

## TABLE OF CONTENTS

	PAGE
First Day, Monday, June 22, 1981 . . . . .	1
Second Day, Tuesday, June 23, 1981. . . . .	5
Third Day, Wednesday, June 24, 1981 . . . . .	6
Fourth Day, Thursday, June 25, 1981 . . . . .	13
Fifth Day, Friday, June 26, 1981 . . . . .	16
Sixth Day, Monday, June 29, 1981. . . . .	19
Communications Received after Adjournment:	
Governor's Message . . . . .	25
Appendix:	
Conference Committee Report . . . . .	26
Standing Committee Reports . . . . .	27
History:	
Senate Bills . . . . .	37
House Bills . . . . .	38

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

FIRST DAY

Monday, June 22, 1981

The Senate of the Eleventh Legislature of the State of Hawaii, Special Session of 1981, was called to order at 9:00 o'clock a.m., by Senator Richard S.H. Wong, President of the Senate, in accordance with the Proclamation issued by Governor George R. Ariyoshi on June 19, 1981, as follows:

MESSAGE FROM THE GOVERNOR

A message from the Governor (Gov. Msg. No. 1), transmitting the proclamation convening the Legislature of the State of Hawaii in Special Session on Monday, June 22, 1981:

P R O C L A M A T I O N

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

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

/s/ George R. Ariyoshi

GEORGE R. ARIYOSHI  
Governor of Hawaii

APPROVED AS TO FORM:

/s/ Tany S. Hong

TANY S. HONG  
Attorney General,"

was read by the Clerk and was placed on file.

The Divine Blessing was invoked by the Reverend Kim On Chong, Retired Chaplain of Mid-Pacific Institute of Honolulu, after which the Roll was called showing all Senators present

with the exception of Senators Ushijima and Yee who were excused.

INTRODUCTION OF SENATE BILLS

On motion by Senator Cobb, seconded by Senator Anderson and carried, the following bills passed First Reading by title and were referred to print, and further consideration was deferred until later on the calendar:

Senate Bill

No. 1 "A Bill for an Act Relating to Indexing the Hawaii Revised Statutes."

Introduced by: Senator Wong.

No. 2 "A Bill for an Act Making Appropriations for Collective Bargaining Cost Items."

Introduced by: Senator Wong.

No. 3 "A Bill for an Act Relating to Medical Claim Conciliation Panels."

Introduced by: Senator Wong.

No. 4 "A Bill for an Act Relating to Counsel and Other Services for Indigent Defendants in Criminal and Related Cases."

Introduced by: Senator Wong.

At 9:11 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 9:12 o'clock a.m.

ORDER OF THE DAY

48-HOUR NOTICE

On motion by Senator Cobb, seconded by Senator Anderson and carried, S.B. No. 1, entitled: "A BILL FOR AN ACT RELATING TO INDEXING THE HAWAII REVISED STATUTES," was placed on the calendar for Second Reading on Tuesday, June 23, 1981, and for Third Reading on Wednesday, June 24, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on S.B. No. 1.

On motion by Senator Cobb, seconded by Senator Anderson and carried, S.B. No. 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," was placed on the calendar for Second Reading on Tuesday, June 23, 1981, and for Third Reading on Wednesday, June 24, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on S.B. No. 2.

On motion by Senator Cobb, seconded by Senator Anderson and carried, S.B. No. 3, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL CLAIM CONCILIATION PANELS," was placed on the calendar for Second Reading on Tuesday, June 23, 1981, and for Third Reading on Wednesday, June 24, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on S.B. No. 3.

On motion by Senator Cobb, seconded by Senator Anderson and carried, S.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO COUNSEL AND OTHER SERVICES FOR INDIGENT DEFENDANTS IN CRIMINAL AND RELATED CASES," was placed on the calendar for Second Reading on Tuesday, June 23, 1981, and for Third Reading on Wednesday, June 24, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on S.B. No. 4.

#### MATTERS DEFERRED FROM EARLIER ON THE CALENDAR

The President made the following committee assignments of bills that had been introduced earlier on the calendar:

#### Senate Bills Referred to:

No. 1	Committee on Ways and Means
No. 2	Committee on Ways and Means
No. 3	Committee on Ways and Means
No. 4	Committee on Ways and Means

At 9:14 o'clock a.m., the Senate stood

in recess subject to the call of the Chair.

The Senate reconvened at 9:15 o'clock a.m.

At this time, Senator Anderson rose to inquire as follows:

"Mr. President, I just want to ask a question.

"When we got the message from the Governor... I had read lately in the press and had seen the Governor of the state on TV with the problem of the impact... and in our caucus last week we discussed the problem and I'm just wondering, if to date, as I sit here called by the Governor into special session, whether or not his office has submitted, in fact, any language, any amendment, any proviso language that in fact deals with that problem. Have we received anything in writing from the Governor, Mr. President?"

The Chair replied as follows:

"As far as a formal request to the Senate, the answer is no.

"With respect to the discussions on the impact funding with the House and the language of the proviso which was proposed--the Governor's office very much aware of these and, in fact, participated in the negotiations with the House. However, no formal request to the Senate, relative to a specific proviso by the Governor, has been received by the Senate. What the Governor's office did give the Senate and House negotiators was a suggested draft proviso prepared by Budget and Finance."

Senator Anderson then remarked as follows:

"Mr. President, I'm not sure about the comments or remarks but I just get the feeling that I'm caught, we're caught really, in somewhat of a very confused state of affairs. I'm sure there are some 510 teachers out there who are more totally confused than we are.

"I think we have said we would be more than happy to accommodate the problem be it now or come September - October. There've been several approaches in resolving the problem. I was also interested to see the compromise that Senator Abercrombie and Representative Toguchi announced. A compromise proviso that I thought would be on our desks today only to be informed twenty minutes ago that the proviso is not acceptable to the House.

"I really don't intend to sit here

for five days in a circus, Mr. President, with the Governor throwing barbs and adding to the confusion and the House further complicating it. I just get the feeling, in the twenty minutes, that I haven't left here for 60 days, and I'm really not looking forward to the next five or fifteen days."

The Chair answered and stated:

"Senator Anderson, as a matter of clarification, I want to make it known that the budget proviso, as I understand it, and the budget bill which was sent to us this morning by the House includes the proviso and the language suggested by the Governor.

"I want to make it very clear to the members of the Senate and to the people in the audience that this is a unilateral decision arrived at by the House and it does not necessarily bind the Senate to this position. Anything to the contrary is misleading and false. Again, I repeat, it was a unilateral decision by the House to solve a very complicated problem. When the bill arrives here in the Senate it has been proposed to me this morning that the Senate offer its own budget bill. It is not my wish to offer a budget bill. When the House bill comes over with the proviso included we will deal with it appropriately in committee as to whether or not we wish to make any changes. If we do, the budget will be sent back to the House with a language that is acceptable and, hopefully, with the understanding of and concurrence of the House.

"Are there any further comments?"

Senator Abercrombie then rose to ask:

"Mr. President, just as a point of inquiry. All of the information that has been illicit as a result of Senator Anderson's question is news to me. I have no reason to doubt the veracity of your remarks. I'm very disappointed. I want to make sure that I understand quite clearly what you said.

"Did you reply to Senator Anderson that the House has presented a budget bill which contains a proviso which contains language other than that which you are aware of which I have dealt with?"

The Chair answered: "That is correct."

Senator Abercrombie further inquired: "Was there an explanation as to why that happened?"

The Chair answered: "No."

Senator Abercrombie then remarked as follows:

"Well, I'm very sorry about that, Mr. President.

"I suppose I'm one of the easier people in the City to find, and aside from seeing 'Clash of the Titans' yesterday afternoon, I was available. I didn't know that the clash was going to be here. I thought it was going to be at Kapiolani Theatre.

"I want to assure you, Mr. President, that the language which Representative Toguchi and I worked on in all good faith and goodwill, and I want to thank him very much for that, is more than adequate to meet whatever necessities may be assumed to be involved in seeing that the budget document is an adequate one to take care of the business of the state, pending any resolution in any area of finances in the United States Congress, so my comment then would be in respect to your answer to my inquiry that we all ought to relax and allow the subject matter chairman to carry on the good work that he has been doing so far."

The Chair answered as follows:

"Senator Abercrombie, with reference to your role in the negotiations between the House, the Chair thanks you for the many hours that you and Representative Toguchi put into trying to arrive at an amicable solution to a very complex problem. In addition, I see in the audience former Representative Carl Takamura, representing the Governor's office. My understanding is that Mr. Takamura was also part of the negotiations and I wish to thank him for the efforts put forth by him.

"In addition, I would like to make one comment here. I'm sure it will be picked up later on in more detail but I want to assure the Senators that every effort was made to reconvene ourselves back into session. It has always been my belief that the Governor had nothing to do with the errors in the final budget document that was passed and that it was the responsibility of the Legislature to call itself back into session should errors occur. I felt these errors were clerical in nature, however, this could be subject to differences in terms of interpretation. I did have 19 Senators prepared to call ourselves into special session and I was told that the House was also prepared by two-thirds vote to call itself into session.

"I was informed, late on Friday, that, evidently, the Speaker of the House decided that an impasse had been reached with the Senate and that, therefore, the Governor instead should call us back into session. Again, I want to make it very clear that the discrepancies in the budget were made by the Legislature and I thought we ought to call ourselves back into session to correct those errors. However, that has been taken out of our hands and the Governor has called us back.

"I do want to caution the general public and the Senators that as your president, I would like to have the session confine its deliberation and its discussions to the budget and the bills related to the budget that were passed in the last regular session of the Legislature. Contrary to comments made by the other House this is not a second chance session. The Constitution does not say that we shall have two regular sessions in a given year. This is a special session. I want every member of the Senate to remember this and that we are here for the purpose of clarifying and correcting clerical and technical errors in the budget bill and the related bills to the budget. I want to thank the Senators for their patience during these few short days."

At 9:23 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 9:24 o'clock a.m.

Senator Abercombie then rose to remark as follows:

"Mr. President, just one very brief I don't think it necessarily a correction but an observation of your last remarks. You indicated there were errors, clerical errors and/or technical errors made by the Legislature. That apparently is true but I do want to indicate to the body that there was also an error made by the executive. How we are to address that is going to be subject to discussion in the Ways and Means Committee and with the other Senators.

"The executive neglected to put about \$3.4 million of salary increases into the budget so the education budget, regardless of impact aid, is now about \$3.4 million short. So, if the object of the approach to this session is to call into question even momentarily the capacity of the executive to see to it that teachers or others are to be hired given the present budget document, I would indicate that the same logic obviously should apply where there were no funds provided in the first place. If that logic applies that means that there will be no people who are paid on an hourly wage hired in the DOE either. So, I think, that if there are errors to be passed around why, apparently, both branches of government have more than their share to wallow in."

At 9:27 o'clock a.m., on motion by Senator Cobb, seconded by Senator Anderson and carried, the Senate stood in recess for the purpose of receiving any further communications.

#### ADJOURNMENT

At 12:00 o'clock midnight, the Senate adjourned until 9:00 o'clock a.m., Tuesday, June 23, 1981.

## SECOND DAY

Tuesday, June 23, 1981

The Senate of the Eleventh Legislature of the State of Hawaii, Special Session of 1981, convened at 9:00 o'clock a.m., with the President in the Chair.

The Divine Blessing was invoked by Bishop Yoshiaki Fujitani, Honpa Hongwanji Mission of Hawaii, after which the Roll was called showing all Senators present with the exception of Senators George, Ushijima and Yee who were excused.

The President announced that he had read and approved the Journal of the First Day.

## STANDING COMMITTEE REPORTS

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1) recommending that Senate Bill No. 1 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the Committee was adopted and S.B. No. 1 entitled: "A BILL FOR AN ACT RELATING TO INDEXING THE HAWAII REVISED STATUTES," passed Second Reading and was placed on the calendar for Third Reading on Wednesday, June 24, 1981.

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 2) recommending that Senate Bill No. 2 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the Committee was adopted and S.B. No. 2 entitled: "A BILL

FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Second Reading and was placed on the calendar for Third Reading on Wednesday, June 24, 1981.

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 3) recommending that Senate Bill No. 3 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the Committee was adopted and S.B. No. 3 entitled: "A BILL FOR AN ACT RELATING TO MEDICAL CLAIM CONCILIATION PANELS," passed Second Reading and was placed on the calendar for Third Reading on Wednesday, June 24, 1981.

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 4) recommending that Senate Bill No. 4 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the Committee was adopted and S.B. No. 4 entitled: "A BILL FOR AN ACT RELATING TO COUNSEL AND OTHER SERVICES FOR INDIGENT DEFENDANTS IN CRIMINAL AND RELATED CASES," passed Second Reading and was placed on the calendar for Third Reading on Wednesday, June 24, 1981.

## ADJOURNMENT

At 9:13 o'clock a.m., on motion by Senator Cobb, seconded by Senator Anderson and carried, the Senate adjourned until 10:00 o'clock a.m., Wednesday, June 24, 1981.

## THIRD DAY

Wednesday, June 24, 1981

The Senate of the Eleventh Legislature of the State of Hawaii, Special Session of 1981, convened at 10:00 o'clock a.m., with the President in the Chair.

The Divine Blessing was invoked by the Reverend William D. Sanders, Jr., Pastor of First Southern Baptist Church of Ewa, after which the Roll was called showing all Senators present with the exception of Senators Mizuguchi, Soares, Ushijima and Yee who were excused.

The President announced that he had read and approved the Journal of the Second Day.

## ORDER OF THE DAY

## THIRD READING

Senate Bill No. 1:

On motion by Senator Cobb, seconded by Senator Anderson and carried, S.B. No. 1, entitled: "A BILL FOR AN ACT RELATING TO INDEXING THE HAWAII REVISED STATUTES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, none. Excused, 4 (Mizuguchi, Soares, Ushijima and Yee).

Senate Bill No. 2:

On motion by Senator Cobb, seconded by Senator Anderson and carried, S.B. No. 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, none. Excused, 4 (Mizuguchi, Soares, Ushijima and Yee).

Senate Bill No. 3:

On motion by Senator Cobb, seconded by Senator Anderson and carried, S.B. No. 3, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL CLAIM CONCILIATION PANELS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, none. Excused, 4 (Mizuguchi, Soares, Ushijima and Yee).

Senate Bill No. 4:

On motion by Senator Cobb, seconded by Senator Anderson and carried, S.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO COUNSEL AND OTHER SERVICES FOR INDIGENT DEFENDANTS IN CRIMINAL AND RELATED CASES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, none. Excused, 4 (Mizuguchi, Soares, Ushijima and Yee).

At 10:15 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:15 o'clock a.m.

## HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 1 to 20) were read by the Clerk and were disposed of as follows:

A communication from the House (Hse. Com. No. 1), transmitting House Bill No. 1 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

By unanimous consent, action on H.B. No. 1 was deferred to the end of the calendar.

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

The Senate reconvened at 11:17 o'clock a.m.

A communication from the House (Hse. Com. No. 2), transmitting House Bill No. 2 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 2, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY BUDGET," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 2.

At 11:18 o'clock a.m., the Senate stood in recess subject to call of the Chair.

The Senate reconvened at 11:19 o'clock a.m.

A communication from the House (Hse. Com. No. 3), transmitting House Bill No. 3 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 3, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 3.

A communication from the House (Hse. Com. No. 4), transmitting House Bill No. 4 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO THE 1984 SILVER JUBILEE OF HAWAII'S STATEHOOD AND MAKING AN APPROPRIATION THEREFOR," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 4.

A communication from the House (Hse. Com. No. 5), transmitting House Bill No. 5 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 5, entitled: "A BILL FOR AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed

on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 5.

A communication from the House (Hse. Com. No. 6), transmitting House Bill No. 6 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 6, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 6.

A communication from the House (Hse. Com. No. 7), transmitting House Bill No. 7 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 7, entitled: "A BILL FOR AN ACT RELATING TO DEFERRED COMPENSATION PLANS FOR PUBLIC EMPLOYEES," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 7.

A communication from the House (Hse. Com. No. 8), transmitting House Bill No. 8 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 8, entitled: "A BILL FOR AN ACT RELATING TO THE ESTABLISHMENT OF THE VENTURE CAPITAL INFORMATION CENTER," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed



on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 8.

A communication from the House (Hse. Com. No. 9), transmitting House Bill No. 9 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 9, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

A communication from the House (Hse. Com. No. 10), transmitting House Bill No. 10 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 10, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PAYMENT OF A JUDGMENT BETWEEN THE STATE OF HAWAII AND SYLVIA GAMINO," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 10.

A communication from the House (Hse. Com. No. 11), transmitting House Bill No. 11 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 11, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF CERTAIN PERSONS UNDER THE CRIMINAL INJURIES COMPENSATION ACT AND PROVIDING APPROPRIATIONS THEREFOR," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading

on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 11.

A communication from the House (Hse. Com. No. 12), transmitting House Bill No. 12 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 12, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 12.

A communication from the House (Hse. Com. No. 13), transmitting House Bill No. 13 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 13, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING AUTHORITY," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 13.

A communication from the House (Hse. Com. No. 14), transmitting House Bill No. 14 which passed Third Reading in the House of Representatives on June 24, 1981, by not less than two-thirds vote of all the members to which the House is entitled, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 14, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE

OF SPECIAL PURPOSE REVENUE BONDS TO SECURE LONG-TERM MORTGAGE REFINANCING FOR THE POHAI NANI GOOD SAMARITAN KAUAHALE HEALTH CARE FACILITY," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 14.

A communication from the House (Hse. Com. No. 15), transmitting House Bill No. 15 which passed Third Reading in the House of Representatives on June 24, 1981, by not less than two-thirds vote of all the members to which the House is entitled, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 15, entitled: "A BILL FOR AN ACT RELATING TO THE AUTHORIZATION OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST UTILITIES SERVING THE GENERAL PUBLIC," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, April 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 15.

A communication from the House (Hse. Com. No. 16), transmitting House Bill No. 16 which passed Third Reading in the House of Representatives on June 24, 1981, by not less than two-thirds vote of all the members to which the House is entitled, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 16, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HEALTH CARE FACILITIES," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given

on H.B. No. 16.

A communication from the House (Hse. Com. No. 17), transmitting House Bill No. 17 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 17, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE REDEVELOPMENT OF THE ALOHA TOWER COMPLEX," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 17.

A communication from the House (Hse. Com. No. 18), transmitting House Bill No. 18 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 18, entitled: "A BILL FOR AN ACT RELATING TO THE TAX REVIEW COMMISSION," was placed on the Clerk's desk for further consideration.

A communication from the House (Hse. Com. No. 19), transmitting House Bill No. 19 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 19, entitled: "A BILL FOR AN ACT RELATING TO THE STATE PROGRAM FOR THE UNEMPLOYED," was placed on the Clerk's desk for further consideration.

A communication from the House (Hse. Com. No. 20), transmitting House Bill No. 20 which passed Third Reading in the House of Representatives on June 24, 1981, was placed on file.

By unanimous consent, action on H.B. No. 20 was deferred to the end of the calendar.

At 11:21 o'clock a.m., on motion by Senator Cobb, seconded by Senator Anderson and carried, the Senate stood in recess until 4:00 o'clock p.m.

AFTERNOON SESSION

The Senate reconvened at 4:00 o'clock p.m., with all Senators present, with the exception of Senators George, Holt, Kawasaki, Kuroda, Machida, Mizuguchi, O'Connor, Soares, Toyofuku, Uwaine and Yee who were excused.

MATTERS DEFERRED FROM  
EARLIER ON THE CALENDAR

House Bill No. 1:

Senator Cobb moved that H.B. No. 1 pass First Reading by title and be referred to the Committee on Ways and Means, seconded by Senator Anderson.

Senator Yamasaki then offered the following amendments:

1. "SECTION 1. House Bill No. 1, section 114A is amended by amending page 165a in its entirety to read:

"SECTION 114A. Provided, that of the sums appropriated and positions approved for the Regular Instruction Program (EDN 105), it is the intent of the Legislature that sufficient funds shall be expended and personnel hired to provide for the level of services approved by the Legislature and authorized by this Act; provided further, that if the sum received by the department of education under Public Law 81-874 (Impact Aid) or any other public law which amends or supersedes Public Law 81-874 for fiscal year 1981-82 is less than the amount authorized in this Act, the Governor shall on or before December 1, 1981 report to the Legislature concerning the implications of such reduction in federal funds and make recommendations on what legislative actions may be necessary in order to maintain the level of services in this program as authorized by this Act; provided further, that in the event there is a shortfall in federal Impact Aid funds, the Governor is authorized to continue expenditures to fulfill any personnel contracts entered into by the State, such expenditures to be made from savings as may be available from the appropriated funds of any program in this Act." and

2. "SECTION 1. House Bill No. 1, section 17, is amended by amending line 16 of page 46 to read:

'for DLIR-Data Gathering, Research and Analysis (LBR 901),'

"SECTION 2. House Bill No. 1, section 26, is amended by amending line 13 on page 49 to read:

'for Emergency Medical Services (HTH 170), no more than \$907,000'

"SECTION 3. House Bill No. 1, section 46, is amended by amending line 13 on page 57 to read:

'fiscal year 1981-1982 shall be allotted to the Holomua Project;'

"SECTION 4. House Bill No. 1, section 99, is amended by amending line 11 on page 131 to read:

'Waianae Coast Comprehensive Health'

"SECTION 5. House Bill No. 1, section 104, is amended by amending line 8 on page 136 to read:

'c. Kukaiau-Ookala Water System'

"SECTION 6. House Bill No. 1, section 115, is amended by amending line 7 on page 166 to read:

'after this legislature adjourns sine die.'

Senator Yamasaki moved that the amendments be adopted, seconded by Senator Anderson.

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

"Mr. President, just briefly, by way of discussion, I think that the amendment, in particular, the amendment to Section 114A in House Bill No. 1 reflects a discussion that has been lengthy and detailed over the past several days. A discussion which has borne fruition, I believe, in this amendment.

"I believe that it gives the Governor the necessary assurance that he needs to move ahead in this area of education and at the same time takes a responsible position in respect of the rest of the budget and what this legislature will be expected to do when we confront cuts that may appear not only in education but in other areas as we go down the line.

"I hope that the House will come to see that this is in the interest of the state and that the request of the Governor has, in fact, been met with this amendment. Thank you."

The motion to adopt the amendment was put by the Chair and carried.

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 1, as amended in S.D. 1, entitled: "A BILL FOR AN ACT RELATING

TO THE STATE BUDGET," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 1, S.D. 1.

At 4:30 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 4:31 o'clock p.m.

House Bill No. 20.

Senator Cobb moved that H.B. No. 20 pass First Reading by title and be referred to the Committee on Ways and Means, seconded by Senator Anderson.

Senator Yamasaki then offered the following amendment:

"SECTION 1. House Bill No. 20, section 1, is amended by amending the entire section on pages 1 and 2 to read:

'SECTION 1. Notwithstanding the interest rate limitation contained in section 39-5, Hawaii Revised Statutes, bonds issued after June 30, 1981 but prior to March 31, 1982 under Part I of Chapter 39, Hawaii Revised Statutes, may bear interest, payable annually or semi-annually, at a rate or rates not exceeding twelve per cent a year.'

"SECTION 2. House Bill No. 20, section 2, is amended by amending lines 13 and 14 on page 2 to read:

'SECTION 2. This Act shall take effect upon its approval.'

"SECTION 3. House Bill No. 20, section 3, is amended by deleting line 15 on page 2 in its entirety."

Senator Yamasaki moved that the amendment be adopted, seconded by Senator Anderson.

Senator Abercrombie then rose to speak against the amendment as follows:

"Mr. President, I believe this amendment is ill-advised, ill-timed, and ill-founded and will vote against it."

The motion to adopt the amendment was put by the Chair and carried on

the following showing of Ayes and Noes:

Ayes, 13. Noes, 1 (Abercrombie).  
Excused, 11 (George, Holt, Kawasaki, Kuroda, Machida, Mizuguchi, O'Connor, Soares, Toyofuku, Uwaine and Yee).

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 20, as amended in S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL OBLIGATION BONDS OF THE STATE OF HAWAII," passed First Reading by title, was referred to the Committee on Ways and Means, and was placed on the calendar for Second Reading on Thursday, June 25, 1981, and for Third Reading on Friday, June 26, 1981.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 20, S.D. 1.

At this time, Senator Abercrombie introduced to the members of the Senate Mr. Jim Simpson and his two sons, Kalani and Kaipo, from Kau of the Big Island, who are visiting the legislature this week attending the hearings.

Senator Yamasaki, Chairman of the Ways and Means Committee, then requested a waiver of the 48-hour notice of Public Hearing on the following measures:

H.B. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET"; and

H.B. 20, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL OBLIGATION BONDS OF THE STATE OF HAWAII,"

and the President granted the waiver.

At 4:35 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 4:37 o'clock p.m.

Senator Campbell then rose to inquire of the Chair as follows:

"Mr. President, is the waiver of the 48-hour notice for the Ways and Means Committee for House Bill 1 and House Bill 20 in order, in light of the fact that these two bills were just amended?"

The Chair answered: "Yes."

The President, at this time, introduced Mrs. Denise Villaflor, wife of the Senate Sergeant-at-Arms Ben Villaflor.

## ADJOURNMENT

At 4:38 o'clock p.m., on motion  
by Senator Cobb, seconded by Senator  
Anderson and carried, the Senate  
adjourned until 10:00 o'clock a.m.,  
Thursday, June 25, 1981.

## FOURTH DAY

Thursday, June 25, 1981

The Senate of the Eleventh Legislature of the State of Hawaii, Special Session of 1981, convened at 10:00 o'clock a.m., with the President in the Chair.

The Divine Blessing was invoked by Reverend Seiko Okahashi, Honpa Hongwanji Hawaii Betsuin, after which the Roll was called showing all Senators present with the exception of Senators Ushijima and Yee who were excused.

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

Senator Anderson then introduced to the members of the Senate, visiting from California, retired judge, Mr. Walter Smith and his wife, accompanied by Mr. and Mrs. Dale Heinen from Hawaii.

## STANDING COMMITTEE REPORTS

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 5) recommending that House Bill No. 1, S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the Committee was adopted and H.B. No. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 6) recommending that House Bill No. 2 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the Committee was adopted and H.B. No. 2, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY BUDGET," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 7) recommending that House Bill No. 3 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded

by Senator Anderson and carried, the report of the Committee was adopted and H.B. No. 3, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the majority of the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 8) recommending that House Bill No. 4 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the majority of the Committee was adopted and H.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO THE 1984 SILVER JUBILEE OF HAWAII'S STATEHOOD AND MAKING AN APPROPRIATION THEREFOR," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 9) recommending that House Bill No. 5 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the Committee was adopted and H.B. No. 5, entitled: "A BILL FOR AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 10) recommending that House Bill No. 6 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the Committee was adopted and H.B. No. 6, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 11) recommending that House Bill No. 7 pass Second Reading and be placed on the calendar

for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the Committee was adopted and H.B. No. 7, entitled: "A BILL FOR AN ACT RELATING TO DEFERRED COMPENSATION PLANS FOR PUBLIC EMPLOYEES," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the majority of the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 12) recommending that House Bill No. 8 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the majority of the Committee was adopted and H.B. No. 8, entitled: "A BILL FOR AN ACT RELATING TO THE ESTABLISHMENT OF THE VENTURE CAPITAL INFORMATION CENTER," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the majority of the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 13) recommending that House Bill No. 9 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the majority of the Committee was adopted and H.B. No. 9, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the majority of the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 14) recommending that House Bill No. 10 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the majority of the Committee was adopted and H.B. No. 10, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PAYMENT OF A JUDGMENT BETWEEN THE STATE OF HAWAII AND SYLVIA GAMINO," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the majority

of the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 15) recommending that House Bill No. 11 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the majority of the Committee was adopted and H.B. No. 11, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF CERTAIN PERSONS UNDER THE CRIMINAL INJURIES COMPENSATION ACT AND PROVIDING APPROPRIATIONS THEREFOR," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 16) recommending that House Bill No. 12 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the Committee was adopted and H.B. No. 12, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 17) recommending that House Bill No. 13 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the Committee was adopted and H.B. No. 13, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING AUTHORITY," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 18) recommending that House Bill No. 14 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the Committee was adopted and H.B. No. 14, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO SECURE LONG-TERM MORTGAGE REFINANCING OF THE POHAI NANI GOOD SAMARITAN KAHALE HEALTH

CARE FACILITY," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 19) recommending that House Bill No. 15 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the Committee was adopted and H.B. No. 15, entitled: "A BILL FOR AN ACT RELATING TO THE AUTHORIZATION OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST UTILITIES SERVING THE GENERAL PUBLIC," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 20) recommending that House Bill No. 16 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the Committee was adopted and H.B. No. 16, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HEALTH CARE FACILITIES," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 21) recommending that House Bill No. 17 pass Second Reading and be placed on the calendar

for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the Committee was adopted and H.B. No. 17, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE REDEVELOPMENT OF THE ALOHA TOWER COMPLEX," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

Senator Yamasaki, for the majority of the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 22) recommending that House Bill No. 20, S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Cobb, seconded by Senator Anderson and carried, the report of the majority of the Committee was adopted and H.B. No. 20, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL OBLIGATION BONDS OF THE STATE OF HAWAII," passed Second Reading and was placed on the calendar for Third Reading on Friday, June 26, 1981.

At 10:40 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:45 o'clock a.m.

#### ADJOURNMENT

At 10:47 o'clock a.m., on motion by Senator Cobb, seconded by Senator Anderson and carried, the Senate adjourned until 4:00 o'clock p.m., Friday, June 26, 1981.



## FIFTH DAY

Friday, June 26, 1981

The Senate of the Eleventh Legislature of the State of Hawaii, Special Session of 1981, convened at 4:00 o'clock p.m., with the President in the Chair.

The Divine Blessing was invoked by the Reverend David Holsinger of St. Luke's Episcopal Church, after which the Roll was called showing all Senators present with the exception of Senators Cayetano, Henderson and Yee who were excused.

The President announced that he had read and approved the Journal of the Fourth Day.

At 4:10 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 4:11 o'clock p.m.

## ORDER OF THE DAY

## THIRD READING

House Bill No. 1, S.D. 1:

On motion by Senator Yamasaki, seconded by Senator Anderson and carried, H.B. No. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 15. Noes, 7 (Holt, Kawasaki, Machida, Mizuguchi, O'Connor, Toyofuku and Ushijima). Excused, 3 (Cayetano, Henderson and Yee).

House Bill No. 2:

By unanimous consent, action on H.B. No. 2, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY BUDGET," was deferred until Monday, June 29, 1981.

House Bill No. 3:

By unanimous consent, action on H.B. No. 3, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," was deferred until Monday, June 29, 1981.

House Bill No. 4:

By unanimous consent, action on H.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO THE 1984 SILVER JUBILEE OF HAWAII'S STATEHOOD

AND MAKING AN APPROPRIATION THEREFOR," was deferred until Monday, June 29, 1981.

House Bill No. 5:

By unanimous consent, action on H.B. No. 5, entitled: "A BILL FOR AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS," was deferred until Monday, June 29, 1981.

House Bill No. 6:

By unanimous consent, action on H.B. No. 6, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," was deferred until Monday, June 29, 1981.

House Bill No. 7:

By unanimous consent, action on H.B. No. 7, entitled: "A BILL FOR AN ACT RELATING TO DEFERRED COMPENSATION PLANS FOR PUBLIC EMPLOYEES," was deferred until Monday, June 29, 1981.

House Bill No. 8:

By unanimous consent, action on H.B. No. 8, entitled: "A BILL FOR AN ACT RELATING TO THE ESTABLISHMENT OF VENTURE CAPITAL INFORMATION CENTER," was deferred until Monday, June 29, 1981.

House Bill No. 9:

By unanimous consent, action on H.B. No. 9, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS," was deferred until Monday, June 29, 1981.

House Bill No. 10:

By unanimous consent, action on H.B. No. 10, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PAYMENT OF A JUDGMENT BETWEEN THE STATE OF HAWAII AND SYLVIA GAMINO," was deferred until Monday, June 29, 1981.

House Bill No. 11:

By unanimous consent, action on H.B. No. 11, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF CERTAIN PERSONS UNDER THE CRIMINAL INJURIES COMPENSATION ACT AND PROVIDING APPROPRIATIONS THEREFOR," was deferred until Monday,

June 29, 1981.

House Bill No. 12:

By unanimous consent, action on H.B. No. 12, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR," was deferred until Monday, June 29, 1981.

House Bill No. 13:

By unanimous consent, action on H.B. No. 13, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING AUTHORITY," was deferred until Monday, June 29, 1981.

House Bill No. 14:

By unanimous consent, action on H.B. No. 14, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO SECURE LONG-TERM MORTGAGE REFINANCING FOR THE POHAI NANI GOOD SAMARITAN KAUAHALE HEALTH CARE FACILITY," was deferred until Monday, June 29, 1981.

House Bill No. 15:

By unanimous consent, action on H.B. No. 15, entitled: "A BILL FOR AN ACT RELATING TO THE AUTHORIZATION OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST UTILITIES SERVING THE GENERAL PUBLIC," was deferred until Monday, June 29, 1981.

House Bill No. 16:

By unanimous consent, action on H.B. No. 16, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HEALTH CARE FACILITIES," was deferred until Monday, June 29, 1981.

House Bill No. 17:

By unanimous consent, action on H.B. No. 17, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE REDEVELOPMENT OF THE ALOHA TOWER COMPLEX," was deferred until Monday, June 29, 1981.

At 4:30 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 4:31 o'clock p.m.

House Bill No. 20, S.D. 1:

Senator Yamasaki moved that H.B. No. 20, S.D. 1, having been read

throughout, pass Third Reading, seconded by Senator Anderson.

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

"Mr. President, I rise to speak against the bill. I don't think it has improved any since I voted against it on First Reading. I think we are missing an opportunity to go into the full implications of the entire CIP package, that is to say, the philosophy behind CIP in the state. I think we are about to embark on a course which will leave the children I might have in the future and certainly the children that are in existence now saddled with a debt burden that is unwarranted."

The motion was put by the Chair and carried, and H.B. No. 20, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL OBLIGATION BONDS OF THE STATE OF HAWAII," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 3 (Abercrombie, George and Kawasaki). Excused, 3 (Cayetano, Henderson and Yee).

At 4:34 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 5:10 o'clock p.m.

#### HOUSE COMMUNICATION

A communication from the House (Hse. Com. No. 21) informing the Senate that the House has disagreed to the amendments proposed by the Senate to House Bill No. 1, and has requested a conference on the subject matter thereof, in consequence of which on June 26, 1981, the Speaker appointed Representatives Kunimura, Chairman, Kiyabu, Albano, Andrews, Fukunaga, G. Hagino, Hashimoto, Kobayashi, Levin, Morioka, Nakasato, Okamura, Lacy, Marumoto, Narvaes and Wong, as Managers on the part of the House for the consideration of said amendments, was read by the Clerk and was placed on file.

In accordance therewith, the President appointed Senators Yamasaki, Chairman, Anderson and Abercrombie as Managers on the part of the Senate at such conference.

At this time, Senator Yamasaki, Chairman of the Conference Committee on the part of the Senate, requested a waiver of the 48-hour notice of a Public Hearing on the following measure:

H.B. No. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET,"

and the President granted the waiver.

At 5:11 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 5:55 o'clock p.m.

At this time, the President ordered the Clerk to note the presence of Senator Cayetano.

#### CONFERENCE COMMITTEE REPORT

Senator Yamasaki, for the Committee on Conference on the disagreeing vote of the House to the amendments

proposed by the Senate to House Bill No. 1, presented a report (Conf. Com. Rep. No. 1) recommending that House Bill No. 1, S.D. 1, as amended in C.D. 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on the Final Reading of H.B. No. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET."

#### ADJOURNMENT

At 5:56 o'clock p.m., on motion by Senator Cobb, seconded by Senator Anderson and carried, the Senate adjourned until 10:00 o'clock a.m., Monday, June 29, 1981.

## SIXTH DAY

Monday, June 29, 1981

The Senate of the Eleventh Legislature of the State of Hawaii, Special Session of 1981, convened at 10:00 o'clock a.m., with the President in the Chair.

The Divine Blessing was invoked by Reverend Ralph F. Honjo, Pastor, Aina Haina Baptist Church, after which the Roll was called showing all Senators present with the exception of Senator Abercrombie who was excused.

The President announced that he had read and approved the Journal of the Fifth Day.

Senator Young then introduced to the members of the Senate two visitors from Los Angeles, Alyce Levert and Lyne Yoneyama.

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

The Senate reconvened at 10:12 o'clock a.m.

## ORDER OF THE DAY

## FINAL READING

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

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

Senator O'Connor rose to inquire as follows:

"Mr. President, I don't know exactly who to address this question to but I wonder if the chairman of the committee, or someone who knows something about the proviso we have been talking about for the last week, would yield to a question. Would the chairman yield to a question?"

Senator Yamasaki stated that he would.

Senator O'Connor continued:

"Mr. President, I look at EDN 105 which appears in part on page 4. The beginning comments appear on page 4 and the balance goes over to part II, page 20 (II-20). Looking at this, is it not a fact that the amount appropriated for EDN 105 is the total of \$139,113,796 out of general funds plus \$14,422,658 out of federal funds?

Is that the amount appropriated in this budget for EDN 105?"

Senator Yamasaki replied in the affirmative.

Senator O'Connor then said that he had some other questions.

At 10:15 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:33 o'clock a.m.

The President then stated:

"At the recess, Senator O'Connor, you were asking a series of questions."

Senator O'Connor replied as follows:

"Yes, Mr. President. I have no need, at this time, to ask any more questions but would simply make a comment.

"Looking at the proviso, which has been negotiated for 6 days and is the reason, evidently, that we are here an extra day in this session, the plain wording of the proviso would have the Governor expend general fund monies to make up any shortfall which might occur in EDN 105 if the federal monies are withdrawn. The federal monies being sums appropriated together with the general fund monies. The total federal monies are 4.4 million and there is nothing in this proviso that caps the Governor's ability to expend.

"Now, I understand that there are several different interpretations of this language and I would just humbly suggest that, in the future, it might be well to have some technicians write language which is plain and clear and simple so that there can be but one interpretation of any proviso or one interpretation of any measure like this.

"The other matter that I would comment on briefly is that this proviso seems to mandate that this body shall return in special session should there be a shortfall in the future. I would suggest that the section of the Constitution referred to certainly does not allow us, at this time, by vote, to have such a mandate. It is sort of a worthless exercise to say that we shall do something and refer to a section of the Constitution which establishes other criteria, which certainly puts us in a situation where we cannot abide by the mandate of this proviso. Thank you, Mr. President."

The President then stated:

"Senator O'Connor, in very brief response, first that the understanding with the Governor's office and the Speaker of the House is that the margin is not to be touched for making up this revenue. Discussions between the Governor, the Speaker and myself involved the area of accelerated spending and if that be the case, it has always been the policy of the administration to advance general revenue funds, up front, anticipating federal receipts because of the situation of the budget--we pass our budget in July and the federal government budget does not take effect until October. We have asked the Governor to spend the money at the appropriated amount and that should a shortfall occur at some time in the fall, we will come back into session to address that problem.

"That perhaps answers the second inquiry that you made relative to whether or not, in the proviso, we are mandated to come back to the legislature. I think you are aware, and I think the members of the Senate are aware, that a proviso cannot mandate the legislature to go back into session, that is only possible by an agreement between the House and the Senate, and that should there be a need to come back and address the problems of federal cuts, that all cuts will be examined at the same time.

"I would like to state for the record that as President of this Senate, I have no objections to returning to a special session to examine all federal cuts and I am certain that we will be back here in special session somewhere down the line, because there will be cuts made at the federal level that will have tremendous impact on programs other than EDN 105 and I would like, at that time, to address those particular questions.

"Is there any further discussion?"

Senator O'Connor remarked as follows:

"Mr. President, thank you for your interpretation and once again I will say that none of that appears in the language in this proviso.

"I am further worried by the proviso because if you read it plainly on its face, it would allow the Governor to spend up to 14.4 million in federal monies which would put us then over the spending ceiling.

"I am going to vote against this budget because I believe there should not be a two-thirds vote. Under these

circumstances, a two-thirds vote, as I understand it, would then allow such a happenstance to occur despite the good will which you report and the understanding which may exist away from this written page.

"I would hope that we do not have two-thirds vote on this budget so that a spending ceiling cannot be exceeded."

Senator Cobb commented as follows:

"Mr. President, in brief response to the remarks of my colleague from the Seventh District, I would point out that not only does the Constitution require a two-thirds vote in order to exceed the spending ceiling, but there must also be specific declarations and findings written into the budget providing such authority. There is none in this particular budget."

Senator O'Connor then stated:

"Mr. President, I am glad that my colleague from the Seventh District brought that matter up because this budget should contain such a declaration for the 1980-81 fiscal year and it does not. I thought that this matter might be cleaned up while we have the budget back to work on some more. I won't reiterate the speeches earlier made by Senator Cayetano and myself on this point. The budget does appropriate monies in this fiscal year which push the total spending, in this fiscal year, over the ceiling authorized by the Constitution."

Senator Holt then inquired:

"Mr. President, I don't want to come back in two weeks to another special session to correct so-called budget defects. If we do, we'd be the laughing stock of the community. So I would like to ask you one question. Has the budget document been proofread so it matches up with the House version?"

The President answered in the affirmative.

Senator Holt continued:

"So I have your assurance that the Governor will have one budget before him to sign."

The President replied:

"To the best of my knowledge, the Governor will have one version."

Senator Cobb remarked as follows:

"Mr. President, in brief response to the remarks of the Senator from the Seventh District, this budget is addressing

the 1981-82 fiscal year. Some of the previous money bills are addressing the previous fiscal year and I know there's a difference in interpretation relative to both what the Constitution as well as what the statutes say as to the question of a declaration, particularly in some of the other bills that are to follow when the money is to be encumbered and when it is to be spent.

"I think we had a rather lengthy discussion, at that time, and even an opinion rendered by the Attorney General, as to whether or not there would be a declaration required in order to go above the ceiling, and the answer was in the negative.

"It is relying on that opinion as well as the majority of the Senate that I would acquiesce to this budget."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B. No. 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, 18. Noes, 6 (Holt, Machida, Mizuguchi, O'Connor, Toyofuku and Ushijima). Excused, 1 (Abercrombie).

At 10:40 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:42 o'clock a.m.

#### MATTERS DEFERRED FROM JUNE 26, 1981

#### THIRD READING

House Bill No. 2:

Senator Cobb moved that H.B. No. 2, having been read throughout, pass Third Reading, seconded by Senator Anderson.

Senator Cayetano remarked:

"During the regular session, I voted against some of these bills because I differed with the Attorney General on his interpretation of the expenditure ceiling law and the declaration requirement. I believe that point having been made, I will, for the record, vote for the bills."

Senator O'Connor then commented:

"I would join Senator Cayetano, Mr. President, in the belief that all

these bills appropriating monies in the fiscal year 1980-81 should have declarations on them in that we do exceed the spending limit for that year and the constitutional amendment was in effect during that year.

"I will not vote against those bills for that reason, but I join Senator Cayetano in his comment. However, would you show a 'no' vote for me on House Bill No. 10."

The motion was put by the Chair and carried, and H.B. No. 2, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY BUDGET," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

House Bill No. 3:

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 3, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Kawasaki). Excused, 1 (Abercrombie).

House Bill No. 4:

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO THE 1984 SILVER JUBILEE OF HAWAII'S STATEHOOD AND MAKING AN APPROPRIATION THEREFOR," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Kawasaki). Excused, 1 (Abercrombie).

House Bill No. 5:

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 5, entitled: "A BILL FOR AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

House Bill No. 6:

On motion by Senator Cobb, seconded

by Senator Anderson and carried, H.B. No. 6, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

House Bill No. 7:

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 7, 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, 24. Noes, none. Excused, 1 (Abercrombie).

House Bill No. 8:

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 8, entitled: "A BILL FOR AN ACT RELATING TO THE ESTABLISHMENT OF THE VENTURE CAPITAL INFORMATION CENTER," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Kawasaki). Excused, 1 (Abercrombie).

House Bill No. 9:

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 9, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 3 (Ajifu, George and Kawasaki). Excused, 1 (Abercrombie).

House Bill No. 10:

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 10, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PAYMENT OF A JUDGMENT BETWEEN THE STATE OF HAWAII AND SYLVIA GAMINO," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 4 (Ajifu, George, Kawasaki and O'Connor). Excused, 1 (Abercrombie).

House Bill No. 11:

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 11, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF CERTAIN PERSONS UNDER THE CRIMINAL INJURIES COMPENSATION ACT AND PROVIDING APPROPRIATIONS THEREFOR," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 2 (Ajifu and George). Excused, 1 (Abercrombie).

House Bill No. 12:

Senator Cobb moved that H.B. No. 12, having been read throughout, pass Third Reading, seconded by Senator Anderson.

Senator O'Connor requested a ruling of the Chair as to a conflict of interest on H.B. No. 12, in that one of the claims stated therein is being handled by his law firm and the President ruled that he was not in conflict.

The motion was put by the Chair and carried, and H.B. No. 12, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Ajifu). Excused, 1 (Abercrombie).

House Bill No. 13:

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 13, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING AUTHORITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

House Bill No. 14:

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 14, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO SECURE LONG-TERM MORTGAGE REFINANCING FOR THE POHAI NANI GOOD SAMARITAN KAUAHALE HEALTH CARE FACILITY," having been read throughout passed Third 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, 1 (Kawasaki).  
Excused, 1 (Abercrombie).

House Bill No. 15:

Senator Cobb moved that H.B. No. 15, having been read throughout, pass Third Reading, seconded by Senator Anderson.

Senator Henderson requested a ruling of the Chair as to a possible conflict of interest on H.B. No. 15 and the President ruled that he was not in conflict.

The motion was put by the Chair and carried, and H.B. No. 15, entitled: "A BILL FOR AN ACT RELATING TO THE AUTHORIZATION OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST UTILITIES SERVING THE GENERAL PUBLIC," having been read throughout, passed Third 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, 1 (Kawasaki).  
Excused, 1 (Abercrombie).

House Bill No. 16:

Senator Cobb moved that H.B. No. 16, having been read throughout, pass Third Reading, seconded by Senator Anderson.

Senator Mizuguchi requested a ruling of the Chair as to a potential conflict of interest on H.B. No. 16 and the President ruled that he was not in conflict.

The motion was put by the Chair and carried, and H.B. No. 16, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HEALTH CARE FACILITIES," having been read throughout, passed Third 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, 1 (Kawasaki).  
Excused, 1 (Abercrombie).

House Bill No. 17:

On motion by Senator Cobb, seconded by Senator Anderson and carried, H.B. No. 17, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE REDEVELOPMENT OF THE

ALOHA TOWER COMPLEX," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 2 (Ajifu and Anderson).  
Excused, 1 (Abercrombie).

#### HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 22 to 27) were read by the Clerk and were disposed of as follows:

A communication from the House (Hse. Com. No. 22), 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, was adopted; and H.B. No. 1, S.D. 1, C.D. 1, passed Final Reading in the House of Representatives on June 29, 1981, was placed on file.

A communication from the House (Hse. Com. No. 23), informing the Senate that the amendments proposed by the Senate to House Bill No. 20 were agreed to by the House; and H.B. No. 20, S.D. 1, passed Final Reading in the House of Representatives on June 29, 1981, was placed on file.

A communication from the House (Hse. Com. No. 24), returning Senate Bill No. 1, which passed Third Reading in the House of Representatives on June 29, 1981, was placed on file.

A communication from the House (Hse. Com. No. 25), returning Senate Bill No. 2, which passed Third Reading in the House of Representatives on June 29, 1981, was placed on file.

A communication from the House (Hse. Com. No. 26), returning Senate Bill No. 3, which passed Third Reading in the House of Representatives on June 29, 1981, was placed on file.

A communication from the House (Hse. Com. No. 27), returning Senate Bill No. 4, which passed Third Reading in the House of Representatives on June 29, 1981, was placed on file.

At this time, Senator Yee rose on a point of personal privilege as follows:

"During my stay in Alaska for a meeting with the chairmen of all U.S. Fishery Management Zones, the Alaskan Legislature was in its last 3 days of session. There was a break in the democrat ranks. The Speaker of the House was a democrat and a group of democrats broke and joined with a group of republicans. The speaker



is now a republican in the State Legislature of Alaska. So we are in good company."

The President then made the following remarks:

"Before the Chair appoints a delegation to inform the House that we are prepared to adjourn Sine Die, the Chair would like to make several observations.

"Today marks the close of the First Special Session of the 1981 Legislature. We in the Senate have had a most eventful year beginning with a long and arduous organization which resulted in an historic bi-partisan coalition and ending now with this, an unusual and difficult special session.

"This special session convened originally for the purpose of correcting some discrepancies in the budget bill; turned out to be more significant and substantive than planned.

"We have had the opportunity to place a proviso in the budget bill to assure the continuity of service of some 510 teachers during the upcoming school year. These teachers had faced the threat of lay-off due to anticipated cuts in federal impact aid until this proviso was developed. Also, during this special session, we authorized the temporary lifting of the interest ceiling on state bonds to 12%. This will assure that the state will remain competitive in the bond market and that the state's capital improvements program can continue to proceed ahead.

"Earlier, I said that we have had an eventful year. That year is not even over yet. We plan on coming back again in the fall to review all the federal fund cuts and their impact on Hawaii. At that time, when the facts are known about the federal cuts, we will have to make some

difficult decisions on what legislative actions may be taken in addressing these cuts. It is not an enviable task but I am sure we will carry out our responsibilities.

"Until such time as we do return, I would like to thank you all, Senators and staff alike, for your contributions to the work of this special session.

"I wish you well, I hope you have a good summer and I look forward to working with you again when we return. Mahalo."

At this time, the President appointed Senators Kuroda, Cobb and Anderson to a Special Committee to inform the Governor and the House of Representatives that the Senate stands ready to adjourn Sine Die.

At 10:50 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:52 o'clock a.m.

Senator Cobb, for the Special Committee, reported verbally that he has informed the Governor and the House of Representatives that the Senate is ready to adjourn Sine Die.

The President discharged the Special Committee with thanks.

#### ADJOURNMENT

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

At 10:54 o'clock a.m., the President rapped his gavel and declared the Senate of the Eleventh Legislature of the State of Hawaii, Special Session of 1981, adjourned Sine Die.

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

Gov. Msg. No. 2 informing the Senate that on June 29, 1981, he signed the following bills of the First Special Session of 1981 into law:

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

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

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

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

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

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

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

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

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

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

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

THEREFOR";

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

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

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

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

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

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

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

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

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

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

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

## CONFERENCE COMMITTEE REPORT

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

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

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

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

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

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

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

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

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

Representatives Andrews and Lacy did not sign the report.

## STANDING COMMITTEE REPORTS

## SCRep. 1      Ways and Means on S.B. No. 1

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

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

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

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

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

Signed by all members of the Committee except Senators Anderson and Yee.

## SCRep. 2      Ways and Means on S.B. No. 2

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

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

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

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

Signed by all members of the Committee except Senators Anderson, Kawasaki and Yee.

## SCRep. 3      Ways and Means on S.B. No. 3

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

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

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

Signed by all members of the Committee except Senators Anderson and Yee.

## SCRep. 4      Ways and Means on S.B. No. 4

The purpose of this bill is to provide for the appointment of private attorneys to represent indigent criminal defendants when the public defender is unable to do so due to a conflict of interest or when the interests of justice so require. The bill also establishes

maximum fees payable to, and provides for the payment of necessary expenses incurred by, the appointed attorney.

The bill provides:

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

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

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

Signed by all members of the Committee except Senators Anderson and Yee.

SCRep. 5      Ways and Means on H.B. No. 1

The purpose of this bill is to enact the General Appropriations Act of 1981 to provide appropriations for the fiscal biennium 1981-1983.

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

Your Committee notes Conference Committee Report No. 67 on H.B. No. 1, H.D. 1, S.D. 1, C.D. 1, and incorporates its findings and concerns in this committee report.

Your Committee also notes that in addition to correcting technical differences, other amendments of a technical nature were made. In particular your Committee notes the amendment to section 5A providing for moneys to be contracted with the Hawaii Visitors Bureau. That amendment clarifies that the moneys shall be expended by the Department of Planning and Economic Development, Office of Tourism.

This bill also contains a new proviso concerning the possible shortfall in federal impact aid. Your Committee does not wish to see any teachers laid off because of such possible shortfall. The proviso authorizes the governor in the case of such shortfall, to continue expenditures to fulfill any personnel contracts entered into by the state, such expenditures to be made from savings as may be available from the appropriated funds of any program in this bill. The governor is required to report to the legislature by December 1, 1981 on any such shortfall and to make recommendations on any necessary legislative action.

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

Signed by all members of the Committee except Senators Kawasaki and Yee.

SCRep. 6      Ways and Means on H.B. No. 2

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

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

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

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

Signed by all members of the Committee except Senator Yee.

SCRep. 7      Ways and Means on H.B. No. 3

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

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

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

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

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

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

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

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

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

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

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

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

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

Paragraph 9 establishes the overall and concluding finding that the total amount of principal and interest estimated for the general obligation bonds authorized by this bill and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance.

In making the declaration to support the authorization of bonds in this bill, your Committee

has followed the cautionary guidelines expressed by the state's bond counsel who has advised:

"A court will not necessarily sustain findings of a legislative body which are merely a recitation of the requirements of a constitution or a statute. Consequently, we believe that the legislature must establish a reasonable basis for the finding that the estimated debt service . . . will not cause the debt limit to be exceeded at the time of issuance. We believe prudence requires the basis to be conservative in order to eliminate any allegation that the legislature first made the finding and worked back to assumptions which were consistent with such finding."

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

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

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

Signed by all members of the Committee except Senators Campbell, Kawasaki and Yee.

SCRep. 8 (Majority) Ways and Means on H.B. No. 4

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

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

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

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

Signed by all members of the Committee except Senator Yee.  
Senator Kawasaki did not concur.

SCRep. 9 Ways and Means on H.B. No. 5

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

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

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

The following sums represent the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for officers and employees of the judicial branch of the state excluded from collective bargaining:

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

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

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

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

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

Signed by all members of the Committee except Senator Yee.

SCRep. 10 Ways and Means on H.B. No. 6

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

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

For the health benefits plan

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

<u>For the children's dental plan</u>	\$ 5.00
---------------------------------------	---------

The bill also appropriates, from general fund revenues, \$684,000 for FY 1981-82 and \$719,000 for FY 1982-83 to carry out the purposes of the bill.

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

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

Signed by all members of the Committee except Senator Yee.

SCRep. 11 Ways and Means on H.B. No. 7

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

Deferred compensation is basically an agreement whereby an employee authorizes the employer to defer a portion of the employee's gross pay until retirement, at which time



the employee would most likely be subject to a lower tax burden. The deferred moneys are invested by the State in accordance with various options permitted under the plan such as annuities, life insurance, savings accounts, and mutual funds. The deferred moneys, earned interest, and appreciation accruing to these deferred funds are not taxed until the employee receives them.

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

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

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

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

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

Signed by all members of the Committee except Senator Yee.

SCRep. 12 (Majority) Ways and Means on H.B. No. 8

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

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

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

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

Signed by all members of the Committee except Senators Henderson and Yee.  
Senator Kawasaki did not concur.

SCRep. 13 (Majority) Ways and Means on H.B. No. 9

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

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

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

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 9 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senator Yee.  
Senator Kawasaki did not concur.

SCRep. 14 (Majority) Ways and Means on H.B. No. 10

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

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

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

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

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

Signed by all members of the Committee except Senator Yee.  
Senators Kawasaki and Ajifu did not concur.

SCRep. 15 (Majority) Ways and Means on H.B. No. 11

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

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

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

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

Signed by all members of the Committee except Senator Yee.  
Senator Ajifu did not concur.

SCRep. 16 Ways and Means on H.B. No. 12

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

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

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

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

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

Signed by all members of the Committee except Senator Yee.

SCRep. 17 Ways and Means on H.B. No. 13

The purpose of this bill is to increase the principal amount of revenue bonds which may be issued by the Hawaii Housing Authority for housing loan programs as established

by Act 50, Session Laws of Hawaii 1979, as amended.

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

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

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

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

Signed by all members of the Committee except Senator Yee.

SCRep. 18      Ways and Means on H.B. No. 14

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

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

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

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

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

Signed by all members of the Committee except Senators Kawasaki and Yee.

SCRep. 19      Ways and Means on H.B. No. 15

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

This bill authorizes the Department of Budget and Finance to issue special purpose revenue bonds pursuant to chapter 39A, Hawaii Revised Statutes, in an amount not to exceed \$72,252,000, for capital improvement programs which are multi-project programs for the local furnishing of electric energy by electric utility companies; provided that

the public utilities commission approves the projects, and the funds are not used for new fossil or nuclear fuel generating units. This bill further provides that the Public Utilities Commission shall make annual reports to the legislature regarding electric utilities financing costs, benefits of the bonds, and a listing of the projects funded by the special purpose revenue bonds. The bill also includes a list of the capital expenditures, or the multi-project capital improvement programs, for which the various local electric utility companies plan to expend funds generated from the issuance of special purpose revenue bonds during the period July 1, 1981 through June 30, 1984.

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

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

Signed by all members of the Committee except Senators Kawasaki and Yee.

SCRep. 20      Ways and Means on H.B. No. 16

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

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

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

Signed by all members of the Committee except Senators Kawasaki and Yee.

SCRep. 21      Ways and Means on H.B. No. 17

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

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

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

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

Signed by all members of the Committee except Senator Yee.

SCRep. 22      (Majority) Ways and Means on H.B. No. 20

The purpose of this bill is to temporarily increase the interest payable on general obligation bonds issued by the state.

Currently, Section 39-5, Hawaii Revised Statutes, sets the maximum interest payable on general obligation bonds issued by the state at nine and one-half percent a year. Recent economic conditions have resulted in average bond interest rates to be in excess of the statutory limit and, consequently, planned bond sales have been postponed, and no sales have occurred during the 1980-81 fiscal year. The state has had an adequate general fund surplus which has permitted funds to be advanced for capital improvement projects. However, if the interest rates currently exceeding nine and one-half percent continue for another few months, the state will not be able to issue general obligation bonds and capital improvement projects will be severely curtailed.

This bill increases the interest payable on general obligation bonds to twelve percent

a year for bonds issued after June 30, 1981 but prior to March 31, 1982. Your Committee finds that the temporary increase authorized during the nine month period will allow bond sales by the state so that capital improvement projects can proceed in an orderly manner until the next regular session of the legislature when your Committee intends to fully consider the capital improvement program of the state in light of the then current economic conditions.

Your Committee on Ways and Means is in accord with the intent and purpose of H.B. No. 20, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Senators Campbell, Kawasaki and Yee.  
Senator Abercrombie did not concur.

NUMBER AND TITLE	Introduced Referred	First Reading	Second Reading	Third Reading	Action of House	Conference Committee	Final Action of Governor	Further Action	Act No.	Vetoed
SB 1. A Bill for an Act Relating to Indexing the Hawaii Revised Statutes.	1 2	1	1 5	1 6	23		25			19
SB 2. A Bill for an Act Making Appropriations for Collective Bargaining Cost Items.	1 2	1	2 5	2 6	23		25			20
SB 3. A Bill for an Act Relating to Medical Claim Conciliation Panels.	1 2	1	2 5	2 6	23		25			21
SB 4. A Bill for an Act Relating to Counsel and Other Services for Indigent Defendants in Criminal and Related Cases.	1 2	1	2 5	2 6	23		25			22

NUMBER AND TITLE	Received Referred	First Reading	Second Reading	Third Reading	Action of House	Conference Committee	Final Action Governor	Further Action	Act No. Vetoes
HB 1. A Bill for an Act Relating to the State Budget.	6 10	10	10 13	10 16	17 23	18	19 25		1
HB 2. A Bill for an Act Relating to the Judiciary Budget.	6 6	6	6 13	6 21			25		2
HB 3. A Bill for an Act Relating to State Bonds.	7 7	7	7 13	7 21			25		3
HB 4. A Bill for an Act Relating to the 1984 Silver Jubilee of Hawaii's Statehood and Making an Appropriation Therefor.	7 7	7	7 13	7 21			25		4
HB 5. A Bill for an Act Relating to State Officers and Employees Ex- cluded from Collective Bargaining and Making Appropriations and other Adjustments.	7 7	7	7 13	7 21			25		5
HB 6. A Bill for an Act Relating to the Public Employees Health Fund.	7 7	7	7 13	7 21			25		6
HB 7. A Bill for an Act Relating to Deferred Compensation Plans for Public Employees.	7 7	7	7 13	7 22			25		7
HB 8. A Bill for an Act Relating to the Establishment of the Venture Capital Information Center.	7 7	7	7 14	7 22			25		8

NUMBER AND TITLE	Received Referred	First Reading	Second Reading	Third Reading	Action of House	Conference Committee	Final Action	Governor	Further Action	Act No.	Vetoed
HB 9. A Bill for an Act Relating to the Office of Hawaiian Affairs.	8 8	8	8 14	8 22				25		9	
HB 10. A Bill for an Act Making an Appropriation for Payment of a Judgment between the State of Hawaii and Sylvia Gamino.	8 8	8	8 14	8 22				25		10	
HB 11. A Bill for an Act Relating to the Compensation of Certain Persons under the Criminal Injuries Compensation Act and Providing Appropriations Therefor.	8 8	8	8 14	8 22				25		11	
HB 12. A Bill for an Act Relating to the Relief of Certain Persons' Claims against the State and Providing Appropriations Therefor.	8 8	8	8 14	8 22				25		12	
HB 13. A Bill for an Act Relating to the Hawaii Housing Authority.	8 8	8	8 14	8 22				25		13	
HB 14. A Bill for an Act Authorizing the Issuance of Special Purpose Revenue Bonds to Secure Long-Term Mortgage Refinancing for the Pohai Nani Good Samaritan Kauhale Health Care Facility.	8 8	8	8 14	8 22				25		14	
HB 15. A Bill for an Act Relating to the Authorization of Special Purpose Revenue Bonds to Assist Utilities Serving the General Public.	9 9	9	9 15	9 23				25		15	



NUMBER AND TITLE	Received Referred	First Reading	Second Reading	Third Reading	Action of House	Conference Committee	Final Action	Action of Governor	Further Action	Act No.	Vetoed
HB 16. A Bill for an Act Relating to Special Purpose Revenue Bonds for Health Care Facilities.	9 9	9	9 15	9 23				25		16	
HB 17. A Bill for an Act Making an Appropriation for the Redevelop- ment of the Aloha Tower Complex.	9 9	9	9 15	9 23				25		17	
HB 18. A Bill for an Act Relating to the Tax Review Commission.	9										
HB 19. A Bill for an Act Relating to the State Program for the Unemployed.	9										
HB 20. A Bill for an Act Relating to General Obligation Bonds of the State of Hawaii.	9 11	11	11 15	11 17	23			25		18	