

FOURTH DAY

Monday, January 23, 1989

The Senate of the Fifteenth Legislature of the State of Hawaii, Regular Session of 1989, convened at 9:37 o'clock a.m. with the Vice President in the Chair.

The Divine Blessing was invoked by the Reverend Robert Fraser, Unitarian Church of Honolulu, after which the Roll was called showing all Senators present with the exception of Senator Holt who was excused.

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

At this time, Senator Crozier introduced to the members of the Senate Ms. Maxine Correa, Kauai County Council Chairperson.

SENATE CONCURRENT RESOLUTION

The following concurrent resolution (S.C.R. No 1) was read by the Clerk and was placed on the calendar for further consideration on Tuesday, January 24, 1989:

Senate
Concurrent
Resolution

No. 1 "SENATE CONCURRENT RESOLUTION REQUESTING AN EXAMINATION OF THE FEASIBILITY OF A STATEWIDE TRASH SEPARATION PROGRAM."

Offered by: Senators McMurdo, Blair, Yamasaki, Hagino.

SENATE RESOLUTION

The following resolution (S.R. No. 3) was read by the Clerk and was placed on the calendar for further consideration on Tuesday, January 24, 1989:

Senate
Resolution

No. 3 "SENATE RESOLUTION REQUESTING AN EXAMINATION OF THE FEASIBILITY OF A STATEWIDE TRASH SEPARATION PROGRAM."

Offered by: Senators McMurdo, Blair, Hagino.

INTRODUCTION OF SENATE BILLS

On motion by Senator Blair, seconded by Senator Reed and carried, the following bills passed First Reading by title, and were placed on the calendar for further consideration on Tuesday, January 24, 1989:

Senate Bills

No. 145 "A BILL FOR AN ACT RELATING TO LAND USE."

Introduced by: Senator Reed.

No. 146 "A BILL FOR AN ACT RELATING TO AQUATIC RECREATION."

Introduced by: Senator Reed.

No. 147 "A BILL FOR AN ACT RELATING TO BATTERY RECYCLING."

Introduced by: Senators McMurdo, Blair, Hagino.

No. 148 "A BILL FOR AN ACT RELATING TO NONDEGRADABLE SOLID WASTE."

Introduced by: Senators McMurdo, Hagino.

No. 149 "A BILL FOR AN ACT RELATING TO TAXATION."

Introduced by: Senators Crozier, Cobb.

ORDER OF THE DAY

REFERRAL OF SENATE BILLS

The President made the following committee assignments of bills introduced on Friday, January 20, 1989:

Senate Bills	Referred to:
No. 118	Committee on Business Development, then to the Committee on Ways and Means
No. 119	Committee on Judiciary
No. 120	Committee on Human Services
No. 121	Committee on Government Operations, then to the Committee on Transportation
No. 122	Committee on Transportation
No. 123	Committee on Government Operations
No. 124	Committee on Government Operations
No. 125	Committee on Consumer Protection and Commerce, then to the Committee on Judiciary
No. 126 and Commerce	Committee on Consumer Protection
No. 127 and Commerce	Committee on Consumer Protection
No. 128 and Commerce	Committee on Consumer Protection
No. 129 and Commerce	Committee on Consumer Protection
No. 130 and Commerce	Committee on Consumer Protection
No. 131 and Commerce	Committee on Consumer Protection
No. 132 and Commerce	Committee on Consumer Protection
No. 133 and Commerce	Committee on Consumer Protection
No. 134 and Commerce	Committee on Consumer Protection
No. 135 and Commerce,	Committee on Consumer Protection and Commerce, then to the Committee on Judiciary
No. 136 and Commerce	Committee on Consumer Protection

- No. 137 Committee on Consumer Protection and Commerce
- No. 138 Committee on Consumer Protection and Commerce
- No. 139 Committee on Tourism, Recreation and Planning, then to the Committee on Ways and Means
- No. 140 Committee on Ways and Means
- No. 141 Committee on Energy and Natural Resources
- No. 142 Committee on Labor and Employment, then to the Committee on Ways and Means
- No. 143 Committee on Education, then to the Committee on Judiciary
- No. 144 Committee on Agriculture, then to the Committee on Ways and Means

At 9:44 o'clock a.m., on motion by Senator Blair, seconded by Senator Reed and carried, the Senate stood in recess subject to the call of the Chair to meet in Joint Session with the House of Representatives, in accordance with H.C.R. No. 1, to receive the Governor's State of the State address.

JOINT SESSION

The Joint Session of the Senate and the House of Representatives was called to order at 10:03 o'clock a.m., by the Honorable Daniel Kihano, Speaker of the House of Representatives.

At this time, the Speaker welcomed and introduced the following distinguished guests to the members of the Fifteenth Legislature:

The First Lady of the State of Hawaii, Mrs. Lynne Waihee, accompanied by her daughter, Jennifer. Pikake and ilima leis were presented to Mrs. Waihee and Jennifer by Senate President Wong and Speaker Kihano.

The Lieutenant Governor of the State of Hawaii, the Honorable Benjamin J. Cayetano.

Former governors of the State of Hawaii: the Honorable George R. Ariyoshi and the Honorable William F. Quinn.

Former governor of the State of Montana, the Honorable Ted Schwinden.

First Lady of the House of Representatives, Mrs. Jo Ann Kihano.

Commander of the 14th Coast Guard District, Rear Admiral William P. Kovalesky, representing the military in Hawaii.

The Honorable Soon-Yong Hong, Consul General of Korea, and representing the Consular Corps in Hawaii.

The Speaker then appointed Senators James Aki, Gerald Hagino and Mary George, and Representatives Emilio Alcon, Tom Okamura and Michael Liu to escort the Honorable John Waihee, Governor of the State of Hawaii, to the rostrum.

Senators A. Kobayashi and Mary George, on behalf of the Senate, presented maile and ilima leis to the Governor; Representative Bertha Kawakami, on behalf of

the House of Representatives, presented the Governor with a maile/ilima lei.

The Speaker then presented the Honorable John Waihee to the members of the Fifteenth Legislature.

The Governor addressed the Joint Session as follows:

"President Wong, Speaker Kihano, members of the Fifteenth State Legislature, honored guests, ladies and gentlemen ... Aloha.

"Today, as President Wong so aptly stated on opening day, we stand at the edge of the Pacific Horizon looking outwards at new opportunities.

"For the past two sessions, I have had the privilege of appearing before you and calling upon you for action to meet the challenge of our new horizons. Each time you rose to the occasion and surpassed all expectation, making believers out of cynics.

"As a result, we are on the move, a people hitting our stride in the home stretch of the 20th century.

"Hawaii's economy has never been better. Today we enjoy the sixth highest economic growth rate in America; our small businesses have the country's third largest earnings growth rate; and our unemployment rate is the fourth lowest in the country and the lowest it has been in 18 years.

"In 1985 Hawaii had a budget surplus of about \$129 million -- a relatively modest amount when compared to many other states with considerably larger surpluses such as California (\$1.265 billion), Wisconsin (\$342 million), Minnesota (\$583 million) and Alabama (\$292 million). Today we have the second largest surplus in the country and those states have little or none at all.

"In partnership with the hard working men and women of this state, we have begun to turn things around and lay a solid foundation for our future.

"Yet, because we live here and are part of this community, we know that there is still more to be done. Our people dream of an even better future, and they rise to that challenge every day.

"It's tough. There's a lot of sacrifice. Yet, Hawaii's people work hard for their dreams because those dreams are very real. They're for families and communities; they're for today and tomorrow; they're achievable; and, in this great place to be, they are worth it.

"Our task in the days ahead is clear: We are here to help fulfill our people's dreams and make their lives better.

"Ironically, because you have done so much in the last two sessions, their expectations are high. I believe that through timely and well-considered investment in our people, in our children, in our quality of life, in our future -- we can be the catalyst for economic and social change that nurtures the ideal of a Pacific community entering the 21st century.

"The heart of Hawaii's vitality is her people, bonded together by mutual interdependence and shared aspiration.

"Strengthen one and we strengthen all.

"We begin with the core of our society, the family.

"Robust families are healthy families, and we have for more than a decade assured the health care of most of our workers and their families. However, some 30,000 people are left out -- thousands of them children.

"I propose that Hawaii lead the nation and extend primary care to all its citizens. This supplemental system of health insurance will operate through the existing private carriers and contain an emphasis on wellness and the prevention of disease.

"We also urgently need to direct attention to a segment of our population that has lost its way, the mentally ill whose affliction can have a dismaying effect on families.

"We are building a state-of-the-art acute care hospital for the mentally ill as part of our effort. We now ask you to support with additional resources a revitalized community-based system. Our goal is to reintegrate the mentally ill into society as functioning, productive citizens.

"Our health is jeopardized by nursing shortages which will reach a deficit of over 1,300 nurses by 1991 without special attention. I propose a \$6.5 million action program to graduate approximately 300 additional registered nurses. And \$8 million in capital improvements (CIP) to improve the facilities at the School of Nursing.

"Every family in Hawaii dreams of its own home. Some feared it was only a dream. But we said dreams are what you build upon.

"You gave us a \$120 million housing superfund and funds to purchase lands in Kapolei. With your continued support, we will see affordable homes in a beautiful new community in West Oahu and new projects on the neighbor islands.

"In 1988, answering our specific call for affordable housing goals, developers committed themselves to 14,700 affordable units on Oahu and the Big Island.

"For those families in Hawaii who are not able to buy, we propose an increase in the State Rental Assistance Program and state funds for the construction of new low-income rental units.

"Our native Hawaiian families share the universal dream for housing. We know that when Hawaiian Home lands have infrastructure, Hawaiians will build homes on them. This year we are more than doubling our CIP requests to turn empty lots into homesteads.

"Our children are the future, and above all else, Hawaii's families believe in and desire the best for their children.

"In our changing society, working parents share a common concern for the care of their children during the hours when they are at work.

"To offset the concern of these parents for their children's supervision outside of school hours, I propose a demonstration project for after school care in our parks and schools. Counties, let's work on this together.

"Furthermore, we all know that early education enhances a child's potential for success in school. I propose the goal of early childhood education for all of Hawaii's children by the year 2000. We will begin this coming September by implementing preschools for four-year olds from Maili to Makaha in cooperation with Kamehameha Schools.

"We will also support expansion of a program with proven success, the Hawaiian language immersion program that provides a bridge between day care, early-childhood education and kindergarten.

"In addition, I have asked Lieutenant Governor Cayetano to head a special child care/early-childhood education 'cabinet' to further work with the appropriate public agencies and members of the public on these important issues.

"In Hawaii, public education is seen as the great equalizer. Without it, the aspirations of our children for tomorrow will be less than our own for today. With it, all of our children have the opportunity to carve out their own destiny.

"Over the past year our people have recommitted themselves to excellence in public education. For example, the Hawaii Business Roundtable, thanks to people like Dudley Pratt and David Heenan, has given us the Berman/Weiler Report as a catalyst for change.

"Such studies, the Board of Education and the superintendent of schools tell us in a professional fashion what we already know in our hearts. That the earlier we teach our kids, the better ... that the more involved the parent, the more involved the child ... that communities which give their best to their schools get back the best product ... that schools empowered to act on their own outperform schools which are slaves to the system ... that good teachers are always learning ... and that schools that look sharp inspire involvement and learning.

"Our vision is to enter the 21st century with a public education system that is second to none.

"By 1999, we want public schools that are: (1) managed by a system of accountability based on local control; (2) renewed places of learning satisfying each student's potential, staffed by well trained and involved professionals; (3) housed in facilities that are conducive to learning and foster pride; and (4) institutions that parents choose to have their children attend.

"If we are going to achieve our goal, we must change our mindset. We can no longer approach education in fits and starts, merely in the confines of two-year budget cycles and certainly not with government doing it alone. We must firmly commit ourselves to our vision, set our course and steadfastly hold to it. Everyone ... private and public ... starting now ... with a decade of determination ahead. Ten years to the top.

"Nowhere is the need for a change of mindset so poignant than in the way we govern our schools.

"Hawaii has one of the most highly centralized school systems in the country. For many years the system fostered equity and served us well. However, in recent years, we have become increasingly aware of the inherent weaknesses of our system.

"With the renewed public interest in education, now is an opportune time to review the governance structure of our school system. Many proposals have been advanced, ranging from an appointed school board -- to modifying the present system -- to establishing a network of elected local school boards.

"I propose that you take this opportunity to review the various options and consider an appropriate constitutional amendment.

"In the meantime, we should not and cannot wait. Therefore, I propose that we immediately institute a

school/community-based management program that puts our schools in charge of their own affairs.

"The school/community-based management system we envision would be one where local school communities -- parents, teachers, administrators and other interested parties -- would have full charge of almost all budgeting, setting of educational programs and school priorities, and increased involvement in staffing.

"The public will and should expect these schools to be accountable. The deal is that the state and the Department of Education will set the standards, and schools will have the freedom and authority to achieve them.

"We will start with 30 schools which are desirous and ready to move into school/community-based management by next year. They will be models for others and each year additional schools will be incorporated so that by the year 2000 all schools in Hawaii will be locally managed.

"I recently visited Hilo Union Elementary School on the Big Island. This is a school, that if you judged solely by the demographics of its students, would tempt you to believe that it is a school at risk. Yet, what I saw instead was an example of what a school committed to learning looks like.

"The school has a special reading program which we visited. You can imagine the commotion that we caused when a group of us entered the teaching area. Yet, neither the tutors nor their students even looked up. You could feel the learning intensity in that room; is it any wonder that reading scores at Hilo Union now exceed state and national averages.

"I am sure that most of you know of many other similar examples.

"What we are committed to is that by the turn of this century all of our schools will be such renewed places of learning.

"Our renewed schools will be institutions where core learning is emphasized and where the essential skills for competitiveness in the 21st century, such as second language proficiency and applied technology skills, are required subjects.

"In many instances our schools are burdened with too many course requirements to implement a complete renewal program. However, as they shift to school/community-based management, they will have the flexibility to institute after school education programs and/or a K to 10 core learning system to facilitate the transformation.

"The key to the renewal of our schools is the involvement and dedication of our educational staff. We need to support the continuous professional development of our educators as well as provide opportunities for them to plan programs and curriculum.

"Such training and planning will require additional work time from our educators at the beginning and ending of the school year.

"Also, if we are to meet the demand for teachers in our renewed schools, we must invest in the improvement and expansion of the University of Hawaii College of Education.

"Some of our schools will need more help than others if they are to achieve their full potential. Such schools are generally those where there are a large number of students

at risk and chronically underachieving. For these schools, we propose a special program which directs a partnership of resources to help them renew themselves and attain school/community control.

"A school system that is second to none requires facilities that gleam with the pride of public education.

"The DOE estimates that it will cost over \$800 million for all the facilities that we will need over the next 10 years.

"Thus, I propose for the next seven years, the earmarking of \$90 million per year from general fund revenues for a total of \$630 million to be channeled into a facilities special fund. This sum and the interest it earns should provide the financing we need.

"It would cost us about \$1.6 billion to provide the same amount of capital by selling bonds. Using cash financing, we can save close to \$1 billion and give growing communities like Mililani and West Hawaii the schools that they deserve.

"Monies alone, however, will not give us the kind of school facilities we desire. All of us -- parents, students, educators and the community-at-large need to take pride in the care and maintenance of our schools. Accordingly, I propose the establishment of a school inspection program.

"Now to the issue of choice. First, we begin by saying that to some extent we already have it. We just call it district exception.

"Over 11,000 students use it. It's time to make it available on an open and equitable basis.

"I would ask that the Board of Education continue its review of this issue and develop further methods of expanding parental choice.

"Second, there are communities with good schools which, from time to time, face the possibility of closure because of declining enrollment. Allowing parents to choose the schools their children will attend would take advantage of these under-utilized facilities.

"Over the past two years we began several exciting new initiatives at the University of Hawaii in ocean and earth sciences, Pacific/Asian studies, astronomy, and other special areas. These initiatives are moving well and deserve our continued support.

"New initiatives alone, however, will not be sufficient to build the premier University of the Pacific that we desire. We need to insure that our foundation is firm. Thus, I propose that we make this the year of the undergraduate, with funding for undergraduate curriculum and services.

"Let's back the undergraduate track with substantial expansion of student services, including academic, career, financial aid and personal counseling as well as additional dorm facilities.

We will also seek additional support for our community colleges, including full funding for the new Kapiolani Community College campus.

"The University of Hawaii at Hilo often seems to be forgotten when new initiatives are proposed. Yet, it is a fine institution, with its own strengths, including the fact that about 17 percent of its student body has Hawaiian ancestry. Therefore, we propose that a Hawaiian language center be established at Hilo. Such a center

would, among other things, help us develop the course materials for the teaching of Hawaiian language in our public schools.

"We are determined that every student in the University system shall reap the rewards of a quality education from the very first day of campus life through graduate studies.

We're working hard to create new economic opportunity for our graduating students.

"One key is the capital needed to spawn new industries. In 1987 you passed legislation to raise the ceiling on our Hawaii Capital Loan Program. Our first \$1 million recipient, Seafloor Surveys International, is truly a success story. Their sonar system which maps the ocean floors is near completion. The company fills a special Hawaiian high tech niche. And best of all, Seafloor tells us the loan made it possible for them to stay here and do business rather than move to the Mainland. We are producing home grown high tech and ask for your continued help to carry on.

"We must also provide economic infrastructure. Agricultural parks are essential to the diversification of our oldest industry. This session I request the appropriation of some \$7 million to establish a livestock agricultural park on an initial 600 acres.

"To create jobs, we must also create new industries. I'm happy to tell you that our countdown to a commercial space industry is on schedule. We are well on our way to creating a needed industry, and I ask you for \$1.7 million for our Office of Space Industry to continue the countdown.

"Our economic future depends on sound infrastructure.

"Now is the time, not merely to get even, but to get ahead. In the good times, we prepare for the possibility of bad times. We invest in the future.

"Transportation is our economic lifeline, and we are embarked on the most ambitious construction program in the history of our state.

"Many of our airport facilities were built before jets were the common mode of travel. Support funding as you have in the last two years and we will have modern-day terminals at all major state airports and extended runways on all neighbor islands within the next four years.

"Traffic congestion is people's number one everyday problem, and we're attacking it.

-- With H-3.

-- With newly constructed high occupancy vehicle lanes.

-- With the planned construction of the Kalaniana'ole Highway widening project.

-- And for the first time in the history of the neighbor islands, county/state long-range transportation plans.

"Across the state we're on our way with the road widening and bypass construction necessary to ease traffic.

"The ocean is our industrial highway. And in the last two years we've strengthened and extended the piers in Honolulu, Kahului and Nawiliwili. We propose funds for construction of new pier and storage areas at Barbers Point, a second pier at Nawiliwili, and the acquisition of

the Kapalama Military Reservation, for which I ask your immediate attention.

"In addition, I request the appropriation of some \$37 million for Honolulu waterfront projects which can proceed immediately and which will lend a new grace and excitement to the expanse of the waterfront.

"All of us give our best to the community we call Hawaii. Because our land and our people make our lives full.

"It is in this spirit that I propose these actions:

"First, let us remember that whoever and wherever you are in Hawaii, you have the biggest, the most wonderful front yard in the world. It is called the Pacific Ocean.

"I propose that we appropriate \$100 million to be merged with other federal monies and establish an environmental special fund to keep that front yard clean.

"Our people have spoken. They demand a better level of wastewater treatment. We certainly heard them in Kailua and what's good for Kailua is good for Kalihi...and Waianae, Hilo and the whole state.

"It will take a county-state partnership to do the job right. We will use the fund to provide direct grants and low interest loans to the counties to help them build wastewater and sewage treatment facilities.

"Using this interest-earning special fund strategically, for matching and leveraging purposes, we will be able to clean up our waters.

"Second, we've all known the natural joy of walking on soft moss and gazing up at the green canopy of a Hawaiian rain forest.

"But will our children and theirs likewise be able to experience our living link to the ancient past?

Scientists fear that within 20 years, at least half the native Hawaiian plant and animal communities that we now know today may be lost forever. I share that fear.

"Today I propose a new and permanent commitment of \$4 million a year from our hotel room tax revenues to preserve and manage our natural area reserves and sustain our unique native flora and fauna.

"In my meetings with Hawaii's major private landowners, I stress not only the need to improve our economy but also to enhance our environment. Today I'm very pleased to announce that Castle & Cooke has, at my request, agreed to grant a conservation easement to The Nature Conservancy to establish a new 462-acre dryland forest preserve in the Kanepu'u area on Lanai.

"This dryland forest preserve will protect at least 48 species of native Hawaiian plants, including the endangered Lanai sandalwood and gardenia. Imagine, eight of the world's 19 wild specimens of this gardenia are found in Kanepu'u.

"Lastly, we need to preserve our unique and irreplaceable natural areas and beaches for future generations to enjoy. To help do this, we will be submitting for your consideration new land banking legislation and a request for a \$40 million appropriation over the course of the biennium.

"Hawaii has prospered since I first appeared before you.

"During times such as these, our Constitution requires that we pay a rebate to our taxpayers and they are certainly entitled to one.

"The exact amount of the rebate is left to your discretion. Let me caution, however, against the temptation to establish an exact amount until you have had the opportunity to weigh all the competing demands of our people.

"We also need to heed the wise advice of our Senate Minority Leader to use 'common sense' remembering that there may be a harder tomorrow.

"Furthermore, if our tax system is generating more than we need to do the public's work, we should fix the system.

"It is upon that principle that I propose the second tax reduction in three years.

"I urge your consideration of a tax reduction package including:

- A new credit for excise taxes paid on medical services, up to \$200 per return and double that for senior citizens. By this action we can reduce taxes and ultimately the cost of medical care.
- Higher standard deductions and lower income taxes for all taxpayers.
- Additional increases in the dependent care credit -- adult or child care. By this action we reduce taxes and increase the independence of the family unit.
- Raising the eligibility level for the renter's credit, which will give relief to people moving up the income ladder.

"A family of four earning an adjusted gross income of \$26,000 a year, renting a home and itemizing deductions would have paid \$1,102 in state taxes before your tax reduction of 1987, \$772 after year action of '87, and only \$480 if you enact this proposal.

"A beginning-to-end reduction of 56 percent in three years.

"That's how I spell relief.

"For some time now, our county governments have come before you requesting an increase in their grants-in-aid appropriation citing as justification the increasing cost of paying for infrastructure such as roads in their jurisdictions. They note, quite correctly, that they are limited only to taxing real property and that the grants-in-aid amounts have not increased in many years.

"Without debating the merits of the various arguments, suffice it to say that I believe the unit of government that is going to spend the citizens' money, ought to raise it.

"However, I also believe that these discussions have gone on long enough and the matter should be resolved. Therefore, I propose that we eliminate the county grants-in-aid of \$20 million, and instead, transfer to the counties the state's liquor and tobacco taxes along with the complete authority to regulate the use and sale of these items.

"Since the revenues from these taxes are approximately \$60 million per year, our counties would net about \$40 million increase in the exchange which would be used to fund infrastructure or, even perhaps lower property taxes.

"One last word about taxes. There will be no (read my lips) tax proposal submitted for your consideration to raise taxes for highways from our administration. Instead, we will submit innovative legislation to handle that problem in the days ahead.

"We have proposed to you a number of investments for our people. We believe them to be wise investments in our future. These were investments that were often put aside during our lean times with the promise that someday we would do them. Well, now is the time.

"As Speaker Kihano pointed out on Wednesday, 'We are all dependent on one another.' This morning I've proposed action to make the lives of our citizens better. Now as we begin the 15th Legislature, I'd like to speak to the people of this state on behalf of the elected officials who serve you.

"We ask you:

"What does make your life worthwhile? What is it, specifically for you, that makes your day fulfilling? We can tell you one thing for sure. What makes your life worthwhile is you.

"We ask you to take what's important to you -- your family, your work, your church or club or school and by all means your government -- and give it that something extra. Make a personal investment for what you believe in.

"Whether it's helping coach your daughter's soccer team or something as simple as taking your shopping cart back; supporting the symphony or learning to strum the ukulele; let us reach into ourselves for the something special which brings quality to our lives.

"Because when you make your life better, you make our community better and our state greater.

"Strengthen one and we strengthen all. For community, you see, is a collective enterprise.

"These things make us whole, make us one. One magnificent land and one unconquerable people.

"Mahalo."

Senate President Wong then rose to remark:

"Governor, before proceeding, I was asked by Mrs. Kihano to make a slight correction to the Speaker's announcement. She is not the speaker of the house, she is the governor of the house.

"Thank you very much, Governor Waihee. We certainly appreciate hearing from you on your assessments of the issues facing Hawaii and your ideas on addressing these issues.

"As the legislative session progresses, we look forward to receiving specific proposals from your administration on the points that you have raised today. I am confident that the Legislature will give them full and serious consideration.

"Speaking for myself, Governor, I am pleased that you have emphasized health care for all of our people, improvements to our educational system, both lower and higher, and a redirection of our Pacific region focus. These issues are certainly of concern to me and I am gratified that you share these concerns.

"I am also intrigued by your idea for tax reform as well as suggestion about giving the counties the liquor and tobacco taxes as a source of revenue, discontinuing the grants-in-aid. This certainly has a great deal to be said for it and I look forward in the course of the session to discuss its ramifications further.

"I would like, at this time, to thank all of the distinguished guests for being here today.

"If there be no further business, I declare the Joint Session of the Fifteenth Legislature, 1989 Regular Session, adjourned."

At 10:50 o'clock a.m., the President declared the Joint Session adjourned.

ADJOURNMENT

At 10:55 o'clock a.m., on motion by Senator Blair, seconded by Senator Reed and carried, the Senate adjourned until 11:30 o'clock a.m., Tuesday, January 24, 1989.