kiyabu, H.B. No. 6 entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND", passed Third Reading by a vote of 47 ayes with Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

The Chair directed the Clerk to note that H.B. Nos. 5 and 6 had passed Third Reading at 9:27 o'clock a.m.

H.B. No. 7:

On motion by Representative Kunimura, seconded by Representative Kiyabu, H.B. No. 7 entitled: "A BILL FOR AN ACT RELATING TO DEFERRED COMPENSATION PLANS FOR PUBLIC EMPLOYEES", passed Third Reading by a vote of 47 ayes with Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

H.B. No. 8:

On motion by Representative Kunimura, seconded by Representative Kiyabu, H.B. No. 8 entitled: "A BILL FOR AN ACT RELATING TO THE ESTABLISHMENT OF THE VENTURE CAPITAL INFORMATION CENTER", passed Third Reading by a vote of 47 ayes with Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

The Chair directed the Clerk to note that H.B. Nos. 7 and 8 had passed Third Reading at 9:28 o'clock a.m.

At 9:28 o'clock a.m., at the request of Representative Rohlfing, the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 9:30 o'clock a.m.

H.B. No. 9:

On motion by Representative Kunimura, seconded by Representative Kiyabu, H.B. No. 9 entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN

AFFAIRS", passed Third Reading by a vote of 44 ayes to 3 noes with Representatives Anderson, Kamali'i and Rohlfing voting no and Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

H.B. No. 10:

On motion by Representative Kunimura, seconded by Representative Kiyabu, H.B. No. 10 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PAYMENT OF JUDGEMENT BETWEEN THE STATE OF HAWAII AND SYLVIA GAMINO", passed Third Reading by a vote of 47 ayes with Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

The Chair directed the Clerk to note that H.B. Nos. 9 and 10 had passed Third Reading at 9:30 o'clock a.m.

H.B. No. 11:

On motion by Representative Kunimura, seconded by Representative Kiyabu, H.B. No. 11 entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF CERTAIN PERSONS' CLAIMS UNDER THE CRIMINAL INJURIES COMPENSATION ACT AND PROVIDING APPROPRIATIONS THEREFOR", passed Third Reading by a vote of 47 ayes with Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

The Chair directed the Clerk to note that H.B. No. 11 had passed Third Reading at 9:31 o'clock a.m.

H.B. No. 12:

On motion by Representative Kunimura, seconded by Representative Kiyabu, H.B. No. 12 entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR", passed Third Reading by a vote of 46 ayes to 1 no, with Representative Ikeda voting no and Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

H.B. No. 13:

On motion by Representative Kunimura, seconded by Representative Kiyabu, H.B. No. 13 entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING AUTHORITY", passed Third Reading by a vote of 47 ayes with Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

The Chair directed the Clerk to

note that H.B. Nos. 12 and 13 passed Third Reading at 9: 32 o'clock a.m.

H.B. No. 14:

On motion by Representative Kunimura, seconded by Representative Kiyabu, H.B. No. 14 entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO SECURE LONG-TERM MORTGAGE REFINANCING FOR THE POHAI NANI GOOD SAMARITAN KAUAHALE HEALTH CARE FACILITY", passed Third Reading by a vote of 46 ayes which was not less than two-thirds of all the members to which the House is entitled, to 1 no with Representative Baker voting no and Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

H.B. No. 15:

On motion by Representative Kunimura, seconded by Representative Kiyabu, H.B. No. 15 entitled: "A BILL FOR AN ACT RELATING TO THE AUTHORIZATION OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST UTILITIES SERVING THE GENERAL PUBLIC", passed Third Reading by a vote of 46 ayes which was not less than two-thirds of all members to which the House is entitled, to 1 no with Representative Hirono voting no and Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

H.B. No. 16:

On motion by Representative Kunimura, seconded by Representative Kiyabu, H.B. No. 16 entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HEALTH CARE FACILITIES", passed Third Reading by a vote of 46 ayes which was not less than two-thirds of all members to which the House is entitled, to 1 no with Representative Baker voting no and Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

H.B. No. 17:

On motion by Representative Kunimura, seconded by Representative Kiyabu, H.B. No. 17 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE REDEVELOPMENT OF THE ALOHA TOWER COMPLEX", passed Third Reading by a vote of 44 ayes to

3 noes, with Representatives Baker, Isbell and Rohlfing voting no and Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

The Chair directed the Clerk to note that H.B. No. 17 had passed Third Reading at 9: 34 o'clock a.m.

H.B. No. 18:

Representative Kunimura moved that H.B. No. 18 pass Third Reading, seconded by Representative Kiyabu.

Representative Rohlfing rose to speak against H.B. No. 18 stating:

"Mr. Speaker, very briefly, my comments in respect to House Bill No. 18, also refer to House Bill Nos. 19 and 20, so that we don't have to say them all over again.

The Republican members, prior to this special session of the Legislature called by the Governor, very carefully considered the items that we thought should come before this body under those circumstances. And we felt and took a position then, from which we have not deviated and see no reason to deviate. That the matters before this body and this session should be confined to the bills that are returned by the Governor to us. That included, as you realized yesterday, House Bill No. 241, the excise tax relief.

We believe that there is a need for more information regarding these measures before they are enacted. We do not believe that it has been proven that there is a need for precipitated action on these measures at this time.

Therefore, Mr. Speaker, in voting no, we do not necessarily vote no on the merits of the measure but we feel that these matters could well await the convening of the regular session in 1982.

Thank you."

Representative Fukunaga rose to speak in favor of H.B. No. 18 stating:

"Mr. Speaker, this measure provides funds for the constitutionally mandated tax review commission to do its work. The work of the Committee is important because neither the executive nor the legislative branch has done a comprehensive review of the State's overall tax system. There has been no systematic review of our tax

structure for more than two decades.

Mr. Speaker, we all agree that State tax payers need and deserve tax relief. In order to do so, we need to re-examine and review the underlying policies and foundations of Hawaii's tax structure.

House Bill No. 18 appropriates three-hundred thousand dollars in fiscal year 1981-82 and twenty-four thousand four hundred and thirteen dollars in fiscal year 1982-83 to allow the Commission to conduct that kind of in-depth review.

I hope that my colleagues across the aisle, who so strongly agree on the urgency of tax relief, will recognize the importance of this measure in addressing that need.

Mr. Speaker, if we do not provide funds for the Commission's work, we increase the risk that continued piecemeal changes to our tax system will result in gubernatorial veto. The Governor's objection to House Bill No. 241 which would have increased excise tax credits to all resident tax payers clearly demonstrates the need for comprehensive review of our tax system.

We need to know how to implement our tax relief policies without incurring unintended adverse impacts on our beneficiaries, the tax payers of this State. I urge all my colleagues to take a big step forward to achieving an equitable and efficient tax system by supporting this measure.

Thank you."

Representative Anderson rose to speak against H.B. Nos. 18, 19 and 20 stating:

"I didn't plan on any speeches this morning Mr. Speaker, but why is it that every time that we have to be the responsible body on this side.

Yesterday, we asked you to take an amendment to House Bill No. 241 which came out of your side. It was for the poor, it was responsible, and we were turned down. This morning you're saying, "hey, be responsible. This has to be done." I don't think that's fair.

Everytime that you want us

to be responsible, it's a good bill. When we have something that's responsible, it's bad. It becomes partisan. I don't think that it is fair to continually ask us to back bills because you think it's responsible, but when we ask for your help, it's irresponsible.

So right now, Mr. Speaker, I'll go along with what Representative Kunimura said last night on television, that it would be very stupid at this time to rush things through. We have time. You yourself said yesterday that we can wait and reconvene in forty-five days if need be and at that time, take up some of these measures.

So if I were the rest of the people, I would say let's be responsible and wait. Let the Finance Committee check over all bills to make sure we're doing a good job, and if need be, we can come back. We can pass the budget and recess if we have to.

Thank you."

Representative Kunimura rose to speak in favor of H.B. No. 18:

"This bill has not changed one iota since House Bill No. 1763, HD1 regular session of 1981. At that point, this bill passed the House almost unanimously except for two votes and with one excused.

But, Mr. Speaker, that doesn't make it right, it doesn't make it good. I'd like to set the record straight.

Yesterday, an amendment was offered to House Bill No. 241. I have not seen the amendment. Mr. Speaker, when you make reference to yesterday's actions on the part of this House on something that wasn't even on the calendar, and I make reference that that is the equivalent to this bill, it's like comparing apples and oranges. I've never seen Sunkist oranges sold in the same crate with apples because they don't mix.

Mr. Speaker, I would like to say all the arguments advanced during the last session in favor of, or even against this measure, were not the merits. The members of the House speaking against House Bill No. 1763, HD1 last session, the same bill, spoke against because they said 'why delay?'

I think you know the history of

this bill, Mr. Speaker. We gave only forty-thousand dollars to do a yeoman's job. They were appointed almost a year later.

This is putting the money where the mouth is. If people can dance and throw in dilatory tactics, it's all right. It's the reason for the creation of this type of government. Let us be sincere. If you're really against this, then speak on the merits but not this chicanery or as it's called in other counties, 'shibai'.

Thank you."

Representative Kamali'i rose to speak in rebuttal stating:

"I want to rebutt some of the remarks made by the previous speakers in regards to our vote. I want to make very clear that we in the Republican caucus voted for this measure in the regular session. We voted for other measures that appear on the OD this morning.

We didn't kill any of these bills, and if you're referring to this side of the aisle pulling chicanery or mixing apples and oranges, I hope it's referred to across the rotunda.

We are voting no on these measures because we thought there would be an understanding between this body and that body that there would be limited discussions on what we would take up in this special session.

Representative Yamada interrupted on a point of order stating:

"Will the speaker speaking against the bill stick to the merits of the bill?"

Representative Kamali'i replied:

"I yield."

Representative Kamali'i then continued to speak against the bill stating:

"In reference to the Tax Review Commission bill, Mr. Speaker, I want it made clear that the only reason that this side of the aisle is voting against it, is because we said we would take up only the measures that were returned to us by the Governor, and that's the only reason."

Representative Kunimura rose in rebuttal stating:

"Contrary to what was reported

in the media, we did not have an agreement. Some people in the legislative process, and that includes two Houses, tend to believe what's printed in the newspaper, tend to believe what is said over television as gospel. Then I hope that everybody goes to church because every Sunday and every Saturday, you can tune on to any station and they tell you to go to church.

Mr. Speaker, the President of the Senate was incommunicado . . .

Representative Kamali'i interrupted on a point of order stating:

"I didn't know whether the speaker was speaking to the measure or rebutting my statements."

Representative Kunimura answered:

"It's natural that I would speak in favor of the bill and I'm not rebutting the honorable minority leader. I'm only trying to confirm . . .

Representative Kamali'i interrupted on a point of order stating:

"I would like the honorable Finance Chairman to refine his remarks to House Bill No. 18."

The Chair stated:

"Representative Kunimura, will you continue along those lines."

Representative Kunimura then asked:

"Was that request 'refine' or 'restrict' myself to House Bill No. 18?"

The Chair replied:

"Restricting yourself to the merits of the bill."

Representative Kunimura then continued:

"Mr. Speaker, statement was made about this bill not being agreed upon to be on the agenda. I'm answering what should have been answered a long time ago. The President of the Senate refused to meet the members of this House, especially the Speaker. Last week we waited, Mr. Speaker. I waited. I had a lot of things to do, okay. Wednesday, half day, Thursday and Friday. If his private business is more important than the affairs of this State, then that's something that we should look into,

and then come back and tell the world, or the people of this State that we had an agreement. That's a big b.s."

At this time, Representative Stanley proceeded to register the votes for the majority members.

Representative Rohlfing interrupted to speak on the merits of the measure stating:

"Mr. Speaker, while we're setting records straight and I probably wouldn't have said this except that the honorable representative from Kauai did refer to the vote on this measure when it first passed in another form, another number. And having been one of the two people that he referred to as having voted negatively on the measure, I wish to state that on the merits personally, I stated the position of the Republican members previously with respect to all of these measures as they pertained to the session.

But in my own personal position on this measure, I am also opposed to it on the merits. The reasons are the same that I stated at the time of the general session, that again, like many other things, we have deferred to commissions to do the work that the legislature constitutionally and otherwise should attend to. And that is, to act to correct our tax situation to make it more equitable. And for how many years have we had the vehicles before us, including the exemption on tax, food and drugs which has been before this body and the Senate and so forth, for years. We have not been able, however, to get a vote on that. We couldn't get yesterday, a vote on a measure which had actually passed this body and the Senate to allow tax relief.

So when we are asked on this side of the aisle, to support something towards tax relief, which is in effect a commission, which is an excuse for non-action, then I wish to make my position very clear that we have had, and we do have now a chance to take action on tax relief. Why don't we do it?

Thank you."

Representative Kunimura rose to speak but was interrupted on a point of order by Representative

Stanley who stated:

"Mr. Speaker, I believe we are in the process of taking a vote on this bill."

Representative Kunimura rose on a point of order stating:

"That was a rebuttal and movant has the right to make the last rebuttal."

The Chair ruled:

"Proceed."

Representative Kunimura stated:

"That's the very point that I was trying to advance during the last session in support of this bill. The very person that talks about letting commissions do our work, as a member or officer of the court, he failed to recognize that this commission was created by the Constitution and not by the State legislature. So I'm wondering why now, maybe some members of the State Bar Association don't support the Constitution."

Representative Narvaes rose to speak against H.B. No. 18 stating:

"Mr. Speaker, in the regular session, I was one of the two votes against this bill that Representative Kunimura referred to. And at that time and now, I believe very strongly that the buck stops here. That it is our responsibility to reform taxes. That it is the responsibility of the Governor who has tremendous staff to analyze the tax structure, the tax system. He should also be giving us recommendations.

I've seen too many commissions formed. I've seen commissions give us many recommendations and more often than not, the recommendations are not followed. I get a feeling that with this tax review commission that's what we'll be looking at again.

We already know of areas in our tax structure that we can and should reform. One area is the excise tax on food and drugs. I think that almost everyone of us here believes very strongly that it's a safe tax that could be eliminated. We just tried to pass the bill during the regular session that would have given people back what they would have spent in that area and after the Governor sent it back to us, for some reason

we can't come to some kind of an agreement where we can send the bill back to him again.

Mr. Speaker, we don't need a commission, really. The buck stops here. I urge all members to vote against this bill."

Representative Kunimura rose to speak and the Chair asked:

"For what purpose do you rise?"

Representative Kunimura answered:

"For every opportunity that you give them to knock this down, I have the right to rebutt."

Representative Kamali'i rose on a point of order requesting a short recess.

At 9: 53 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 9: 57 o'clock a.m.

The Chair then stated:

"For the record, the Chair recognized Representative Stanley to establish the vote on the majority side, the Chair now proceeds to recognize Representative Rohlfing."

The motion to pass H.B. No. 18 entitled: "A BILL FOR AN ACT RELATING TO THE TAX REVIEW COMMISSION", on Third Reading was put by the Chair and carried by a vote of 37 ayes to 10 noes, with Representatives Anderson, Andrews, Isbell, Kamali'i, Liu, Marumoto, Medeiros, Narvaes, Rohlfing and Wong voting no and Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

#### H.B. No. 19:

On motion by Representative Kunimura, seconded by Representative Kiyabu, H.B. No. 19 entitled: "A BILL FOR AN ACT RELATING TO THE STATE PROGRAM FOR THE UNEMPLOYED", passed Third Reading by a vote of 37 ayes to 10 noes, with Representatives Anderson, Andrews, Isbell, Kamali'i, Liu, Marumoto, Medeiros, Narvaes, Rohlfing and Wong voting no and Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

#### H.B. No. 20:

On motion by Representative Kunimura,

seconded by Representative Kiyabu, H.B. No. 20 entitled: "A BILL FOR AN ACT RELATING TO GENERAL OBLIGATION BONDS OF THE STATE OF HAWAII", passed Third Reading by a vote of 39 ayes to 9 noes, with Representatives Anderson, Isbell, Kamali'i, Liu, Marumoto, Medeiros, Narvaes, Rohlfing and Wong voting no and Representatives de Heer, Lacy, Monahan and Tungpalan being excused.

The Chair directed the Clerk to note that H.B. Nos. 18, 19 and 20 had passed Third Reading at 9: 57 o'clock a.m.

At 10: 06 o'clock a.m., at the request of Representative Rohlfing, the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 10: 14 o'clock a.m.

On motion by Representative Stanley, seconded by Representative Rohlfing and carried, the Journal remained open until 12: 00 midnight and all bills received by 12: 00 o'clock midnight passed First Reading by title.

#### COMMITTEE REFERRALS

At this time, the Chair referred all Senate Bills received before 12: 00 o'clock midnight to the Committee on Finance.

The Chair also waived the 48-hour notice requirement for hearings.

At 10: 12 o'clock a.m., at the request of Representative Kunimura, the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 10: 14 o'clock a.m.

At 10: 14 o'clock a.m., the Chair declared the House of Representatives in recess until 12: 00 o'clock midnight.

#### SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 1 to 4) were received by the Clerk and disposed of as follows:

A communication from the Senate (Sen. Com. No. 1) transmitting Senate Bill No. 1 entitled: "A BILL FOR AN ACT RELATING TO INDEXING THE HAWAII REVISED STATUTES", which passed Third Reading in

the Senate on June 24, 1981, was placed on file.

A communication from the Senate (Sen. Com. No. 2) transmitting Senate Bill No. 2 entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS", which passed Third Reading in the Senate on June 24, 1981, was placed on file.

A communication from the Senate (Sen. Com. No. 3) transmitting Senate Bill No. 3 entitled: "A BILL FOR AN ACT RELATING TO MEDICAL CLAIM CONCILIATION PANELS", which passed Third Reading in the Senate on April 24, 1981, was

placed on file.

A communication from the Senate (Sen. Com. No. 4) transmitting Senate Bill No. 4 entitled: "A BILL FOR AN ACT RELATING TO COUNSEL AND OTHER SERVICES FOR INDIGENT DEFENDANTS IN CRIMINAL AND RELATED CASES", which passed Third Reading in the Senate on April 24, 1981, was placed on file.

#### ADJOURNMENT

At 12:00 o'clock midnight, the House of Representatives adjourned until 9:00 o'clock a.m. tomorrow, Thursday, June 25, 1981.

## FOURTH DAY

Thursday, June 25, 1981

The House of Representatives of the Eleventh Legislature of the State of Hawaii, First Special Session of 1981, convened at 9:00 o'clock a.m., with the Speaker presiding.

The Divine Blessing was invoked by the Reverend Daniel Nebres of the Cosmopolitan United Church of Christ, after which the Roll was called showing all members present with the exception of Representatives Aki, Blair, de Heer, Lacy, Monahan and Yamada, who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Third Day was deferred.

## STANDING COMMITTEE REPORTS

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 21) recommending that S.B. No. 1 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and S.B. No. 1, entitled: "A BILL FOR AN ACT RELATING TO INDEXING THE HAWAII REVISED STATUTES", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 22) recommending that S.B. No. 2 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and S.B. No. 2, entitled: "A BILL FOR AN ACT MAKING APPRO-

RIATIONS FOR COLLECTIVE BARGAINING COST ITEMS", passed Second Reading and was placed on the calendar for Third Reading.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 23) recommending that S.B. No. 3 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and S.B. No. 3, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL CLAIM CONCILIATION PANELS", passed Second Reading and was placed on the calendar for Third Reading, with Representative Anderson voting no.

Representative Kunimura, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 24) recommending that S.B. No. 4 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the report of the Committee was adopted and S.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO COUNSEL AND OTHER SERVICES FOR INDIGENT DEFENDANTS IN CRIMINAL AND RELATED CASES", passed Second Reading and was placed on the calendar for Third Reading, with Representative Anderson voting no.

At 9:16 o'clock a.m., Representative Stanley asked for a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 9:23 o'clock a.m.

## ADJOURNMENT

At 9:24 o'clock a.m., on motion by Representative Stanley, seconded by Representative Rohlfling and carried, the House of Representatives adjourned until 4:30 o'clock p.m. tomorrow afternoon, June 26, 1981.

## FIFTH DAY

Friday, June 26, 1981

The House of Representatives of the Eleventh Legislature of the State of Hawaii, First Special Session of 1981, convened at 5:00 o'clock p.m.

The Divine Blessing was invoked by the Representative Russell Blair after which the Roll was called showing all members present with the exception of Representatives Isbell and Lacy being excused.

## SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 5 to 7) were read by the Clerk and disposed of as follows:

A communication from the Senate (Sen. Com. No. 5) returning House Bill No. 1, which passed Third Reading in the Senate on June 26, 1981, in an amended form, was placed on file.

A communication from the Senate (Sen. Com. No. 6) returning House Bill No. 20 which passed Third Reading in the Senate on June 26, 1981, in an amended form, was placed on file.

A communication from the Senate (Sen. Com. No. 7) informing the House that pursuant to the disagreement of the House to the amendments proposed by the Senate to House Bill No. 1, and the request for a conference on the subject matter of said amendments, Senators Yamasaki, Chairman; Anderson and Abercrombie had been appointed as Managers on the part of the Senate, was placed on file.

In accordance therewith, the Chair appointed Representatives Kunimura, Chairman; Kiyabu, Albano, Andrews, Fukunaga, G. Hagino, Hashimoto, Kobayashi, Levin, Morioka, Nakasato, Okamura, Lacy, Marumoto, Narvaes and Wong as Managers on the part of the House at such conference.

## ORDER OF THE DAY

## THIRD READING

The following bills which were

on the calendar for Third Reading, were read throughout and the following action taken:

S.B. No. 1:

By unanimous consent, action was deferred one day.

S.B. No. 2:

By unanimous consent, action was deferred one day.

S.B. No. 3:

By unanimous consent, action was deferred one day.

S.B. No. 4:

By unanimous consent, action was deferred one day.

At this time, the Chair waived the 48-hour notice requirement for hearings for the Committee on Finance.

At 5:09 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 5:12 o'clock p.m.

## ANNOUNCEMENTS

At this time, the Chair announced that the House would stand in recess for the purpose of receiving the conference draft on the budget and that the Journal would remain open.

## CONFERENCE COMMITTEE REPORTS

Representative Kunimura, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to H.B. No. 1, SD1, presented a report (Conf. Com. Rep. No. 1) recommending to their respective Houses the final passage of the bill with certain amendments.

By unanimous consent, consideration of Conf. Com. Rep. No. 1 on H.B. No. 1, SD1, CD1, was deferred and in accordance with Article III, Section 16, of the Constitution of the State of Hawaii, printed copies were made available to the members of the House at 6:00 o'clock p.m.

ADJOURNMENT

At 12: 00 o'clock midnight, the

House of Representatives adjourned  
until 10: 00 o'clock a.m., Monday,  
June 29, 1981.

## SIXTH DAY

Monday, June 29, 1981

The House of Representatives of the Eleventh Legislature of the State of Hawaii, First Special Session of 1981, convened at 10:00 o'clock a.m., with the Speaker presiding.

The Divine Blessing was invoked by the Reverend Steve DeVoss of the Hawaii Kai Baptist Church, after which the Roll was called showing all members present with the exception of Representatives Lacy and Nakasato, who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Fifth Day was deferred.

## SUSPENSION OF RULES

On motion by Representative Stanley, seconded by Representative Rohlfing and carried, the rules were suspended for the purpose of considering bills on Third and Final Readings on the basis of a modified consent calendar.

## UNFINISHED BUSINESS

Conf. Com. Rep. No. 1 on H.B. No. 1, SD 1, CD 1:

Representative Kunimura moved that the report of the Committee be adopted and H.B. No. 1, SD 1, CD 1, having been read throughout, pass Final Reading, seconded by Representative Kiyabu.

Representative Toguchi then rose to speak in favor of the bill, stating:

"Mr. Speaker, as Chairman of the House Education Committee, I would like to confine my remarks to the proviso for the Department of Education Regular Instruction Program, EDN 105, which addressed federal impact aid.

Mr. Speaker, the purpose of the proviso for EDN 105 is to authorize the Governor to expend general fund monies to provide for and maintain the level of services approved by the Legislature and authorized by this Act. It allows the Executive to spend at a level

that includes general fund as well as federal monies.

Mr. Speaker, the proviso further provides that in the event that there is a shortfall on the sum anticipated from the federal impact aid, it is the intent of the Legislature to meet in a special session to address this problem and any other problems to the State caused by federal budget cutbacks.

Mr. Speaker, I strongly support this proviso because it shows our support for education and our commitment to the children of Hawaii. Mr. Speaker, this proviso makes it possible for the State to avoid the laying off of 510 plus teachers this school year. It would also make it possible for us to buy time until such time that the federal budget decisions become known.

Mr. Speaker, we have been consistent with our position on impact aid. From the beginning, we have insisted that there would be no lay-off of teachers and that there will be no cutback in programs.

I would just like to, very quickly, recall some events that happened this past two weeks in regard to this proviso.

We could not go along with the Senate position because the Senate position talked about spending monies and if there is a shortfall, to take it from savings. This would have meant a drastic cutback in programs in the Department of Education. Although the Senate insisted that this would not happen, I think we found out, several days ago, when the Governor came down and said what he had to do. It is very unfortunate, Mr. Speaker, that we have to be here today. I think if the Senate leadership was as willing and as readily available as the House leadership, we would not have been here today, and to illustrate, I would just like to point out that as soon as the Senate President was available in negotiations, things happened. We were able to communicate; we were able to resolve many of our difficulties and, Mr. Speaker, it is my hope in the future that when we face similar situations that we will be able to improve our relationship with the Senate, and I think it would only be possible if they are as ready and willing to get together as we

were.

Mr. Speaker, I would like to just keep my remarks short this morning and I would just like to, in closing, say that I would like to thank the Governor for facilitating the discussions and , in closing, I urge all members to vote for this proviso by voting for the budget.

Thank you very much."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET", having been read throughout, passed Final Reading by a vote of 49 ayes, with Representatives Lacy and Nakasato being excused.

The Chair directed the Clerk to note that H.B. No. 1 had passed Final Reading at 10:22 o'clock a.m.

### THIRD READING

The following bills, which were on the calendar for Third Reading, were read throughout and the following actions taken:

#### S.B. No. 1:

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, S.B. No. 1, entitled: "A BILL FOR AN ACT RELATING TO INDEXING THE HAWAII REVISED STATUTES", passed Third Reading by a vote of 49 ayes, with Representatives Lacy and Nakasato being excused.

#### S.B. No. 2:

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, S.B. No. 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS", passed Third Reading by a vote of 49 ayes, with Representatives Lacy and Nakasato being excused.

#### S.B. No. 3:

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, S.B. No.

3, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL CLAIM CONCILIATION PANELS", passed Third Reading by a vote of 48 ayes to 1 no, with Representative Anderson voting no, and Representatives Lacy and Nakasato being excused.

#### S.B. No. 4:

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, S.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO COUNSEL AND OTHER SERVICES FOR INDIGENT DEFENDANTS IN CRIMINAL AND RELATED CASES", passed Third Reading by a vote of 48 ayes to 1 no, with Representative Anderson voting no, and Representatives Lacy and Nakasato being excused.

The Chair directed the Clerk to note that S.B. Nos. 1 and 2 had passed Third Reading at 10:25 o'clock a.m., and S.B. Nos. 3 and 4 had passed Final Reading at 10:27 o'clock a.m.

### DISPOSITION OF MATTER PLACED ON THE CLERK'S DESK

By unanimous consent, H.B. No. 20, SD 1, was taken from the Clerk's desk.

On motion by Representative Kunimura, seconded by Representative Kiyabu and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 20, and H.B. No. 20, SD 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL OBLIGATION BONDS OF THE STATE OF HAWAII", having been read throughout, passed Final Reading by a vote of 49 ayes, with Representatives Lacy and Nakasato being excused.

The Chair directed the Clerk to note that H.B. No. 20 had passed Final Reading at 10:30 o'clock a.m.

At 10:35 o'clock a.m., Representative Kamali'i asked for a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 10:57 o'clock a.m.

### SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 7 to 23) were read by the Clerk

and were disposed of as follows:

A communication from the Senate (Sen. Com. No. 7) informing the House that the report of the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to House Bill No. 1, was adopted by the Senate; and House Bill No. 1, SD 1, CD 1, passed Final Reading in the Senate on June 29, 1981, was placed on file.

A communication from the Senate (Sen. Com. No. 8) returning House Bill No. 2 which passed Third Reading in the Senate on June 29, 1981, was placed on file.

A communication from the Senate (Sen. Com. No. 9) returning House Bill No. 3 which passed Third Reading in the Senate on June 29, 1981, was placed on file.

A communication from the Senate (Sen. Com. No. 10) returning House Bill No. 4 which passed Third Reading in the Senate on June 29, 1981, was placed on file.

A communication from the Senate (Sen. Com. No. 11) returning House Bill No. 5 which passed Third Reading in the Senate on June 29, 1981, was placed on file.

A communication from the Senate (Sen. Com. No. 12) returning House Bill No. 6 which passed Third Reading in the Senate on June 29, 1981, was placed on file.

A communication from the Senate (Sen. Com. No. 13) returning House Bill No. 7 which passed Third Reading in the Senate on June 29, 1981, was placed on file.

A communication from the Senate (Sen. Com. No. 14) returning House Bill No. 8 which passed Third Reading in the Senate on June 29, 1981, was placed on file.

A communication from the Senate (Sen. Com. No. 15) returning House Bill No. 9 which passed Third Reading in the Senate on June 29, 1981, was placed on file.

A communication from the Senate (Sen. Com. No. 16) returning House Bill No. 10 which passed Third Reading in the Senate on June 29, 1981, was placed on file.

A communication from the Senate (Sen. Com. No. 17) returning House Bill No. 11 which passed Third Reading in the Senate on June 29, 1981, was placed on file.

A communication from the Senate (Sen. Com. No. 18) returning House Bill No. 12 which passed Third Reading in the Senate on June 29, 1981, was placed on file.

A communication from the Senate (Sen. Com. No. 19) returning House Bill No. 13 which passed Third Reading in the Senate on June 29, 1981, was placed on file.

A communication from the Senate (Sen. Com. No. 20) returning House Bill No. 14 which passed Third Reading in the Senate on June 29, 1981, by not less than two-thirds vote of all the members to which the Senate is entitled, was placed on file.

A communication from the Senate (Sen. Com. No. 21) returning House Bill No. 15 which passed Third Reading in the Senate on June 29, 1981, by not less than two-thirds vote of all the members to which the Senate is entitled, was placed on file.

A communication from the Senate (Sen. Com. No. 22) returning House Bill No. 16 which passed Third Reading in the Senate on June 29, 1981, by not less than two-thirds vote of all the members to which the Senate is entitled, was placed on file.

A communication from the Senate (Sen. Com. No. 23) returning House Bill No. 17 which passed Third Reading in the Senate on June 29, 1981, was placed on file.

#### ADJOURNMENT

Representative Stanley moved that the House of Representatives of the Eleventh Legislature of the State of Hawaii, First Special Session of 1981, adjourn Sine Die, seconded by Representative Rohlfing and carried.

At 10:57 o'clock a.m., the Speaker rapped his gavel and declared the

House of Representatives of the  
Eleventh Legislature of the State

of Hawaii, First Special Session of  
1981, adjourned Sine Die.

GOVERNOR'S MESSAGE RECEIVED AFTER THE ADJOURNMENT  
OF THE LEGISLATURE SINE DIE

Gov. Msg. No. 2 informing the House that on June 29, 1981, he signed the following bills into law:

House Bill No. 1 as Act 1, entitled: "RELATING TO THE STATE BUDGET";

House Bill No. 2 as Act 2, entitled: "RELATING TO THE JUDICIARY BUDGET";

House Bill No. 3 as Act 3, entitled: "RELATING TO STATE BONDS";

House Bill No. 4 as Act 4, entitled: "RELATING TO THE 1984 SILVER JUBILEE OF HAWAII'S STATEHOOD AND MAKING AN APPROPRIATION THEREFOR";

House Bill No. 5 as Act 5, entitled: "RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS";

House Bill No. 6 as Act 6, entitled: "RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND";

House Bill No. 7 as Act 7, entitled: "RELATING TO DEFERRED COMPENSATION PLANS FOR PUBLIC EMPLOYEES";

House Bill No. 8 as Act 8, entitled: "RELATING TO THE ESTABLISHMENT OF THE VENTURE CAPITAL INFORMATION CENTER";

House Bill No. 9 as Act 9, entitled: "RELATING TO THE OFFICE OF HAWAIIAN AFFIARS";

House Bill No. 10 as Act 10, entitled: "MAKING AN APPROPRIATION FOR PAYMENT OF A JUDGMENT BETWEEN THE STATE OF HAWAII AND SYLVIA GAMINO";

House Bill No. 11 as Act 11, entitled: "RELATING TO THE COMPENSATION OF CERTAIN PERSONS UNDER THE CRIMINAL INJURIES

COMPENSATION ACT AND PROVIDING APPROPRIATIONS THEREFOR";

House Bill No. 12 as Act 12, entitled: "RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR";

House Bill No. 13 as Act 13, entitled: "RELATING TO THE HAWAII HOUSING AUTHORITY";

House Bill No. 14 as Act 14, entitled: "AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO SECURE LONG-TERM MORTGAGE REFINANCING FOR THE POHAI NANI GOOD SAMARITAN KAUHALE HEALTH CARE FACILITY";

House Bill No. 15 as Act 15, entitled: "RELATING TO THE AUTHORIZATION OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST UTILITIES SERVING THE GENERAL PUBLIC";

House Bill No. 16 as Act 16, entitled: "RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HEALTH CARE FACILITIES";

House Bill No. 17 as Act 17, entitled: "MAKING AN APPROPRIATION FOR THE REDEVELOPMENT OF THE ALOHA TOWER COMPLEX";

House Bill No. 20 as Act 18, entitled: "RELATING TO GENERAL OBLIGATION BONDS OF THE STATE OF HAWAII";

Senate Bill No. 1 as Act 19, entitled: "RELATING TO INDEXING OF THE HAWAII REVISED STATUTES";

Senate Bill No. 2 as Act 20, entitled: "MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS";

Senate Bill No. 3 as Act 21, entitled: "RELATING TO MEDICAL CLAIM CONCILIATION PANELS"; and

Senate Bill No. 4 as Act 22, entitled: "RELATING TO COUNSEL AND OTHER SERVICES FOR INDIGENT DEFENDANTS IN CRIMINAL AND RELATED CASES".

## CONFERENCE COMMITTEE REPORT

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

This bill is based on and is substantially similar to H.B. No. 1, H.D. 1, S.D. 1, C.D. 1 (the general appropriations bill), which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981, and corrects technical differences noted between the conference draft versions of said H.B. No. 1, as respectively passed on final reading by the House and Senate during the Regular Session of 1981.

Additionally, this bill makes other technical changes to H.B. No. 1 as passed during the Regular Session of 1981. In particular, your Committee notes the change made to section 5A providing for moneys to be contracted with the Hawaii Visitors Bureau. The change clarifies that the moneys shall be expended by the department of planning and economic development, office of tourism.

Your Committee takes note of the Conference Committee Report on H.B. No. 1, H.D. 1, S.D. 1, C.D. 1, Regular Session of 1981, respectively designated as House Conference Committee Report No. 60 and Senate Conference Committee Report No. 67, and incorporates its findings and concerns in this committee report.

Your Committee has amended this bill to clarify the authority of the Governor to enter into personnel contracts with all department of education personnel necessary for the orderly programmed operations of the school system during 1981-82. This clarifying language is necessary to assure the continued employment of those teachers whose employment has been jeopardized by the possible cutback of federal impact aid funds.

Your Committee notes that it is the expressed intent of the Legislature to closely monitor all proposed federal budget cuts over the next several weeks and, later in the year after the federal budget is adopted, to convene in special session to address any problems to the State caused by federal budget cutbacks.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1, S.D. 1, C.D. 1.

Representatives Kunimura, Kiyabu, Albano, Andrews,  
Fukunaga, G. Hagino, Hashimoto, Kobayashi, Levin, Morioka,  
Nakasato, Okamura, Lacy, Marumoto, Narvaes and Wong,  
Managers on the part of the House.

Senators Yamasaki, Abercrombie and Anderson,  
Managers on the part of the Senate.

## STANDING COMMITTEE REPORTS

SCRep. 1 Finance on H.B. No. 1

The purpose of this bill is to provide appropriations for the fiscal biennium 1981-83.

This bill is based on and is substantially similar to H.B. No. 1, H.D. 1, S.D. 1, C.D. 1 (the general appropriations bill), which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981, and corrects technical differences noted between the conference draft versions of said H.B. No. 1, as respectively passed on final reading by the House and Senate during the Regular Session of 1981.

This bill also makes other amendments of a technical nature and includes a new proviso to authorize the Governor to expend additional funds up to the expenditure ceiling level for any shortfall in federal impact aid funds.

## I. MAJOR POLICY ISSUES

Debt Policy

This year, the Legislature faces for the first time a new constitutional requirement which affects capital investment appropriations and debt authorizations. All acts which authorize the issuance of general obligation bonds must now include a declaration of findings that the estimated principal and interest on the bonds which are authorized, plus the estimated principal and interest on bonds which were previously authorized and are still unissued, plus the debt service calculated on outstanding bonds will not cause the debt limit to be exceeded at the time of issuance.

This requirement means, in effect, that the Legislature cannot authorize more bonds than the State can legally issue. Thus, capital investment appropriations and their corresponding bond authorizations must be kept within those levels which would enable the Legislature to make the required declaration of findings.

Even if the Legislature did not have the requirement of issuing a declaration of findings, prudence would dictate the adoption of a reasonably conservative stance in making capital investment appropriations. Because of inordinately high interest rates, the State has encountered difficulty in entering the municipal bond market and, in fact, has not done so in the current fiscal year. This means that although hundreds of millions of dollars of appropriations were lapsed on June 30, 1980, as required by the Constitution, there still exists \$495 million in authorized but unissued bonds, related to June 30, 1980 encumbrances and appropriations made in the 1979 and 1980 sessions.

Because unencumbered appropriations from the 1979 and 1980 acts are not scheduled to lapse until June 30, 1982, the backlog of authorized but unissued bonds will continue to limit the Legislature's power to authorize new appropriations and bonds, at least through the 1982 session and possibly beyond.

Thus, the combination of high interest rates and the backlog of old appropriations has compelled your Committee to hold capital investment appropriation levels to that amount which can reasonably be expended or encumbered within the three-year limitation period specified by the Constitution.

The supporting bond authorization for the capital investment appropriations in this bill and in other appropriation bills which require general obligation bond financing is contained in a separate bill, together with the required legislative declaration of findings.

General Fund Expenditure Ceiling

The 1978 State Constitution required the Legislature to live within a general fund expenditure ceiling. That mandate for the 1981-83 fiscal biennium is followed and general fund appropriations are below the \$1,233.7 million ceiling for fiscal year 1981-82 and \$1,371.9 million for fiscal year 1982-83.

Grants-in-Aid

A total of \$6.5 million in funds for grants-in-aid are included in this bill. Funds are provided for health care programs provided by private, nonprofit agencies, many of which formerly received funding under Title XX of the Social Security Act. Your Committee feels that the services formerly provided under Title XX in the areas of

alcohol/drug abuse, family planning, health support, and social rehabilitation (non-residential) serve a useful public purpose and deserve continued funding. Additionally, amounts are included in the areas of social services, culture and recreation, and education.

#### Reduction in Electricity

Your Committee believes that greater emphasis should be made by all state agencies, regardless of source of funding, to reduce electrical consumption. Hawaii's unique and nearly total dependency on imported oil for its energy needs makes conservation imperative.

Therefore, except for areas of special requirement such as correctional facilities, county/state hospitals, Waimano Training School and Hospital, the Hawaii State Hospital, the residential Hansen's disease program at Kalaupapa settlement, and the Aloha stadium complex, funding provided for electricity reflects a general reduction in utilization by the state agencies.

## II. BUDGET OVERVIEW

### Economic Development

Tourism. Tourism, the mainstay of the State's economy and a major provider of jobs and income for Hawaii's people, stopped growing in 1980 for the first time in thirty years. The formidable challenges of rising air fares, increased competition from other visitor destination areas, and negative publicity about violent crimes committed against visitors to Hawaii, raise legitimate concerns over the prospect of the further decline in the number of visitors to Hawaii and the impact such a decline would have on the overall economy of the State.

To address these concerns, the budget:

- . Provides \$1 million in fiscal year 1981-82 for a high-saturation advertising campaign with the expectation that it will attract those visitors who can afford to travel and who have higher disposable income.
- . Increases funds for the promotion of tourism in Japan.
- . Provides funds for "Hawaii '82", the largest tourism promotional program ever undertaken by Hawaii, to begin in October 1981.
- . Provides capital improvement funds for improvements in Waikiki, the State's primary visitor destination.

In addition, \$75,000 in each fiscal year, is included for the continuance of the Aloha Week festival, which is enjoyed by visitors as well as residents.

New industries. The need to reduce the State's vulnerability to economic fluctuations, caused by its present dependence on a few major industries, is recognized. Therefore, economic diversification should be pursued through new industry development, particularly those industries which have potential in terms of employment, revenues, reduction of imports, increased export of Hawaii products, and compatibility with the lifestyle and environment of the Islands.

Funding in the amount of \$130,000 in each fiscal year of the biennium is included for the implementation of the High-Technology Strategic Development program, which emphasizes the promotion of Hawaii as a center for the high-technology electronics industry. Many facets of this particular industry make it ideally suited for Hawaii. It is generally non-polluting; its high-value output can be airfreighted anywhere with little additional per unit cost; it can provide high wage, skilled employment opportunities; and because of labor shortages in existing industry centers, the impetus is present for expansion into new locations. The Department of Planning and Economic Development has been directed to report on progress and prospects to the 1982 Regular Session.

Film industry. Additional funds and personnel are included for the Hawaii Film Office. Your Committee recognizes the emergence of the film industry as a definite boost to the State's economy. Not only does it provide desirable benefits to the State in terms of attractive jobs and added revenue, but it also bolsters Hawaii's promotion efforts through increased film commercial, and television exposure.

Energy. To maintain initiatives which have been made in alternate energy development and energy conservation management, funds are included for a new division of energy in the Department of Planning and Economic Development. Funds are also appropriated to the Natural Energy Laboratory of Hawaii to strengthen its efforts in developing energy which Hawaii's unique environment provides.

Commercial fishing. Funds are provided to increase the Fishing Vessel Loan Program revolving fund. Your Committee feels that the high risk and high initial capitalization required in the fishing industry have made private lenders reluctant to provide loans to new enterprises. The financial support is in line with recommendations made by the Department of Land and Natural Resources in their Hawaii Fisheries Development Plan.

Agriculture. Diversified agriculture continues to be a promising program deserving of state support. Additional funds and personnel are provided for the Department of Agriculture to assist in the delivery of service to Hawaii's farmers.

Aquaculture. As promising as it is, there are problems currently being encountered by the prawn aquaculture industry, where it has been reported that the deficiencies in the number of free juvenile prawns provided by the Anuenue Fisheries Research Center affect many small aquaculture farmers and raise the issue whether these farmers will be able to survive if they cannot adequately stock their ponds. The Department of Land and Natural Resources has reassured the Legislature that efforts will be exerted to assist small farmers to reach adequate levels in stocking their ponds.

Regional headquarters. Funds to continue the promotion of Hawaii as a site for a regional headquarters of multinational firms also are included in the budget.

Information system. The Department of Planning and Economic Development was previously authorized to develop a prototype model under the Hawaii Management Information System, and its development has focused upon that model known as the Economic Planning Information System (EPIS). Funding is provided for the first year of the next biennium for the system. In the interim, the department is to consult with the other agencies of government involved in economic planning and development to determine the potential usefulness of the system by all concerned agencies, and it is to submit a report to the 1982 session of the Legislature concerning the status of the system and all of its proposed applications.

#### Employment

Disability compensation. Appropriations to fund the State Workers' Compensation Program Commission, which reviews the workers' compensation law and makes recommendations on methods of reducing or stabilizing costs while maintaining benefits at existing levels, are included in the budget.

Career information programs. Because of concern about the future employment of Hawaii's residents, funds are provided for the continuation of the school-based counseling and career information program known as the Career Resources Center.

Additional funds are appropriated for the services of the Hawaii Career Information Delivery System, popularly known as "Career Kokua," which provides occupational and educational information.

#### Transportation

General aviation. All facets of the issue surrounding the need for and the site of a general aviation airport, and the state administration's proposal to construct such an airport at Poamoho have been previously reviewed. The advantages and disadvantages of the Poamoho site have been thoroughly debated in the 1980 and 1981 regular sessions of the Legislature.

Your Committee feels that with the emphasis of the new national administration on shifting control and responsibilities to state government, in order to effect savings, the prospects are more promising to secure approval for the joint use of a military airfield. Your Committee believes that if a definite plan for construction of general aviation facilities is presented to the new national administration, with funding to be assumed entirely by the State, the chances of securing approval for the joint use of a military airfield would be favorable. Of the various military airfields, the most logical would be Wheeler Air Force Base, which has been underutilized, and could be shared for general aviation use if improvements are made, including the possibility of constructing another runway.

Therefore, funds for general aviation at Wheeler Air Force Base are included in the budget. The state administration is directed to develop a specific proposal for presentation to the national administration and to secure Congressional support for the proposed development.

State highway fund. It is recognized that there is a potential problem of declining revenues for the State Highway Fund. Here as elsewhere in the United States, the soaring costs of gasoline, the high price of cars, and the growing shift by the motoring public to fuel efficient cars have all combined to alter conventional driving patterns. The result has been a decline in fuel consumption, which in turn has resulted in a reduction in revenues from the highway fuel tax. This trend will seriously affect the ability of the fund to meet the long-term operational and maintenance obligation of the highway program. Thus, additional revenues have been provided for three years through separate legislation, at which time the Legislature will review the funding mechanism.

Your Committee also recognizes the problem of poor and untimely highway maintenance. Therefore, increased expenditures for special maintenance purposes are authorized in the budget and priority is placed on the resurfacing of roads.

Your Committee also feels that the problem of traffic congestion caused by population growth and changing land use patterns of Oahu needs to be addressed. In order to meet the need for formulating effective transportation policies and programs for the 1980s and beyond, funds are provided for an update of a transportation plan for Oahu.

#### Health

Emergency medical services. An additional appropriation is provided to reimburse the City and County of Honolulu for an anticipated deficit in the Emergency Medical Services Program for fiscal year 1980-81.

#### Lower Education

Special needs funds. The budget continues the program, first initiated by the Legislature in 1977, of appropriating funds to meet the special needs of each individual school. This method of funding recognizes that each school is unique and that decisions as to how funds for special needs should be expended can best be made at the school level--by the principals in consultation with teachers and to the extent practicable, with parents and students.

Other regular instruction. Funds are included in the budget for the continuation and expansion of Other Regular Instruction programs. Funds are provided for the expansion of the Intensive Basic Skill program with the expectation that the program will assist students in meeting the revised graduation requirements which were approved by the Board of Education in 1978. In addition, additional funds are included for the Asian and Pacific Language program, Hawaiian Studies program, and the Marine and Aquatic Education program.

Alternative education. Additional funds are included for the Comprehensive School Alienation Program. However, your Committee recognizes that there are numerous individual alternative education programs, funded through the DOE budget, for which coordination by the department seems to be lacking. It is the intent of your Committee that the DOE report to the next legislature with a plan for integrating these individual programs under the Comprehensive School Alienation Program.

Compensatory education. Funds are included to accommodate additional students whose first or home language is other than English. This program will assist students in acquiring the necessary level of language proficiency to allow them to perform satisfactorily in regular classes where English is the instruction medium.

School violence. A broad range of programs is included to stem the rising tide of violence and crime in our public schools. These programs include provisions to deal with delinquent and criminal behavior as well as those which promote campus security through the prevention of anti-social conduct.

These appropriations include:

- . \$777,700 for school security aides.
- . \$897,204 for additional school counselors.

- . \$981,575 for 32 full-time and 6 half-time athletic directors to develop intramural sports programs to increase student participation in sports.
- . \$191,220 for alternative learning centers and school alienation programs.
- . \$208,616 for additional vice principals to assist those schools with high incidences of delinquency.

Asbestos removal. An additional \$5.8 million in funds, effective beginning in FY 1980-81, are provided to eliminate the asbestos health hazards in public school classrooms.

#### Higher Education

The legislatures of the past two decades have, on numerous occasions, requested the University of Hawaii to adopt policies regarding instructional workloads and overloads; but to date have not had any satisfactory response from the university. The Legislative Auditor, in the 1981 Management Audit of the University of Hawaii, concludes that "the university is no closer to developing and implementing clear, consistent, and reasonable policies on faculty workload than it was 10 to 15 years ago...."

Your Committee agrees with the Legislative Auditor's recommendation that in light of the existing circumstances "the Legislature appropriate no new instructional positions for UHM until it has a teaching load policy in place," and, accordingly, has denied all requests for new permanent positions, except where there appears to be obvious acute needs to serve the students.

Since the Manoa student enrollment has been on a general decline, the university must make every effort to utilize existing resources before requesting additional positions and funds from the legislature. Your Committee recognizes the difficult and often painful task of internal reallocations; however, the legislature is equally faced with the arduous task of setting statewide fiscal priorities based on limited resources and the constraints of a publicly mandated expenditure ceiling.

Continuing education for women. Funds are provided for the Continuing Education for Women program administered through the Manoa's College of Continuing Education and Community Services.

Women's athletic programs. Greater opportunities for athletic competition and scholarship need to be provided for women athletes. Funds are provided toward the goal of bringing about greater parity between the women's and men's athletic programs. It is the Committee's intent that these funds are in addition to the program's normal allocations.

Graduate assistant stipends. Your Committee recognizes that graduate assistant stipends have been significantly outpaced by inflation, and therefore, additional funds are included in the budget to enable stipends to keep up with the increases in the cost of living.

Kapiolani Community College. Your Committee finds that the crowded, noisy, and inadequate study atmosphere and parking facilities of the Pensacola Campus of Kapiolani Community College fail to provide a conducive educational environment for the students. Therefore, your Committee is in agreement with the University's desire to construct a new campus facility for Kapiolani Community College at the Diamond Head site.

University of Hawaii law school. Your Committee agrees with the University's desire to provide permanent facilities for the University of Hawaii law school. However, your Committee is concerned about the cost over-runs and the general requirements of facilities needed for accreditation. Therefore, funds are included in the budget to construct the law school facility on a site adjacent to the law school library on Dole Street. This site should suffice in meeting all the requirements for law school accreditation and a reduction in the over-all costs of providing new law school facilities.

#### Social Problems

Child abuse. A significant increase in resources, in terms of both funds and positions, for the child protective services program are provided in the budget.

Funds are also provided for the State Interagency Coordination Council on Child Abuse and Neglect. Your Committee feels that there is a need to coordinate activities carried out by various agencies in the area of child abuse and neglect in order to obtain the optimum benefits from available resources.

Medicaid. There is a likelihood of drastic alteration by the federal government of the Medical Assistance program. Therefore, funds will need to be conserved, and the State will need to step up its efforts to curb fraud and abuse. Toward that end, funds are provided to the Department of the Attorney General for the specific purpose of investigating Medicaid fraud cases.

Additional funds and positions on all islands are provided due to case load increases in the areas of financial assistance, Food Stamps, and Medicaid. Your Committee intends that the error rates of underpayments and overpayments be kept at a minimum to assure the maintenance of federal standards.

Senior companions. Funds are appropriated to expand the Senior Companion program to the islands of Maui, Kauai, and Hawaii over the next two years. This program, through which senior citizens assist less able senior citizens in their own homes, is designed as a more humane and an effective alternative to institutionalization.

Other concerns. Your Committee is concerned about the lack of systematic plans for review and selection of grant proposals received by the Progressive Neighborhood Program, the Hawaii Office of Economic Opportunity, and the Executive Office on Aging. Your Committee feels that criteria should be established to review all grant requests so that grant funds will be made available to private agencies on a priority basis. The Legal Aid Society is funded for only one year by this bill. Your Committee notes with concern the class action suits which the Society has instituted against the State and from which it has collected attorney's fees in addition to appropriations made by the State. Your Committee encourages the Society to discontinue this type of action and to concentrate its endeavors on assisting the individual families which are their clients.

#### Public Safety

Appropriations are included to relieve the overcrowded conditions at the Oahu Community Correctional Center. Specifically, funds are provided to renovate the second floor of the administration building for use as inmate housing and for a site selection study and purchase of land in the Halawa area for a 500-bed, medium-security correctional facility. Additional positions and funds for operation of the new facilities are also included in the budget.

The budget also provides for the installation and maintenance of emergency (automatic dialer) telephones in 30 state parks located in outlying areas. These phones are to be connected directly to police and emergency rescue units, thus providing an alternative park security measure in those locations where the permanent allocation of enforcement manpower would not be feasible.

#### Recommendation

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives  
Nakasato and Lacy.

SCRep. 2            Finance on H.B. No. 2

The purpose of this bill is to appropriate funds to the Judiciary for the fiscal biennium July 1, 1981 to June 30, 1983.

The bill provides general fund appropriations for operating expenses of \$23,122,048 for FY 1981-82 and \$25,011,225 for FY 1982-83. The bill also provides \$15,340,000 in FY 1981-82 for the Judiciary's capital improvement projects program. General obligation bond authorizations for these projects have been provided for in separate legislation.

The bill is identical to H.B. No. 2, H.D. 1, S.D. 1, C.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981, except that the authorization of general obligation bonds has been removed from this bill since all general obligation bond authorizations are contained in a separate bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2,

and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.

SCRep. 3            Finance on H.B. No. 3

The purpose of this bill is to authorize the issuance of general obligation bonds to finance projects authorized in H.B. No. 1, the General Appropriations Act of 1981, and H.B. No. 2, the Judiciary Appropriations Act of 1981.

The bill includes the declaration of findings required by the clause in Article VII, Section 13 of the State Constitution which states:

"Effective July 1, 1980, the legislature shall include a declaration of findings in every general law authorizing the issuance of general obligation bonds that the total amount of principal and interest, estimated for such bonds and for all bonds authorized and unissued and calculated for all bonds outstanding, will not cause the debt limit to be exceeded at the time of issuance."

The effect of the foregoing constitutional requirement is that the legislature must take into account the debt service on all bonds that count against the debt limit, including outstanding bonds, authorized bonds which are yet to be issued, and bonds authorized in the Act, and demonstrate that the constitutional debt limit will not be exceeded at the time the bonds are issued.

The required declaration in Section 1 of the bill sequentially is as follows:

Paragraph 1 sets forth the basic constitutional provision governing state debt.

Paragraph 2 shows the actual debt limit applicable for fiscal year 1980-81 and estimates of the debt limit for fiscal year 1981-82 to fiscal year 1984-85.

Paragraph 3 shows the debt service requirements from fiscal year 1981-82 to fiscal year 1987-88 for outstanding general obligation bonds which must be counted against the debt limit.

Paragraph 4 states the amount of authorized but unissued general obligation bonds as of December 31, 1980 and the amount of general obligation bonds authorized by this bill.

Paragraph 5 shows the schedule for proposed general obligation bond issuance and states the assumptions concerning bond maturities.

Paragraph 6 states that the total amount of general obligation bonds which the state proposes to issue is an amount sufficient to meet the requirements of all authorized unissued bonds and the bonds authorized by this bill.

Paragraph 7 notes that certain reimbursable general obligation bonds can be excluded, and while the amount of such excluded bonds cannot be precisely determined for each issuance, the legislature makes the conservative estimate that 10 percent of each issuance is excludable.

Paragraph 8 presents a display which compares the debt limit applicable at the time of each proposed bond issue with the greatest debt service amount resulting from each issue.

Paragraph 9 establishes the overall and concluding finding that the total amount of principal and interest estimated for the general obligation bonds authorized by this bill and 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.

In making the declaration to support the authorization of bonds in this bill, your Committee has followed the cautionary guidelines expressed by the state's bond counsel who has advised:

"A court will not necessarily sustain findings of a legislative body which are merely a recitation of the requirements of a constitution or a statute. Consequently, we

believe that the legislature must establish a reasonable basis for the finding that the estimated debt service . . . will not cause the debt limit to be exceeded at the time of issuance. We believe prudence requires the basis to be conservative in order to eliminate any allegation that the legislature first made the finding and worked back to assumptions which were consistent with such finding."

Your Committee understands that the declaration of findings in this bill fully follows the bond attorney's cautionary guidelines.

This bill is substantially the same as H.B. No. 1239, H.D. 1, S.D. 1, C.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981, except that the total amount of general obligation bonds authorized in paragraph 4 of Section 1 of this bill and all subsequent figures derived therefrom have been amended to correct errors discovered in that earlier bill. Additionally, the assumption on the average interest rate and the subsequent table in paragraph 8 of Section 1 have been changed to reflect a statutory maximum interest rate of twelve percent rather than nine and one-half percent.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.

SCRep. 4            Finance on H.B. No. 4

The purpose of this bill is to establish and provide an appropriation for a committee to be known as "The 1984 Hawaii Statehood Silver Jubilee Committee" which shall have charge of all arrangements for the State's official celebration of the 25th birthday of the State of Hawaii which will occur on Tuesday, August 21, 1984.

An appropriation of \$10,000 out of general revenues is provided, effective beginning in FY 1980-81, to immediately effectuate the initial planning for the 1984 celebration.

This bill is identical to H.B. No. 769, H.D. 2, S.D. 2, C.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 4 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.

SCRep. 5            Finance on H.B. No. 5

The purpose of this bill is to authorize and appropriate funds to provide for the salary increases and other cost adjustments for state officers and employees excluded from collective bargaining for the fiscal biennium 1981-1983. This bill serves as the funding vehicle through which excluded employees in the executive, judicial, and legislative branches may receive appropriate salary increases as those which may be received by employees covered by collective bargaining agreements.

The following sums represent the appropriate salary increases and other cost adjustments, authorized by Chapter 89C, Hawaii Revised Statutes, for the fiscal biennium 1981-1983 for officers and employees of the executive branch of the State excluded from collective bargaining:

	<u>FY 1981-1982</u>	<u>FY 1982-83</u>
General Funds	\$2,603,888	\$5,675,442
Federal Funds	262,614	565,192
Special Funds	469,829	1,009,020
Other Funds	22,287	49,109

The following sums represent the salary increases and other cost adjustments

authorized by Chapter 89C, Hawaii Revised Statutes, for officers and employees of the judicial branch of the State excluded from collective bargaining:

	<u>FY 1981-1982</u>	<u>FY 1982-83</u>
General Funds	\$104,239	\$237,367

The following sums represent increases for officers and employees of the legislative branch of the State excluded from collective bargaining:

	<u>FY 1981-1982</u>	<u>FY 1982-83</u>
Office of the Legislative Auditor	\$ 76,422	
Ethics Commission	8,900	
Legislative Reference Bureau	12,800	
Ombudsman	8,480	

This bill is identical to H.B. No. 1879, S.D. 1, C.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981, except for one minor technical change of the word "section" to "part" on line 7 of page 3.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 5 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.

SCRep. 6            Finance on H.B. No. 6

The purpose of this bill is to increase the amount of the monthly contribution required of the State and county governments, as public employers, for the health benefits plan for, and the dental plan for the children of, public employees.

Currently, the public employer's monthly contributions to the Public Employees Health Fund are \$14.14 for a single employee and \$45.08 for an employee with dependent or family coverage for the health benefits plan, and \$4.18 for the children's dental plan. (See section 87-4, Hawaii Revised Statutes.) This bill increases the three previously cited employer monthly contribution amounts as follows:

For the health benefits plan

(1)	For each employee	\$ 14.88
(2)	For each employee with dependents	\$ 47.34

	<u>For the children's dental plan</u>	\$ 5.00
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The bill also appropriates, from general fund revenues, \$684,000 for FY 1981-82 and \$719,000 for FY 1982-83 to carry out the purposes of the bill.

This bill is identical to H.B. No. 1716, H.D. 2, S.D. 2, C.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 6 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.

SCRep. 7            Finance on H.B. No. 7

The purpose of this bill is to authorize the establishment of a deferred compensation plan for public officers and employees of the State and counties.

Deferred compensation is basically an agreement whereby an employee authorizes his employer to defer a portion of his gross pay until retirement, at which time he would most likely be subject to a lower tax burden. The deferred moneys are invested by the State in accordance with various options permitted under the plan such as annuities, life insurance, savings accounts, and mutual funds. The deferred moneys, earned interest, and appreciation accruing to these deferred funds are not taxed until the employee receives them.

Participation is strictly voluntary, and the employer makes no contribution to the plan. Deferred compensation would not affect already existing retirement, pension, or social security benefits or plans, but would provide an additional source of income to participating officers and employees when they retire.

Deferred compensation in the public sector is a relatively recent phenomenon and has become an increasingly popular "non-cost" fringe benefit offered to public employees.

Your Committee wishes to emphasize that the plan shall bear all implementation and administrative costs. The bill provides for the start-up costs, but the plan will reimburse the State for these costs.

This bill is identical to H.B. No. 767, H.D. 2, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 7, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.

SCRep. 8            Finance on H.B. No. 8

The purpose of this bill is to establish a venture capital information center within the Department of Planning and Economic Development to carry out an invention development program.

This bill recognizes the need for supporting the development of inventions and new products and to assist and provide guidance for innovators and investors. Under this bill, an information center would be established by the Department of Planning and Economic Development to bring together investors with venture capital and developers of new products. Appropriations for the purpose of this bill are as follows: for fiscal year 1981-1982, \$50,000; for fiscal year 1982-1983, \$100,000.

This bill is identical to H.B. No. 1167, H.D. 1, S.D. 2, C.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 8 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.

SCRep. 9            Finance on H.B. No. 9

The purpose of this bill is to make an appropriation of \$415,466 out of general revenues for FY 1981-82 to the Office of Hawaiian Affairs to defray its administrative expenses.

This appropriation includes the funding of up to thirty-two staff positions and \$5,000 for protocol purposes and will be matched on a one-to-one basis by the Office from amounts derived from the public land trust proceeds.

This bill is identical to H.B. No. 66, H.D. 2, S.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 9,

and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.

SCRep. 10 Finance on H.B. No. 10

The purpose of this bill is to provide for payment of a judgment resulting from a settlement agreement in the lawsuit, Sylvia Gamino v. State of Hawaii v. Yukio Yamamoto and Yama's General Contractors, Civil No. 59095, First Circuit Court of the State of Hawaii.

Your Committee believes that it is in the best interests of the State that an appropriation be made to fully satisfy the judgment.

The bill appropriates a total of \$4,264,898.63 out of general revenues to satisfy the judgment entered against the State. The appropriation made by this bill shall become effective upon its approval and shall lapse on July 31, 1981.

This bill is identical to H.B. No. 919, S.D. 1, C.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981, except that the appropriation lapsing date has been changed from June 30, 1981 to July 31, 1981.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 10 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.

SCRep. 11 Finance on H.B. No. 11

The purpose of this bill is to provide funds to compensate victims, dependents, attorneys and others for medical services as the result of criminal acts.

The sum of \$598,535.24 is approved by your Committee to be appropriated out of the general revenues of the State to cover the payments of claims approved by the criminal injuries compensation commission in 1980. Your Committee finds that these claims are in order. The appropriation made by this bill shall become effective upon its approval and shall lapse on June 30, 1982.

This bill is identical to H.B. No. 114, H.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 11 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.

SCRep. 12 Finance on H.B. No. 12

The purpose of this bill is to appropriate moneys out of the general revenues of the State for the payment of certain tax refunds, judgments and settlements, and other miscellaneous claims against the State.

The claims for refunds, reimbursements, and other payments were filed with the state director of finance who transmitted all claims with supporting data to the Legislature pursuant to procedure established by statute.

This bill appropriates \$723,869.60, out of general revenues to cover 58 claims under section 37-77 and chapter 662 of the Hawaii Revised Statutes. The appropriations made by this bill shall become effective upon their approval and shall lapse on June 30, 1982.

This bill is identical to H.B. No. 344, H.D. 1, S.D. 2, C.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 12 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.

SCRep. 13      Finance on H.B. No. 13

The purpose of this bill is to increase the principal amount of revenue bonds which may be issued by the Hawaii Housing Authority for housing loan programs as established by Act 50, Session Laws of Hawaii 1979, as amended.

This bill also expands the definition of "housing loan programs" to include "eligible project loans." This change is needed for implementation of the rental housing revenue bond program established by Act 291, Session Laws of Hawaii 1980.

Your Committee has strong feelings on the issues of extending the Hula Mae program to applicants who own vacant lots and those who are parties to agreements of sale. Your Committee directs the Hawaii Housing Authority to examine these areas during the interim, determine the extent of these problems, and make its findings available to the 1982 Legislature for the consideration of changes to the Hula Mae program to address these areas of concern. Your Committee reaffirms its commitment to the Hula Mae program and its intent that the program continue to serve lower- and moderate-income households in need of assistance.

This bill is identical to H.B. No. 50, H.D. 1, S.D. 2, C.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 13, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.

SCRep. 14      Finance on H.B. No. 14

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for refinancing outstanding financial obligations of the Pohai Nani Good Samaritan Kauhale health care facility.

Currently, the Evangelical Lutheran Good Samaritan Society, a nonprofit corporation and owner of the facility, is facing high interest rates for long-term refinancing of the retirement facility. This has forced the Society to raise current rents of the facility's residents by twenty per cent. To avoid the imposition of this severe economic burden on the facility's elderly residents, it would be in the public interest if the State assisted the Society in securing long-term financing at acceptable interest rates by issuing special purpose revenue bonds for the Society pursuant to chapter 39A, part II, Hawaii Revised Statutes.

Your Committee feels that the authorization to issue special purpose revenue bonds is necessary to provide long-term refinancing at acceptable interest rates and therefore would serve the public interest. It appears that no investigation has been made into the financial condition of the Society to determine its ability to comply with the repayment obligations should the special purpose revenue bonds be authorized. This bill, therefore, requires the Department of Budget and Finance to review the financial condition of the Society before it issues the bonds to ensure prompt repayment of all moneys generated by the special purpose revenue bonds.

This bill is identical to H.B. No. 538, H.D. 2, S.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981. However, because H.B. No. 538 of the 1981 Regular Session has already been signed into law as Act 41, Session Laws of Hawaii (Regular Session of 1981), this bill contains

a section repealing said Act 41.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 14 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives  
Nakasato and Lacy.

SCRep. 15            Finance on H.B. No. 15

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist electric utilities serving the general public in Hawaii.

This bill authorizes the Department of Budget and Finance to issue special purpose revenue bonds pursuant to Chapter 39A, Hawaii Revised Statutes, in an amount not to exceed \$72,252,000, for capital improvement programs which are multi-project programs for the local furnishing of electric energy by electric utility companies; provided that the Public Utilities Commission approves the projects, and the funds are not used for new fossil or nuclear fuel generating units. This bill further provides that the Public Utilities Commission shall make annual reports to the legislature regarding electric utilities financing costs, benefits of the bonds, and a listing of the projects funded by the special purpose revenue bonds. The bill also includes a list of the capital expenditures, or the multi-project capital improvement programs, for which the various local electric utility companies plan to expend funds generated from the issuance of special purpose revenue bonds during the period July 1, 1981 through June 30, 1984.

This bill is identical to H.B. No. 1048, H.D. 2, S.D. 2, C.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 15 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives  
Nakasato and Lacy.

SCRep. 16            Finance on H.B. No. 16

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist eight not-for-profit corporations that provide health care facilities to the general public to be used for financing new construction and renovation or for refinancing existing obligations.

This bill is identical to H.B. No. 1680, H.D. 1, S.D. 2, C.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 16 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives  
Nakasato and Lacy.

SCRep. 17            Finance on H.B. No. 17

The purpose of this bill is to make a revenue bond fund appropriation to fund the public participation portion of the redevelopment of the Aloha Tower Complex.

This bill provides that no bonds shall be issued and no demolition or site development shall take place before the development proposals have been incorporated into firm contractual commitments. This provision will reduce the possible risk to the State of proceeding with development and bond issuance and then finding that there is no one interested in renting or otherwise providing the necessary income stream for the

repayment of the bonds.

This bill is identical to H.B. No. 1875, H.D. 1, S.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 17 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.

SCRep. 18 Finance on H.B. No. 18 (Majority)

The purpose of this bill is to extend the time for the report due from the tax review commission.

The commission is required to conduct a systematic review of the State's tax structure and, under the present timetable, the commission must submit its report to the legislature by September of 1981. Your Committee believes that an extension is necessary to give the commission more than a mere 17 months in which to accomplish its task. The amendments proposed by this bill grant the commission approximately 15 additional months to complete its evaluation of the State's tax structure and to submit its recommendations. Your Committee believes that the amendments proposed by this bill are in order.

The bill also appropriates \$300,000 for fiscal year 1981-1982 and \$24,413 for fiscal year 1982-1983 to be expended by the Department of Taxation for the purposes of this Act.

This bill is substantially the same as H.B. No. 1763, H.D. 1, S.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981, except that an appropriation section has been added.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 18, and recommends that it pass Second Reading and be placed in the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.  
(Representatives Marumoto, Narvaes and Wong did not concur.)

SCRep. 19 Finance on H.B. No. 19 (Majority)

The purpose of this bill is to provide for the extension of the State Program for the Unemployed (SPU) and its component, the State Comprehensive Employment and Training (SCET) program (established by Act 151, SLH 1975, as amended).

As part of the State's effort to combat cyclical unemployment through a program similar to CETA, the 1975 Hawaii State Legislature established the State Program for the Unemployed. SPU, a temporary state funded program administered by the Department of Labor and Industrial Relations, has been extended from year to year since then.

Your Committee notes that the City and County of Honolulu, the major CETA prime sponsor, will receive 43% less funds in fiscal 1981 than last year with the largest cutback in public service employment programs. The local job market is not expected to expand enough to absorb the CETA displacements. Without SCET, the employment training needs of many economically disadvantaged persons will not be met.

Your Committee approves the appropriation of \$2,000,000 to continue SPU.

This bill is identical to H.B. No. 38, H.D. 2, which was fully heard and discussed and duly considered in the Eleventh Legislature, Regular Session of 1981, except that the expending agency has been changed from the director of labor and industrial relations to the department of labor and industrial relations and the appropriation has been reduced from the original \$3,000,000 to \$2,000,000. The new amount should be sufficient to continue the program through the 1981-82 fiscal year.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 19,

and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.  
(Representatives Marumoto, Narvaes and Wong did not concur.)

SCRep. 20 Finance on H.B. No. 20 (Majority)

Recent economic conditions have resulted in alarming instability in the previously stable bond market.

Hawaii has found average bond interest rates to be in excess of the current nine and a half per cent statutory limit. Consequently, planned bond sales have been postponed, and no sales have occurred during the 1980-81 fiscal year. The State has had an adequate general fund surplus which has permitted funds to be advanced for capital improvement programs (CIP). However, if the interest rates currently exceeding nine and a half per cent continue for another few months, the State will not be able to issue general obligation bonds and CIP will be severely curtailed.

Your Committee believes that the current interest rate limitation of nine and a half per cent should be increased to twelve per cent in order to permit the sale of general obligation bonds and to thereby help ensure the continued, orderly implementation of CIP programs throughout the State.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 20 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakasato and Lacy.  
(Representatives Marumoto, Narvaes and Wong did not concur.)

SCRep. 21 Finance on S.B. No. 1

The purpose of this bill is to authorize the preparation, printing, and re-compilation of the index to the Hawaii Revised Statutes.

The present index has reached the stage where it should be republished. Portions of the index have been rendered obsolete by changes in the law and the increasing size of the pocket supplement will soon make further publication of the supplement impractical. Your Committee feels that the revisor of statutes should recompile and update the present index volume.

The bill makes an appropriation of \$100,000 for the preparation and printing of such a recomputed, updated index.

This bill is identical to S.B. No. 163, S.D. 1, H.D. 1, C.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981, except that "fiscal years 1981-1982, 1982-1983" in Section 3 has been changed to "fiscal biennium 1981-1983." However, because S.B. No. 163 of the 1981 Regular Session has already been signed into law as Act 64, Session Laws of Hawaii 1981 (Regular Session of 1981), this bill contains a section repealing said Act 64.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Albano, Andrews and Lacy.

SCRep. 22 Finance on S.B. No. 2

The purpose of this bill is to appropriate funds for collective bargaining cost items.

This bill funds the cost items in the collective bargaining agreements for units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 13 in the executive branch, and units 1, 2, 3, 4, 9, 10, and 13 in the judicial branch, for the fiscal biennium 1981-83.

This bill is identical to S.B. No. 454, H.D. 1, C.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 2 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Albano, Andrews and Lacy.

SCRep. 23          Finance on S.B. No. 3

The purpose of this bill is to assess a fee of \$100 per claim to be paid to each member of the medical claim conciliation panel for each claim processed. This fee would be in addition to other travel and living expenses that might be incurred.

This bill is identical to S.B. No. 1472, S.D. 1, which was fully heard and discussed and duly considered by the Eleventh Legislature, Regular Session of 1981, except that a sentence designating the department of regulatory agencies as the expending agency has been added to the appropriation section.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 3 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Albano, Andrews and Lacy.

SCRep. 24          Finance on S.B. No. 4

The purpose of this bill is to provide for the appointment of private attorneys to represent indigent criminal defendants when the public defender is unable to do so due to a conflict of interest or when the interests of justice so require. The bill also establishes maximum fees payable to, and provides for the payment of necessary expenses incurred by, the appointed attorney.

The bill provides:

- (1) That it is private counsel which is to be appointed when justice requires;
- (2) That private counsel is to be paid from money appropriated to the Department of Budget and Finance for such purpose;
- (3) That payment in excess of and up to twice the amount in the schedule of fees is allowed when the case is extended or complex; and
- (4) An appropriation of \$800,000 for the 1981-83 fiscal biennium.

This bill is identical to S.B. No. 1507, S.D. 2, H.D. 2, C.D. 1, which was fully discussed and heard and duly considered by the Eleventh Legislature, Regular Session of 1981.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 4 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Albano, Andrews and Lacy.

NUMBER AND TITLE	Introduced Referred	First Reading	Second Reading	Third Reading	Action of Senate	Conference Committee	Final Action of Governor	Further Action	Act No.	Vetoed
HB 1. A Bill for an Act relating to the State budget.	2 3	2	6	10	20	20	24	26	1	
HB 2. A Bill for an Act relating to the Judiciary budget.	2 3	2		10	24		26		2	
HB 3. A Bill for an Act relating to State bonds.	2 3	2	6	10	24		26		3	
HB 4. A Bill for an Act relating to the 1984 Silver Jubilee of Hawaii's statehood and making an appropriation therefor.	2 3	2	6	11	24		26		4	
HB 5. A Bill for an Act relating to State officers and employees excluded from collective bargaining and making appropriations and other adjustments.	2 3	2	7	11	24		26		5	

NUMBER AND TITLE	Introduced Referred	First Reading	Second Reading	Third Reading	Action of Senate	Conference Committee	Final Action of Governor	Further Action	Act No.	Vetoed
HB 6. A Bill for an Act relating to the public employees health fund.	2 3	2	7	12	24		26		6	
HB 7. A Bill for an Act relating to deferred compensation plans for public employees.	2 3	2	7	12	24		26		7	
HB 8. A Bill for an Act relating to the establishment of the Venture Capital Information Center.	2 3	2	7	12	24		26		8	
HB 9. A Bill for an Act relating to the Office of Hawaiian Affairs.	2 3	2	7	12	24		26		9	
HB 10. A Bill for an Act making an appropriation for payment of a judgement between the State of Hawaii and Sylvia Gamino.	2 3	2	7	12	24		26		10	

NUMBER AND TITLE	Introduced Referred	First Reading	Second Reading	Third Reading	Action of Senate	Conference Committee Action	Final Action of Governor	Further Action	Act No.	Vetoed
HB 11. A Bill for an Act relating to the compensation of certain persons under the Criminal Injuries Compensation Act and providing appropriations therefor.	2 3	2	7	12	24		26		11	
HB 12. A Bill for an Act relating to the relief of certain persons' claims against the State and providing appropriations therefor.	2 3	2	8	12	24		26		12	
HB 13. A Bill for an Act relating to the Hawaii Housing Authority.	2 3	2	8	12	24		26		13	
HB 14. A Bill for an act authorizing the issuance of special purpose revenue bonds to secure long-term mortgage refinancing for the Pohai Nani Good Samaritan Kauhale Health Care Facility.	2 3	2	8	13	24		26		14	

NUMBER AND TITLE	Introduced Referred	First Reading	Second Reading	Third Reading	Action of Senate	Conference Committee	Final Action of Governor	Further Action	Act No.	Vetoed
HB 15. A Bill for an Act relating to the authorization of special purpose revenue bonds to assist utilities serving the general public.	2 3	2	8	13	24		26		15	
HB 16. A Bill for an Act relating to special purpose revenue bonds for health care facilities.	2 3	2	8	13	24		26		16	
HB 17. A Bill for an Act making an appropriation for the redevelopment of the Aloha Tower Complex.	2 3	2	8	13	24		26		17	
HB 18. A Bill for an Act relating to the Tax Review Commission.	3 3	3	8	13						
HB 19. A Bill for an Act relating to the State program for the unemployed.	3 3	3	9	17						

NUMBER AND TITLE	Introduced Referred	First Reading	Second Reading	Third Reading	Action of Senate	Conference Committee	Final Action of Governor	Further Action	Act No.	Vetoed
HB 20. A Bill for an Act relating to general obligation bonds of the State of Hawaii.	3 3	3	9	17	20	20 24	23	26	18	

NUMBER AND TITLE	Received Referred	First Reading	Second Reading	Third Reading	Action of Senate	Conference Committee	Final Action	Action of Governor	Further Action	Act No.	Vetoed
SB 1. A Bill for an Act relating to indexing the Hawaii Revised Statutes.	17	17	19 20	23				26		19	
SB 2. A Bill for an Act making appropriations for collective bargaining cost items.	18	18	19 20	23				26		20	
SB 3. A Bill for an Act relating to medical claim conciliation panels.	18	18	19 20	23				26		21	
SB 4. A Bill for an Act relating to counsel and other services for indigent defendants in criminal and related cases.	18	18	19 20	23				26		22	