

SIXTY-FOURTH DAY

Thursday, April 30, 1981

The Senate of the Eleventh Legislature of the State of Hawaii, Regular Session of 1981, convened at 1:30 o'clock a.m., with the President in the Chair.

The Divine Blessing was invoked by Senator Patsy K. Young, after which the Roll was called showing all Senators present.

SENATE RESOLUTION

A resolution (S.R. No. 348), entitled: "SENATE RESOLUTION AUTHORIZING THE PRESIDENT TO APPROVE THE JOURNAL OF THIS SENATE FOR THE SIXTY-THIRD DAY," was offered by Senators Cobb and Yee.

On motion by Senator Cobb, seconded by Senator Anderson and carried, S.R. No. 348 was adopted.

The President then announced that he had read and approved the Journal of the Sixty-Third Day.

ORDER OF THE DAY

RECONSIDERATION OF
ACTION TAKEN

Senator Yamasaki moved that the Senate reconsider its action on the following:

House Bill No. 241, H.D. 1, S.D. 1, C.D. 1;

Senate Bill No. 454, H.D. 1, C.D. 1;

House Bill No. 1716, H.D. 2, S.D. 2, C.D. 1;

House Bill No. 1879, S.D. 1, C.D. 1;

House Bill No. 1724, H.D. 2, S.D. 2, C.D. 1;

House Bill No. 1239, H.D. 1, S.D. 1, C.D. 1;

House Bill No. 1, H.D. 1, S.D. 1, C.D. 1;

House Bill No. 2, H.D. 1, S.D. 1, C.D. 1;

House Bill No. 629, H.D. 1, S.D. 2, C.D. 1;

House Bill No. 1870, H.D. 1, S.D. 1, C.D. 1; and

House Bill No. 1167, H.D. 1, S.D. 2, C.D. 1,

seconded by Senator Anderson.

Senator Yamasaki then stated as follows:

"Mr. President, the Conference Committee has considered the bills enumerated and the decision-making meeting was held from 12:35 a.m. to 12:55 a.m. (April 30, 1981) to comply with the requirements of the State Constitution. The conferees have found nothing wrong with the conference drafts on each of the bills."

Senator Abercrombie then stated as follows:

"Mr. President, I appreciate the chairman's remarks and I understand his concern that there'll be no question as far as he's concerned, as far as you're concerned, in respect of the proprieties.

"I state, for the record, that it is my considered judgment that all aspects of constitutional procedures were met regardless of whether or not this particular hearing was held and I feel that my contention is shared by many in this body. I recognize, on the other hand, your concern that nothing goes awry, and I respect it. But, I, in turn, most respectfully submit for purposes of the record that I believe that we have acted in good order in terms of the Constitution up to this point and including this hour."

Senator Henderson then asked: "Mr. President, are these bills in the same form as have been laid on the table for 48 hours?"

The Chair replied: "That is correct."

Senator Carpenter then remarked and inquired as follows:

"Mr. President, I have a question.

"If indeed the Conference Committee adjourned at 12:55 a.m., a few minutes ago, and if indeed the action taken by this body, prior to recommitment of the bills, was not within the purview of our charge by the people of State of Hawaii, then I'm not clear in my mind if the bills have laid on our desks for the required 48 hours after the decision was reached in open caucus as to whether or not we now meet the constitutional test that was spoken to earlier. Will you answer that for me, please?"

The Chair answered: "Yes, Senator Carpenter, the constitutional requirement

is that the bills to be passed are in final form and have been on the members' desks for 48 hours. This is the ruling of the Chair, with respect to your question."

Senator Carpenter further inquired: "So then the bills need not rest in their final form after the formal decisions were made in opening hearing, is that what you're saying?"

The Chair answered: "That's correct. The reconsideration is on the action taken to recommit the bills. Each of the bills carry a Conference Draft 1 on it and is back to its original form when it was laid on the desks for 48 hours."

The motion to reconsider the action was put by the Chair and carried, and the aforementioned bills were replaced on the calendar for Final Reading.

FINAL READING

Conference Committee Report No. 67 (H.B. No. 1, H.D. 1, S.D. 1, C.D. 1):

Senator Yamasaki moved that Conf. Com. Rep. No. 67 be adopted and H.B. No. 1, H.D. 1, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Anderson.

At this time Senator Campbell rose to speak on the measure and the Chair asked: "Senator Campbell, are you speaking in favor or against the bill?"

Senator Campbell replied: "Mr. President, at this point, I haven't really made up my mind."

The Chair responded: "Senator Campbell, if you choose to debate the measure, you will have to state your position whether you are for or against the measure before the body."

Senator Campbell answered as follows:

"Well, as I understand it, I can change my mind later on. At this present time, I'm speaking against the budget."

"Mr. President, I have some favorable things to say about the budget. I'm very delighted that additional funding has been granted to the film office. The service that this office can render in promoting our state and providing additional jobs for people can be considerable.

Hawaii has the potential of becoming the second film capital of the world, and I want to congratulate those responsible for insisting that this office be expanded and that it be given the kind of support which this budget reflects.

"I'm also happy that there is an increase in the funding to prevent child abuse. We learned in the committee hearings that some reported cases of child abuse were not responded to until a week or two had lapsed. Along with the increased funding should go a mandate that this deficient practice be terminated without delay.

"And, Mr. President, when it comes to grants-in-aid, I'm pleased to note that the budget document restores well over a million and a half dollars to grants-in-aid funds. These grants are so important for support programs of our various state agencies.

"I applaud additional funding which provides a new division of energy in the Department of Planning and Economic Development. This increases my hope that the state will seriously consider the possibility of converting its gasoline-powered engines to electric, where feasible.

"According to a report by the Hawaii Natural Energy Institute, University of Hawaii, Hawaii spent approximately \$800 million dollars in 1978 for imported petroleum. One estimate, based on a 10% annual price increase, is that by 1990, Hawaii will be spending over \$2 billion dollars for oil. The state, however, has the potential to achieve 100% electrical energy self-sufficiency by 1990.

"The Hawaii taxpayer, for 1980-81 will be spending approximately one million three hundred thousand dollars for gasoline for cars operated by the state.

"According to the chief of the Automotive Division of the Department of Accounting and General Services (DAGS), operational costs for state vehicles average approximately 18¢ - 19¢ per mile.

"The electric vehicle project of the University of Hawaii says, 'The electric vehicle cost about 10.5¢ per mile to operate.'

"According to DAGS, state vehicles travel on the average, 22.5 miles per day. The electric vehicles can travel up to 50 miles before recharging, thereby, being a viable replacement

for the gas-powered car.

"Let's hope that the request of this Senate to the state administration, through Senate Resolution No. 20 will result in many electric cars replacing gasoline-powered vehicles operated by the state and counties.

"Hawaii has the cleanest air of any state in the union, let's keep it that way."

"Now, Mr. President and members of the Senate, I come to that aspect of the budget which may be put in the category of so-called sad news.

"Mr. President, in 1977, as chairman of an interim subcommittee on school violence and vandalism of the State House of Representatives, we found a very serious problem in our schools. School violence was threatening the educational process. Vandalism was taking much needed funds from the education of our school children. Based on our findings, this interim committee made many recommendations to the Department of Education, designed to alleviate the problem. Today, less than four years later, we're faced with the same problem. The main difference is that the problem is bigger and it's costing us more. The funding committee report which is before us this morning underscores this point by referring to the problem as 'the rising tide of violence and crime in our public schools.'

"This Legislature should not continue the hit-and-miss approach to the most serious problem facing our schools today-- school violence and vandalism. And here's an example of what I mean. Let's take the alternative education program. Now, this is what the committee report says: 'Your Committee has provided additional funds 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.'

"Now, Mr. President, it's incredible that this Legislature is increasing the funding for programs which are in need of coordination and direction. Would it not have been the better part of wisdom to have required the Department of Education to come in with a well organized program for alternative education before getting increased funding? Well, I for one would think so.

"Mr. President, when the Senate draft of the budget was before us, it sounded very optimistic as it related to crime prevention and the reduction of school violence and vandalism. Those who supported that budget pointed with pride to the only innovative program of that budget designed to prevent school violence and vandalism. That was the Castle Complex Alternative Education Program. Because this project was limited in scope, as all pilot programs are, in reality, it offered rather limited relief from the school crime and vandalism problem plaguing our schools today. But, as limited as this program was, it did offer a source of hope. It did offer a departure from a much criticized posture of this Legislature to throw money at all programs in schools which have not proven themselves particularly effective. Mr. President, what happened to that little glimmer of hope called the Castle Complex Alternative Education Program? It goes without saying that it was abandoned.

"With the loss of that program this budget before us this morning provides no new approach to crime prevention and curbing school violence and vandalism. As a matter of fact, this conference draft of the budget is well over \$8 million less for school programs voted by this Senate some weeks ago.

"Now, Mr. President, I've stated this before and I'll say it again, this Legislature has the responsibility, in my judgment, to require the Department of Education to come up with an effective program to combat crime and vandalism on school campuses of this state which threaten the education of Hawaii's children. Such a program has to place emphasis on early identification and referral. The program will also have to emphasize alternative programs for hard-core, troubled students and until this bold and innovative step is taken this Legislature must share the responsibility of not providing the people of this state with an effective crime prevention program.

"Now, Mr. President, in concluding my remarks, I want to make reference to what happened an hour or so ago. There was a joint meeting of the Senate and House conferees on all bills that did not meet the sunshine law requirement. This meeting was called to let in sunshine, after the fact. Mr. President, I made some comments on this floor about a year ago concerning this process. I would like to read some pertinent excerpts from those comments.

"This is what was said: 'Finally,

let's turn our attention to the process by which the Senate and the House reached the final compromise on measures where there was disagreement. The House and Senate conferees met for days, many times working around the clock, to seek an acceptable compromise. These conference are a tug-of-war. No conference leader wants it said that he or she gave in. This is the reason, in my judgment, for legislative extensions. Nobody wants to give in. In this kind of process, the merits of issues suffer tremendously. The merits of issues before the conferees get lost in the tug-of-war. When I think that this is the process by which we arrive at the most important legislation which passes this Legislature, I cringe. The process is, in my judgment, the best boost for a unicameral legislature I have seen or heard of in many, many years.

"Now, let me close by making just one or two observations. The first one is, in spite of the fact that the full House and the full Senate have final approval authority, we all know that much of the most important legislation which passes both houses is shaped and tailored by just a handful of representatives and senators. This approach, in my opinion, is hostile to the democratic legislative process.

"The second observation, and I think it relates to the first...this handful of powerful decision-makers in the House and the Senate, in most instances, get locked into battle where the deciding factor in most cases is not the merits, as I mentioned earlier, not the merits of the issue at hand, but the physical endurance of the participants.

"Now, Mr. President, in the interest of the people of this state, this folly must come to a halt, and I call upon you to start the ball rolling. After the close of this session, Mr. President, convene a House-Senate committee whose purpose would be to seriously consider an alternative to our present process of reaching agreement with the House related to proposed legislation where there is some difference of opinion."

"And that, Mr. President, end those remarks that I made a year ago. Those remarks made a year ago today, or approximately today, are painfully applicable this morning. The process which brought this present budget before us this morning has not changed from one year ago and, if anything, it's gotten worse.

"I was on 16 conference committees

but called to serve on two and a half. The half refers to the conference committee on the Executive pay bill which met and adjourned so that the House could make a counteroffer, but the committee never reconvened.

"There must be a change, Mr. President, in the Senate-House negotiation process which is responsible for major legislation which is so important to the people of this state. The process should allow for the following: (1) Adequate participation on the part of all elected representatives and senators in the process; (2) Public access to conference committee deliberations and decision-making; and (3) Strict adherence to time frames which prevent around-the-clock sessions and physical endurance contests.

"Now, Mr. President, I call upon you again to take the initiative with the Speaker of the House to setting up a joint Senate-House interim committee to devise alternatives to our present Senate-House negotiation process.

"Thank you very much."

Senator Abercrombie then remarked as follows:

"Mr. President, I speak in favor of the budget and in rebuttal of some of the remarks of the previous speaker.

"Mr. President, the previous speaker may be more familiar with the hit-and-miss approach than I am. As the former chairman of Education he tried for a hit with his remarks and missed very badly. He has used, as an example, the Comprehensive School Alienation Program. If he will examine the contents of the program as outlined in our discussions in the Education Committee of both the House and the Senate...and I might add, Mr. President, that the cooperation between the House and the Senate has been excellent, it has been continuous since the Legislature was organized...we've been in constant communication with one another, both in terms of the two chairmen involved and in terms of the staff. We have had the excellent cooperation of the Finance Committee in the House and the Ways and Means Committee in the Senate. You will find that the Comprehensive School Alienation Program is organized. That's precisely the effect of this budget where we're asking for, in terms of a report, the effect of the program which we have now organized in terms of an analysis by the DOE as to its successes and where its weaknesses might be so that

we might strengthen it further.

"As to indicating that the only program in connection with school violence and vandalism was the Castle program is nothing short of nonsense. As a matter of fact, that was an add-on to the integrated program that we have established in this budget for education. That there is no new approach is again nonsense. We have an integrated approach, especially in terms of school violence and vandalism. If this is seen as an ineffective approach by the previous speaker perhaps he has more experience with that kind of activity than I do.

"This is a budget which is a successful budget for the people of the State of Hawaii in terms of public education. Contrary to the remarks of the previous speaker, if you will examine the budget that was put forward, recommended by the Executive, you will find that the members of the House and the Senate have agreed to put back some \$5.6 million into this budget over the next biennium, an increase of almost \$6 million.

"You will find that the priorities of the Board of Education have been addressed in every respect. You will find that the workload increases have been respected by both of our houses in every respect. You will find that the current services cuts which were envisioned in the recommended budget to us have been addressed in every respect. At the same time, the budget committees and your subject matter committees have judiciously pruned the budget proposal where necessary and feasible. You will find expansion in this budget in the area of special needs, in the area of warm body teacher positions, for the first time, Mr. President.

"The Superintendent of Education will have available more than fifty positions in each of the fiscal years which the Superintendent may assign as needed so that noschool need suffer any longer from a strictly numerical approach in terms of a formula which involve a decline in enrollment so that in some programs and some classes students lose out with teachers. The flexibility is now there for the Superintendent. This is a great triumph of reason over the logic of numbers. The reason that is involved considers the fact that we are dealing with human beings. We are dealing with the life-blood of this state and it behooves us to pay attention to the fact that if we are to mold the minds of our school children in a way conducive to good citizenship and a progressive attitude in this state, then we had better put

together the kind of fiscal support for the school system that not only will warrant respect, renewed respect, on the part of the public, but see to it that confidence can be regained by the public in our public education system.

"We have seen to it that we will have professional improvement costs taken care of for our teachers. Intensive basic skills have not been funded. Job programs like Project Holomua and others have been instituted. Grants-in-aid for programs like the LAMP program on the Big Island have been re-funded with the hope that the record that's established there may find itself being implemented in other islands, including Oahu, in the near future.

"The Hawaiian Studies program...if there is any program which offers us an opportunity to see to it that respect and discipline are put back into our school system, especially the elementary school level, it is the Hawaiian Studies program. We have funded that program fully in this budget. The Hawaiian Studies program was a pilot program. So often we see these things get underway and then the Legislature doesn't follow through. We followed through in this budget.

"Asian-Pacific and European languages...we put money and positions into this budget. We have special education teachers; we increased the position count for the deaf and blind students of limited language proficiency; we've put in vice-principals; we've put in security aids; we've put in counselors; we've put in these extra teachers; all of which constitutes an integrated and comprehensive program in respect of violence, vandalism, discipline and a good learning atmosphere in the schools.

"We've addressed the question of the gifted and talented; we've addressed the question of athletic directors because we see student activities in athletics and other activities as being an integral part in getting our students to think of school as a place where they want to be, as a place where they can not only gain academic knowledge, but knowledge of themselves as a community. We have increased funding for adult education. I won't read all the numbers involved I'll just refer the members to pages 8 and 9 of the Conference Committee report for the kind of money that we put behind these positions.

"You will find, Mr. President, that for the first time in more than a decade public education has made a turnaround. We now have a situation where the Board, the Superintendent, the chairman of both legislative committees, the

DOE, the teachers, the parent-teacher-student organizations, and other interested parties are all working in concert, cooperating with one another on behalf of education.

"I'm proud of that record in the brief time that I have had the honor to be chairman of the Education Committee and I pledge to you and other members, in asking for their vote for this budget, that that kind of cooperation is going to continue to exist, and that we will take this foundation and this budget, carry forward with it so that people of our state can be proud of their education system.

"Thank you."

Senator Cayetano spoke on the measure as follows:

"Mr. President, I rise to speak against this bill.

"Mr. President, I'm very disappointed that the appropriation for the Vineyard Street garage was restored after the conferees for both the House and the Senate had agreed in open conference before the public and the press to delete it. I recall that there was little debate on the merits of the appropriation because the chairman of the House Finance Committee quickly accepted the Senate's recommendation to delete the project, stating in the process that he and the House conferees agreed that the garage was a bad project which did not merit further appropriation. Naturally, I was shocked to find that the appropriation was restored in the conferences between the House and Senate subcommittees.

"The restoration of the \$3.5 million to finish construction of this crazy project...one of the all-time great bureaucratic boondoggles in our state's history...is not only a waste of the taxpayers' money, but a slap in the face of all members of this Senate. There is not one legislator in this building who would dare to publicly defend this project on its merits.

"When I asked the chairman of the Ways and Means Committee why the money had been restored he said it was because the conferees for the House requested it. When I asked the chairman of the House Finance Committee why he asked to restore the appropriation he admitted that he was still opposed to the project but that someone, and I quote 'someone higher up' ordered him to restore the project.

"Mr. President, who is running the House Finance Committee? Does

the committee system still exist in the House? Why wasn't the chairman of the Senate Committee on Government Operations and Intergovernmental Relations, Senator Kawasaki, who had deleted the appropriation, consulted before agreement was made to restore it?

"We are now faced with a parking garage which will cost \$20,000 per stall; amortized over 20 years the cost per stall, per month, is \$156. Current parking fees are \$30 per month. This means that there will have to be a subsidy from somewhere of \$126 per month. The tragedy of all this is that because of the limitations on bonded indebtedness, some other worthwhile project will either be delayed or never built.

"There's another item in this budget bill which concerns me and this is the so-called 'general improvement projects.' Last year, we funded 'community input projects.' The year before, I guess, we called it something else. Maybe next year we will call it the 'people's tonkatsu.' When I first got into the Legislature, we called it, Mr. President, 'pork.'

"I realize that this is a two-house Legislature, but I truly believe that the Senate must provide stronger action in phasing out 'pork.' The present leadership in the House seems totally oblivious to the constitutional limitations on bonded indebtedness. This Senate must show the way.

"All the so-called 'general improvement projects' in the budget was put there by the House...to our credit I know of no Senate 'pork' in the budget...and most of it is ridiculous. For example, after giving hundreds of thousands of dollars away in grants-in-aid to hospitals and passing laws for special purpose revenue bonds for hospitals, we still allow 'pork' items in the budget such as \$275,000 for Wilcox Memorial Hospital--I say it with apologies to Senator Toyofuku; \$200,000 GO bonds for equipment for Kapiolani Children's Hospital. We have appropriated millions of dollars in the Executive CIP budget for schools, and yet in 'pork' we allow, for example, nine separate \$5,000 appropriations for something called 'general education purposes.' What the hell is that?

"I can tell you, Mr. President, from what I know about the guidelines set by Budget and Finance, this certainly does not qualify under our CIP guidelines. When will we put a stop to this nonsense? Maybe you can answer that question next year.

"Mr. President, even though I am disappointed about the budget, there are many good items in the budget. I still may have voted for this bill, but I think it suffers from a fatal flaw. You see, Mr. President, what we're looking at in House Bill No. 1 are two bills, really. One is the general appropriations act for fiscal biennium, 1981-83, otherwise called the State Budget. The other is the proviso buried in the bill which appropriates \$5.8 million cash for asbestos repair, effective for the current fiscal year. I understand we took this approach because there was no bill or vehicle available. I'm told that there's been past precedent for this very unique approach. Perhaps one day someone will test it in the courts. But my greatest concern is that this \$5.8 million appropriation for the asbestos which becomes current, not for fiscal 82-83 but for this fiscal year, along with the \$4.1 million for the Gamino case; the \$598,000 for criminal injuries compensation; the \$724,000 for claims against the state; the \$10,000 for the Silver Jubilee celebration; and the legislative expense bill for \$4.7 million, all of which were appropriated in this session and all of which will be effective upon approval, which means that they should be counted against the expenditure ceiling for fiscal 1981, do not have the declarations that are required.

"The 1980 Legislature exceeded the expenditure ceiling for fiscal 1981 by \$67 million. At the time the Legislature passed those appropriations, the expenditure ceiling was self-imposed because Sections 37-91 through 94 became effective and Section 37-91, subsection 4, sets an expenditure ceiling for fiscal 1981. What this means, Mr. President, is that any appropriations made for fiscal year 1981, after July 1, 1980, which exceeds the expenditure ceiling set by 37-94-4 for the fiscal year must contain a declaration as set forth in 37-93.

"What all of this means, as I have tried to repeatedly point out from the very beginning of this session to people in charge in the Senate, either verbally or by written memorandum, as early as February, is that unless the appropriations mentioned above contain a declaration, I believe their legality is subject to challenge in court.

"I understand that the House has obtained an Attorney General's Opinion, in the last day or so, which disputes my interpretation. I read that Opinion, and let me state that I consider that Opinion an opinion which appears to have been hurriedly written and reasoned

from a pre-determined conclusion. It's too bad the Attorney General, or the deputy who wrote that Opinion, did not have the time to consult me on this matter. After all, Mr. President, I wrote that law last year. I think I know what it should mean.

"Let me state that in drafting that law last year to establish the expenditure ceiling, my staff and I spent many hours trying to draft the law which would prevent future legislatures from circumventing it. We considered all kinds of possibilities and finally we came up with the present law...the sections I mentioned...and the law is designed to specifically prevent the Legislature from circumventing the expenditure limits by making the kind of post-biennium appropriations that we are making now, such as the \$5.8 million for asbestos, \$4.1 million for Gamino, and others.

"All the appropriations effective this fiscal year, in my opinion, require such a declaration. Without such declarations, the appropriations are illegal. For me, it is absolutely clear, and for these reasons I would vote against the budget. Had this appropriation been separated from the budget, I would vote for the budget, but it is not. I will vote against the budget. I will vote against Gamino and the other appropriations which I favor because they have no declarations and, I believe, are illegal."

Senator O'Connor also spoke against the measure and stated:

"Mr. President, I rise to speak against the budget and I'm going to vote against it. I join Senator Cayetano in his remarks just made concerning the expenditure limit and the failure to make the appropriate declarations in the other bills which contain major appropriations. I join with him in the belief that those bills may have difficulty setting, particularly the Gamino measure in which there are several opponents in this jurisdiction, and, if there is any technical flaw in it, I'm sure that it will have a lot of difficulty.

"Mr. President, I am more opposed to the budget because of the procedural manner in which it was handled. I believe, despite protestations to the contrary made on this floor tonight, that Article III, Section 12, of the State Constitution, as amended in 1978, was not conformed with in this particular budget situation. The section which is pertinent reads as follows: 'Every meeting of a committee in either house or of a committee comprised of a member or members from both houses held for the purpose of making decision on

matters referred to the committee shall be open to the public.'

"The history of the budget negotiations are common knowledge and have been carried in all of the television stations. After four days of open negotiations, subcommittees were appointed which met privately, away from the public, and worked out the more difficult decisions which had to be made or which were made in the budget. Those meetings were for the purpose of making decisions on those difficult matters, and when the decisions were made the document which is before us, House Bill No. 1, C.D. 1, was drafted, circulated, and put together. Some of the other bills before us also came from the same genesis.

"The State Constitution provision is a mandatory provision. The word, the operative word in it, is the word 'shall.' Our Supreme Court has ruled in 58 Hawaii on page 31 that where there is a mandatory provision such as this one and there is a violation of it, such a violation would render legislation which is the result of the violation, a nullity. The word the Supreme Court uses is, it would render the enactment 'nugatory.'

"Tonight, as I understand it, based upon recommendations of the Governor and the Attorney General, this process that we are involved in was continued and the bills were recommitted to the Ways and Means and Finance conference committee where, for a very brief period, the eleven bills which went back to committee were considered and the conference committee voted to agree with the recommendations of the subcommittee.

"Now, the problem with that process, Mr. President, is obvious because the bill which we are about to vote on is the same bill which came from the decisions made in those secret meetings. There's just no way that the action this evening can change the fact that we have before us a measure which violates, or the contents and the decisions that were made to form the content, violates Article III, Section 12, of the Constitution. It is unfortunate that in our administrative efforts in this body some thought wasn't given to that particular provision, and it is unfortunate that the meetings which were held to work out those particular provisions weren't open meetings; but, that's over and done with.

"I believe that there could have been a way to rescue this problem, had the committees actually gone back into

conference tonight or over the next couple of days and deliberated again on each of the measures and actually made decisions. This was not done. I believe, therefore, that this bill is subject and might very well be subject to attack in court and I understand that one of our foremost organizations in the community is presently considering legal action on this measure and other measures which were handled in the way that I've indicated in order to render them a nullity. It will indeed be unfortunate in this state if this budget is rendered a nullity, particularly, if the court debates go on for any length of time and we get past July where nothing can be done to straighten it out.

"For these reasons, Mr. President, I, simply on a matter of procedure and administration, will vote against this bill.

"I'd like to make some other brief comments concerning the content of the measure.

"As the previous speaker indicated, there are some very fine items in this bill; there are also some that aren't so very fine. My problems with the measure are that in the area of corrections and in the area of our prison system it doesn't go far enough. We simply are not putting enough money in this measure, into our overall prison system, and into our criminal justice system as it exists in that area. I made remarks concerning this when the bill left the Senate and I find that not much has been done on it in the conference committee.

"I thank God that our land banking program, at least, has a little bit of money put aside for acquisition of a prison site at Halawa. The \$3.5 million there would be well spent. Unfortunately, as I indicated earlier, there's not the flexibility in this measure for the Corrections Division of the Department of Social Services and Housing to choose among several decent parcels in Halawa for this contemplated 500-bed medium security prison because the bill pinpoints a mauka portion which may or may not be acclimated for this particular facility. That's unfortunate, but, still, it's there and thank goodness for it.

"On the Hawaii Youth Correctional Facility at Koolau, last year we passed a Juvenile Master Plan and this measure still doesn't have enough money in it to handle the content of that plan. In the measure are the conversions of the Maunawili cottage, which is good...it should have been converted a long

time ago...but all the other cottages badly need repair and the funds for those cottages are left out. There are other facilities over there that we talked about now for several years and requested money for and there simply isn't any money for them, including the roof of Hilltop House which should have been done a long time ago.

"In addition, there's no money and there was no intent, evidently, to try to provide any for intake holding facilities, shelter facilities, and other matters that were called for in the Juvenile Justice Master Plan. I don't know if we're ever going to get those. I pray to God that in some year we'll get them into the budget.

"In a situation for a state such as ours which has, unfortunately, a well publicized crime situation, this budget demonstrates a spending of only 2 per cent of the entire budget amount on public safety against criminal action. That tiny expenditure is a crime in itself.

"There are many other items in the budget that I would comment on...the hour is late... I would simply say that it is unfortunate that it doesn't go a lot further in many of those areas. Thank you, Mr. President."

The Chair then remarked as follows:

"Senator O'Connor, if I might just make one correction. The procedure offered this evening to get into the conference committee was not suggested nor recommended by the Governor and the Attorney General. I want to set that record straight."

At this time, Senator Holt rose to speak against the measure and said:

"Mr. President, I just want to briefly say that I'm going to oppose this budget for a number of reasons.

"First, I am in agreement with Senator O'Connor that the secret, closed-door negotiations were clearly in violation of the State Constitution and I strongly believe that the 20-minute hearing that was held earlier this morning was nothing more than to make a mockery of our Constitution.

"Secondly, in the selection of Wheeler Air Force Base as the site for a general aviation airport, it's giving false hope to the community that we are addressing this potentially tragic situation.

"Thirdly, the choice of Dole Street for the Law School, I believe, is penny-wise and pound-foolish. We've waited

long enough and we shouldn't delay construction any longer.

"Thank you."

Senator Cobb then stated: "Mr. President, just one brief observation in response to the remarks of my colleague from the Seventh District relative to the closed negotiations via the subcommittee route. I guess the reaction and the interpretation of it depends on one's perspective because I recall last year there was a good deal of so-called behind the doors negotiations, but I did not hear a single complaint last year that the constitutional provision that he alludes to which was adopted by the voters in 1978."

Senator Yamasaki rose to respond to prior questions raised and stated:

"Mr. President, in response to the questions raised by the Senator from the Fourth District on the requirement to make declarations as far as the expenditure ceiling is concerned on certain bills that we have before us, we have received a letter from the Attorney General's office, dated April 18, 1981, which reads as follows:

"This is in response to your oral inquiry as to whether the 1981 Legislature is required to secure a two-thirds vote of each house before making appropriations for the 1980-81 fiscal year which would exceed the general fund expenditure ceiling established by Act 277, Session Laws of Hawaii 1980.

"We answer in the negative.

"We note that Article VII, Section 9 of the State Constitution, as added by the 1978 Constitutional Convention, provides in part that:

"Notwithstanding any other provision to the contrary, the legislature shall establish a general fund expenditure ceiling which shall limit the rate of growth of general fund appropriations, excluding federal funds received by the general fund, to the estimated rate of growth of the State's economy as provided by law. No appropriations in excess of such ceiling shall be authorized during any legislative session unless the legislature shall, by a two-thirds vote of the members to which each house of the legislature is entitled, set forth the dollar amount and the rate by which the ceiling will be exceeded and the reasons therefor."

"We observe that nothing in the above language indicates the date

by which the Legislature is to establish the general fund expenditure ceiling nor the means by which such ceiling is to be established. By Act 277, Session Laws of Hawaii 1980, however, the 1980 Legislature formally established by law the formula for determining the general fund expenditure ceiling. Section 5 of Act 277 specifically provides:

"This Act shall take effect on July 1, 1980 and shall be repealed as of June 30, 1984."

"In discussing the reason for the effective date provision, the Conference Committee stated:

"Your Committee has also changed the effective date of this Act to July 1, 1980 rather than upon its approval. Thus, the first state budget which the provisions of this bill would legally impact would be the budget for fiscal biennium 1981-83. [Emphasis added]. House Com. Rep. No. 95-80 on S.B. No. 2795-80, 1980 House Journal at 1153; Senate Conf. Rep. No. 94-80 on S.B. No. 2795-80, 1980 Senate Journal at 1014.

"The above language thus seems to indicate a clear legislative intent to impose the general fund expenditure ceiling for appropriations beginning with the 1981-82 fiscal year and not for appropriations for the 1980-81 fiscal year. Further evidence of this intent is the fact that supplemental appropriations made by the 1980 Legislature for the 1980-81 fiscal year exceeded by \$57 million, the expenditure ceiling for fiscal year 1980-81 (under the formula established by Act 277); however, the 1980 Legislature did not secure a two-thirds vote of each house before making such appropriations.

"In view of the above, we conclude that the general fund expenditure ceiling, and the requirements that must be followed before exceeding the ceiling, should be applicable only to appropriations commencing with the 1981-82 fiscal year.

"Please feel free to call us, if you have any question on the above."

signed by Corinne K.A. Watanabe, Deputy Attorney General, and approved by Tany S. Hong, Attorney General.

"Therefore, Mr. President, we feel confident that in regard to the bills that we have before us this morning

that were referred to by the Senator from the Fourth District in claiming that we should make a declaration to the expenditure ceiling, there is no need to make the declaration, in view of the letter that we have before us.

"Also, I would like to state, in reply to the question on the Vineyard Street garage by the Senator from the Fourth District that this subject matter was considered by the open conference, as the Senator has said, that is true. However, those decisions were tentative decisions and when the subcommittee of the conference met we had several subject matters before us... the matter of the general aviation field, whether to go back to Poamoho or whether to stick to our position on Wheeler Airfield; the subject of the Law School; and the subject of the Ruger/Kapiolani Community College school site.

"After we had made the decision on the general aviation airfield, to go along with the Senate position on Wheeler Airfield and also on the Law School and Fort Ruger site for the Kapiolani Community College, the House requested that we reconsider the action taken by both sides on the Vineyard Street garage. This is when the decision was made to reconsider our action and concede to the House on the subject.

"I'd like to point out that as far back as in 1967 and also in 1976 when the present Senator from the Fourth District, representing the 19th District of the House Representatives, in Act 226 covered by House Bill 2100, there was an appropriation of \$148,000 for the design of the parking facility on the mauka portion of the State Capitol Complex and when the conference report was voted on there were 49 ayes, 1 no (Rep. Sutton), and 1 member was excused.

"Also, in 1977, the same item was in House Bill No. 1, Vineyard Street garage, to appropriate \$3,022,000 for construction of Phase I of the parking facility. In the vote taken in the House the Senator participated as a House member from the 19th District and there were 46 ayes, 1 no, and 4 excused, and I didn't note any opposition from the Senator.

"Then, also, in 1978, the supplemental budget year, the same item appeared in House Bill 3039 and the Senator was still a Representative from the 19th District. The same budget amount of \$3,022,000 for the construction of the Vineyard Street garage appeared in the budget and the vote was unanimous with 51 ayes. Therefore, the position

of the Senator taken on this subject to disagree with the action taken to restore the second phase of the parking structure is inconsistent with the previous actions taken when he was a member of the House.

"I believe that the second phase of the parking structure should be constructed with a roof so that we would have at least 500 parking stalls instead of the 159 or 169 parking stalls as we have now in the first phase. I believe that this was an area of concern expressed by individual Senators on House Bill No. 1.

"Thank you very much."

Senator Cayetano then responded as follows:

"Mr. President, I thank the chairman of the Ways and Means Committee for his meticulous homework. It's too bad he stopped at the year 1978 because when I became chairman of the Ways and Means Committee in 1979 and '80, monies for the project was deleted because I finally learned what a crazy project it was. The years that he mentioned my voting for the project I suspect that the project was included in the budget bill and, as you know, it's a take it or leave it situation in that case.

"In any event, the present feeling or belief is that this project, in view of the priority of other projects that we have, is no longer a worthwhile project. I notice there was no defense of the project on its merits, but rather a litany of my voting history. That'll be good if he had continued to the last two years up to the present. However, I'd like to address the Attorney General's Opinion.

"Mr. President, I have had the privilege of being a member of the Committee of Bar Examiners and I've participated in examining bar examination papers on three different bar exams, and if I had to correct or grade the research that was put into the Attorney General's Opinion, I think I would have to give it a 'D.'"

"Mr. President, it seems to me that the Attorney General makes a point about the conference committee report which states that the first budget the expenditure ceiling will impact on is the budget for the fiscal '82 and '83 biennium, and that is correct; but we are talking about budgets. The expenditure ceiling also applies to appropriations and that includes post-budget appropriations.

"I want to read into the record Section 37-91, subsection 4, and this is the definition of expenditure ceiling:

"Expenditure ceiling" means the maximum general funding appropriations allowed in any year. The expenditure ceiling shall be determined by considering the fiscal year 1978-79 general fund appropriations as the expenditure ceiling. The expenditure ceiling for succeeding fiscal years' ...it doesn't say after 1981; it says that 'succeeding fiscal year shall be computed by adjusting the immediate prior fiscal year expenditure ceiling by the applicable state growth.'

"Now, regarding succeeding fiscal years, you take '78 and '79 as the base and what is the year after '79? It's '80; and what's the year after '80, it's '81, and '81 is the year that I'm talking about. Now, everybody catch on? Kind of easy after a while.

"So, what I'm saying is that the Attorney General, unfortunately, probably didn't read this law or maybe he read the conference committee report but didn't read the law. Also, apparently, the Attorney General has difficulty counting.

"The Attorney General states that the 1980 Legislature made supplemental appropriations for fiscal '81 which were in excess of the expenditure ceiling and that the 1980 Legislature did not secure a two-thirds vote before making such appropriations. Without going to the Journal, I ask the members of the Senate to search their memories about what the vote was on the budget, on the supplemental budget, because the Attorney General is wrong on two counts. First, the vote in the House was 50 to 0, I excused, and the vote in the Senate was 20 to 4. Now, maybe if the Attorney General needs a calculator to figure out if that's two-thirds we can get him one from the Ways and Means office. It seems to me that's clearly a two-thirds vote.

"Mr. President, this idea of the expenditure ceiling and the declaration having to be made for the Gamino bill and the asbestos appropriation, I didn't dream up. As I said, I helped draft the law and I really think that the appropriations without a declaration are in violation of the law and, therefore, illegal. I stand by my words. I think the Attorney General's Opinion is wrong for the reasons stated, and I think we made a terrible mistake in not amending those bills to provide for a declaration.

"Notwithstanding the fact there was a political problem because we couldn't go back and amend the legislative pay bill, the fact that we did one thing

wrong does not mean we have to continue to do other things wrong, especially when those appropriations impact on private parties who are not members of the Legislature."

Senator O'Connor then rose to ask if the chairman of the Ways and Means Committee would yield to a question and the chairman replied in the affirmative.

Senator O'Connor asked: "Mr. President, are we, in our general fund expenditure, in excess of \$2.6 million in toto, and if we are, what is the total amount of our general fund expenditures, including everything... legislative expenditures, the Gamino thing and everything else?"

Senator Yamasaki inquired: "For fiscal year 1982?"

Senator O'Connor said: "The entire situation, Mr. President, the entire fiscal biennium."

Senator Yamasaki replied: "Mr. President, for the fiscal biennium we are below the expenditure ceiling. I don't have the figures right off the bat right now, but..."

Senator O'Connor further inquired: "Are we for the fiscal year 1981-82 above or below \$1.233 million?"

Senator Yamasaki replied: "Below."

Senator O'Connor asked: "And for '82-'83 above or below \$1.371 million?"

Senator Yamasaki again replied: "Below."

Senator O'Connor then said: "Mr. President, I understand it to be for all general fund expenditures."

The Chair answered: "That's what the chairman responded to."

Senator Yamasaki added: "Mr. President, we are only above for the fiscal year 1980-1981."

At this time, Senator Abercrombie rose to remark as follows:

"Mr. President, I really want to speak for the budget but I think it is important to amplify very briefly some of the remarks of the Senator from the Fourth District with respect to what is commonly known as 'pork.'"

"I want to disassociate myself as chairman of Education from the items that appear there including those

items in my own district. The Education Committee in the Senate did not recommend these things. They may be worthy. There may be other items in there. I looked through them. I'm sure there are items that are worthy. They should have come out under conditions that do not allow these things to be seen as items of district importance or that one district competes against another for educational improvement. This is one of the real problems that we have in the state right now where legislators can try to use influence with the Executive in order to try and get special favors for their district. It undercuts and undermines the Board of Education and undermines and undercuts the Department of Education in an attempt for equitable treatment for the entire school system and it most certainly undermines and undercuts the single school district system and the funding system that we have in this state. It is anathema to the proper conduct of our school system to have these 'pork' items.

"I might indicate one step further as we consider the idea that the committee report indicates that there is a facility to be built at Fort Ruger. I draw the members' attention to page 155 of the document, and in there you will find the nose of the camel stepping into the giant Fort Ruger tent when you find a somewhat on the surface innocuous item stating 'to be expended by the City and County of Honolulu, widening of Makapu Avenue, Kilauea Avenue, and Eighteenth Avenue.'"

"Widening of Makapu Avenue, Kilauea Avenue and Eighteenth Avenue, bordering the proposed Kapiolani Community College at Fort Ruger is something like taking the Virgin Mary into the Greek Orthodox Church somewhere. We now have Kapiolani move to Fort Ruger, presumably by osmosis, using land already set aside for the college, \$70,000. The \$70,000, believe me, Mr. President, is just a minute trickle in a flood of dollars that will be required to take on this most unworthy of projects. What we have now, from my point of view, as a CIP project is rather innocuous.

"We have almost \$2 million for site development alone; no buildings, no teachers, no books, no equipment, no drainage system, no improvements offsite, no new parking lot that's required. This is but the first step in the expenditure of tens of millions of dollars. None of this appears in the expenditure forecast of the University of Hawaii when it considered this unworthy project.

"I state again for the record, as

I have in the past, I have no objection to an educational facility of reasonable size and dimension in terms of program at the Fort Ruger area. I do, however, object to a situation where the taxpayers are suckered into tens of millions of dollars for an utterly useless and worthless educational project in the name of taking care of certain contractors in the state. So I refer you again to page 155 and invite you to pay close attention to the continuing drama of 'will the taxpayers be totally shafted at Fort Ruger or will the good guys win.'"

Senator Henderson then remarked as follows:

"Mr. President, in an effort to diversify Hawaii's economic base through the development of new industry, the budget has provided for a High-Technology Strategic Development Program. The program will emphasize the promotion of Hawaii as a center of high-technology electronics industry. Much of the current high-technology which we will be fervently pursuing involves microelectronics and computers. The types of products which are most suitable for Hawaii to develop and manufacture are more industry oriented rather than consumer oriented--if you will: telecommunications, computers, business machines, and other 'office of the future' equipment, rather than T.V. sets, stereos, and clock radios.

"Of all the possible new industries to stimulate Hawaii's economy, high-tech emerged as the Economic Development Committee's champion. Among the numerous virtues of high-tech industries, those which we found to be of special merit were:

"1) High Value Per Weight and Volume. The products of the micro-electronics industry exhibit a very high value per unit weight and volume. Thus, Hawaii suffers no penalty because of our location.

"2) Natural Resources. Electronics requires a few natural resources except for people. Simply translated, this means jobs. The University of Hawaii graduates about 75 electrical engineers every year. There is a market in Hawaii for perhaps 20. The balance either take jobs on the mainland or find employment outside of their career.

"3) Growth. This is a new industry which is still in its infancy. Nearly every issue of the leading business and financial publications covers some aspect of the microcomputer. Furthermore, the computer industry

has proven itself to be recession proof because it increases government and business efficiency.

"4) A Clean Industry. Electronics is a non-polluting industry.

"5) We Have Local Companies which Are Involved in Hi-Tech. One such company, Intellect, Inc. shipped approximately a half million dollar's worth of communications equipment to Korea last year under a Sperry Univac contract. This equipment was manufactured in Kapalama. Similar equipment also manufactured in Kapalama has been installed in every U.S. Air Force base in the world and in the air control towers in Taiwan, Honduras, Guatemala, Jamaica, Hong Kong, Taipei, and Venezuela. All of the Intellect's employees are local.

"Your Committee on Economic Development will take an active role to ensure that high-technology becomes a part of the state's economy. This strategic program is but a start, but it will demonstrate the strength of viability of an industry that has tremendous potential."

The motion was put by the Chair and carried, and Conf. Com. Rep. No. 67 was adopted and, Roll Call vote having been requested, H.B. No. 1, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 15. Noes, 10 (Campbell, Cayetano, Holt, Kawasaki, Machida, Mizuguchi, O'Connor, Toyofuku, Ushijima and Uwaine).

At 2:58 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 3:04 o'clock a.m.

MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 337 to 339) were read by the Clerk and were disposed of as follows:

A message from the Governor (Gov. Msg. No. 337), advising the Senate of the withdrawal of the nominations of Virginia Dee Costello, Francis S. Oda and Lester E. Cingcade, to the Commission on the Year 2000, under Governor's Message Nos. 129 and 226, was placed on file.

In compliance with Gov. Msg. No. 337, the nominations listed under Gov.

Msg. Nos. 129 and 226 were returned.

A message from the Governor (Gov. Msg. No. 338), advising the Senate of the withdrawal of the nomination of Tim Scott Farr to the Board of Regents, University of Hawaii, under Governor's Message No. 283, was placed on file.

In compliance with Gov. Msg. No. 338, the nomination listed under Gov. Msg. No. 283 was returned.

A message from the Governor (Gov. Msg. No. 339), advising the Senate of the withdrawal of the nomination of Gerard Jervis to the Board of Regents, University of Hawaii, under Governor's Message No. 283, was placed on file.

In compliance with Gov. Msg. No. 339, the nomination listed under Gov. Msg. No. 283 was returned.

MATTERS DEFERRED FROM APRIL 27, 1981

FINAL READING

Conference Committee Report No. 60 (H.B. No. 241, H.D. 1, S.D. 1, C.D. 1):

By unanimous consent, action on Conf. Com. Rep. No. 60 and H.B. No. 241, H.D. 1, S.D. 1, C.D. 1, was deferred to the end of the calendar.

Conference Committee Report No. 64 (H.B. No. 1724, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Yamasaki, seconded by Senator Ajifu and carried, Conf. Com. Rep. No. 64 was adopted and H.B. No. 1724, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEE'S RETIREMENT SYSTEM OF THE STATE OF HAWAII," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conference Committee Report No. 65 (H.B. No. 1239, H.D. 1, S.D. 1, C.D. 1):

Senator Yamasaki moved that Conf. Com. Rep. No. 65 be adopted and H.B. No. 1239, H.D. 1, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Abercrombie.

At this time, Senator Cayetano rose to speak for the measure as follows:

"Mr. President, I'm going to vote for this bill but I think there is a mistake

in the bill which I'd like to point out for the record.

"The purpose of this bill is to authorize the issuance of general obligation bonds to finance projects authorized in House Bill 1, the budget bill just passed.

"In past years, Mr. President, the authorization which is contained in this bill was also contained in a paragraph in the budget but because the Constitution now requires us to make a declaration it was put in a separate bill.

"I had my staff add up all the CIP in the budget which require general obligation bond funding and I found that the figure used in this bill, \$157,903,000, is less than the total amount appropriated in the budget which is \$161,311,000. This means that of the \$161,311,000 there seems to be a shortage of about \$3.4 million. Whether this is a typographical error, I don't know, but it seems to me that they may have forgotten to put in the appropriation for the Vineyard Street garage which is about \$3.5 million, Mr. President. I don't know what this means because the bond council, as I understand it, is required to certify, when preparing the bond covenants in the bonds for sale, that the Legislature has complied with the requirements of the Constitution of the State of Hawaii. Whether this kind of small error is going to make a difference, I don't know, but, I'd like to point it out for the record."

The motion was put by the Chair and carried, and Conf. Com. Rep. No. 65 was adopted and H.B. No. 1239, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conference Committee Report No. 66 (H.B. No. 1470, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Yamasaki, seconded by Senator Anderson and carried, Conf. Com. Rep. No. 66 was adopted and H.B. No. 1470, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 673 to

702) were read by the Clerk and were disposed of as follows:

A communication from the House (Hse. Com. No. 673), informing the Senate 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, H.D. 1, was adopted by the House; and H.B. No. 1, H.D. 1, S.D. 1, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 674), returning Senate Bill No. 1286, S.D. 1, which passed Third Reading in the House of Representatives on April 29, 1981, was placed on file.

A communication from the House (Hse. Com. No. 675), returning Senate Bill No. 1472, S.D. 2, which passed Third Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 676), informing the Senate that the report of the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House to Senate Bill No. 163, S.D. 1, was adopted by the House; and S.B. No. 163, S.D. 1, H.D. 1, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 677), informing the Senate that the report of the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House to Senate Bill No. 454 was adopted by the House; and S.B. No. 454, H.D. 1, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 678), informing the Senate that the report of the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House to Senate Bill No. 815, S.D. 2, was adopted by the House; and S.B. No. 815, S.D. 2, H.D. 1, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 679), informing the Senate that the report of the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House to Senate Bill

No. 1507, S.D. 2, was adopted by the House; and S.B. No. 1507, S.D. 2, H.D. 2, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 680), informing the Senate 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. 2, H.D. 1, was adopted by the House; and H.B. No. 2, H.D. 1, S.D. 1, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 681), informing the Senate 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. 50, H.D. 1, was adopted by the House; and H.B. No. 50, H.D. 1, S.D. 2, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 682), informing the Senate that the amendments proposed by the Senate to House Bill No. 66, H.D. 2, were agreed to by the House; and H.B. No. 66, H.D. 2, S.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 683), informing the Senate that the amendments proposed by the Senate to House Bill No. 125, H.D. 2, were agreed to by the House; and H.B. No. 125, H.D. 2, S.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, by not less than two-thirds vote of all members to which the House is entitled, was placed on file.

A communication from the House (Hse. Com. No. 684), informing the Senate that the amendments proposed by the Senate to House Bill No. 126, H.D. 2, were agreed to by the House; and H.B. No. 126, H.D. 2, S.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, by not less than two-thirds vote of all members to which the House is entitled, was placed on file.

A communication from the House (Hse. Com. No. 685), informing the Senate that the amendments proposed by the Senate to House Bill No. 127, H.D. 2, were agreed to by the House; and H.B. No. 127, H.D. 2, S.D. 1, passed Final Reading in the House of Representatives on April 30, 1981,

by not less than two-thirds vote of all members to which the House is entitled, was placed on file.

A communication from the House (Hse. Com. No. 686), informing the Senate that the amendments proposed by the Senate to House Bill 128, H.D. 3, were agreed to by the House; and H.B. No. 128, H.D. 3, S.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, by not less than two-thirds vote of all members to which the House is entitled, was placed on file.

A communication from the House (Hse. Com. No. 687), informing the Senate 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. 241, H.D. 1, was adopted by the House; and H.B. No. 241, H.D. 1, S.D. 1, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 688), informing the Senate 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. 344, H.D. 1, was adopted by the House; and H.B. No. 344, H.D. 1, S.D. 2, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 689), informing the Senate that the amendments proposed by the Senate to House Bill No. 538, H.D. 2, were agreed to by the House; and H.B. No. 538, H.D. 2, S.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 690), informing the Senate 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. 629, H.D. 1, was adopted by the House; and H.B. No. 629, H.D. 1, S.D. 2, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 691), informing the Senate 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. 769, H.D. 2, was adopted by the House; and H.B. No. 769, H.D. 2, S.D. 2, C.D. 1, passed Final Reading

in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 692), informing the Senate 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. 919 was adopted by the House; and H.B. No. 919, S.D. 1, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 693), informing the Senate 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. 1048, H.D. 2, was adopted by the House; and H.B. No. 1048, H.D. 2, S.D. 2, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, by not less than two-thirds vote of all members to which the House is entitled, was placed on file.

A communication from the House (Hse. Com. No. 694), informing the Senate 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. 1167, H.D. 1, was adopted by the House; and H.B. No. 1167, H.D. 1, S.D. 2, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 695), informing the Senate 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. 1239, H.D. 1, was adopted by the House; and H.B. No. 1239, H.D. 1, S.D. 1, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 696), informing the Senate 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. 1470, H.D. 2, was adopted by the House; and H.B. No. 1470, H.D. 2, S.D. 2, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 697), informing the Senate 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. 1680, H.D. 1, was adopted by the House; and H.B. No. 1680, H.D. 1, S.D. 2, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, by not less than two-thirds vote of all members to which the House is entitled, was placed on file.

A communication from the House (Hse. Com. No. 698), informing the Senate 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. 1716, H.D. 2, was adopted by the House; and H.B. No. 1716, H.D. 2, S.D. 2, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 699), informing the Senate 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. 1724, H.D. 2, was adopted by the House; and H.B. No. 1724, H.D. 2, S.D. 2, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 700), informing the Senate 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. 1870, H.D. 1, was adopted by the House; and H.B. No. 1870, H.D. 1, S.D. 1, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 701), informing the Senate that the amendments proposed by the Senate to House Bill No. 1875, H.D. 1, were agreed to by the House; and H.B. No. 1875, H.D. 1, S.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

A communication from the House (Hse. Com. No. 702), informing the Senate 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. 1879, was adopted by the House; and H.B. No. 1879, S.D. 1, C.D. 1, passed Final Reading in the House of Representatives on April 30, 1981, was placed on file.

FINAL READING

Conference Committee Report No.

61 (S.B. No. 454, H.D. 1, C.D. 1):

On motion by Senator Yamasaki, seconded by Senator Anderson and carried, Conf. Com. Rep. No. 61 was adopted and S.B. No. 454, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Kawasaki).

Conference Committee Report No. 62 (H.B. No. 1716, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Yamasaki, seconded by Senator Ajifu and carried, Conf. Com. Rep. No. 62 was adopted and H.B. No. 1716, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conference Committee Report No. 63 (H.B. No. 1879, S.D. 1, C.D. 1):

On motion by Senator Yamasaki, seconded by Senator Anderson and carried, Conf. Com. Rep. No. 63 was adopted and H.B. 1879, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conference Committee Report No. 68 (H.B. No. 2, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Yamasaki, seconded by Senator Abercrombie and carried, Conf. Com. Rep. No. 68 was adopted and H.B. No. 2, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY BUDGET," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

At 3:10 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 3:11 o'clock a.m.

Conference Committee Report No. 69

(H.B. No. 629, H.D. 1, S.D. 2, C.D. 1):

Senator Yamasaki moved that Conf. Com. Rep. No. 69 be adopted and H.B. No. 629, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Carpenter.

The motion was put by the Chair and, Roll Call vote having been requested, Conf. Com. Rep. No. 69 and H.B. No. 629, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," having been read throughout, failed to pass Final Reading on the following showing of Ayes and Noes:

Ayes, 8. Noes, 17 (Abercrombie, Ajifu, Anderson, Carpenter, Cayetano, Cobb, George, Henderson, Kawasaki, Kobayashi, Saiki, Soares, Uwaine, Yamasaki, Yee, Young and Wong).

Conference Committee Report No. 70 (H.B. No. 1870, H.D. 1, S.D. 1, C.D. 1):

Senator Yamasaki moved that Conf. Com. Rep. No. 70 be adopted and H.B. No. 1870, H.D. 1, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Campbell.

At this time, Senator Kawasaki spoke against the measure as follows:

"Mr. President, I rise to speak against passage of this bill, providing for an increase in salary for top echelon, highest paid group of employees at this time.

"The two primary arguments advanced by proponents of this bill are: first, these officials haven't had an increase in pay for four years since 1976; , second, that defects in the collective bargaining law have resulted in a compression of the salary ranges and that we are going to have situations in which department heads and their deputies will be getting paid at a lower level than some of their subordinates.

"As to the first argument, I submit that no one, least of all the administration, commiserated over the fact that from 1968 thru 1981 a full 13 years, members of the Legislature have had no salary increases, notwithstanding the ravages of inflation, on their \$12,000 per year salaries. It was only on January 1 of this year (after 13 years of getting by and making do on a gross salary of \$1,000 per month) did legislators receive any consideration over the fact that they too have families to support.

And on January 1st their salaries were increased to \$13,500 - a total of \$9.63 per month increase in the span of 13 years. I don't recall that the morning newspaper shedded any tears (as they did this morning in regard to the Executive salary increase bill) over the plight of the legislators in all the years we made the best of our situation.

"I'm sure the employees considered in this bill--employees ranging from \$20,000 to \$50,000 in salary range--can make do for awhile in this era of great concern over our economic situation, both nationally and locally."

"In regard to the second argument about the compression of salary ranges, if provisions of the collecting bargaining law created certain untenable problems, then the solution it seems to me, is to either repeal the law, which in my opinion has created a monstrous government employee salary cost situation, or to amend the defects in the bargaining law.

"The answer is not as it is proposed here to continue increasing top level salaries to absurd levels.

"Everything considered, including fringe benefits, our high level employees in Hawaii are very well provided for and they know it. I don't see any dearth of applicants for the very jobs increases are advocated. Neither do I see any perceptible exodus of people among our highest paid officials, including cabinet officials, judges and university officials.

"I just want to digress for a moment because the subject is relevant, to quote from a newspaper article of President Reagan's speech this morning, and I quote: 'Thanks to some very fine people, my health is much improved.' He further went to say, 'I'd like to be able to say the same thing with regard to the health of our economy. But the fundamental nature of our economic mess' in the United States 'has not changed.'"

"It has been six months since he defeated President Carter, Reagan reminded the Congress... 'inflation, mortgage and unemployment rates have not come down. The average worker's hourly earnings are lower than they were six months ago, and more than 6,000 businesses have failed,' he said. 'Six months is long enough. The American people now want us to act, and not in half measures. They demand and they have earned a full and comprehensive effort to clean up our economic mess, President Reagan said.'

"With the election of President Reagan, apparently, there was a message, a message Democrats unfortunately have not understood. That message was very simple. With his election, people in the non-government sector say, 'our government is too big and it spends too much.'

"What bothers me most, Mr. President, in passing this bill, is that with its passage (and over the objections of our citizens, when I alluded to the objections I point out to last night's Star-Bulletin poll; I must commend the Star-Bulletin for being rather timely in this concern of public issues. In that poll, as you know, it was almost unanimous among the non-government employees section of our population that they're not very happy over the proposed salary increases for our top officials.)

"Notwithstanding the objections of our citizens, we indicate to our resident population that this Senate appears to overlook the fact that Hawaii is very much an integral part of the United States, of this great country. With passage of this bill we seem to indicate that we have forgotten what plagues America. The problem of inflation, record high interest rates, unemployment, 6,000 business failures and bankruptcies over the six-month period, problems resulting in United States' indebtedness of over \$1,000 billion or a trillion dollars, and the annual cost of the interest to pay for this indebtedness is over \$90 billion per year. These problems also plague Hawaii and affect Hawaii.

"Should we not join our national administration in addressing these problems? Should we not respond responsively to President Reagan's fervent plea to reduce the cost of government and place a check on the growth and expansion of government expenditures? Should we not show a greater concern for the 21,000 here in Hawaii who want to work but who do not have jobs? Should we not have some concern for the 800,000 non-government employee citizens of this state who are trying to make ends meet in this high inflation era?

"I think, with passage of this bill, we'd be slapping the President in his face for in effect we would be saying that, notwithstanding all of President Reagan's pleas, Hawaii is going its own way; that we're not too concerned about getting America back to its conomic feet again.

"Passage of this bill is saying, in effect, to our President, 'to hell with you, Mr. President, we are going our

merry way, and never mind the objections of our non-government employee citizens, we are raising salaries of our top officials because we have a defect in the collective bargaining law.'

"Mr. President, I urge this body to resoundingly defeat, at this time, this bill raising executive salaries in the higher paid categories of public employees."

Senator Anderson also added his remarks as follows:

"Mr. President, I'll vote no on this measure, but I'd like to state for the record that I don't think we can continually bury our heads in the sand. It's kind of ironic to have a leading Democrat preach Republicanism to me and blame the non-passage of the bill on Reagan. The truth of the matter, Mr. President, is the problem in the state government among the employees and the deputies, and the compression is one that is very, very real. And I think this Legislature next year, and it's going to be difficult because it's an election year, but it's a problem that this Legislature is going to have to confront. It's a question of morale; it's a question of drawing high caliber people in a very competitive market to bring people into government.

"I don't think that the Governor perse as an individual really needs or wants this pay raise, but it's the people around him that have been stymied for many, many years. Their counterparts across in the city here, a person who is director of the Blaisdell Arena makes more than our director of DSSH. Our director gets \$42,500, and that is a lot of money by some standards, but morale-wise, their counterparts get \$46,000 and they'll be at \$50,000 next year and \$55,000 the following year because the county is tied into collective bargaining. I think here at the state level where you have the problems, the burden, the workload, to have their counterpart of the county making \$10,000 to \$15,000 more is somewhat ironic.

"On the Big Island, Mayor Matayoshi and the council, they've just passed a raise. A county that comes continually looking for grants-in-aid; a county very small in size as far as responsibility, the mayor makes \$8 less than the Governor of the state who has total responsibility. Gentlemen, something is wrong.

"Educational officers are making more than their Superintendent. The University, the compression under the President, they're all grouped there and cannot move anymore. It's a mess, and I guess you can sit here politically

and vote this down year after year or take a public and political stand and ignore it. But the problem is not going to go away. I think you have to address it; I think you have to open up the commission or change the law, but total review is needed and needed very desperately.

"While we're not going to get it through this year, I would urge that in the interim, the chairman of Human Resources, possibly with his counterpart in the House, sit down with a private group or a legislative group or a government group, but come back next year with some recommendation to relieve and confront the problem that appears to be in the state.

"Thank you."

Senator Cayetano then rose to state:

"Mr. President, I had hoped to be here tonight voting for this bill which would give a raise of some kind to these employees. I just want to state for the record, apart from what Senator Kawasaki said, people think that no votes are cast for the reasons he stated. I'm voting no for this bill primarily because the House knew that the amounts asked for in this bill would be unacceptable, and this will be proven by the vote tonight, to a majority of the Senators here in this chamber. And, yet, the House has insisted that the matter be brought to the floor for a vote and that vote will materialize and this bill will be defeated."

Then, Senator O'Connor rose to speak in support of the measure as follows:

"Mr. President, I hadn't really made up my mind on this bill until I heard the sterling speech of the Republican Floor Leader and spoken as a good Democrat, I might add, and I think I'm going to vote in favor of this matter based upon that speech.

"I find it very curious, of course, we've had lots of curious things this year, but I find it very curious that we have conference committees that bring measures out of conference to the floor of this body simply to have them voted down. I would hope that future conference committees that represent the Senate confer and negotiate with and come to resolutions that the Senate can support rather than a resolution that is predestined to defeat."

Senator Abercrombie spoke against the measure as follows:

"Mr. President, speaking against this bill, and perhaps to enlighten the previous speaker and to bring some perspective I hope to bear, perhaps elaborate a bit upon Senator Cayetano's remarks.

"It was not the intention of the negotiators for the Senate to bring forth a bill that they could not get votes for on the floor of the Senate. It was a situation in which negotiation was no longer possible because the House indicated that it would take this figure, no other figure, and had no desire to have this bill voted through other than to have the bill voted on.

"They were told, and I was present when the chairman of the Ways and Means Committee said over and over again and the vice-chairman of the Ways and Means Committee said over and over again to the Speaker that this bill could not pass under these circumstances with these figures, and would they not like to try for something else, should we not continue to negotiate. The answer was no. Therefore, not only was the answer no, but a specific request was made to simply take it to the floor and see how the vote will go. I don't see what more the negotiators for the Senate could have done other than what they did, carrying through on their word to the House and bringing it on the floor for a vote. If it fails, the failure will rest entirely with the desires of the House to have a vote on the Senate floor which they know is going to fail on the basis of the representations made to them over and over again by the negotiators for the Senate.

"Before all the rhetoric flies and there are crocodile tears all over the newspaper print, let's just have it straight. The intention of the House in bringing this bill forward was to kill it. Now, why all the ins and outs and the intrigue that's involved in that I leave to the historians and the psychiatrists."

Senator Cobb added his remarks against the measure and stated:

"Mr. President, very briefly, speaking in elaboration of the Senator from the Sixth District. I was informed that twice the House turned down an offer of 7 and 8 percent or a total of 15 percent. Once with the chairman of the Human Resources Committee and once with the chairman and vice-chairman of the Ways and Committee. They first insisted on 20 and later on an immutable 18 percent to be voted on. There was no commitment relative to the passage of the 18 percent, but they insisted

on a vote at that figure.

"I am going to be voting no for several additional reasons. One is the linkage of these pay bills to the budget as a package, and this linkage or packaging is not something new. It happened last year and caused an extension on other bills; now it's happening again this year. This is the second extension in a row where we have failed to show an adherence to or fundamental respect for legislative deadlines that had been mutually agreed upon in advance. I blame that primarily on the stalemate situation and the packaging of bills--take it or leave it--not only on one bill but on a whole series of bills that has existed, primarily as a result of the negotiations with the House. I think our negotiators did a commendable job and they have told the members of the House and the negotiators on the part of the House the difficulty that this bill with this kind of figure would face in the Senate.

"I certainly feel, Mr. President, that there is a definite need to establish a comparative relationship of pay hikes in the public sector to those in the private sector, and as yet we have not addressed that. I do feel and agree with some of the previous remarks made that we are to look at the question of compression or change the law and I am hopeful that the chairman of Human Resources Committee would be doing that in the interim.

"Thank you."

At this time, Senator Kuroda rose to speak for the measure and stated:

"Mr. President, I rise to speak in support of the bill. A previous speaker who is against the bill referred to President Reagan's cost control program and that Hawaii should follow this program and that therefore this measure granting pay raises to the executive branch should not be passed. The cost to our state government for this bill is \$892,138. If we are serious about voting down bills that increase government expenditure, we should have voted down the collective bargaining bill we just passed granting raises totalling over \$100 million.

"The Minority Floor Leader, although voting against this bill, shared an accurate assessment that next year is an election year and that the Legislature may not grant a pay raise. Unfortunately, he is correct; and that is one of the reasons why we should grant the pay raise this year. If this bill fails this year, I hope there is another bill next year; I am not afraid to vote for

it.

"I urge a favorable vote on this bill. If this bill is defeated, it means that hundreds of state employees excluded from collective bargaining will receive no pay raises. Whether the increase is 8% this year and 10% next year; 7% and 7% or 2% and 2%, in answer to the question I am asked as to why I am voting for the bill, my answer is 'I am voting for it because it is here before me and I believe it is right.' I think the matter of whether it is 8% to 10% or 2% or 7% is immaterial at this stage.

"There will be 'noes' cast on this bill, some 'noes' are from Senators who truly are against more expenditure; however, some 'noes' are because they feel that they are committed to a group decision. I was committed to a group decision six years ago, and I voted 'aye' for a pay bill then. I told myself then that I will not do that again. I am now faced with a similar decision. This time the group decision is a 'no.' I vote my conscience today, and I will vote a 'yes.' Thank you."

Senator Yamasaki also rose to speak against the measure and stated:

"Mr. President, the conference report was essentially signed by the conferees on this subject and as chairman of the managers on the part of the Senate I signed it free and clear at the request of the Speaker of the House and the House conferees. The request was to place this subject matter on the floor of the House and the Senate so that the House will have a day in court. We said that we probably did not have the sufficient number of votes to pass this bill on a 8 and 10 percent pay raise for the Executive Branch of our state government. The only request made of us was that we place this measure on the floor to be voted on by the entire body. This is where we are and I am voting against this bill. Thank you."

Senator Carpenter then stated:

"Mr. President, just briefly. We have a million and a half to two million dollars between the budget appropriation and the spending ceiling limit, and that exists because we had allocated that amount of money in anticipation of a possible pay increase. Because we didn't act on those measures, there are now a number of crucial private programs which are heavily relied upon by the people of this state which have had to take cuts in their funding requests so that this Legislature could stay within the ceiling limit.

"Mr. President, I submit that this policy of giving increases is really not a legislative policy but is really an administrative policy. If the administration wants an increase in pay, then I think the Governor and the Judiciary should come forth and place these costs into the budget so that they can set their priorities before they submit it to us even though the technical portion of the language and the finality of decision rests with the Legislature so that, indeed, priorities can be determined by the Governor in proposing his budget to us. I think in that way we can have a better feel and direction of what actually is important in the eyes of the leaders of this state.

"Thank you."

The motion was put by the Chair, and Roll Call vote having been requested, Conf. Com. Rep. No. 70 and H.B. No. 1870, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF PUBLIC OFFICERS OF THE STATE AND MAKING APPROPRIATIONS THEREFOR," having been read throughout, failed to pass Final Reading on the following showing of Ayes and Noes:

Ayes, 8. Noes, 17 (Abercrombie, Ajifu, Anderson, Carpenter, Cayetano, Cobb, George, Henderson, Kawasaki, Kobayashi, Saiki, Soares, Uwaine, Yamasaki, Yee, Young and Wong).

MATTERS DEFERRED FROM APRIL 28, 1981

FINAL READING

Conference Committee Report No. 53 (H.B. No. 344, H.D. 1, S.D. 2, C.D. 1):

Senator Yamasaki moved that Conf. Com. Rep. No. 53 be adopted and H.B. No. 344, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Carpenter.

Senator Cayetano then stated: "Mr. President I'm going to vote against this bill. This bill needs a declaration."

The motion was put by the Chair and carried, and Conf. Com. Rep. No. 53 was adopted and H.B. No. 344, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 6 (Abercrombie,

Ajifu, Campbell, Cayetano, Henderson and Kawasaki).

Conference Committee Report No. 56 (S.B. No. 1507, S.D. 2, H.D. 2, C.D. 1):

On motion by Senator Yamasaki, seconded by Senator Anderson and carried, Conf. Com. Rep. No. 56 was adopted and S.B. No. 1507, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO COUNSEL AND OTHER SERVICES FOR INDIGENT DEFENDANTS IN CRIMINAL AND RELATED CASES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Ajifu).

Conference Committee Report No. 57 (H.B. No. 1167, H.D. 1, S.D. 2, C.D. 1):

Senator Yamasaki moved that Conf. Com. Rep. No. 57 be adopted and H.B. No. 1167, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading.

Senator Kawasaki then spoke against the measure as follows:

"Mr. President, I'm voting no on this bill because I really don't see any need for a \$150,000 appropriation over a two-year period to provide a fund for venture capital.

"First of all, I think if information regarding the availability of venture capital is required then I think the staff of the Department of Planning and Economic Development could very well provide this service. I don't object to a \$5,000 appropriation for the additional work imposed upon them, but I don't think there is a dearth of people wanting to invest in some novel invention that seems to have some profit potential. I think there are many people who'd be very willing to invest in inventions of any merit and think that providing \$150,000 for a fund which, first of all, is not a big enough fund, I don't think is required in the first place. For that reason, I think this is a needless appropriation measure and I urge the vote against this bill."

The motion was put by the Chair and carried, and Conf. Com. Rep. No. 57 was adopted and H.B. No. 1167, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ESTABLISHMENT OF THE VENTURE CAPITAL INFORMATION CENTER," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 5 (Abercrombie, Carpenter, Henderson, Kawasaki and O'Connor).

Conference Committee Report No. 52 (H.B. No. 919, S.D. 1, C.D. 1):

Senator Yamasaki moved that Conf. Com. Rep. No. 52 be adopted and H.B. No. 919, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Anderson.

At this time, Senator Campbell rose to speak against the bill and stated:

"Mr. President, I'm going to vote against this bill.

"As I said on the floor of this Senate a few days ago, this is a very large sum of money for the state to have to pay out in one lump sum for a judgment.

"I was told at the Ways and Means Committee hearing that there was a bill making its way through the Legislature which was designed to address the problem, but I found to my dismay that there was no such a bill. I'm going to vote against this measure as a protest. I know, at this point there's not very much that can be done but I'm going to vote against it as a protest and a reminder to this body and to the Legislature, generally, to pass legislation next year designed to remedy this problem. Thank you."

Senator Cayetano added his remarks as follows:

"Mr. President, it really troubles me to cast a no vote against this bill because I believe that the judgment embodied in this bill is totally justified. But, again, I'm going to vote no because I believe this bill which is effective for this current fiscal year needs a declaration, and while I'm at it, I might as well say that I'm going to vote against House Bill No. 769 which also needs a declaration, and House Bill No. 114 on page 5 for the same reason."

The motion was put by the Chair and carried, and Conf. Com. Rep. No. 52 was adopted and, Roll Call vote having been requested, H.B. No. 919, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PAYMENT OF A JUDGMENT BETWEEN THE STATE OF HAWAII AND SYLVIA GAMINO," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 17. Noes, 8 (Abercrombie, Ajifu, Campbell, Cayetano, George, Henderson, O'Connor and Yee).

Conference Committee Report No. 2 (H.B. No. 769, H.D. 2, S.D. 2, C.D. 1):

Senator Yamasaki moved that Conf. Com. Rep. No. 2 be adopted and H.B. No. 769, H.D. 2, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Ajifu.

At this time, Senator Abercrombie stated:

"Mr. President, it grieves me to have to vote against my bill, especially since it's Conference Committee Report No. 2 which as you know has been carried over day after day as people anxiously awaited the Silver Jubilee appropriation, celebrating my 25 years in the State of Hawaii, but I honestly believe that it needs a declaration. I'm sorry that I do myself in."

The motion was put by the Chair and carried, and Conf. Com. Rep. No. 2 was adopted and H.B. No. 769, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE 1984 SILVER JUBILEE OF HAWAII'S STATEHOOD AND MAKING AN APPROPRIATION THEREFOR," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 5 (Abercrombie, Cayetano, Henderson, Kawasaki and O'Connor).

Conference Committee Report No. 18 (H.B. No. 50, H.D. 1, S.D. 2, C.D. 1):

Senator Yamasaki moved that Conf. Com. Rep. No. 18 be adopted and H.B. No. 50, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Ajifu.

At this time, Senator Young rose to state as follows:

"Mr. President, H.B. No. 50, H.D. 1, S.D. 2, C.D. 1, is the popular Hula Mae bill.

"The Legislature has appropriated another \$200 million for this program, reassuring our community that we in the Legislature reaffirm our faith to bring more affordable housing to low and moderate income families. I ask all to vote for the measure."

The motion was put by the Chair and carried, and Conf. Com. Rep. No. 18 was adopted and H.B. No. 50; H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING AUTHORITY,"

having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conference Committee Report No. 30 (H.B. No. 1048, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Yamasaki, seconded by Senator Campbell and carried, Conf. Com. Rep. No. 30 was adopted and H.B. No. 1048, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE AUTHORIZATION OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST UTILITIES SERVING THE GENERAL PUBLIC," having been read throughout, passed Final Reading by not less than two-thirds vote of all the members to which the Senate is entitled, on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Kawasaki).

Prior to the final vote of the foregoing measure, Senator Henderson requested a ruling of the Chair as to a possible conflict of interest because of his affiliation with a utility company, and the Chair ruled that he was not in conflict.

Conference Committee Report No. 37 (H.B. No. 1680, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Yamasaki, seconded by Senator Anderson and carried, Conf. Com. Rep. No. 37 was adopted and H.B. No. 1680, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HEALTH CARE FACILITIES," having been read throughout, passed Final Reading by not less than two-thirds vote of all the members to which the Senate is entitled, on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Abercrombie and Kawasaki).

Conference Committee Report No. 44 (S.B. No. 163, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Yamasaki, seconded by Senator Anderson and carried, Conf. Com. Rep. No. 44 was adopted and S.B. No. 163, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INDEXING THE HAWAII REVISED STATUTES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

THIRD READING

Standing Committee Report No. 955 (H.B. No. 114, H.D. 1):

On motion by Senator Yamasaki, seconded by Senator Anderson and carried, Stand. Com. Rep. No. 955 was adopted and H.B. No. 114, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF CERTAIN PERSONS UNDER THE CRIMINAL INJURIES COMPENSATION ACT AND PROVIDING APPROPRIATIONS THEREFOR," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Ajifu, Cayetano and George).

Standing Committee Report No. 1102 (H.B. No. 767, H.D. 2):

On motion by Senator Yamasaki, seconded by Senator Anderson and carried, Stand. Com. Rep. No. 1102 was adopted and H.B. No. 767, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO DEFERRED COMPENSATION PLANS FOR PUBLIC EMPLOYEES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

At 3:45 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 3:46 o'clock a.m.

ADVISE AND CONSENT

Standing Committee Report No. 1111 (Gov. Msg. Nos. 129 and 226):

By unanimous consent, Stand. Com. Rep. No. 1111 and Gov. Msg. Nos. 129 and 226 were recommitted to the Committee on Economic Development.

Standing Committee Report No. 1112 (Gov. Msg. Nos. 225 and 128):

Senator Henderson moved that Stand. Com. Rep. No. 1112 be received and placed on file, seconded by Senator Yee and carried.

Senator Henderson then moved that the Senate advise and consent to the following nominations to the Commission on Population and the Hawaiian Future:

David M. Murata, George L. Butterfield, and Franklin Ty Kudo, terms to expire December 31, 1984; and

Bailey R. Center and Paul T. Tajima,

terms to expire December 31, 1983,
seconded by Senator Yee.

Senator Abercrombie then to rose
to ask as follows:

"Mr. President, I would like to ask the chairman of the committee if he would be so kind as to explain why he's recommending that these people be named to this commission. My understanding is that there is an item in the budget; however, it was my understanding that we had in open conference and without changing it, subsequently, voted to abolish this commission. It doesn't make any difference to me whether there's money in there or not; it seems to me that we should carry through on it. I would like some explanation."

Senator Henderson answered as follows:

"Mr. President, the reason we are approving these nominees is that the recommendations of the Senate, that is, the Senate's position was that we not fund the Commission on Population and the Hawaiian Future.

"As the results of the conference committee came back to the Senate, it was passed in the budget. The money was provided in the budget and the Commission's work has to proceed. Because that is the mandate from the conference committee and from the action that was taken by this body we feel that it's only proper that these nominees be appointed to serve in the positions that the Governor has appointed them to."

Senator Abercrombie replied and stated:

"Then I'll speak against it, Mr. President. I cannot buy that reasoning. It, in effect, says that if we make a decision, but just go to the budget, go to the budget conference and put some money in, then you'll be able to continue these commissions.

"This commission, to my knowledge, is already in existence and what would happen merely is that you would have a carry-over of those who are presently nominated and when the expenditure of the money is finished, that would be the end of it. It doesn't seem to me that we are following anything in a way of rational conduct here to say that because something appears in the budget, then, therefore, we are going to have to revise something in which we'd all taken a view to the idea that this commission should suffer a demise. If this is the way we're

going to do it, then why do we bother to even discuss whether these commissions should continue to exist or not. Why don't we just wait for the conference committee to see whether they want to put money for it and then make a decision. It seems to me a strange way of doing business.

"It seems to me that one would first decide whether or not a commission was worthwhile, in terms of its existence, and then decide whether you're going to put money in it. You put money in it and then go find a commission that fits the money, that's exactly what we're doing right now. There's money in the budget so let's go find a commission to fit it.

"Now, if that's the case I would like the permission of the people on the floor to put forward an amount of money next year, say, a quarter of a million dollars, and I'll let you know later on what I want to use it for, and I'll figure out some kind of commission that can use it. That, in effect, is what we are doing.

"I think the nominee should be voted down on the basis not of any individual characteristic which makes them unworthy, but rather on the basis that this commission has been determined in open conference not to be worthy of continuance or that in the sense that its work has been completed to a degree that it is no longer sufficient in terms of public policy for it to continue its work, and let the appropriation sit there.

"It won't be the first amount of money that has gone into a budget that sat there. Sometimes we even have lapsing of funds because they haven't been spent. Now, if the Governor chooses to spend this money because it's in the budget this time, let the Governor do so, but why should we turn around then and acquiesce to this because the money is first and then we figure out something to do with it after. I think it's an asinine way to do public business."

The motion was put by the Chair and Roll Call vote having been ordered, was carried on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Abercrombie, Anderson and Kawasaki).

MATTER DEFERRED FROM EARLIER ON THE CALENDAR

Conference Committee Report No. 60
(H.B. No. 241, H.D. 1, S.D. 1, C.D. 1):

Senator Yamasaki moved that Conf.

Com. Rep. No. 60 be adopted and H.B. No. 241, H.D. 1, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Abercrombie.

Senator Cayetano then rose to speak against the measure as follows:

"Mr. President, it is with great regret that I rise to speak against this bill. The purpose of this bill as outlined in the committee report is to and I quote, 'to provide financial relief to all taxpayers to the extent that the sum total of credits will approximate the state's revenues from the excise tax on food and drugs.'

"This section of the law, Mr. President, started back in 1965 and was meant to reimburse certain segments of our community for the amounts of money that they paid in excise tax on food and drugs. Although this purpose is quite laudable, I think the bill is a bit misleading.

"The committee report, in my opinion, gives lip service to the problems of low and middle income persons. It does relatively little to provide real relief.

"I read in the newspaper where this bill is being categorized as a Robin Hood bill. This is not a Robin Hood bill which takes from the rich and gives to the deserving poor. If you want to use Robin Hood, actually Robin Hood in this case is stealing from Little John and the Friar.

"Actually, this bill discriminates against low income families. As an example, a single person with an income of just under \$5,000 will receive \$189 as an excise tax credit to offset the excise tax on food and drugs. That very same person in actuality or in reality would have paid less than \$50 in excise tax on food and drugs; therefore, he would receive almost four times more, or \$189.

"This bill if passed and enacted into law would have some curious and, I think, not intended results. This bill would give welfare recipients, prisoners, according to Mr. Freitas, and other non-working, free spirits who have no income a maximum of \$289 apiece. This means, for example...and I don't mean to pick on welfare recipients but they would be an example of a party without any taxable income...a welfare recipient with 10 children would be entitled to \$1,890. Mr. President, there is no way a family of that size could ever hope to consume enough food which would generate that kind

of excise tax amount. What I'm trying to say is that there seems to be no correlation or no reasonable relationship between the tax credit schedule here and the amount of food and drugs consumed by the different families.

"Let's take another example; let's take some working people. A low income family of four, and this is taken from the Bureau of Labor statistics, with an adjusted gross income of about \$16,500 presently pays about \$45 per person in excise tax on food and drugs. Now, under this bill this low income family will be entitled to \$32 per person. It doesn't make sense to me because a single person with a per capita income of about \$5,000 gets \$189 in excise tax credit.

"Let's take other examples. Our state laws do not consider pension income as taxable income; therefore, if this bill passes we'll find, for example, that retired admirals, legislators, judges, university presidents, deans, etc. with pension incomes of \$20,000 and \$30,000 will be eligible for the \$189 tax credit. These people who have no taxable income and their spouses are over 65 years in age will receive double credit, \$378 per person or a total of \$756. Again, transposing this to consumption of food, in order to justify this kind of tax credit, this elderly couple will have to spend \$18,900 for food. The average consumption, from information I get, per person for food yearly is about \$2,000. Again, you see, there's no reasonable relationship.

"If we really want a negative income tax, and that seems to be the approach in this bill, I think we should sit down and design one properly. We shouldn't hide it under the guise of an excise tax credit that is supposed to make up for the tax on food and drugs.

"This tax bill actually will refund more than excise taxes paid on the entire income of many of the specific families mentioned. This bill, as I said earlier, will penalize working people."

At this time, the Chair requested that Senator Cayetano, if there be no objections, limit his remarks to allow the Chair sufficient time for adjournment proceedings.

Senator Cayetano agreed to conclude his remarks and stated:

"Finally, Mr. President, this bill will cause a \$41.5 million loss in revenues each year and this would result in the state collecting about \$20 million less in revenues than the expenditure limit in fiscal '82. What I'm saying is

that on surface this seems like a good bill, but, upon inspection, it really is a very poorly planned one."

The motion was put by the Chair and carried, and Conf. Com. Rep. No. 60 was adopted and H.B. No. 241, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EXCISE TAX CREDIT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 16. Noes, 9 (Abercrombie, Ajifu, Cayetano, Cobb, George, Henderson, Kawasaki, Kobayashi and Soares).

The President, then addressed the members of the Senate as follows:

"Members of the Senate, if there be no objections, because of the limited time, closing remarks of the Chair will be inserted into the record.

"At this time, very quickly, I would like to take this opportunity to thank all the members of the Senate for their hard work, their staff members who have contributed immensely to the work product and, in particular, I would like to thank the minority Democrats, Senators Toyofuku, O'Connor, Holt, Machida, Mizuguchi, Ushijima and Campbell, for the manner in which they conducted themselves on the floor in not trying to be obstructionists in the operation of the Senate. The Chair appreciates that very much."

MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 340 and 341) were read by the Clerk and were disposed of as follows:

A message from the Governor (Gov. Msg. No. 340), informing the Senate that on April 29, 1981, he signed the following bills into law:

Senate Bill No. 28 as Act 29, entitled: "RELATING TO ABSENTEE VOTING";

Senate Bill No. 73 as Act 30, entitled: "RELATING TO SOLICITATION OF FUNDS FROM THE PUBLIC";

Senate Bill No. 123 as Act 31, entitled: "RELATING TO PROMOTING DANGEROUS OR HARMFUL DRUGS";

Senate Bill No. 273 as Act 32, entitled: "RELATING TO SCHOOL ABSENCES AND REPORTING";

Senate Bill No. 440 as Act 33, entitled: "RELATING TO PESTICIDES";

Senate Bill No. 587 as Act 34, entitled: "RELATING TO THE BOARD OF HEARING AID DEALERS AND FITTERS";

Senate Bill No. 591 as Act 35, entitled: "RELATING TO THE BOARD OF EXAMINERS IN OPTOMETRY";

Senate Bill No. 599 as Act 36, entitled: "RELATING TO OPTOMETRISTS";

Senate Bill No. 656 as Act 37, entitled: "RELATING TO REPORTS BY AGENCIES RECEIVING SPECIAL MONEYS";

Senate Bill No. 659 as Act 38, entitled: "RELATING TO THE LICENSING OF ITINERANT VENDORS OF MEDICINES"; and

Senate Bill No. 1111 as Act 39, entitled: "RELATING TO CHAPTER 46, HAWAII REVISED STATUTES,"

was placed on file.

A message from the Governor (Gov. Msg. No. 341), returning Senate Bill No. 646 without his approval, together with his statement of objections relating to the measure which reads as follows:

"EXECUTIVE CHAMBERS
HONOLULU, HAWAII

April 29, 1981

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 646

Honorable Members
Eleventh Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith Senate Bill No. 646 entitled, 'A Bill for an Act Relating to Residential Group Living.'

The purpose of this bill is to permit group living in areas zoned for residential use. Under the provisions of the bill, no more than a total of seven unrelated adults may reside together on any real property zoned for residential use. Residential group living will be allowed provided the facility is licensed as such and meets applicable licensing requirements.

While this Administration is not opposed to the concept of group living in residential areas, this bill lacks specific definitions, licensing criteria, specific target group, designated licensing agency and a clear process for implementation. It is unclear as to whether the provisions apply to existing types of licensed group living facilities, or is intended

to apply to a facility distinct from the existing facilities. If it is intended that the bill apply to existing facilities, then existing statutes providing for certain types of group living will be superseded by this bill. As a direct result, this bill will have the effect of increasing the number of residents allowed in adult care homes and boarding homes and decreasing the number allowed in independent living facilities, necessitating revisions to the licensing requirements for these facilities. If it is intended to address group living facilities distinct from existing facilities, then licensing criteria and the designation of the state agency responsible for licensing should be specified before the bill is enacted. In addition, the lack of a specifically defined target group raises a number of questions about the public purpose to be served by this bill and the possible ramifications this measure may have upon local zoning ordinances.

For the foregoing reasons, I am returning Senate Bill No. 646 without my approval as provided by Section 16 of Article III of the State Constitution.

Respectfully submitted,

/s/ George R. Ariyoshi

GEORGE R. ARIYOSHI
Governor of Hawaii"

was placed on file.

Remarks of Senate President Richard S.H. Wong on the closing of the Eleventh Legislature, Regular Session of 1981, as follows:

"Members of the Senate, at this time and with your indulgence, I would like to say a few words.

"The work of this 1981 Legislature is over. I think we've had a most productive session. You are to be commended for all the long hours and hard work that you've put in over the last three months. Thank you all.

"I think we can be excused for a little pardonable pride in the results of our labors this year.

"These include:

- Keeping state spending - in the budget and related bills - within the constitutionally mandated general fund expenditure ceiling for the coming fiscal biennium. This, despite strong pressures to exceed the ceiling. I think this speaks well of our sense of fiscal prudence and restraint.

- Providing a most comprehensive tax relief package for the people of Hawaii. This package includes a \$100 one-time tax credit per personal exemption, a quadrupling of the general excise tax credit program, expanded renters and child care tax credits, as well as various tax incentive bills to private enterprises to help stimulate the economy. The tax relief package totals some \$130 million.

- Addressing the problem of crime and violence in our community with a full package of legislation including measures to strengthen controls on the ownership of guns, tighten the laws on rape and pornography, control violence and vandalism in our schools.

- Providing additional funds for the highly successful Hula Mae Program; regulating time sharing sales practices to protect consumers.

"This is only a brief highlight, the list goes on, numerous worthwhile pieces of legislation have been developed and passed this year.

"Despite some delays and a slow start at the beginning of the session, I think we in the Senate -- working together with our House colleagues -- have finished with a creditable package. This is in large measure a result of the hard work of all the Senate chairmen and committee members, Democrats and Republicans alike. I would also like to acknowledge the cooperation, contributions and constructive criticisms of the minority faction of the Democrats. Every member of the Senate made a positive contribution.

"I would be remiss if I did not recognize and thank the Senate staff for all their hard work to make us senators look good. Usually we can manage to look bad on our own.

"It has been a privilege for me to serve as your president this session. You have my respect and Aloha. I look forward to working with you again next year."

ADJOURNMENT

Senator Cobb moved that the Senate of the Eleventh Legislature of the State of Hawaii, Regular Session of 1981, adjourn Sine Die, seconded by Senator Anderson and carried.

At 4:00 o'clock a.m., the President rapped his gavel and declared the Senate of the Eleventh Legislature of the State of Hawaii, Regular Session of 1981, adjourned Sine Die.