

FORTY-SEVENTH DAY

Tuesday, April 8, 1997

The Senate of the Nineteenth Legislature of the State of Hawaii, Regular Session of 1997, convened at 11:07 o'clock a.m. with the President in the Chair.

The Divine Blessing was invoked by the Reverend William Ashpole, The Faith Assembly of God Church, after which the Roll was called showing all Senators present.

The President announced that he had read and approved the Journal of the Forty-Sixth Day.

Senator Levin introduced the President Pro-Tem of the New Mexico Senate and the Chair of CSG-West, Senator Manny Aragon. Accompanying Senator Aragon was Cheryl Duvauchelle, deputy director for CSG-West.

At 11:14 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:25 o'clock a.m.

MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 278 to 280) were read by the Clerk and were placed on file:

Gov. Msg. No. 278, informing the Senate that on April 3, 1997, he signed into law House Bill No. 173 as Act 5, entitled: "RELATING TO LIQUOR."

Gov. Msg. No. 279, informing the Senate that on April 7, 1997, he signed the following bills into law:

House Bill No. 1635 as Act 6, entitled: "RELATING TO CRIMINAL HISTORY RECORD CHECKS";

House Bill No. 1891 as Act 7, entitled: "RELATING TO CONTRACTORS LICENSE RENEWAL"; and

House Bill No. 1897 as Act 8, entitled: "RELATING TO REGULATION OF PROFESSIONAL ENGINEERS, ARCHITECTS, SURVEYORS, AND LANDSCAPE ARCHITECTS."

Gov. Msg. No. 280, informing the Senate that on April 7, 1997, he signed into law House Bill No. 1886 as Act 9, entitled: "RELATING TO DENTAL HYGIENISTS."

HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 590 to 626) were read by the Clerk and were disposed of as follows:

Hse. Com. No. 590, informing the Senate that the House has disagreed to the amendments proposed by the Senate to H.B. No. 1, H.D. 1, was placed on file.

Hse. Com. No. 591, informing the Senate that the House has disagreed to the amendments proposed by the Senate to H.B. No. 345, was placed on file.

Hse. Com. No. 592, informing the Senate that the House has disagreed to the amendments proposed by the Senate to H.B. No. 939, H.D. 1, was placed on file.

Hse. Com. No. 593, informing the Senate that the House has disagreed to the amendments proposed by the Senate to H.B. No. 1216, H.D. 1, was placed on file.

Hse. Com. No. 594, informing the Senate that the House has disagreed to the amendments proposed by the Senate to H.B. No. 1450, was placed on file.

Hse. Com. No. 595, informing the Senate that the House has disagreed to the amendments proposed by the Senate to H.B. No. 1864, H.D. 1, was placed on file.

Hse. Com. No. 596, returning S.B. No. 58, S.D. 1, which passed Third Reading in the House of Representatives on April 4, 1997, in an amended form, was placed on file.

By unanimous consent, action on S.B. No. 58, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO KINDERGARTENS," was deferred until Friday, April 11, 1997.

Hse. Com. No. 597, returning S.B. No. 130, S.D. 1, which passed Third Reading in the House of Representatives on April 4, 1997, in an amended form, was placed on file.

By unanimous consent, action on S.B. No. 130, S.D. 1, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES," was deferred until Friday, April 11, 1997.

Hse. Com. No. 598, returning S.B. No. 262, S.D. 1, which passed Third Reading in the House of Representatives on April 4, 1997, in an amended form, was placed on file.

By unanimous consent, action on S.B. No. 262, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," was deferred until Friday, April 11, 1997.

Hse. Com. No. 599, returning S.B. No. 377, S.D. 2, which passed Third Reading in the House of Representatives on April 4, 1997, in an amended form, was placed on file.

By unanimous consent, action on S.B. No. 377, S.D. 2, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO IMPAIRED DRIVERS," was deferred until Friday, April 11, 1997.

Hse. Com. No. 600, returning S.B. No. 426, S.D. 1, which passed Third Reading in the House of Representatives on April 4, 1997, in an amended form, was placed on file.

By unanimous consent, action on S.B. No. 426, S.D. 1, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CULTURE," was deferred until Friday, April 11, 1997.

Hse. Com. No. 601, returning S.B. No. 497, which passed Third Reading in the House of Representatives on April 4, 1997, in an amended form, was placed on file.

By unanimous consent, action on S.B. No. 497, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TRAUMATIC BRAIN INJURY," was deferred until Friday, April 11, 1997.

Hse. Com. No. 602, returning S.B. No. 817, S.D. 1, which passed Third Reading in the House of Representatives on April 4, 1997, in an amended form, was placed on file.

By unanimous consent, action on S.B. No. 817, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred until Friday, April 11, 1997.

Hse. Com. No. 603, returning S.B. No. 927, S.D. 1, which passed Third Reading in the House of Representatives on April 4, 1997, in an amended form, was placed on file.

By unanimous consent, action on S.B. No. 927, S.D. 1, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," was deferred until Friday, April 11, 1997.

Hse. Com. No. 604, returning S.B. No. 1293, S.D. 1, which passed Third Reading in the House of Representatives on April 4, 1997, in an amended form, was placed on file.

By unanimous consent, action on S.B. No. 1293, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN RESOURCES MANAGEMENT IN STATE GOVERNMENT," was deferred until Friday, April 11, 1997.

Hse. Com. No. 605, returning S.B. No. 1486, which passed Third Reading in the House of Representatives on April 4, 1997, in an amended form, was placed on file.

By unanimous consent, action on S.B. No. 1486, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE RATE REGULATION," was deferred until Friday, April 11, 1997.

Hse. Com. No. 606, returning S.B. No. 1506, S.D. 1, which passed Third Reading in the House of Representatives on April 4, 1997, in an amended form, was placed on file.

By unanimous consent, action on S.B. No. 1506, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYERS' MUTUAL INSURANCE COMPANY," was deferred until Friday, April 11, 1997.

Hse. Com. No. 607, returning S.B. No. 1548, S.D. 1, which passed Third Reading in the House of Representatives on April 4, 1997, in an amended form, was placed on file.

At 11:28 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:29 o'clock a.m.

Senator Chun Oakland moved that the Senate agree to the amendments proposed by the House to S.B. No. 1548, S.D. 1, seconded by Senator Kanno.

Senator Chun Oakland noted:

"Mr. President, this is a bill that appropriates in an emergency fashion for Fiscal Year 1996-97, \$54,745,844 for the purpose of paying health care payments for medical assistance recipients. Both the Ways and Means and Finance Committees have agreed to the amount. I would like to ask the body to support this agreement."

The motion was put by the Chair and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1548, S.D. 1, and S.B. No. 1548, S.D. 1, H.D. 2, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE STATE MEDICAL ASSISTANCE PROGRAM," was placed on the calendar for Final Reading.

The Chair then inquired:

"Mr. Clerk, is the Senate ready to take action on Final Reading of S.B. No. 1548, H.D. 2, at this time?"

The Senate Clerk replied:

"Mr. President, S.B. No. 1548, H.D. 2, passed Third Reading in the House on Friday, April 4. A copy of the bill was transmitted to the Senate Clerk's Office that same day. Printed copies of the bill were available to all Senators, therefore, the 48-hour requirement of Article III, Section 15, of the Constitution of the State of Hawaii, and Rule 49 of the Rules of the Senate have been complied with."

There being no objections by the members of the Senate, action on Final Reading of S.B. No. 1548, S.D. 1, H.D. 2, was taken.

S.B. No. 1548, S.D. 1, H.D. 2:

On motion by Senator Chun Oakland, seconded by Senator Kanno and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1548, S.D. 1, and S.B. No. 1548, S.D. 1, H.D. 2, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE STATE MEDICAL ASSISTANCE PROGRAM," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Hse. Com. No. 608, returning S.B. No. 1589, S.D. 2, which passed Third Reading in the House of Representatives on April 4, 1997, in an amended form, was placed on file.

By unanimous consent, action on S.B. No. 1589, S.D. 2, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD DEATH REVIEW," was deferred until Friday, April 11, 1997.

Hse. Com. No. 609, returning S.B. No. 1621, which passed Third Reading in the House of Representatives on April 4, 1997, in an amended form, was placed on file.

By unanimous consent, action on S.B. No. 1621, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HIGH OCCUPANCY VEHICLE LANES," was deferred until Friday, April 11, 1997.

Hse. Com. No. 610, returning S.B. No. 1631, S.D. 2, which passed Third Reading in the House of Representatives on April 4, 1997, in an amended form, was placed on file.

By unanimous consent, action on S.B. No. 1631, S.D. 2, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EARLY CHILDHOOD EDUCATION," was deferred until Friday, April 11, 1997.

Hse. Com. No. 611, returning S.B. No. 57, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

Hse. Com. No. 612, returning S.B. No. 958, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

Hse. Com. No. 613, returning S.B. No. 985, S.D. 1, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

Hse. Com. No. 614, returning S.B. No. 1110, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

Hse. Com. No. 615, returning S.B. No. 1490, S.D. 1, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

Hse. Com. No. 616, returning S.B. No. 1501, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

Hse. Com. No. 617, returning S.B. No. 1507, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

Hse. Com. No. 618, returning S.B. No. 1508, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

Hse. Com. No. 619, returning S.B. No. 1509, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

Hse. Com. No. 620, returning S.B. No. 1510, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

Hse. Com. No. 621, returning S.B. No. 1511, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

Hse. Com. No. 622, returning S.B. No. 1513, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

Hse. Com. No. 623, returning S.B. No. 1514, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

Hse. Com. No. 624, returning S.B. No. 1517, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

Hse. Com. No. 625, returning S.B. No. 1518, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

Hse. Com. No. 626, returning S.B. No. 1532, which passed Third Reading in the House of Representatives on April 4, 1997, was placed on file.

SENATE COMMUNICATION

Sen. Com. No. 3, notice to the Governor dated April 8, 1997, transmitting H.B. No. 145, H.D. 1, S.D. 1, which proposes amendments to the Hawaii State Constitution.

By unanimous consent, the following notice was sent to the Governor:

"April 8, 1997

The Honorable Benjamin J. Cayetano
Governor of the State of Hawaii
State Capitol
Honolulu, Hawaii 96813

Dear Governor Cayetano:

In accordance with the provisions of Article XVII, Section 3 of the Hawaii State Constitution, written notice is hereby given of the final form to the following House Bill, a copy of which is attached hereto:

H.B. 145, H.D. 1, S.D. 1
'RELATING TO AN EMERGENCY AND BUDGET STABILIZATION FUND.'

Respectfully,

/s/ Paul T. Kawaguchi
Paul T. Kawaguchi
Clerk of the Senate"

JUDICIARY COMMUNICATION

Jud. Com. No. 3, submitting for consideration and consent, the nomination of R. MARK BROWNING to the office of Judge, District Family Court of the First Circuit, in accordance with the provisions of Article VI, Section 3, of the Hawaii State Constitution, was read by the Clerk and was referred to the Committee on Judiciary.

STANDING COMMITTEE REPORTS

Senators Tanaka and Taniguchi, for the Committee on Economic Development, presented a report (Stand. Com. Rep. No. 1615) recommending that S.C.R. No. 40 be adopted.

On motion by Senator Ihara, seconded by Senator Slom and carried, the report of the Committee was adopted and S.C.R. No. 40, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO DESIGNATE THE OLD KONA AIRPORT STATE PARK AS THE PERMANENT SITE FOR THE BIG ISLAND FARM FAIR," was adopted.

Senators Aki and Tam, for the Committee on Education, presented a report (Stand. Com. Rep. No. 1616) recommending that S.C.R. No. 43 be adopted.

On motion by Senator Ihara, seconded by Senator Slom and carried, the report of the Committee was adopted and S.C.R. No. 43, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION TO ENSURE THAT STATE AND FEDERAL MONEYS FOR SPECIAL EDUCATION AND RELATED SERVICES ARE NOT CO-OPTED THROUGH SITE-BASED MANAGEMENT AND FISCAL FLEXIBILITY," was adopted.

Senators Aki and Tam, for the Committee on Education, presented a report (Stand. Com. Rep. No. 1617) recommending that S.R. No. 13 be adopted.

On motion by Senator Ihara, seconded by Senator Slom and carried, the report of the Committee was adopted and S.R. No. 13, entitled: "SENATE RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION TO ENSURE THAT STATE AND FEDERAL MONEYS FOR SPECIAL EDUCATION AND RELATED SERVICES ARE NOT CO-OPTED THROUGH SITE-BASED MANAGEMENT AND FISCAL FLEXIBILITY," was adopted.

Senators Aki and Tam, for the Committee on Education, presented a report (Stand. Com. Rep. No. 1618) recommending that S.C.R. No. 124 be adopted.

On motion by Senator Ihara, seconded by Senator Slom and carried, the report of the Committee was adopted and S.C.R. No. 124, entitled: "SENATE CONCURRENT RESOLUTION URGING THE DEPARTMENT OF EDUCATION TO IMPLEMENT RULES AGAINST TEACHER HARASSMENT FROM STUDENTS," was adopted.

Senators Aki and Tam, for the Committee on Education, presented a report (Stand. Com. Rep. No. 1619) recommending that S.R. No. 57 be adopted.

On motion by Senator Ihara, seconded by Senator Slom and carried, the report of the Committee was adopted and S.R. No. 57, entitled: "SENATE RESOLUTION URGING THE DEPARTMENT OF EDUCATION TO IMPLEMENT RULES AGAINST TEACHER HARASSMENT FROM STUDENTS," was adopted.

ORDER OF THE DAY

THIRD READING

Stand. Com. Rep. No. 1398 (H.B. No. 1023, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1398 was adopted and H.B. No. 1023, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE SECONDARY SCHOOL STUDENTS CONFERENCE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1399 (H.B. No. 1105, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1399 was adopted and H.B. No. 1105, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DENTAL HEALTH," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1401 (H.B. No. 1287, H.D. 1, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1401 was adopted and H.B. No. 1287, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE PROCUREMENT CODE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1402 (H.B. No. 1367, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1402 was adopted and H.B. No. 1367, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1404 (H.B. No. 1814, H.D. 1, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1404 was adopted and H.B. No. 1814, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1405 (H.B. No. 1488, H.D. 2, S.D. 1):

On motion by Senator Iwase, seconded by Senator Solomon and carried, Stand. Com. Rep. No. 1405 was adopted and H.B. No. 1488, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY CHILD CARE HOMES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1406 (H.B. No. 1750, H.D. 2):

On motion by Senator Iwase, seconded by Senator Solomon and carried, Stand. Com. Rep. No. 1406 was adopted and H.B. No. 1750, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1760:

On motion by Senator Kawamoto, seconded by Senator Sakamoto and carried, H.B. No. 1760, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE SAFETY,"

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

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1409 (H.B. No. 387):

On motion by Senator Baker, seconded by Senator D. Ige and carried, Stand. Com. Rep. No. 1409 was adopted and H.B. No. 387, entitled: "A BILL FOR AN ACT RELATING TO NURSES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1410 (H.B. No. 780, H.D. 1, S.D. 1):

On motion by Senator Baker, seconded by Senator D. Ige and carried, Stand. Com. Rep. No. 1410 was adopted and H.B. No. 780, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1411 (H.B. No. 793, H.D. 1, S.D. 2):

On motion by Senator Baker, seconded by Senator D. Ige and carried, Stand. Com. Rep. No. 1411 was adopted and H.B. No. 793, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1412 (H.B. No. 1326):

On motion by Senator Baker, seconded by Senator D. Ige and carried, Stand. Com. Rep. No. 1412 was adopted and H.B. No. 1326, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1413 (H.B. No. 1818, H.D. 2, S.D. 2):

On motion by Senator Baker, seconded by Senator D. Ige and carried, Stand. Com. Rep. No. 1413 was adopted and H.B. No. 1818, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1414 (H.B. No. 1819, H.D. 1, S.D. 1):

On motion by Senator Baker, seconded by Senator D. Ige and carried, Stand. Com. Rep. No. 1414 was adopted and H.B. No. 1819, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1132, H.D. 1, S.D. 1:

On motion by Senator Aki, seconded by Senator Tam and carried, H.B. No. 1132, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE RECODIFICATION OF THE EDUCATION STATUTES," having been read throughout,

passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1418 (H.B. No. 122, H.D. 1, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1418 was adopted and H.B. No. 122, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EARLY INTERVENTION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1419 (H.B. No. 646, H.D. 2, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1419 was adopted and H.B. No. 646, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO DEVELOPMENTAL DISABILITIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1244, H.D. 2, S.D. 1:

On motion by Senator Levin, seconded by Senator Metcalf and carried, H.B. No. 1244, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1423 (H.B. No. 1580):

On motion by Senator Levin, seconded by Senator Metcalf and carried, Stand. Com. Rep. No. 1423 was adopted and H.B. No. 1580, entitled: "A BILL FOR AN ACT RELATING TO PLANT AND NON-DOMESTIC ANIMAL QUARANTINE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1424 (H.B. No. 1833, S.D. 2):

On motion by Senator Levin, seconded by Senator Metcalf and carried, Stand. Com. Rep. No. 1424 was adopted and H.B. No. 1833, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PARKING FOR PERSONS WITH DISABILITIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1842, H.D. 2, S.D. 1:

On motion by Senator Levin, seconded by Senator Metcalf and carried, H.B. No. 1842, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMMUNITY RESIDENTIAL TREATMENT SYSTEM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 143, H.D. 2, S.D. 1:

On motion by Senator Bunda, seconded by Senator M. Ige and carried, H.B. No. 143, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," having been read

throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 293, H.D. 1, S.D. 1:

On motion by Senator Kawamoto, seconded by Senator Sakamoto and carried, H.B. No. 293, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUPIL TRANSPORTATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1085, H.D. 1:

On motion by Senator Kawamoto, seconded by Senator Sakamoto and carried, H.B. No. 1085, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAY SAFETY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1395, S.D. 1:

On motion by Senator Kawamoto, seconded by Senator Sakamoto and carried, H.B. No. 1395, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATEWIDE TRAFFIC CODE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 371, H.D. 2, S.D. 1:

On motion by Senator Chun Oakland, seconded by Senator Chumbley and carried, H.B. No. 371, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO JOB REFERENCE LIABILITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1431 (H.B. No. 1770, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1431 was adopted and H.B. No. 1770, S.D. 1, 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, 25. Noes, none.

Stand. Com. Rep. No. 1432 (H.B. No. 1771, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1432 was adopted and H.B. No. 1771, S.D. 1, 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, 25. Noes, none.

Stand. Com. Rep. No. 1433 (H.B. No. 1772, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1433 was adopted and H.B. No. 1772, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout,

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1446 was adopted and H.B. No. 1786, S.D. 1, 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, 25. Noes, none.

Stand. Com. Rep. No. 1447 (H.B. No. 1787, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1447 was adopted and H.B. No. 1787, S.D. 1, 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, 25. Noes, none.

Stand. Com. Rep. No. 1448 (H.B. No. 1788, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1448 was adopted and H.B. No. 1788, S.D. 1, 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, 25. Noes, none.

Stand. Com. Rep. No. 1449 (H.B. No. 1789, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1449 was adopted and H.B. No. 1789, S.D. 1, 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, 25. Noes, none.

Stand. Com. Rep. No. 1450 (H.B. No. 1790, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1450 was adopted and H.B. No. 1790, S.D. 1, 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, 25. Noes, none.

Stand. Com. Rep. No. 1451 (H.B. No. 1791, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1451 was adopted and H.B. No. 1791, S.D. 1, 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, 25. Noes, none.

Stand. Com. Rep. No. 1452 (H.B. No. 1792, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1452 was adopted and H.B. No. 1792, S.D. 1, 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, 25. Noes, none.

Stand. Com. Rep. No. 1453 (H.B. No. 1793, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1453 was adopted and H.B. No. 1793, S.D. 1, 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, 25. Noes, none.

Stand. Com. Rep. No. 1457 (H.B. No. 1485, H.D. 2, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1457 was adopted and H.B. No. 1485, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AQUACULTURE LOANS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1458 (H.B. No. 1694, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1458 was adopted and H.B. No. 1694, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX EXEMPTION FOR EXPORTED SERVICES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1459 (H.B. No. 1645, H.D. 1, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1459 was adopted and H.B. No. 1645, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CONFORMING TAX PROVISIONS TO THE UNIFORM LIMITED LIABILITY COMPANY ACT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1461 (H.B. No. 872, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1461 was adopted and H.B. No. 872, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EAST-WEST CENTER," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1463 (H.B. No. 1655, H.D. 1, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1463 was adopted and H.B. No. 1655, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1465 (H.B. No. 1689, H.D. 1, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1465 was adopted and H.B. No. 1689, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE EXPENDITURE OF STATE FUNDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1467 (H.B. No. 1836, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1467 was adopted and H.B. No. 1836, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DRINKING WATER," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1468 (H.B. No. 1843, H.D. 2, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1468 was adopted and H.B. No. 1843, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO WATER POLLUTION CONTROL," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1469 (H.B. No. 1713, H.D. 1, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1469 was adopted and H.B. No. 1713, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1470 (H.B. No. 112, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1470 was adopted and H.B. No. 112, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1474 (H.B. No. 1604, H.D. 1, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1474 was adopted and H.B. No. 1604, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DISPOSITION OF CONVICTED DEFENDANTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1479 (H.B. No. 1370, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1479 was adopted and H.B. No. 1370, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC FOREST RESERVES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1480 (H.B. No. 1732, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1480 was adopted and H.B. No. 1732, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO RECORDATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1857, H.D. 1, S.D. 1:

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, H.B. No. 1857, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAIIAN HOME LANDS TRUST INDIVIDUAL CLAIMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1482 (H.B. No. 2207, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1482 was adopted and H.B. No. 2207, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC LAND TRUST," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1693:

On motion by Senator Tanaka, seconded by Senator Taniguchi and carried, H.B. No. 1693, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STRATEGIC DEVELOPMENT CORPORATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1738, H.D. 1, S.D. 1:

On motion by Senator Tanaka, seconded by Senator Taniguchi and carried, H.B. No. 1738, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO A COMMERCIAL MARINE DEALER LICENSE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1486 (H.B. No. 1831, H.D. 1, S.D. 2):

On motion by Senator Levin, seconded by Senator Metcalf and carried, Stand. Com. Rep. No. 1486 was adopted and H.B. No. 1831, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF HEALTH," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1487 (H.B. No. 364, H.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1487 was adopted and H.B. No. 364, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SECURITIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1488 (H.B. No. 1854, H.D. 1, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1488 was adopted and H.B. No. 1854, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII HURRICANE RELIEF FUND BONDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1489 (H.B. No. 1900, H.D. 1, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1489 was adopted and H.B. No. 1900, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE LICENSING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1490 (H.B. No. 2202, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1490 was adopted and H.B. No. 2202, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE COMPANIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1491 (H.B. No. 931, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1491 was adopted and H.B. No. 931, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR AGRICULTURAL RESEARCH AND DEVELOPMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1492 (H.B. No. 1547, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1492 was adopted and H.B. No. 1547, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SMALL BOAT HARBORS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1493 (H.B. No. 1695, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1493 was adopted and H.B. No. 1695, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY PERFORMANCE CONTRACTING FOR PUBLIC FACILITIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1494 (H.B. No. 1657, H.D. 1, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1494 was adopted and H.B. No. 1657, H.D. 1, S.D. 1, entitled: "A BILL

FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1495 (H.B. No. 1660, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1495 was adopted and H.B. No. 1660, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1496 (H.B. No. 1688, H.D. 1, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1496 was adopted and H.B. No. 1688, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO KING KAMEHAMEHA CELEBRATION COMMISSION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1497 (H.B. No. 1773, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1497 was adopted and H.B. No. 1773, S.D. 1, 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, 25. Noes, none.

Stand. Com. Rep. No. 1498 (H.B. No. 2032, H.D. 2, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1498 was adopted and H.B. No. 2032, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL-TO-WORK OPPORTUNITIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1499 (H.B. No. 2234, H.D. 1, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1499 was adopted and H.B. No. 2234, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1500 (H.B. No. 167, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1500 was adopted and H.B. No. 167, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TRAUMATIC BRAIN INJURY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1501 (H.B. No. 1250, H.D. 3, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1501 was adopted and H.B. No. 1250, H.D. 3, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL RESPONSE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1502 (H.B. No. 1292, H.D. 1, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1502 was adopted and H.B. No. 1292, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1503 (H.B. No. 1829, H.D. 3, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1503 was adopted and H.B. No. 1829, H.D. 3, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO FEES COLLECTED BY THE DEPARTMENT OF HEALTH," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1505 (H.B. No. 1984, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1505 was adopted and H.B. No. 1984, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO DRUG ABUSE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1506 (H.B. No. 2019, H.D. 1, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1506 was adopted and H.B. No. 2019, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1507 (H.B. No. 120, H.D. 1, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1507 was adopted and H.B. No. 120, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ELDERLY CARE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1509 (H.B. No. 1619, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1509 was adopted and H.B. No. 1619, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE CREATION OF TRUSTS FOR THE DEFERRED COMPENSATION PLANS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1510 (H.B. No. 1624, H.D. 1, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1510 was adopted and H.B. No. 1624, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO BOILER AND ELEVATOR SAFETY LAW," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1512 (H.B. No. 1716, H.D. 1, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1512 was adopted and H.B. No. 1716, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE DISPOSITION OF UNCLAIMED FINANCIAL ASSISTANCE BENEFITS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1513 (H.B. No. 1724, H.D. 1, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1513 was adopted and H.B. No. 1724, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL ASSISTANCE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1514 (H.B. No. 108, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1514 was adopted and H.B. No. 108, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1516 (H.B. No. 1613, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1516 was adopted and H.B. No. 1613, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR AUTOMATED SYSTEMS DEVELOPMENT FOR THE DEPARTMENT OF THE ATTORNEY GENERAL," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 65, H.D. 1, S.D. 1:

On motion by Senator Baker, seconded by Senator D. Ige and carried, H.B. No. 65, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PAWNBROKERS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1049, H.D. 1, S.D. 1:

On motion by Senator Baker, seconded by Senator D. Ige and carried, H.B. No. 1049, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PAWNBROKERS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1196, H.D. 2, S.D. 1:

On motion by Senator Baker, seconded by Senator D. Ige and carried, H.B. No. 1196, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1527 (H.B. No. 1309, H.D. 1, S.D. 2):

On motion by Senator Baker, seconded by Senator D. Ige and carried, Stand. Com. Rep. No. 1527 was adopted and H.B. No. 1309, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIME," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1531 (H.B. No. 1390, H.D. 1, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1531 was adopted and H.B. No. 1390, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 141, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 141, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO VOLUNTEER SERVICE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 460:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 460, entitled: "A BILL FOR AN ACT RELATING TO THE DISPOSITION OF FINANCIAL DISCLOSURE STATEMENTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 462, H.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 462, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FINES FOR LATE FILERS OF FINANCIAL INTERESTS DISCLOSURES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 463:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 463, entitled: "A BILL FOR AN ACT RELATING TO FRIVOLOUS CHARGES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 581, H.D. 1, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 581, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TORT LIABILITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 617, H.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 617, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILDREN BORN TO PARENTS NOT MARRIED TO EACH OTHER," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 912, H.D. 1, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 912, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SERVICE OF PROCESS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1296:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 1296, entitled: "A BILL FOR AN ACT RELATING TO GARNISHMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1377:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 1377, entitled: "A BILL FOR AN ACT RELATING TO THE DISPOSITION OF JUDICIARY RECORDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1382, H.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 1382, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ADJUDICATION OF TRAFFIC INFRACTIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1385, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 1385, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1387, H.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 1387, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE DRIVER LICENSING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1407:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 1407, entitled: "A BILL FOR AN ACT RELATING TO THE CERTIFICATION OF ELECTION RESULTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1547 (H.B. No. 1715, H.D. 1, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 1547 was adopted and H.B. No. 1715, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FRAUDULENT USE OF CREDIT CARDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1548 (H.B. No. 1718):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 1548 was adopted and H.B. No. 1718, entitled: "A BILL FOR AN ACT RELATING TO RECOVERY OF PAYMENTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1549 (H.B. No. 1745, H.D. 2, S.D. 2):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 1549 was adopted and H.B. No. 1745, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO BOATING ENFORCEMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1550 (H.B. No. 1858, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 1550 was adopted and H.B. No. 1858, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LIMITED LIABILITY COMPANIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2305, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2305, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FORGERY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 623, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 623, S.D. 1, entitled: "A BILL

FOR AN ACT RELATING TO DOMESTIC VIOLENCE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 675, H.D. 1, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 675, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FIRST DEGREE ROBBERY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 789, H.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 789, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1203:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 1203, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL PROCEDURE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1510, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 1510, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC ABUSE PROTECTIVE ORDERS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1558 (H.B. No. 1748, H.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 1558 was adopted and H.B. No. 1748, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO KAHŌ'OLAWĒ PENALTIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2308, H.D. 2, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2308, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PROBATE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1560 (H.B. No. 2, H.D. 2, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 1560 was adopted and H.B. No. 2, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR CARRIERS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 106, H.D. 1, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 106, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO YOUTHFUL OFFENDERS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1562 (H.B. No. 631, H.D. 2, S.D. 2):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 1562 was adopted and H.B. No. 631, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE DECISIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 971, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 971, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PROSTITUTION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1564 (H.B. No. 1247, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 1564 was adopted and H.B. No. 1247, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL PROTECTION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1410, H.D. 1, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 1410, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTION RECORDS AND USES THEREOF," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1566 (H.B. No. 1473, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 1566 was adopted and H.B. No. 1473, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1568 (H.B. No. 1965, H.D. 1, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 1568 was adopted and H.B. No. 1965, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HARMFUL AQUATIC LIFE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1569 (H.B. No. 1675, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1569 was adopted and H.B. No. 1675, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HOISTING MACHINE OPERATORS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1570 (H.B. No. 103, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1570 was adopted and H.B. No. 103, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1690, H.D. 1, S.D. 1:

On motion by Senator Levin, seconded by Senator Fernandes Salling and carried, H.B. No. 1690, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO REVENUE MAXIMIZATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1574 (H.B. No. 1625, H.D. 1, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1574 was adopted and H.B. No. 1625, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CONSOLIDATING EMPLOYMENT AND TRAINING ADVISORY BODIES INTO A WORKFORCE DEVELOPMENT COUNCIL," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1576 (H.B. No. 1591, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1576 was adopted and H.B. No. 1591, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STATE CLEARINGHOUSE FOR MISSING CHILDREN," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 728, H.D. 1, S.D. 1:

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, H.B. No. 728, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE CONVEYANCE TAX," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1639, H.D. 2, S.D. 1:

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, H.B. No. 1639, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONFORMITY TO THE INTERNAL REVENUE CODE,"

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

Ayes, 25. Noes, none.

H.B. No. 1646, S.D. 1:

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, H.B. No. 1646, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR AN AUTOMATED TAX SYSTEMS ACQUISITION BY THE DEPARTMENT OF TAXATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1583 (H.B. No. 1006, H.D. 1, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1583 was adopted and H.B. No. 1006, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII BOARD OF REGENTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1585 (H.B. No. 1593, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1585 was adopted and H.B. No. 1593, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC CONTRACTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1586 (H.B. No. 1087, H.D. 1, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1586 was adopted and H.B. No. 1087, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1588 (H.B. No. 33, H.D. 2, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1588 was adopted and H.B. No. 33, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2060, H.D. 1, S.D. 1:

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, H.B. No. 2060, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS BUDGET," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1592 (H.B. No. 20, H.D. 1, S.D. 2):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 1592 was adopted and H.B. No. 20, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE DRIVER LICENSING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 107, H.D. 1, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 107, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO JUVENILES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 111, H.D. 1, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 111, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL ASSAULT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1596 (H.B. No. 116, H.D. 2, S.D. 2):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 1596 was adopted and H.B. No. 116, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO DRIVING UNDER THE INFLUENCE OF INTOXICATING LIQUOR," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1599 (H.B. No. 636, H.D. 2, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 1599 was adopted and H.B. No. 636, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO REAL PROPERTY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1300, H.D. 1, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 1300, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1601 (H.B. No. 1701, H.D. 2, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1601 was adopted and H.B. No. 1701, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE REDEVELOPMENT OF BARBERS POINT NAVAL AIR STATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1603 (H.B. No. 1731, H.D. 1, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1603 was adopted and H.B. No. 1731, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HAWAII STATE PUBLIC LIBRARY SYSTEM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1604 (H.B. No. 1904, H.D. 3, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1604 was adopted and H.B. No. 1904, H.D. 3, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1607 (H.B. No. 1838, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1607 was adopted and H.B. No. 1838, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1641, S.D. 1:

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, H.B. No. 1641, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE COLLECTION OF TAXES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

THIRD READING

Stand. Com. Rep. No. 1400 (H.B. No. 1138, H.D. 1, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1400 was adopted and H.B. No. 1138, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PARENTAL RESPONSIBILITY FOR EDUCATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 4 (Baker, Chumbley, Ige, D., Matsunaga).

Stand. Com. Rep. No. 1403 (H.B. No. 1638, H.D. 2, S.D. 1):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1403 be adopted and H.B. No. 1638, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Slom rose in opposition to the measure and said:

"Mr. President, I rise to speak in opposition to this bill.

"While the idea and the concept of this bill is good in terms of giving inmates both the opportunity to work and also the opportunity to pay back for both their incarceration and for victims, I think that in recent years what we've seen is a direction of this program that competes in the community, particularly with small businesses, particularly in certain industries like the printing industry. I think the bill should be tightened up and we should be making it very clear that people are in prisons, first of all, for punishment; secondly, to repay

their debt to society, but not to further complicate the business climate. So, I'll be voting 'no' on the bill.

"Thank you, Mr. President."

Senator Anderson rose to speak on the measure and said:

"Mr. President, I'd like to have the Minority Floor Leader's words put in the Journal as though they were my own, and I'd like to add that I'm going on a W/R and not on a 'no.'

"The bill also says that you could hire up to 60 temporary exempt positions in any fiscal year. I don't think that this is a responsible way to be handling the hiring of new people, so I do have my reservations on that. Thank you very much."

Senator Kanno rose and said:

"Mr. President, with reservations."

The Chair so ordered.

Senator Fernandes Salling spoke on the measure as follows:

"Mr. President, by way of explanation, of course I think members are aware that we are not necessarily enthusiastic about providing for exempt positions, but in this case what we were faced with and why we had to provide for these exempt positions -- and if I might add, this is an exception to the rule in Ways and Means -- were basically because of the physicians and the medical that needed to be provided. And it was felt that in those instances, with respect to those positions, we needed to give the flexibility in light of the previous problems that they have had in hiring according to the Civil Service, if many of you have read, previous accounts in other years. And that is why we provided for the director to hire with respect to those types of positions, primarily those positions, to make them exempt."

Senator Chumbley rose in support of the measure and stated:

"Mr. President, I rise to speak in favor of the motion.

"As a point of clarification, members, I think it's important that everyone understand that these are revolving fund positions. These are not general funded permanent employees. The money that pays for these positions comes from the work that we believe all incarcerated inmates should do. Therefore, the money comes from the revolving fund, and not the general fund.

"Thank you, Mr. President."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1403 was adopted and H.B. No. 1638, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL INDUSTRIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

H.B. No. 1756, H.D. 1:

Senator Kawamoto moved that H.B. No. 1756, H.D. 1, having been read throughout, pass Third Reading, seconded by Senator Sakamoto.

Senator Slom, rising to speak against the measure, then said:

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

"I spoke against the Senate bill a month ago. This is a minor matter. It seems that 17 years ago there was, in a redraft of a bill, a provision that was left out of the law. And since that period of time, there's been no problem created, as testified to

by the State Department of Transportation. There's no problem now, and businesses and commercial vendors are subject to ten chapters of business law regulations. So if there's no problem, if there is no offense and if there was an inadvertent error 17 years ago, I don't think we should compound it today. I don't think any additional law or additional verbiage is necessary.

"Thank you, Mr. President."

Senator Kawamoto rose in support of the measure and stated:

"Mr. President, I speak for the bill.

"Mr. President, this measure seeks to restore the authority to impose penalties on illegal commercial activities at the public airports and allows the Department of Transportation to impose such penalties. It is needed and this is to keep the airports running smoothly.

"Therefore, Mr. President, I urge my colleagues to vote 'aye' on this bill. Thank you."

Senator Fernandes Salling rose in opposition to the measure and said:

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

"I had thought that perhaps the chairs of TIA would address this, but the problem that I have with this bill is that it should deal with safety, security, instances where planes or other people may be driving on to the runways and instead what this bill goes on to say is that they are now going to license and regulate and deal with within this whole chapter, commercial activities at public airports and make them subject to this misdemeanor. I've opposed this in the past. I'm opposing it now. I think it's bad to include that provision in this bill. I think the previous problem should be addressed, and yes, it has been, but to add commercial activities, to regulate them, and if the Airports Division finds that it's in violation of their rules, to subject them to a misdemeanor is not a good position for us to take."

The motion was then put by the Chair and carried, H.B. No. 1756, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PENALTIES FOR VIOLATIONS OF ADMINISTRATIVE RULES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Fernandes Salling, Slom).

Stand. Com. Rep. No. 1415 (H.B. No. 1860, H.D. 3, S.D. 1):

Senator Baker moved that Stand. Com. Rep. No. 1415 be adopted and H.B. No. 1860, H.D. 3, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator D. Ige.

Senator Levin rose in support of the measure as follows:

"Mr. President, I rise to speak in favor of this bill with reservations.

"And very briefly, I made similar comments when we passed the Senate companion bill. My hope is that we can come up with a formulation that will allow us to do away with diploma mills which we all are opposed to, and yet not interfere with legitimate institutions of higher education which grant degrees but which are not accredited. That formula has not yet been arrived at. I understand that the chairs of the appropriate committee are working to look for appropriate language, and I thank them for their efforts and hope that the final product out of conference will be something that we all can live with.

"Thank you."

Senator Metcalf also rose in support of the measure and said:

"Mr. President, I, too, rise to speak in favor of this bill, but with reservations, and ask that Senator Levin's remarks be included in the Journal as my own."

The Chair so ordered.

Senator Slom rose to speak in favor of the bill as follows:

"Mr. President, I, too, rise to speak in favor, with reservations.

"And I would just add that the reason that we've had three House drafts and one Senate draft is that while everybody was complaining that we had a problem of diploma mills in this state, the actual data was in short supply in terms of testimony. But what was in long supply was the fact that this bill, as currently drafted, would represent yet one more barrier to entry to those new colleges and universities. Also, it does not take cognizance of colleges without walls and electronic colleges, and the future of education. And particularly hard hit would be trade and professional educational institutions. So with those reservations, I cast my vote, Mr. President. Thank you."

Senator Anderson added:

"Mr. President, would you have the former speaker's words put in the Journal as though they were my own."

The Chair so ordered.

Senator McCartney rose in support of the measure and stated:

"Mr. President, I speak in favor of this bill with some reservations, but I'd like to thank the chairs for working on the bill.

"I had the privilege of working on this issue before and I think it's a challenging one, so I'd like the remarks of the two Senators from the Big Island inserted in the Journal as my own."

The Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1415 was adopted and H.B. No. 1860, H.D. 3, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DEGREE-GRANTING INSTITUTIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1420 (H.B. No. 1243, H.D. 1, S.D. 1):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1420 be adopted and H.B. No. 1243, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Slom, rising to speak against the measure, then said:

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

"I think we all want air quality, the finest air quality. If we can find some way of putting out the volcano on the Big Island, I think we'd be in better shape. Until then I think we need to know if we're going to have bills like this, how many positions we're talking about; what is the total cost going to be for those positions. And when we talk about the environmental response fund paying for this, we see that there have been efforts to increase the contributions or the taxation of that fund. So I rise against the bill.

"Thank you, Mr. President."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1420 was adopted and H.B. No. 1243, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL PROTECTION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

Stand. Com. Rep. No. 1421 (H.B. No. 1388, H.D. 2, S.D. 1):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1421 be adopted and H.B. No. 1388, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Anderson rose to speak on the measure as follows:

"Mr. President, I'll be voting with reservations on this particular bill.

"The bill allows the courts to collect interest penalties based upon a graduated scale for outstanding traffic citations. And it's my understanding that the traffic courts are behind a couple of million dollars of sending out these traffic citations, and now we're going to be penalized even more. I believe the fines have gone up for everything. Some people can't afford to pay what they do have in the first place, and now we're going to add additional fees. So it's a lot of incompetence, maybe, or poor administration, plus, people not having the money and I just can't see another penalty. Thank you."

Senator Chumbley rose in support of the measure as follows:

"Mr. President, I rise to speak in support of the measure.

"This measure will simply allow the courts to impose on all outstanding traffic citations and judgments an additional penalty. Colleagues, the outstanding balance is \$25 million. Think how far that would go back in the general fund to provide for education; to provide for human services and other services. These are law violators. The courts should be allowed to go after these individuals.

"In addition, any additional interest penalty imposed as provided for in this section may be waived by the courts for good cause. So in the circumstances as the previous speaker had expressed concerns about, we have created an opportunity for those fees and additional penalties to be waived.

"Thank you, Mr. President."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1421 was adopted and H.B. No. 1388, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC INFRACTIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1454 (H.B. No. 1840, H.D. 1, S.D. 1):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1454 be adopted and H.B. No. 1840, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Slom rose in opposition to the measure and said:

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

"We have so many bills that we keep talking about an emergency and a crisis. And any reasonable person could have anticipated, should have anticipated, did anticipate what the

problems were going to be in terms of funding, particularly with the State's Community Hospitals. And the simple fact of the matter is that the state should not be in the hospital business, that we should be moving toward privatization of these facilities and other activities, as well. And until that time, the original bill sought \$21 million. Our version provides \$8 million. I don't think that there is any crisis or any emergency that can't be solved by the people that are directly involved.

"Thank you, Mr. President."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1454 was adopted and H.B. No. 1840, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AN EMERGENCY APPROPRIATION FOR THE HAWAII HEALTH SYSTEMS CORPORATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

H.B. No. 1806, H.D. 1, S.D. 1:

Senator Chun Oakland moved that H.B. No. 1806, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fernandes Salling.

Senator Iwase rose to speak on the measure as follows:

"Mr. President, I'm going to be voting for this bill with reservations.

"The bill amended the House bill by inserting the contents of S.B. No. 257, S.D. 2, and while it's an improvement over the House bill by rejecting the double trigger mechanism, my reservation is based on the fact that it did not adopt the S.D. 1 version of S.B. No. 257. At the hearing there was testimony by both ERS and Budget and Finance who agreed that the S.D. 1 version was far superior. It was a good bill. Various organizations testified in support of the S.D. 1 -- the HSTA, for example, the retirees, the Oahu Retired Teachers.

"Senate Draft 1 does provide about \$126 million over the next two years, dealing with the short term problem we have. And by the year 2007, if it plays out and the projections hold for investment returns, we would not have to contribute as an employer, and save \$300 to \$400 million. However, we unfortunately did not adopt that bill and I hope that in conference that we will reflect upon it and have a change of heart and adopt S.D. 1.

"Thank you."

Senator Sakamoto also rose to speak on the bill and said:

"Mr. President, I would like to also express my reservations on this bill.

"I agree with the previous speaker's remarks. And yes, by 2007 the fund would have been fully funded, and the current bill puts a two-year limit on this. Although a good compromise has been reached, why can't we let our retirees, current employees, really rest assure that the fund is safe and sound on a permanent basis for that matter. That's why I have reservations, Mr. President.

"Thank you."

Senator Solomon rose and said:

"Mr. President, please note a W/R for me. Thank you."

The Chair so ordered:

Senators Tanaka, Slom, Bunda and Anderson also requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, H.B. No. 1806, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PENSION AND RETIREMENT SYSTEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1456 (H.B. No. 258, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1456 was adopted and H.B. No. 258, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE CONVENTION CENTER," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Aki, Iwase, Solomon).

Stand. Com. Rep. No. 1460 (H.B. No. 1863, H.D. 2, S.D. 1):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1460 be adopted and H.B. No. 1863, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Sakamoto spoke on the measure as follows:

"Mr. President, I'd like to rise and express my reservations on this bill, as well.

"First of all, I'd like to commend the Committee on Ways and Means for really doing hard work, looking at ways to save money, encourage self-sufficiency and, in general, run the state government like a business. Unfortunately, my reservations are in the charging for publications, typically -- pamphlets, brochures. The Department of Consumer Affairs deals with issues such as the landlord-tenant code, liens. People come in, consumers and businesses alike, to get information to solve their problems. They need information to solve problems and possibly for the lack of a \$5 charge, not get the information they want. And later on that escalates to \$500, \$5,000, \$50,000 in lawyer fees and damages. We want to conduct business, but let's protect our consumers, protect businesses and let them have the information they want.

"I guess there are solutions like the Worldwide Web where the government has access, has current addresses where some of this information can be placed with little or no charge. So I encourage that as well, but again, that's why I have reservations, Mr. President."

Senators Solomon, Iwase, Slom and Anderson then requested that their "aye" votes be cast "with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1460 was adopted and H.B. No. 1863, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER AND BUSINESS EDUCATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1462 (H.B. No. 1654, H.D. 1, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1462 was adopted and H.B. No. 1654, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SUPERVISION OF

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

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1464 (H.B. No. 1664, H.D. 1, S.D. 2):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1464 be adopted and H.B. No. 1664, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator M. Ige, rising to speak against the measure, then said:

"Mr. President, this is not an easy vote for me, but I just do not believe that with our fiscal constraints that we are faced with today, that we are able to fund this particular appropriation. For that reason I will be going 'no.'

"Thank you."

Senator Slom rose in opposition to the measure and said:

"Mr. President, I rise to speak against the bill, also.

"For some of the same reasons that Senator Ige spoke of, we have to prioritize and we have to look at direct educational programs. And I think that we can get more bang for our buck in direct education with other programs.

"Thank you."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1464 was adopted and H.B. No. 1664, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE WESTERN GOVERNORS UNIVERSITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Ige, M., Slom).

Stand. Com. Rep. No. 1466 (H.B. No. 1797, H.D. 1, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1466 was adopted and H.B. No. 1797, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING FINANCE AND DEVELOPMENT CORPORATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1471 (H.B. No. 140, H.D. 2, S.D. 2):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1471 be adopted and H.B. No. 140, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Bunda rose and said:

"Mr. President, would you have the Clerk cast my vote with reservations."

Senator Anderson added:

"Mr. President, with reservations for me, also."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1471 was adopted and H.B. No. 140, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1472 (H.B. No. 1393, H.D. 1, S.D. 2):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1472 be adopted and H.B. No. 1393, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Tam rose in opposition to the measure and said:

"Mr. President, I oppose this bill, Relating to Salaries in the Judiciary.

"Mr. President and fellow colleagues, the timing is bad for raises to executives at this time. I'm not opposed to raises for judges in concept, but again, not at this time.

"Our first priority is to properly fund the basic foundation for education within our public schools. Classroom and student needs are more important at this time.

"Thank you."

Senator Iwase then requested a ruling from the Chair as follows:

"Mr. President, I request a ruling on a conflict. I have a family relation who is a judge and would benefit by this bill."

The Chair ruled that Senator Iwase was not in conflict.

Senator Anderson rose to speak on the measure and said:

"Mr. President, I will be going 'with reservations' on this particular bill.

"I've said before, I don't believe that we should be giving across the board raises to everyone. If you had a study that said, in fact, some of these people are losing money because they're with the state and had they been in private business they would have been way ahead, maybe I could go along with it with no reservations at all. But there is no merit to any of the type of raises that these people are going to be getting. There are no studies that have been done. When I asked, they said the studies were done in the very top attorneys' offices and not in the average. So we don't know if they're losing money and they deserve this raise or just what the merits are. So I have reservations.

"Thank you."

Senator Chumbley rose in support of the measure as follows:

"Mr. President, I rise to speak in favor of the motion.

"Unlike the previous speaker, I do feel there is merit to this issue, Mr. President. In fact, another of the previous speakers said that our judges should not be paid if we cannot fund education. These judges have gone in excess of seven years without a pay adjustment. If those members who closely read the bill would realize that this is a retention pay and not an across-the-board pay, which the Judiciary Committee originally proposed and the Ways and Means, in their wisdom, reduced it, the original proposal would have only cost about \$350,000. It is not an across-the-board pay raise right now. It will have a limited effect and it is for retention only.

"I believe, Mr. President, that our judges in the State of Hawaii deserve a pay raise. Thank you."

Senator Slom rose to speak against the measure as follows:

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

"A lot has been said about if we don't raise the pay of the judges that many more of them will leave the state. In the case of those judges that did such a great disservice to the taxpayers, families and individuals in this state on the two most recent Supreme Court rulings, Konno v. County of Hawaii and also the constitutional convention, I will offer to drive them to the airport, Mr. President.

"In terms of people leaving this state, we have people leaving everyday because they are forced out of this state because of the taxation, the regulations, and all of negative things that we have done in this state to provide disincentives. So I think it would be a good lesson for the judges to find out how the rest of the people live, and I oppose the salary increase.

"Thank you, Mr. President."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1472 was adopted and H.B. No. 1393, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SALARIES IN THE JUDICIARY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 3 (Aki, Slom, Tam). Excused, 1 (Fernandes Salling).

Stand. Com. Rep. No. 1473 (H.B. No. 1587, H.D. 1, S.D. 2):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1473 be adopted and H.B. No. 1587, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Anderson rose in opposition to the measure and said:

"Mr. President, I will be going 'no' on this particular measure.

"When we had the topic in Ways and Means, it was my understanding that the identification certificate was costing us a hundred and some odd thousand dollars a year for that particular program. They were bringing in over \$200,000, but because they think they want to keep their department going and there are changes or they may need more money in the general fund, they're now going to make the ID cards expire in six years. I don't think that I've changed that much in six years and I told them I'd look and I tried. I couldn't find any of my ID cards that really changed so I didn't want to make a real big deal about it.

"But the special funds that they're looking at are for new cameras and the whole bit, also. If, in fact, they've been able to give you an ID, Mr. President, and you could use it for a lifetime, I see no reason why if that program has money and it is self-sufficient, that we have to raise it.

"Thank you very much."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1473 was adopted and H.B. No. 1587, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF CERTIFICATES OF IDENTIFICATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Anderson, Slom).

Stand. Com. Rep. No. 1475 (H.B. No. 1610, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1475 was adopted and H.B. No. 1610, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INDEMNIFICATION OF THE UNITED STATES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1476 (H.B. No. 480, H.D. 2, S.D. 1):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1476 be adopted and H.B. No. 480, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Slom rose in opposition to the measure and said:

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

"The bill, as drafted, adds a new section that exempts Hawaii from the part of the federal welfare reforms that denies cash assistance and food stamps to anyone with a felony conviction and anyone that has an element of drug possession, use or distribution of controlled substances. We keep sending out mixed messages. If we are truly opposed to drugs, then we should not reward or compensate people for them and the money keeps increasing that we pay for all people. Let's have a priority for those people that do not use drugs.

"Thank you."

Senator Levin rose in support of the measure and stated:

"Mr. President, I rise to speak in favor of the bill.

"I just want to make sure that it's clear that this bill does not allow for assistance to go to all persons who have been convicted of a felony. It is only for those who are complying with treatment programs. I think that is an important distinction and one that we appropriately are putting into law.

"Thank you."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1476 was adopted and H.B. No. 480, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Ige, M., Slom).

Stand. Com. Rep. No. 1477 (H.B. No. 1714, H.D. 2, S.D. 1):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1477 be adopted and H.B. No. 1714, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Slom, rising to speak against the measure, then said:

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

"Well, here we go again, Mr. President, another emergency appropriation here to set up an electronic funds transfer to make it easier to get food stamps. We're talking about \$1.6 million of state funds and additional federal funds, as well. I think we can better spend our money and I think that if we privatize and contract out these services, we can all save money and do a better job.

"Thank you, Mr. President."

Senator Tam rose to speak in favor of the bill as follows:

"Mr. President, I speak in favor of this bill.

"Mr. President and fellow colleagues, this bill puts funds forward so that we can have an electronic system in relation to food stamps. We have a lot of corruption out there in the community whereby people who have food stamps are selling their food stamps for 50 cents out of the dollar. This would

make the amendment to that deceitfulness in terms of use of food stamps out there by having like a charge card effect.

"Thank you."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1477 was adopted and H.B. No. 1714, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR AN ELECTRONIC BENEFIT TRANSFER SYSTEM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Slom). Excused, 1 (Bunda).

Stand. Com. Rep. No. 1478 (H.B. No. 1805, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1478 was adopted and H.B. No. 1805, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

H.B. No. 1575, S.D. 1:

Senator Tanaka moved that H.B. No. 1575, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Taniguchi.

Senator Slom rose in opposition to the measure and said:

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

"We drink a lot of milk. Milk is extremely important. We have shown that by government manipulation and price controls and distribution controls, we have not helped our local dairies. We have not helped our local consumers. All we've done is interfere with the market process, so I vote against the bill.

"Thank you."

Senator Anderson rose to speak against the measure as follows:

"Mr. President, I'll be voting against this particular measure, primarily because, as I said earlier, when we had a bill some years ago to have the different stores bring in their own milk from the Mainland, I said at that time we'd be ruining our milk industry and what we should do is have them open a processing plant. That particular store that came here was Safeway and they had a processing plant on the Mainland. It would have helped our industry, but no, we went ahead and passed it and I was the only descending vote at the time in the House.

"Now, those same people are being able to get their feed a lot cheaper than our people. They're able to ship in their milk and still be able to run our people out of business because by the time they ship in the feed, pay their employees (the land here is a lot more expensive), naturally our local milk is going to be higher.

"So just giving them a break to sell their milk at a little more, I don't think the governor is doing them a real service. I think we have to find out how we're going to bring in their feed a lot cheaper; how are we going to be able to stimulate their industry rather than just say, 'Go ahead and raise the cost. If the consumer can't afford it, you'll go out of business, anyway.' For that reason I'll be going 'no.'

"Thank you very much."

The motion was then put by the Chair and carried, H.B. No. 1575, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MILK," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Anderson, Slom).

Stand. Com. Rep. No. 1504 (H.B. No. 1837, H.D. 2, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1504 was adopted and H.B. No. 1837, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1508 (H.B. No. 147, H.D. 1, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1508 was adopted and H.B. No. 147, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1511 (H.B. No. 1706, H.D. 2, S.D. 2):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1511 be adopted and H.B. No. 1706, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Slom rose to speak against the measure as follows:

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

"When this act was passed six years ago over the objections of every business organization, every individual, the Department of Labor assessed an additional taxation on every employer to provide for training, and yet, in fact, there was no training in place. The supporters of the bill tried to make the legislation more palatable by building in a five-year sunset provision. The bill and the act was supposed to sunset last year, and in fact it did not. The 1996 Legislature extended it.

"This is a two-year moratorium and as we found out, we really don't come to grips with issues. The issue is that we don't need additional taxation, that this money has been wasted. Over 50 percent of it has gone for administration, and therefore, I think the right thing to do is to kill the fund as was intended.

"Thank you, Mr. President."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1511 was adopted and H.B. No. 1706, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYMENT AND TRAINING FUND," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Anderson, Slom).

Stand. Com. Rep. No. 1515 (H.B. No. 1582, H.D. 2, S.D. 1):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1515 be adopted and H.B. No. 1582, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Matsunaga requested a conflict ruling from the Chair as follows:

"Mr. President, I'd like to disclose a potential conflict of interest. My law firm represents one of the claimants in this measure."

The Chair ruled that Senator Matsunaga was not in conflict.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1515 was adopted and H.B. No. 1582, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1517 (H.B. No. 417, H.D. 3, S.D. 1):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1517 be adopted and H.B. No. 417, H.D. 3, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Anderson rose in opposition to the measure and said:

"Mr. President, I'll be going 'no' on this particular measure, also.

"I don't want anyone to think that I'm against the environment and trails, but a few years ago we did set aside money for the recreational boats because they said that they paid a portion of the fuel tax and they thought it should go toward recreational boats. Now we're saying we should put money aside from the gasoline tax so that it can go into a special fund for the trail access program. And they look at that as a possible \$250,000.

"I think we're setting a precedent. We're taking money and saying that each individual user can form a little hui and then they're going to need the dollars. So for that reason I'll be going against the measure.

"Thank you."

Senator Slom also rose in opposition to the measure and said:

"Mr. President, I, too, will be voting 'no' on the measure.

"What troubles me is that we had a tax of \$2 a day per car rental that was established a number of years ago. The purpose for that tax was the maintenance, operation, construction, and beautification of the highways. Now, we're seeing an attempt to loot that money and put it into the general fund. We have the same possibility with other special funds where the money is being diverted and transferred from the original purpose.

"The other thing is that if we're going to continue to take portions of the fuel tax for whatever purposes that may seem good, we're going to get a bill from the State Department of Transportation next year who have already hinted that they're going to try to raise our fuel tax. So I will vote against this bill also, while still trying to preserve the environment."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1517 was adopted and H.B. No. 417, H.D. 3, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATEWIDE TRAIL AND ACCESS PROGRAM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Anderson, Slom).

At 12:09 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:15 o'clock p.m.

H.B. No. 1640, H.D. 1, S.D. 1:

By unanimous consent, action on H.B. No. 1640, H.D. 1, S.D. 1, was deferred to the end of the calendar.

H.B. No. 1804, H.D. 1, S.D. 1:

Senator Fernandes Salling moved that H.B. No. 1804, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Iwase spoke on the measure as follows:

"Mr. President, I rise to speak in support of the bill with reservations.

"Mr. President, this bill sets up a repair and maintenance fund into which is transferred 1 percent of all the GO bonds funding appropriations. Under the bill, the R & M monies can be expended for 'state facilities.' Inasmuch as education is our No. 1 priority, it is my hope that all, or a portion, of the 1 percent would be designated for R & M for our schools and are not to be spent on facilities that may not require the kind of repairs that are needed in many of our public schools. So, for that reason I'm going to go 'with reservations.'

"Thank you."

Senator Kawamoto also rose to speak on the measure and said:

"Mr. President, I rise to speak with reservations.

"Again, as I discussed in committee the concern I have is because of the windfall of the CIP -- \$1 billion in the governor's package, the \$800 million in the House package and the \$550 million for the Senate package. Whatever it is, the 1 percent for the arts is going to be a windfall, and it's going to be an increase of what they normally would have throughout the next biennium.

"I find it very difficult to have the arts community have a windfall and to say that they weren't going to spend the money; they're going to save the money. I find it very hard to believe that an agency would be able to save money when we see other agencies that are biting the dust and are losing good programs because of the budget cuts. I'm concerned that with this kind of activity, we lose good programs like the Youth Challenger Program that the National Guard has. They will need some money. They need \$300,000, and another agency is going to be able to save \$1 million to \$6 million for a rainy day. I just cannot believe we're doing that.

"Thank you."

Senator Fernandes Salling rose in support of the measure as follows:

"Mr. President, I rise to speak in favor of the bill.

"I'd like to reassure Senator Iwase and others who may be wondering what is the intent of the Ways and Means Committee with respect to the repair and maintenance account that is set up in this bill, and that is to provide for these monies primarily to take care of school repairs and maintenance, not necessarily the other facilities. That was our priority -- the school repairs and maintenance."

Senator Sakamoto added:

"Mr. President, I'd like to also express my reservations. Yes, repair and maintenance is very good but perhaps on the arts portion that was in the previous draft, maybe a cap can be put on that portion, so it doesn't become a windfall just by tagging along, Mr. President.

"Thank you."

Senators Slom, Solomon, Tanaka and Anderson then requested that their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, H.B. No. 1804, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO REPAIRS AND MAINTENANCE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

H.B. No. 1650, H.D. 1, S.D. 1:

By unanimous consent, action on H.B. No. 1650, H.D. 1, S.D. 1, was deferred to the end of the calendar.

H.B. No. 1623, S.D. 1:

Senator Kanno moved that H.B. No. 1623, S.D. 1, be recommitted to the Committee on Human Resources, seconded by Senator Chun Oakland.

At this time, Senator Kanno remarked on the action taken on H.B. No. 1623, S.D. 1, as follows:

"Mr. President, there needs to be further work on the language in this bill."

Senator Kawamoto then added:

"Mr. President, the bottom line for me on this recommittal ... I'd like to thank both chairs for allowing me to take the bill as far as I did on this effort. The bottom line is that I have about five bus-loads of hotel workers that go to Waikiki everyday, early in the morning, to do their diligent work on many of service jobs which we enjoy and the visitor industry enjoys.

"My concern is employment security. In the old days when we had the plantations, the plantation owners and the employees used to come and work together, create arbitration and collaboration. We've been working on this for three years. Hopefully, this year our atmosphere was for collaboration and arbitration and we thought maybe we could get this bill through. But the concern we have, again, is that many of our hotels, many of our large businesses, the ownership is away from our islands, in foreign countries or on the Mainland, the arbitration and collaboration sometimes is difficult. The aloha for our employees is sometimes difficult. Again, we hope that we can keep the doors open and look at this situation that we have here in Hawaii Nei.

"Thank you very much."

The motion was put by the Chair and carried, H.B. No. 1623, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY APPEALS," was recommitted to the Committee on Human Resources.

H.B. No. 582, H.D. 1, S.D. 1:

Senator Baker moved that H.B. No. 582, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator D. Ige.

Senator Slom rose in opposition to the measure and said:

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

"Mr. President, how could anybody stand up and speak against this bill? How could anybody not be against violence, intentional serious injury or bodily harm and extreme violence?"

Well, that's not what the sport or what the activity actually does. Those of us in the committee listened to testimony.

"What the bill does, first of all, I think is erroneous in its title -- Relating to Combat -- I generally think of combat in terms of military situations. Secondly, when it talks about no rules combat as an entertainment event, we heard testimony that showed that in fact there were rules, that there are national and international associations. Thirdly, there were no statistics to indicate that there had been serious injury or death in contrast to existing sports that we all like to go to and attend. And fourthly, we keep getting this reputation in Hawaii that whenever somebody doesn't like something, we ban it. And we fine and punish people that pay their money to go see it or to promote it.

"I think that we're disregarding the testimony that was made. And besides that, I think there's a conflict here in the Senate, Mr. President, because I truly believe that some of the Senators are holding out until we have no rules combat in the Senate against the House. And I think that some of the Senate colleagues have already been in training. So, for these and other reasons, Mr. President, I will vote against this measure."

Senator Baker rose in support of the measure and said:

"Mr. President, I rise to speak in support of this measure.

"Mr. President, H.B. No. 582, H.D. 1, S.D. 1, prohibits holding, promoting and participation as a contestant in a 'no rules combat' or so-called extreme or ultimate fighting contest.

"These events which promote excessive violence and are inherently dangerous, have been banned in New York, Missouri, Kansas, Ohio, North Carolina, South Carolina, Oklahoma, Illinois, Florida, Tennessee, Pennsylvania and Louisiana. The states of Mississippi and New Jersey heavily regulate this activity. Additionally, many other states have allowed specific counties to enact their own regulations. In all, 45 states have some kind of law that recognizes the inappropriate brutality of these so-called sporting events. Notably absent from this list is the State of Hawai'i.

"To give you an idea of what happens at these events, a recent 'Ultimate Fight Championship,' under the so-called rules that were presented to the committee, was held in Alabama on February 8. The *Montgomery Advertiser* reported on the event as follows: 'One bout was halted after a contestant had been repeatedly kneeed in the face,' that's supposed to be against the rules. They stopped the fight 'to clean blood from the downed fighter's face. Incredibly, the bout was allowed to continue, where upon the injured contestant was knocked unconscious, having his head slammed between the floor and his opponent's knee.' (End of quote from the paper.) Those activities are allowed under the rules we were shown at the committee level. So I ask you, does this sound like a legitimate sport to you?

"Mr. President, this legislature continues to enact legislation to curb violence in our homes, our schools and our community. We recently paused for a moment of silence in honor of the man who dedicated his life to nonviolence because we recognized that our society has become all too violent. So it puzzles me how we can pass bills that make it illegal for two individuals to assault each other senseless on a city street, and yet we allow the very same activity to occur in a ring, just because it is presented under the guise of 'sport.'

"Mr. President, this bill will not nor is it intended to ban legitimate sports such as boxing, wrestling or traditional martial arts that have structured rules, real rules -- real federations with names, addresses and phone numbers -- that protect those participants in those activities. Nor is it intended to set a precedent of banning other athletic activities because of their possible risk of injury. Rather, Mr. President, it is aimed at those activities whose objective, solely, is to inflict serious injury and harm to its participants.

"Mr. President, these activities clearly have no place in our community. I urge all my colleagues to join me in voting 'aye' on this measure and allow our state to follow the example of the rest of our country.

"Thank you, Mr. President."

The motion was then put by the Chair and carried, H.B. No. 582, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO COMBAT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Anderson, Slom).

Stand. Com. Rep. No. 1524 (H.B. No. 777, H.D. 1, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 1524 be adopted and H.B. No. 777, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator D. Ige.

Senator Kanno then remarked:

"Mr. President, with reservations."

The Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1524 was adopted and H.B. No. 777, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PLANNED COMMUNITY ASSOCIATIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1451, H.D. 1, S.D. 1:

Senator Baker moved that H.B. No. 1451, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator D. Ige.

Senator Solomon rose and spoke on the measure as follows:

"Mr. President, I'll be voting for this bill with reservations.

"I'd like to bring my colleagues' attention to page 14 of the bill, lines 5 to 18. I feel that the major flaw in this measure lies in the attempt to put a cap on the rents, and unlike most rental agreements we are familiar with which places a large percentage against base rent, this proposal places the percentage on top of the base. It further establishes a rent payable on taxes.

"I would like to suggest that once this bill moves to conference, that we could either remove the sections on page 14, lines 4 to 18, or rewrite the section to help the dealers it was intended to help. This can be easily done with the lease rental of 15 percent, excluding tax.

"Thank you, Mr. President."

Senator Kawamoto also rose to speak on the measure and said:

"Mr. President, I also rise with reservations, and put the previous speaker's remarks in the Journal for me.

"I'd like to also say that the 'mom and pop' stores, the concerns we have are that the 'mom and pop' service station owners, many of these we've seen a decline of. I request that the two chairs that go into conference again consider the 'mom and pop' stores because some day we're going to have gas stations versus service stations. The service is going to be out, and all we're going to have to do is buy gas.

"Thank you very much."

Senator Iwase then requested a ruling from the Chair as follows:

"Mr. President, a ruling on a conflict. The law firm of which I am associated with represents what's designated a manufacturer under the bill."

The Chair ruled that Senator Iwase was not in conflict.

Senator Iwase then said:

"Thank you, Mr. President, then with reservations."

Senator M. Ige then added:

"Mr. President, I, too, would like to express my reservations and would like to have Senator Kawamoto's words inserted into the Journal as though they were my own.

"I also would like to thank both chairs during caucus yesterday for taking into consideration and doing whatever they can to protect our independent dealers in the community. I encourage them to please proceed ahead thinking of our people out there in the community. Thank you."

Senator Baker rose in support of the bill and stated:

"Mr. President, I rise to speak in favor of this measure. I appreciate the words of the previous speakers and want to assure them that we will take their concerns and considerations into account.

"Colleagues, the measure before us, unfortunately, is a familiar one. Over the years, the legislature has attempted to address concerns about the petroleum industry and pricing, about competition and about dealers' concerns in relation to jobbers and manufacturers. Unfortunately, the solutions that we approved in the past were only temporary, delaying the inevitable task of revisiting this contentious, complicated problem again. And, here we are.

"For a short hand description, we've lumped all these issues together and called them 'divorcement' because that was one approach advocated from time to time. We are approaching the end of a six-year moratorium that was supposed to have addressed all of these problems or, at least, allowed for a permanent solution to emerge.

"Unfortunately, the moratorium did not protect lessee dealers. Stations continued to close down during the period of the moratorium. We've seen new rent structures proposed. Some dealers still feel squeezed. And our marketplace remains as inelastic as ever, lacking true market forces for maximum competition.

"Your committee seeks, still, to find a long term solution, a viable solution to the concerns we've heard. A beginning step, we believe a good one, is embodied in this bill before us. We made a concerted effort to obtain as much information as possible so we could make an informed decision. We held an informational briefing to gather data and perspectives from all parties, from the public and private sector. Following that, we held a public hearing on variety of bills, continued the dialogue with dealers and the industry, and sought specific comments on a proposed S.D. 1 before your committee took action. We even made amendments subsequent to those comments. So the measure before us is the result of our collaborative effort, albeit with some shortcomings, to address the concerns around the sale and distribution of petroleum products in our state.

"Under our proposal, the committee sought to address the dealers' concerns, in light of market realities, and ensure that consumers have adequate access to petroleum products and automotive services. We also wanted to foster competition in

the marketplace. Your committee has made a concerted effort to provide a balanced resolution to these issues. We know not everyone is happy with every item or wording in this bill. We are continuing to work on improvements. Most of the stakeholders, I believe, including most of the dealers, can live with the concepts in this measure. The devil, of course, is in the details and that, Mr. President, is what your committee will continue to hammer out in conference.

"Some will argue that government should take a hands off position and allow the market to dictate its own course. While this is sage advice in a highly competitive market, Hawai'i's unique dependence on petroleum products and the limited number of players on the supply side make it necessary for us to maintain some level of control.

"As this measure moves forward into conference, both co-chairs will continue to refine this measure to craft a long-term solution that is in the best interest of Hawaii's consumers.

"I urge all members to vote 'aye.' Thank you, Mr. President."

Senator Slom added his remarks on the measure as follows:

"Mr. President, I'll be voting 'aye' with reservations on this bill in hopes that we can get an even better bill in conference.

"I think, though, that the testimony has shown a number of things that a six-year moratorium has not helped the small independent dealers. They have been reduced in numbers by 50 percent every couple of years. That divorcement is not the answer. That even though we don't believe in no rules combat, we seem to have no rules when it comes to investigating one particular industry over and over and over again, even though there were never any charges or indictments. And I think that what has come out of the testimony and what we know in the business community, that our problems stem from high taxes, high regulations, infractions of the law that place right now and particularly environmental laws that make it extremely unprofitable for businesses to operate. So we're going to have to take these things into consideration in conference, so I will vote with reservations.

"Thank you."

Senator Fernandes Salling spoke with reservations on the measure and said:

"Mr. President, I also rise to speak in favor of the measure, with reservations.

"For the 'mom and pops' I think their major concern is the lease rents, and I am concerned that this measure may be found to be defective with respect to what the committee has done with the lease rent provisions. We may be preempted by the federal government. I do think that the major oil company that is the party here may challenge it and I would like to see a solution that deals with this lease rent issue that is critical to the 'mom and pop' surviving in such a way that it is not going to be subject to a challenge by either that major oil company or by the federal government."

Senator Anderson spoke on the measure and said:

"Mr. President, I have some reservations because of the concerns of the 'moms and pops' issue.

"The petroleum companies, the larger companies, are insisting on some of the smaller ones that there are going to be improvements. They'll be putting in convenience stores. They're saying that they need all of these improvements because they want it. That drives up the cost. Consequently, the dealer will not be able to pay it and the company takes over. If some way or another we could make sure that in some of our areas that these concerns of the dealers are that the people are

coming, they need the full service that we're giving, they don't want the convenience store because there's one close by, maybe then we could keep the cost down.

"What we've got to look at, as far as the petroleum people when I talk to them they say that when they open up a new service station in an area like Kapolei, by the time they put in the infrastructure the cost is high. I can understand that. They cannot find someone who can afford that. But for the small ones that are in place now, when they force them out of business, that's where we're having problems, and that's where my reservations are, Mr. President."

The motion was then put by the Chair and carried, H.B. No. 1451, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PETROLEUM INDUSTRY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1529 (H.B. No. 1579, H.D. 1):

On motion by Senator Baker, seconded by Senator D. Ige and carried, Stand. Com. Rep. No. 1529 was adopted and H.B. No. 1579, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1899, H.D. 1, S.D. 1:

Senator Baker moved that H.B. No. 1899, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator D. Ige.

Senator Slom rose to speak against the measure as follows:

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

"The purpose of the bill is to conform state law with the newly adopted federal Health Insurance Portability and Accountability Act of 1996. Unfortunately, it doesn't really do that and seeks to exempt Hawaii from certain provisions of the federal law. They would lessen coverage for currently mandated individuals in the state.

"More importantly, from my perspective, two other things that the bill does not do -- it does not adopt all of the language in the federal bill relating to medical savings accounts, which I think would be very beneficial to all of our residents. The original House version offered an opportunity for us to make changes and reform to the 1974 prepaid health care act, which was meant originally to be a partnership between employer and employees which now is almost totally paid for by employers and does not leave, because of the ERISA exemption, any room for reform.

"So for these and other reasons, Mr. President, I will be voting 'no.' Thank you."

Senator Sakamoto rose to speak on the measure and said:

"Mr. President, I'm also forced to support this bill with some reservations.

"The bill purports to be a housekeeping measure. However, my concern is with the definition of the term 'employee,' and what it states, "'Employee' means an employee who works on a full-time basis with a normal work week of twenty hours or more; provided that the term may also include, at the employer's sole discretion, an employee who works on a full-time basis with a normal work week between seventeen and one-half hours and less than twenty hours.' And while I do

recognize that the federal language may require this, I nevertheless feel that this is sort of a subtle and dangerous precedent that can affect various categories of benefits.

"In Hawaii, such a precedent can further damage the business climate and it can have a negative impact on the job market. Instead of helping workers, it possibly could ultimately harm workers, so I'm voting with reservations, Mr. President."

Senator Baker rose in support of the measure and said:

"Mr. President, I rise to speak in favor of this measure.

"Colleagues, on August 21, 1996, President Clinton signed into law the Health Insurance Portability and Accountability Act of 1996, HIPAA, for short, or as it is commonly referred to, the Kennedy-Kassebaum Healthcare Reform Bill. This legislation is one of the most significant health care initiatives to come out of the federal government in many years. It becomes effective July 1 of this year.

"HIPAA amends three existing federal laws -- ERISA, the Public Health Service Act and the Internal Revenue Code. Congress enacted this measure to address health care issues such as availability, health insurance fraud and abuse, electronic transmission of health care data, long term care insurance medical savings accounts and other related matters.

"As dictated by federal law, if a state has not enacted legislation to implement HIPAA by January of 1998, the state would lose jurisdiction over certain group and individual health insurance enforcement issues to the federal government. Your committee realizes it is important for the state to retain its jurisdiction over insurance policies written in the state and used this bill as a vehicle to address this issue.

"By way of chronology, on April 1, 1997, the state notified the U.S. Department of Health and Human Services of our intent to retain jurisdiction in health care matters and the language contained in H.B. No. 1899, S.D. 1, fulfills this notification requirement. The impending January 1998 deadline requires us to move this legislation forward this session if we are to continue to be able to administer our much-envied health care system.

"Through enactment of H.B. No. 1899, H.D. 1, S.D. 1, we will conform our state insurance statute to this new federal directive so that the state will, in fact, retain its jurisdiction and maintain the level of benefits currently available to citizens of our state. Our prepaid health care act moves us far beyond much of what is contemplated by HIPAA and is mandated to other states. We certainly don't want to go backward with health care in our state.

"Our state's health care systems are among the best in the nation -- the envy of many. While HIPAA provisions are revolutionary in the context of reforming health care on the national level, Hawai'i's laws often times provide even greater benefits to our citizens. As such, we have included a provision in this bill that the requirements of HIPAA apply so long as it is not less -- not less -- than what is currently allowed by state laws, and allows the insurance commissioner to adopt rules necessary to implement HIPAA. The bill also requires the insurance commissioner to convene a task force of stakeholders in this area to review the requirements and implementations of HIPAA. The task force will make its recommendations to the legislature for our consideration next year.

"I urge my colleagues to vote in favor of this very important bill. Especially because it will allow us to address individual insurance plans which are required under this measure but which we were unable to undertake this session.

"Thank you, Mr. President."

The motion was then put by the Chair and carried, H.B. No. 1899, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE INSURANCE CODE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Slom). Excused, 1 (Metcalf).

H.B. No. 432, H.D. 1, S.D. 1:

Senator Chumbley moved that H.B. No. 432, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Matsunaga.

Senator Slom rose to speak on the measure and said:

"Mr. President, I'm going to vote 'aye' with reservations on the bill.

"Just like the Clerk missed something, I think the Judiciary Committee missed something too, and that was the intent of the bill. The intent of the bill was to make sure that people that run in a particular district live and vote in that district. Of course, they use as a rationale that they want to take that out because our supreme court would have ruled against that and our attorney general would rule against that. Looking at the past performance of both the supreme court and our attorney general, I think they should have left it in.

"I don't want to miss it. I will vote 'with reservations,' Mr. President. Thank you."

The motion was then put by the Chair and carried, H.B. No. 432, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Anderson). Excused, 1 (Metcalf).

Stand. Com. Rep. No. 1540 (H.B. No. 1012, S.D. 1):

Senator Chumbley moved that Stand. Com. Rep. No. 1540 be adopted and H.B. No. 1012, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Matsunaga.

Senator M. Ige rose in opposition to the measure and said:

"Mr. President, I have some words against this measure.

"Mr. President, the statutes presently read that if any child is found to be in possession of any kind of illegal drugs, a knife, or any type of, I guess, dangerous weapons, the superintendent must step in and approve that suspension. This bill expands that authority to his deputy, or the assistant superintendent. Mr. President, the buck stops with the superintendent. I do not believe we need to do this measure. The buck stops there and we should keep it that way.

"Thank you."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1540 was adopted and H.B. No. 1012, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL DISCIPLINE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Ige, M.). Excused, 1 (Metcalf).

Stand. Com. Rep. No. 1552 (H.B. No. 145, H.D. 1, S.D. 1):

Senator Chumbley moved that Stand. Com. Rep. No. 1552 be adopted and H.B. No. 145, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Matsunaga.

Senator Slom, rising to speak against the measure, then said:

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

"Last month, what we did was pass a bill that defeated the purpose previously to allow taxpayers to receive any excess taxes. Now what we're doing after we've taken that away from the taxpayers, we're saying we're going to deposit even more money for a rainy day fund. I think, Mr. President, it's been raining for quite some time now. We should take care of existing taxpayers.

"Thank you."

Senator Anderson rose in opposition to the measure and said:

"Mr. President, I'll also be voting against the measure and for more or less the same reasons.

"For many years we've been saying, when we had money, that we should have put some money aside. We never did that and we were pouring. And now we're going to start a stabilization fund and I've been against it and I've been voicing my opinion for quite a number of years now in opposition to this one, so I'm going to go 'no.'

"Thank you very much, Mr. President."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1552 was adopted and H.B. No. 145, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AN EMERGENCY AND BUDGET STABILIZATION FUND," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Anderson, Slom).

H.B. No. 1539, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Fernandes Salling and carried, H.B. No. 1539, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO YOUTH CORRECTIONAL FACILITIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1572 (H.B. No. 1841, H.D. 3, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1572 was adopted and H.B. No. 1841, H.D. 3, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH PLANNING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1573 (H.B. No. 1618, H.D. 1, S.D. 2):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1573 be adopted and H.B. No. 1618, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Sakamoto rose in opposition to the measure and said:

"Mr. President, I rise in opposition to this bill.

"I'm in opposition because this directly undermines the stated goals of creating efficient government and supporting the merit principle. Yes, our constitution mandates that civil service must be governed by the merit principle which requires fairness and equity in all aspects of personnel administration.

"Mr. President, negotiating, pricing and repricing violates the basic principles of the merit system. The current system has 4,734 classes of employees in this state -- 4,734, Mr. President. I support the portion of this bill that seeks to streamline, modernize and professionalize the classifying of employees. However, records show that the system for pricing and repricing has been efficient. For the two-year period of appeals ending January 1996, only 37 appeals were filed, of which 10 were granted. For the period ending January 1994, there were 63 appeals filed, three of which were deemed valid and granted.

"The proposed repricing generated a 4-page letter from our Human Services director James Takushi. He has stated that negotiated pricing will make it impossible for him to adhere to the merit principle. Mr. President, I think he's pulled out hairs over this and he can't afford to lose much more, Mr. President. (Laughter.)

"So, let's say, Mr. President, that you had a very good, experienced clerk and assume that he or she was covered under the collective bargaining. That's fine, and Senator Tam had a clerk and he or she was also covered with this negotiated repricing. Now, Mr. President, your clerk, my clerk, Senator Tam's clerk all do the same duties. Merit, in this case, is not how good that individual does, Mr. President. Merit relates to what they do, not how well they do it. So it's a little of a misnomer when we talk about the merit system.

"But what happens in the merit system when one clerk gets priced higher, Mr. President, our merit system forces all of the clerks to be priced higher. And that is not the goal that we need to achieve. So it's not ... maybe it becomes. Is it the merit system or collective bargaining? To pass this bill would be a dangerous hybrid of the two. We already have a hybrid, but this would make it impossible. Maybe we need to choose between the two.

"This bill creates more problems. Maybe we need to choose between the merit system or collective bargaining. For that reason, I vote 'no' on this bill, Mr. President.

"Thank you."

Senator Slom rose to speak against the measure as follows:

"Mr. President, I, too, rise to speak against the bill, although I will not refer to anyone's hair or physical conditions.

"I think that the real problem here is not that we need a methodology or a new way of classifying employees. What we need is more take-home pay and less taxation for existing employees.

"Thank you, Mr. President."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1573 was adopted and H.B. No. 1618, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE DUTIES OF THE DIRECTOR OF HUMAN RESOURCES DEVELOPMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Sakamoto, Slom).

Stand. Com. Rep. No. 1575 (H.B. No. 1721, H.D. 2, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1575 was adopted and H.B. No. 1721, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ELIGIBILITY FOR PAYMENT PROGRAMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 979, H.D. 2, S.D. 1:

Senator Fernandes Salling moved that H.B. No. 979, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Slom rose in opposition to the measure and said:

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

"I do not smoke. I do not use tobacco products. I do not think that they are healthful or beneficial in any way, but I will speak against any and all tax increases this session, and particularly when our state and other governments try to use the tax system to try to change social policy. We would have been better off trying to change our own policies within our limits of government.

"The other possibility is that people feel that we can continue to tax one particular industry or activity with abandon and disregard of what happens. If we tax at a rate that is too much and we lose that particular revenue source, then we're going to be looking to our residents to be taxing in other areas in general excise tax in food and clothing and so forth.

"Thank you, Mr. President."

Senator Anderson also rose in opposition to the measure and said:

"Mr. President, I, too, will be voting 'no.'

"And as stated, I don't smoke and haven't for many, many years. However, it is a tax. I said before that the federal government subsidizes the tobacco industry and just this morning on the news it said that there are numerous states who have millions and millions of dollars from retirement systems and others in stocks within the cigarette industry. So I think that's being a little ridiculous to keep saying that we want to tax the very people and then we buy their stocks. We turn around, we subsidized them with federal dollars and then we say that what we're trying to do is stop smoking for our children and others. For this reason, I'll be voting 'no' because it is an additional tax and it's not going to help anyone.

"Thank you."

The motion was then put by the Chair and carried, H.B. No. 979, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CIGARETTES AND TOBACCO TAX," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Anderson, Slom, Solomon).

H.B. No. 1648, S.D. 1:

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, H.B. No. 1648, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO REMITTANCES TO THE DEPARTMENT OF TAXATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1582 (H.B. No. 351, H.D. 2, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1582 was adopted and H.B. No. 351, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Iwase, Solomon).

Stand. Com. Rep. No. 1584 (H.B. No. 1656, H.D. 1, S.D. 2):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1584 be adopted and H.B. No. 1656, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Kawamoto rose to speak on the measure and said:

"Mr. President, coming from God's country with its six ethnic groups, many of which receive financial assistance from this Project Hope, I rise with reservations and wonder what will happen to these ethnic groups without the Project Graduation.

"Thank you."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1584 was adopted and H.B. No. 1656, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1587 (H.B. No. 1188, H.D. 1, S.D. 1):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1587 be adopted and H.B. No. 1188, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Slom rose to speak against the measure as follows:

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

"I don't think we have to appropriate any state funds whatsoever to have a crime symposium. All we have to do is walk down Waikiki or go to any of the shopping centers and we get all the education we need.

"Thank you, Mr. President."

Senator Anderson then added:

"Mr. President, I had reservations in committee and would you please put the words of the former speaker into the Journal as though they were my own."

The Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1587 was adopted and H.B. No. 1188, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO A SYMPOSIUM ON CRIME IN HAWAII," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

H.B. No. 1031, H.D. 1, S.D. 1:

By unanimous consent, action on H.B. No. 1031, H.D. 1, S.D. 1, was deferred to the end of the calendar.

H.B. No. 1320, S.D. 1:

By unanimous consent, action on H.B. No. 1320, S.D. 1, was deferred to the end of the calendar.

H.B. No. 113, H.D. 1, S.D. 1:

Senator Chumbley moved that H.B. No. 113, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Matsunaga.

Senator Slom spoke on the measure as follows:

"Mr. President, I rise to vote 'aye' with reservations on this bill.

"I notice that we keep expanding the listing of controlled substances, and particularly in Hawaii with our culture with those people that practice herbal medicine -- native Hawaiians, Chinese and others. I think what we're doing is putting an unfair burden on them with this definition. I think we should all be against hard drug use and I think we should be very clear on what we're defining. So I have reservations.

"Thank you."

Senator Chumbley rose in support of the measure and said:

"Mr. President, I rise to speak in favor of this measure.

"Mr. President, I want to make it clear to our colleagues that the Judiciary Committee did reject -- it did reject -- the Department of Public Safety Narcotics Division recommendation to include ephedra and ephedrin, which is the Ma Huang natural herb. That is not included in this measure in any way whatsoever.

"Thank you, Mr. President."

The motion was then put by the Chair and carried, H.B. No. 113, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1597 (H.B. No. 233, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 1597 was adopted and H.B. No. 233, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HUNTING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Fukunaga, Ige, D.).

H.B. No. 392, H.D. 2:

By unanimous consent, action on H.B. No. 392, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SURCHARGES FOR INDIGENT LEGAL SERVICES," was deferred until Tuesday, April 15, 1997.

At 12:58 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 1:33 o'clock p.m.

Stand. Com. Rep. No. 1602 (H.B. No. 1433, H.D. 2, S.D. 2):

By unanimous consent, action on H.B. No. 1433, H.D. 2, S.D. 2, was deferred to the end of the calendar.

Stand. Com. Rep. No. 1605 (H.B. No. 1686, H.D. 1, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1605 was adopted and H.B. No. 1686, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1606 (H.B. No. 1796, H.D. 1, S.D. 1):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1606 be adopted and H.B. No. 1796, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Taniguchi rose and said:

"Mr. President, reservations for me on this bill."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1606 was adopted and H.B. No. 1796, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING FINANCE AND DEVELOPMENT CORPORATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1608 (H.B. No. 133, H.D. 2, S.D. 1):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1608 was adopted and H.B. No. 133, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TECHNICAL AND VOCATIONAL TRAINING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1609 (H.B. No. 1086, H.D. 2, S.D. 2):

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 1609 was adopted and H.B. No. 1086, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL WORK OPPORTUNITIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1610 (H.B. No. 1798, S.D. 1):

Senator Fernandes Salling moved that Stand. Com. Rep. No. 1610 be adopted and H.B. No. 1798, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Bunda rose to speak on the measure and said:

"Mr. President, I rise to speak with reservations on this measure.

"Mr. President, on February 28, 1997 the Hawaii Supreme Court issued the decision in Konno v. County of Hawaii. This decision was handed down at a time when we have many other pressing matters before us to resolve. The Courts, once again, have chosen to legislate rather than to interpret the law. Once again, such a decision puts a strain on all of us because, if left unresolved, it divides us here in the Legislature, as well as in our communities. At the time it was issued, few of us understood the ramifications of this decision. We have all since heard urgent pleas for help in testimonies describing the devastating effects it will have on the lives of our citizens and on the efficient operation of state and county governments. At the urging of the mayors of all four counties, together with the input from the administration, from the construction industry, social service agencies and private citizens, your Committee on Government Operations and Housing amended H.B. No. 1686 to address this issue directly and affirmatively. Your Committee proposed certain remedies for the far-reaching

impact of the Konno decision. I believe the courts took too broad an approach in resolving the landfill issue. This decision would now force state and county governments to maintain, in perpetuity, jobs which were traditionally and customarily held by civil servants. Such a decision cannot be allowed to go unanswered or ignored by this Legislature.

"While we are mindful of the need to protect the integrity of our civil service laws, we simply cannot afford government to expand. We cannot and should not ignore public sentiment against further expansion of government.

"I urge you, my colleagues, to carefully consider your actions today on H.B. No. 1798. This bill calling for a moratorium has really no teeth.

"It avoids the question this Legislature is being pressed to answer. According to this bill 'the moratorium will be in effect for one year to afford all parties an opportunity to review whether existing statutes are adequate or inadequate to cover public contracts which may violate chapters 6 and 77, HRS.' Mr. President, this Legislature must resolve this issue for the good of the public and not put it off for another year. During this Session, the Legislature is being asked to consider many forms of privatization to reduce the cost of government.

"The House is considering privatizing prisons. And this body, led by you, Mr. President, is considering privatizing the convention center operations. If this is the desire of the Legislature, we must then resolve the problems raised by the Konno decision now or all of this discussion is really meaningless!

"Furthermore, Mr. President, it is my belief that this issue has major budgetary considerations which, if we do not address will make our budget projections really worthless! If private services are no longer allowed and more civil servants must be hired, then we must re-examine the possible impact it will have on the proposed Senate budget.

"Mr. President, we must act to restore the ability of government to make cost effective decisions -- an option the government had prior to Konno. When deciding issues or cases, according to Chief Justice Ronald Moon in his State of the Judiciary Address to the Legislature, he said, 'judges often apply... statutory law to new facts and circumstances.' Justice Moon admits that the courts do not intend or did not intend to usurp the Legislative function and if the courts stray beyond Judicial interpretation of the law, then 'the Legislature has the ability to cure the trespass.'

"Mr. President, this body has the authority as well as the responsibility to address this jurisdictional question now! The counties have pleaded for help. They have asked this Legislature to do the right thing - for the right reasons - right now! Thank you, Mr. President."

Senator M. Ige rose in support of the measure as follows:

"Mr. President, I, too, rise to speak in support of this measure.

"Mr. President, back in March the Mayor of Maui was in my office expressing the grave concerns over the Konno decision and how it would adversely impact the citizens of Maui. As a result of our discussions, the Committee on Government Operations and Housing worked with the counties to develop language that would address their concerns. Unfortunately, by focussing on counties' concerns the concerns of other affected parties were not fully understood or realized.

"Seeking to devise a bill that would address additional concerns, language was circulated for discussion purposes. Because of the lack of time, we were not able to find language that would provide the counties with the flexibility that they desired, while addressing the legitimate concerns of the parties

that were affected. As a result, the measure before us proposes a one-year moratorium, hoping that this would give us the time between now and the end of session to find language that would accomplish what needs to be done today without creating any unintended problems. Our goal is simple -- to draft a thoughtful, well-considered bill that we can all be very proud of.

"Mr. President, I am confident that during the days remaining, we will have the courage to find the balanced statutory language necessary to address the concerns of all parties involved. Our citizens of this state, I urge you and my colleagues to please support this measure.

"Thank you."

Senator Sakamoto rose to speak against the bill and said:

"Mr. President, I rise in opposition to the measure.

"In its present form, the bill attempts to deal with the Hawaii Supreme Court's ruling in Konno v. County of Hawaii by providing a one-year moratorium. The previous speaker asked, well, maybe we'll work it out in the next few weeks -- maybe, but the bill doesn't say that.

"Mr. President, I'm an engineer. I believe in thorough reviews. Minor details to some can be essential to me. Now, Mr. President, if a building is falling down I don't say, well let's wait one year to study it. If something's wrong, it needs an immediate response because it's the right thing to do and because I have business sense and I know that my liability will increase every day that something is not done.

"Mr. President, can we really afford to chance increased liability and legal exposure for our state and our counties? An overwhelming number of testifiers have been mentioned, including the county mayors, their corporation counsels, council members, state and county department heads. Even the state judiciary said, in effect, the building is falling down.

"We have asked for a bill to allow them to continue operating under the status quo and protect them from liability. This bill does not do that. We have stated that changing from the existing private contracts to providing the same level of service with civil servants will cost them three times as much. Many examples, three times as much, Mr. President. That's what the testimony stated.

"There are no more dollars to allocate. We all know that. So this bill give us two choices -- risk increased liability by continuing to operate in the same way or simply suspend services because we cannot afford the higher costs. So the court, in rendering a decision, called for legislative action. How can we in good conscience answer, 'Oh, okay, please wait one year while we study the problem.' Mr. President, we need a solution immediately.

"Thank you."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 1610 was adopted and H.B. No. 1798, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 3 (Anderson, Sakamoto, Slom). Excused, 1 (Levin).

H.B. No. 1799, H.D. 1, S.D. 1:

Senator Fernandes Salling moved that H.B. No. 1799, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Slom rose in opposition to the measure and said:

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

"As I mentioned earlier, there's been a conscious effort during this legislative session to take monies from pre-existing special funds and divert them into general funds and leaving less money in the original fund and creating situations where we're going to be calling for tax increases. This is particularly true in the Department of Transportation highway funds, which this bill seeks to do.

"In addition to that, what it also does is provide that the rental car or rental vehicle and tour vehicle tax that I mentioned earlier is going to be increased. The tax will be increased, but it's an undetermined amount. That, too, would go into the general fund.

"So, for these and other reasons, Mr. President, I oppose this bill. Thank you."

Senator Sakamoto also rose in opposition and said:

"Mr. President, I also rise in opposition to this bill.

"In the hopes that this body can see its way clear to take care of some of the flaws, Mr. President. The flaw, to me, is that by taking monies that are currently in special and revolving funds and putting them into the general fund, we're breaking promises to our constituents. Some of these funds were willingly supported because the contributors believed that it would help them either individually or collectively. Others were mandated by the state for specific impacts or goals.

"For example, the employment training fund which we dealt with earlier in H.B. No. 1706, we acknowledged that the \$8 million balance was sufficient. That was a mandated fund to go to good cause and for much of small business, as was mentioned earlier, contributors questioned it, questioned it. Now, although additional contributions are put on moratorium, what will happen to the \$8 million, Mr. President? This bill seemingly sweeps this \$8 million into the general fund. This and other funds, not just this one. So, small businesses, big businesses, alike, have contributed. All the good thoughts about training, etc. washed into the general fund -- in essence, another tax.

"So many times we save things, Mr. President. You know, when your boy was growing up you probably asked him to save his allowance, put it in the bank account. Many of you have children and talk about savings, and then when dad needs to pay the mortgage, does he sweep these savings into his pocket, Mr. President? I think we need to look at who saved, for what, and really be very careful about what we sweep into the general fund.

"Thank you, Mr. President."

Senator Kawamoto added his remarks as follows:

"Mr. President, I just want to rise and say that I have some concerns but I want to go 'aye.' I don't want to go 'reservations' because I'd like to be on the conference committee on this thing here.

"This is the Department of Transportation and where I am, so I'm going to go 'aye,' but I do have some concerns."

Senator Fernandes Salling rose to support the measure as follows:

"Mr. President, I rise to speak in favor of the bill and I will just address my comments to the highway fund.

"I invite Senator Slom to visit with me so that I can explain to him the intent of this Senate which has been not just this year alone but in prior years which was to prevent a large increase in

the gas tax. The measure that you have within the bill, addressing the transfers, would do just that. We are trying and we have been trying for previous years and the intent was always to prevent a large increase in the gas tax. And that is why the Ways and Means Committee recommended that we do as we proposed in this raid bill, which is to avoid that large increase which we felt we would see if we adopted the administration's proposal.

"So, if you will note, yes we did, in fact, transfer the surcharge to the general fund, but we also took back from the general fund and replaced these funds into the highway fund the GET on gasoline sales, which is something that traditionally belonged in the highway fund. And with that we have indeed gained an additional \$9 million in the highway fund.

"We also, in this bill, in order to protect the highway fund from being raided by the administration, provided that in order for the administration to transfer any funds from the highway fund to the general fund that they would have to insure that there was a 150 percent guarantee for these projects for three years, not one year as is presently stated. The whole purpose was, from the Senate's point of view not just this year, but to protect this position from prior years, was to prevent anyone from increasing the gas tax to a much higher level than what is normally seen, what is normally done over the course of the years.

"And I encourage you again to meet with me. I'll be more than happy to explain this. It is complicated, I know, and therefore you might be a little confused about it, so feel free, Senator Slom, to call me anytime and I will be more than happy to brief you on the history of this."

Senator Slom then inquired:

"Mr. President, would the co-chair of the Ways and Means Committee yield to a question?"

The Chair posed the question and Senator Fernandes Salling having answered in the affirmative, Senator Slom continued:

"Thank you, Co-Chair, for the education and certainly it would be my great pleasure at anytime to come up and see you sometime and to learn from you."

Senator Fernandes Salling remarked:

"I'm right down the way from your office, Senator."

Senator Slom continued:

"You're right. It was a little confusing because were you saying we're going to get a tax increase from fuel taxes or we are not going to get a fuel tax increase?"

Senator Fernandes Salling replied:

"Traditionally we have always had to increase the fuel tax, but by a modest amount and this was to take care of the needs of the maintenance and for the projects that we have to fund. But, what we were trying to prevent and have always stood firm in this body was to increase the fuel to allow for an increase in the fuel tax to an unconscionable amount, which is what we feared would happen with these proposals that were being proposed by the administration and therefore we proposed in the bill to do those three things, which we hope will plug the loophole, so to speak, and not allow for that kind of unconscionable increase in the gas tax."

Senator Slom then responded:

"I thank my distinguished colleague from the beautiful Garden Island for that explanation and it makes me feel much better, Mr. President, because now I know the whole idea is to cook us like frogs, slowly in the water, raising the gas tax a

little bit at a time, rather than at one time so that we might jump out and save ourselves.

"Thank you very much, Senator." (Laughter.)

Senator Anderson rose in support of the measure and said:

"Mr. President, I'll speak in favor of the bill.

"When I see some of the concerns of my fellow colleagues is that when we impose a tax on any one segment of our community, such as we did with the car rental people, we told them that they were using the roads and the highways, they had to pay a surcharge of \$2 per. It ran into the millions of dollars, and then they took that out of a special fund saying that it was no longer needed there. What we were looking at, hopefully, I think, even though I'm speaking on behalf of the bill, is that we would have cut those taxes from that group, and not say, 'Well, yes, you can take it into the general fund, even though you don't need it from the car rental people we do need your taxes.' And I think that's what my colleagues are very upset about and I don't quite blame them. But like my fellow colleague over here, I'd certainly like to be on that committee.

"Thank you very much, Mr. President."

The motion was then put by the Chair and carried, H.B. No. 1799, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC FUNDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Sakamoto, Slom).

H.B. No. 350, H.D. 1, S.D. 1:

By unanimous consent, action on H.B. No. 350, H.D. 1, S.D. 1, was deferred to the end of the calendar.

H.B. No. 472, S.D. 1:

On motion by Senator Fernandes Salling, seconded by Senator Fukunaga and carried, H.B. No. 472, S.D. 1, 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, 25. Noes, none.

At 1:56 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 2:00 o'clock p.m.

MATTERS DEFERRED FROM EARLIER ON THE CALENDAR

THIRD READING

Stand. Com. Rep. No. 1602 (H.B. No. 1433, H.D. 2, S.D. 2):

Senator Fukunaga moved that Stand. Com. Rep. No. 1602 be received and placed on file, seconded by Senator Solomon and carried.

Senator Fernandes Salling moved that H.B. No. 1433, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senators Solomon and Iwase offered the following amendment (Floor Amendment No. 1 - See EXHIBIT "A") to H.B. No. 1433, H.D. 2, S.D. 2.

Senator Solomon then moved that Floor Amendment No. 1 be withdrawn, seconded by Senator Iwase and carried.

Senators Fukunaga and Fernandes Salling then offered the following amendment (Floor Amendment No. 2 - See EXHIBIT "B") to H.B. No. 1433, H.D. 2, S.D. 2.

Senator Fukunaga then moved that Floor Amendment No. 2 be withdrawn, seconded by Senator Fernandes Salling and carried.

At this time, Senator McCartney requested a waiver of Rule 53 of the Rules of the Senate for the purpose of offering an amendment to H.B. No. 1433, H.D. 2, S.D. 2.

The Chair granted the waiver.

Senators Fukunaga and Solomon then offered the following amendment (Floor Amendment No. 3 - See EXHIBIT "C") to H.B. No. 1433, H.D. 2, S.D. 2.

Senator Fukunaga moved that the amendment be adopted, seconded by Senator Solomon.

Senator Fukunaga rose to speak on the Floor Amendment as follows:

"Mr. President, Floor Amendment No. 3, which has been distributed to the members, deletes Sections 1, 2 and 3 of the existing bill so that there is no longer any reference to the University of Hawaii Lab School.

"The amendment also requests that the auditor review the recommendations of the University of Hawaii Curriculum Research and Development Group and report and submit its findings 20 days prior to the convening of the 1998 Legislature."

Senator Anderson then rose and said:

"Mr. President, after listening to that and getting a description and the whole bit on the audit, may I ask for a short recess so that I can have the Sergeant-at-Arms pass out some information that I think is beneficial to some of my statements and I think it will be very helpful to each and every Senator. May I ask for that request, please."

At 2:03 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 2:07 o'clock p.m.

Senator Anderson continued:

"Mr. President, to go on, I finally found out what the amendments were and it's just that the auditor shall conduct a review and recommendations of the curriculum, and I can buy that. What I wanted to pass out so that everybody makes sure that we did have the attorney general's decision as to the constitutionality of the original bill, plus that because of the statements that have been going back and forth as to the makeup of the school, I wanted to pass that out so that you'd see the family backgrounds on the students, the ethnic backgrounds on the students, and the learning performances. And I thought that was interesting because for the last few days we've been debating that, Mr. President.

"So, with the new language I have no problem at all. But I would hope that if we do anything over the next few years, that we, (1) look at all schools; and (2) that we make sure that there is a study done and that the AG comes out with a look at the Constitution to see what we have to do.

"So those are my recommendations as things that I've looked at and I do thank the two chairs and the other people that were involved in this. I think that everybody can live with the amendments, and I thank you very much.

"Thank you, Mr. President."

Senator Iwase rose to support the Floor Amendment as follows:

"Mr. President, I rise in support of the amendment.

"Mr. President, the best point of this amendment is that Sections 1, 2 and 3 of the bill are deleted, and for those who are here in the audience, those are the sections dealing with the Lab School and the issue of tuition and they will no longer be part of the bill. They will not be considered by this body, and it will not pass at all this session. There will be no tuition imposition on the University Lab School by any bill before us this session.

"As we move forward, Mr. President, and look at this bill or issue, I would hope that we would pause and consider an attorney general opinion which is 33 years old -- in fact, so old, but valid, that the writer's daughter is now the director of the City's Department of Land Utilization (Mr. Takayama). But the opinion still stands. It is 33 years old and it concluded that the University of Hawaii Lab School is a public school and that an imposition of tuition or tuition fees is inconsistent with public policy -- that we provide free public education to all of our children -- and that it is illegal. It is a position which, again, is valid. We must adhere to that and hopefully matters like this will not come before us again.

"Thank you, Mr. President."

Senator Slom also rose in support and said:

"Mr. President, I, too, rise in support of the amendment.

"What it does is validate what we did in this body several weeks ago when we honored and recognized the University Lab School for its outstanding achievements both in Hawaii and nationally and internationally. And I think it's a real credit to the parents, the teachers and the students that have been here participating in the democratic process and have been so patient for so long. So let's pass this bill.

"Thank you, Mr. President."

Senator Solomon rose to support the Floor Amendment and stated:

"Mr. President, I, too, speak in support of Floor Amendment No. 3, and I would like to thank my colleague, who is the co-chairwoman of the Ways and Means Committee, who worked out a compromise which I feel is a very positive one on this issue.

"Thank you very much."

Senator McCartney, also supporting the motion, then said:

"Mr. President, I, too, would like to follow the remarks of the previous speaker and thank the chairs of the Ways and Means Committee, and also thank the Senator from Mililani for making the good suggestions on Amendment No. 3.

"Also, Mr. President, I'd like to have inserted into the Journal the Executive Summary, not the entire report but the Executive Summary of the Curriculum Research and Development Group (CRDG) Task Force report that was done, dated April 1, and it's about six pages.

"And also for the record, just to let our colleagues know that their work has gone on and on and on, and maybe sometimes they're guilty of not tooting their own horn, but what we're looking at is in the area of science programs. There's over 80,000 books in our schools right now. In Hawaiian Studies, there are over 10,000 books. In other programs like music, there's 80,000 books there, and there's a lot of good work that has gone there.

"I think today's discussion was very good for the students and for all of us. The intention is how do we preserve and protect the Lab School, and that's what the authors and everybody have been talking about. I think we've come up with a good compromise and we need to work on making sure that the Laboratory School stays a viable entity of this university and the State of Hawaii. I think a lot of good is done there and today's discussion and debate and democracy, I think, was very healthy for this body and also for the students who were here.

"Thank you, Mr. President."

The Chair having so ordered, Senator McCartney's request to insert the Executive Summary of the Curriculum Research and Development Group (CRDG) Task Force report is identified as ATTACHMENT "I" to the Journal of this day.

Senator Baker then added:

"Mr. President, I don't know whether, in Senator Anderson's remarks, he asked for his handouts to be included into the Journal, but I would make that request because I believe it adds an additional historical perspective and some much needed information for those who will come after us and want to understand our actions today. Thus, these documents, including the prevailing attorney general's opinion, will be a part of the official record of the Senate."

The Chair so ordered and identified Senator Anderson's handout as ATTACHMENT "II" to the Journal of this day.

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

By unanimous consent, H.B. No. 1433, H.D. 2, S.D. 3, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was placed on the calendar for Third Reading on Thursday, April 10, 1997.

H.B. No. 1640, H.D. 1, S.D. 1:

Senator Fernandes Salling moved that H.B. No. 1640, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Sakamoto rose in support of the measure as follows:

"Mr. President, I rise in support of this bill but feel that I need to express a few concerns.

"Mr. President, the Committee on Ways and Means should be really commended on this bill as well, in forwarding a lot of good things to stimulate the economy. And I kind of would like to use an analogy -- you go to the market, sometimes you buy a bunch of grapes (like I saw in Senator Solomon's office this morning), but in the bunch of grapes, sometimes you need to pick out the brown ones or the smashed ones and in this parcel of grapes, good grapes, there is a lot of small business caucus recommendations -- things that really will help business -- like related to decreasing the pyramiding on general excise tax for lease property transactions, deferring general excise taxes for some certain businesses, other general excise tax deductions for certain wholesale services. However, in that bunch of good grapes I'm a little disappointed on the one that gives substantial investment exemptions for new capital and it only provides exemptions for newly created businesses.

"And with this it would ignore Hawaii's existing businesses in this section. And these businesses have really toughed it out these last seven years -- down-sizing, delaying growth, trying to hang on to their employees. And if we're going to encourage capital formation we should look at companies and businesses that have really struggled through these hard times. And they should have an equal footing with these new businesses for benefits from any new sources of capital.

"That's my remarks. Thank you, Mr. President."

Senator Iwase then said:

"Mr. President, with the exception of the grapes analogy, I wanted to incorporate the comments of the previous speaker with my reservation vote. Thank you."

Senator Fernandes Salling rose and spoke on the measure as follows:

"Mr. President, I won't talk about the grapes, but I do want to state with respect to what Senator Sakamoto raised, what he considers problems with respect to not, perhaps, addressing the needs of the businesses in Hawaii.

"In developing the tax package for the Ways and Means Committee and moving forward to the House, we needed to provide some balance and I believe that we did try to accommodate with respect to tax relief for our struggling businesses, as you will see in the next four bills. So with that in mind, your committee felt strongly that we also should, on balance, provide for a measure to attract new businesses to Hawaii. And I might add that the administration was also interested in providing some sort of GET exemption for the film industry. So, one could look at that and think that perhaps we are in concert with respect to that measure. But we have looked at how we can provide relief for our struggling businesses -- the businesses that exist here in Hawaii -- and as I said before, to balance it with an incentive such as this.

"I would like to, because members felt that we should discuss the tax package which is key to also developing and down-sizing the budget. That's one other part of what we were trying to do. Down-sizing government was to provide for tax relief and incentives for our businesses to stimulate the economy. Let me read and highlight some of the measures that are being provided in this bill and that is, of course, many of you know the pyramiding to try to address that with respect to not just commercial leases, but wholesale services. This has been a problem, as many of you know, and I think that we're trying to move in different directions. It's going to take a while for us to see some relief, but we have to begin now. That is one that we are proposing for the House to consider. The second, of course, is the new businesses that was mentioned. The third is incorporating in the bill the moratorium for those islands that have experienced high unemployment and this is the deferral of the GET. And of course, I want to point out that it's optional. There is no revenue loss; it's a wash.

"So those are the measures that are incorporated in this bill as part of our Senate tax package that goes hand in hand with what we are trying to accomplish with respect to the Senate's state budget. Thank you."

Senator Slom then added:

"Mr. President, reservations, please."

The Chair so ordered.

The motion was then put by the Chair and carried, H.B. No. 1640, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAXATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1650, H.D. 1, S.D. 1:

Senator Fernandes Salling moved that H.B. No. 1650, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Slom rose to speak against the measure and said:

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

"I spoke against the bill, the Senate version, a month ago. It gives an income tax credit for the installation of residential burglar alarms. It does not say what the credit is going to be and only picks this one particular item. Again, if we're looking at fairness and equity for our taxpayers, we need to reduce our tax burden in one fell swoop rather than looking at individual piece meal credits.

"Thank you."

Senator Anderson then added:

"Will you please note a reservation for me on that."

The motion was then put by the Chair and carried, H.B. No. 1650, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INCOME TAX CREDITS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

H.B. No. 1031, H.D. 1, S.D. 1:

Senator Fernandes Salling moved that H.B. No. 1031, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Fernandes Salling rose in support of the measure as follows:

"Mr. President, again this is part of the Senate Ways and Means tax package.

"Essentially what we are providing for is a tax credit exemption for computer software companies. The tax revenue loss to the state is nominal, a modest amount.

"What we have also incorporated in this bill, which I think is important to highlight, is in addition to trying to help our struggling businesses and to turn our economy around, we felt it was important to also provide some tax relief for our residents. Therefore we have allowed for, in this bill, a decrease in the standard deduction and personal exemption. We've also allowed for conforming with the income tax automatic extension treatment in the IRS ... I'm sorry, I apologize ... that was not part of our measure to help the economy, but the next one is, which is to increase the standard deduction and that is to provide relief for our residents.

"And also dealing with the intermediary services, again with respect to the pyramiding, to try to address it in such a way that will hopefully turn the direction of the state in such a manner that we will pursue more structural changes that is very badly needed with respect to improving and helping our economy."

Senator Slom rose in opposition to the measure and stated:

"Mr. President, unfortunately I have to rise to speak against this bill, as well.

"While it has many good parts to it, it also has a couple of parts that we cannot accept. One, for example, provides a GE tax exemption for certain software companies -- not all software companies, but certain companies -- and those software companies in Hawaii will not benefit from that. Secondly, it does impose a 4 percent use tax on services and a 1/2 percent tax on intermediary services.

"We only wish that all of the good positive things would have found its way into a single bill, including the standard

deduction. But because of these negatives, I am forced to vote 'no.'

"Thank you, Mr. President."

The motion was then put by the Chair and carried, H.B. No. 1031, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

H.B. No. 1320, S.D. 1:

Senator Fernandes Salling moved that H.B. No. 1320, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Fernandes Salling spoke in favor of the measure as follows:

"Mr. President, the final bill that deals with our Senate tax package incorporates three different bills. One is to address the concern that was raised earlier with respect to increasing the deduction from 50 to 80 percent for business meals and entertainment expenses because we realized that we have many, many restaurants and small business restaurants going under. Part of the RIP, rest in peace, obituaries.

"The second measure deals with providing GE tax exemptions for, I think what many of you have heard in the last few days, the maintenance and servicing of aircraft by Continental who wishes to establish here in Hawaii.

"And the third ... now I'm sure that Senator Slom will probably have to, to be consistent, rise and oppose this bill. The third measure is dealing with a tax and that tax is to look at the TAT, more popularly known as the transient accommodations tax. We would like to pursue it further, take it to the House, discuss whether or not this is a measure that both bodies can support.

"Thank you."

Senator Slom rose to speak against the bill as follows:

"Mr. President, not to disappoint the kind co-chair, I rise to be consistent.

"I am forced once again to vote 'no' on this bill precisely for what the co-chair said because it does propose a new tax on time share ownership which has constitutional and other implications. And I would like to volunteer in the future, Mr. President. I'd be very happy to have the co-chair 'come up and see me sometime' and we can discuss how we can put all good items in one single bill and vote on that together. (Laughter.)

"Thank you, Mr. President."

Senator Fernandes Salling responded:

"Mr. President, in response, if you will allow me, to the previous speaker, I didn't realize that you were on a higher floor than we were." (Laughter.)

Senator Iwase then added:

"Well, I think sometimes he thinks he is. (More laughter.)

"Mr. President, a ruling on a conflict. My law firm represents a time-share industry participant."

The Chair ruled that Senator Iwase was not in conflict.

Senator Anderson spoke on the measure as follows:

"Mr. President, I don't have a law firm that's in any conflict, but I did have some concerns about the last part of it, so I do have some reservations. I brought it out in committee. I think the first two items are great. I'm very happy that we're trying to help get a new airline here. I think it's great that we are doing something for the small business people in the restaurant business, but it bothers me that they were losing \$2,800,000 (so the tax director said) and so they turned around and put another tax on time-sharing. And that kind of bothered me when they did that with that particular bill. So those are my reservations.

"Thank you very much."

The motion was then put by the Chair and carried, H.B. No. 1320, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

H.B. No. 350, H.D. 1, S.D. 1:

Senator Fernandes Salling moved that H.B. No. 350, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Fernandes Salling rose in support of the measure and said:

"Mr. President, I rise to speak in favor of the state budget. It's been a long morning and afternoon for me, so, bear with me, members.

"I'd like to begin, Mr. President, by going back to when we first began our work in Ways and Means and that was in November, if I recall. And of course, it was obvious to us at that point that our economy was suffering and we needed to do something to stimulate it, to provide jobs, to help look at how we could help the struggling businesses. And so, we began by considering measures that would address and hopefully help in those areas. We met with the Tax Review Commission and a lot of good suggestions were proposed. We then, in December, many of them we incorporated into bills and introduced them when session began.

"In December we got the first Council of Revenue projections which, of course, meant a loss of \$50 million, and then it followed up in ... at that point, I should say, having to deal with that, we looked at, of course, down-sizing government which was, I might add, always also a priority with the committee in addition to the tax measures to help our economy. So we began our work with the review of the executive budget, keeping in mind that perhaps in March when the Council of Revenues would again release their projections, that we would see something as we did experience, which was a \$260 million loss in revenues.

"When this occurred, having experienced both the loss in December and in March, your committee, acting on your instructions, requested of the departments their recommendations for an 8 percent cut, knowing that was in the neighborhood of what we would need to realize in order to balance the budget. I'd like to say that the departments were very cooperative and they did appear before us within three days, in fact, and identified areas where they could take the 8 percent cut. Your committee, at that point, reviewed not once, not twice, four times their recommendations, and then we went further to verify their figures not once, not twice, but many times with a lot of information being shared from the departments and being reviewed and verified by our competent staff, who are sitting up there in the audience. On behalf of the co-chairs, we do want to say you did an outstanding job and we're very lucky, by the way, to also have some experienced people on board.

"But anyway, we had to assess their recommendations very carefully to determine whether or not we could take their recommended cuts. And in some cases we did not. In addition to looking at and verifying their figures, the committee felt that we needed to establish policies so that we could look at and assess the recommended cuts across the board to take out as much subjectivity from this process as we could. And with that, we did meet with and brief our members, with respect to these policy decisions, essentially, that we would take all vacant positions, except for teachers and shortage categories, that we would cut in areas that did not affect direct services, that we would look to the bureaucracy at the top to see if there was any fat and to cut there. We did this in most cases at the top using a formula so we could again say that we were not looking at personalities, of course, but doing it by formula and taking most of the subjectivity out of this decision-making -- being objective.

"We determined that with respect to services that again were direct, such as purchase of services, that we would recommend and provide and agree that those purchase of services that were recommended for approval by the departments would be part of our budget.

"These were some of the policy decisions that the committee arrived at in order for us to do as fair an assessment of the recommended cuts by the departments, as suggested by the departments.

"With that in mind we then ... I would just like to highlight the subject matter areas and the decisions that were made. Within economic development, that area, we provided for, many of you know, the \$10 million emergency funding for tourism promotion. We had a lot of discussion about HVCB's accountability and therefore we also stated in the budget that in order for them to be accountable for those funds, which is absolutely necessary in the short run to help our economy while we are waiting for the economic package to kick in, which will take a while and for some of the recommended CIP projects to also show some relief in our economy, we determined that we needed to cut out the second year funding. That was the only way that we could hold them accountable.

"Moving on to transportation, this was one area where, unlike other departments, it is totally funded by user fees and it was the only department that could provide for jobs in our economy. Therefore, we restored positions throughout the state that had been cut in the last two years by the administration -- needed positions. And in addition to that, we also provided for about \$4 million for make-work programs on islands that were identified as experiencing high unemployment. Again I must stress that this is an area that is funded by user fees and not monies out of the general fund. And, in fact, this is transportation. Indeed, if one were to say, do we have a rainy day fund? this is it, in my opinion ... this department. But with the cooperation of the department, we were able to provide for jobs in this area.

"Social Services. Of course I know this has been of major concern to most people, taking care of those in need. Essentially, how we approached it is very logical, cut and dry, if you may. The cuts were made based on actual caseload, not projections. We found that the department's projections were far off from the actual caseload. The caseload is being determined, not 96 or 95, but they need to keep up-to-date and so we had a pretty good idea of what the current caseload was, so we determined the cuts on that basis.

"We also realized that, again, there are people in need and although the federal government did cut out funding for legal immigrants, we felt that we should provide those funds for the first year, allowing for the legal immigrants to have additional time to try to become naturalized. And we have programs in place to help them do this. So in a sense it is providing for the first year, encouraging them to do this, to become naturalized.

There's always an opportunity for us to come back next year to see what the situation is.

"Education was also a major area, and as many of you know, statements were made and we held firm on this that there are no 'sacred cows' and education was one area that we needed to look at. The Department of Education came in and did recommend cuts to arrive at their 8 percent, which is what we requested of all departments. We reviewed those recommendations and found in most cases that we could not accept their cuts. Many of them, as perhaps you know already from what you've read in the press, dealt with cutting out kindergartens. In a sense they're doing it as a half-day rather than a whole-day kindergarten, and more importantly, cutting programs from K through 3, which is critical for these children. These are the formative years of a child and this is where more emphasis should be placed rather than cutting, so we did not agree with that.

"I think one of the major, major areas of concern that the department recommended cutting was what they identified as their supplementary cuts. This amounted to about \$24 million, and if you review those (and we've provided members a list of that), we're looking at cutting out Special Olympics, athletics, the whole range of needed and extracurricular that balances out with the instructional, and we did not accept those cuts. And I'd like to make that clear because I keep hearing that we did cut, for example, Special Olympics. We did not accept those cuts. So we had to look elsewhere in order to meet or try to meet the 8 percent. So, one of the policy decisions was to cut the unemployment insurance and work comp and to say to the Department of Education and also the University of Hawaii that they had to be accountable and to find internal savings to deal with those claims. That was one of the policy decisions that the committee did decide upon.

"We did not cut the request for the Felix funding. However, we did say, because we were running into problems identifying the numbers, that the second year funding would be cut in order for the committee to get a handle on, with the department, the number of kids that needed to be provided for with respect to services under Felix.

"Higher Education. Essentially, the highlight was, again as I mentioned, the work comp and unemployment. We took those funds and we told the University, with respect to the claims, to find those monies within internal savings. I should mention that in Education we took the vacancies across the board, but, again, we did not take vacancies in shortage categories and also teacher vacancies. And in this area, especially, we found that there is a lot of bureaucratic 'fat higher levels' so to speak and so those positions were identified again by formula. And what we did was we reallocated those positions down to the school level.

"The emphasis here in education was to insure that we took care of the school instruction. That was the priority for the department in this area.

"Public Safety. Part of what we felt that needed to be addressed was the fact that we needed to provide for more bed space and if we were going to say that we were adopting (I always have a mental block against this) the 'truth-in-sentencing,' which many people felt strongly that those that were convicted should remain in prison for the length of their terms with no exceptions, we needed to address the problem of how to accommodate them. So rather than looking at temporary expansion of facilities, what we did was we provided for more money, \$5 million in the first year, \$10 million in 1998-1999 to send 600 more inmates to Texas, which by the way, they enjoy Texas. The reports have come back. They really like it there because there's a lot of programs, unlike here. That will allow us time to look at finding, agreeing on an area that we can build a 1500 bed complex, medium security complex, which is needed to meet the consent decree and accommodate all of these prisoners.

"CIP, of course, goes hand in hand with our economic development package. CIP is very important for our construction industry, for economy, for providing jobs. If you would bear with me, I think that I should read what we identified as the major points for the CIP projects.

"Our intention was 'to cautiously proceed in authorizing select types of projects, recognizing the delicate balance between providing needed construction work and preserving our bond rating, which is so vital to future financing.' As many of you know, we did drop two levels with one bond rating company.

"Your Committee fully recognizes the need to stimulate the local economy through an influx of capital improvement projects.... However, due to the recent lowering of the State's bond rating by the major bond raters and the State's proposal to issue \$500 million of bonds per year for the next two years,' it created a problem and concern for the committee. 'Therefore your Committee, reflecting a more fiscally prudent approach, authorized a total of \$550 million in projects over the biennium' rather than accepting \$1 billion proposed by the administration. 'This will require' (the \$550 million) 'only \$350 million of bonds to be issued in the first year and only \$200 million issued in the second year' And I must point out that the state traditionally has issued \$200 million every year, so we wanted to bring it back to that level because that was also a concern of the bond companies that perhaps the state would not come back down to that level from the \$500 million that the administration was proposing.

"We looked at the projects and again identified, set up a criteria for funding the capital improvement projects. And the criteria that we identified were: construction projects that were ready to proceed immediately; the needed health and safety projects; and, again, repair and renovation projects that extend the useful life of the facility. Here we're talking about using GO bonds to take care of the priority, which was our school repairs, and by allowing for language that would extend the useful life of the facility. We felt that we could convert the GO bonds for use in the repair and maintenance of our schools. We looked at infrastructure and water development projects, sewer projects. We looked at the smaller projects that local contractors could compete for, and also projects that had matching funds -- all in the effort of trying to get the biggest 'bang for our buck.'

"The new projects will add to future operating costs. New projects that would have added to future operating costs, such as the staffing and the current expenses, were deferred. Many projects that were requested in the second year of the biennium were also deferred, but they should be reconsidered during the next legislative session, at which time the economic impact of the newly appropriated projects as well as the financial condition of the state can be better assessed.

"In effect, by being carefully selective as to the types of projects authorized, your committee strongly believes that the initiation of these projects would have the same economic impact as the state's initial \$1 billion request.

"The committee provided an additional \$35 million for public school repair and renovation projects. We also believe that these projects will be designed and constructed much more expeditiously than a typically new construction project. It is the committee's intention that we afford more local design consultants and smaller contractors a greater opportunity to compete for these projects. We also provided design funds for various projects that can be constructed in fiscal year 1999 through an additional bond authorization after a year's review of the construction program and its effects on the economy.

"Let me conclude by saying that in addition ... well, I should add before I conclude, with respect to the CIP and how we arrived at the policy with CIP, that in addition to the GO bonds,

I would like to point out that we also have on the books authorized projects, special funded projects, totalling in the first fiscal biennium, \$480 million; in the second fiscal biennium, \$486 million. These essentially are projects within the Department of Transportation. So members, when you think of the reduction that we took, down-sizing the CIP to 350, keep in mind that we have this kind of money on the books, these kinds of appropriations in projects that we should all get behind the Department of Transportation to release, to start construction. When we add that up, that's a huge amount of CIP. In fact it exceeds the administration's fiscal year's totals.

"In conclusion, we did not need to raise taxes which is something the Senate felt strongly about, and the committee preserved the current level of funding for the needed services by focussing its efforts on restructuring departments from the top down, while preserving resources that provide direct services to the people. The committee also believes that this budget, coupled with the proposed tax relief package and the economic development measures that I mentioned earlier when we were going over the bills, will drive the economy forward. The committee has answered the challenge to make government leaner and more efficient.

"Through collaborative efforts on the part of the Senate members, your Ways and Means Committee, Mr. President, submits this balanced budget to you."

Senator Tam also rose in support of the bill and said:

"Mr. President, I speak in favor of the budget bill, in particular in terms of the education budget.

"First of all, I'd like to thank the Ways and Means staff and the co-chairs for their hard work and long hours. Being a former staff member of Ways and Means years ago, I know it's like 20 hours a day or more and I appreciate it. After this month the WAM staff can go to sleep. Thank you very much.

"Mr. President and fellow colleagues, the education budget is in good shape this year, for the following reasons: (I have eleven reasons)

1. The repair and maintenance money for the Department of Education, \$35 million in operating funds, and \$17 million in capital improvement project money in repairs and maintenance.
2. We eliminated the executive fat or waste in Department of Education management.
3. The clerical positions in Department of Education upper management was moved down to the schools to directly service our students.
4. We retained the Department of Education's basic classroom needs for our public school students.
5. We added more dollars for textbooks and supplies.
6. We funded full-time school registrars in every intermediate public school.
7. We also funded all the public high schools' athletic health specialist positions on a full-time basis.
8. We moved all the dollars of vacant positions within the Department of Education.
9. We retained the classroom supplemental programs such as the after-school improvement program.
10. We retained full-day kindergartens and, as also mentioned by the previous speaker, the Department of Education did recommend half-day kindergartens which we refused. And in fact, it would violate one of the main

goals of education, one of the first goals of education for the State of Hawaii, that is to prepare our young ones for the first grade.

11. We retained the A+ program. We add that the Department of Education recommended the elimination of the program itself.

"In closing, Mr. President, I asked the House of Representatives to adopt the Senate's position in funding our state's education system at the classroom level and for our students. The education budget has improvements in terms of more dollars that directly impact our public school students.

"Thank you."

Senator Anderson added his remarks on the measure as follows:

"Mr. President, very briefly I did sign the committee report with reservations, and my reservations are very ... I'll do it very fast.

"In yesterday's Star-Bulletin, Hawaii ranks near the bottom in how we spend highway funds. And we're cutting back, supposedly, and being more prudent in government, and yet what we're looking at is restoring 234 various jobs. In the paper it states that in cost-effectiveness and funding state highways, we rank very, very low, one of the lowest. In fact, Hawaii ranked among the worst five in overall performance for several years. We were the 47th in 1995, the latest year of the study. The ranking was an improvement over 1993 and at that time we ranked No. 50. That's quite a ways down.

"Also, another thing that worries me a little is the cost of our administration in the Department of Transportation. Right now it's costing, according to the news media, 14.3 percent of total expenditures. That bothers me, Mr. President. And I'm not sure where these 234 various jobs are. I wish they were in some areas that ... if they were going out to the private sector, because the highway fund is made up of user fee generated revenues. And I would hope that would have gone to help small businesses and businesses that could use the employees in that type of business. And that's why I have reservations.

"I thank you so very much, Mr. President."

Senator Sakamoto then added his comments as follows:

"Mr. President, I'd like to commend the Ways and Means staff and committee, as well, for all their good things in there and the good grapes, not all the grapes, but on whole, very good. Kind of opposing to what you did with some of the wine that was stored up that was for special purpose. You took it to your wine cellar, but so be that.

"But in response to Senator Anderson, thank you for those concerns, and our Transportation Committee can keep a watchful eye and hope that, to good end, the previous transportation chair is familiar with some of the issues and we can be mindful of your concerns and hopefully not have highway robbery, but really do good for our citizens, Mr. Anderson. Thank you for the comments."

Senator Anderson rose again and said:

"I didn't want to omit thanking the two chairs and all of their staff for working so very hard. I do appreciate them. They have been available whenever we have needed them -- all of them. And I do thank them very, very much."

Senator Fukunaga rose to support the measure as follows:

"One final set of comments, Mr. President.

"What we wanted to do was focus on partnership and collaboration this time around. I think the things that you see before you are the products of working together. It is instructive to note that by working together with the subject matter chairs, the members of Ways and Means, and you, Mr. President, and your staff, and our very hard working Ways and Means staff, we were able to trim the governor's original request by over \$250 million. We therefore go forward, reinforcing the notion that we can do well, we can preserve services at the community level, and we can make government work better for all our people.

"Thank you."

The motion was then put by the Chair and carried, H.B. No. 350, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

RE-REFERRAL OF SENATE CONCURRENT RESOLUTION

The Chair re-referred the following Senate concurrent resolution that was offered:

Senate Concurrent Resolution	Referred to:
------------------------------------	--------------

No. 246	Jointly to the Committee on Human Resources and the Committee on Ways and Means
---------	---

Senator Kanno, for the Committee on Human Resources, requested a waiver of the 72-hour Notice of a Public Hearing on S.R. No. 80 and S.R. No. 74, and the Chair granted the waiver.

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

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

Senator Fukunaga, for the Committee on Ways and Means, also requested a waiver of the 72-hour Notice of a Public Hearing on S.C.R. No. 142, and the Chair granted the waiver.

Senator Slom rose on a point of personal privilege as follows:

"Mr. President, I rise on a point of personal privilege.

"I'm a little concerned about my colleague, Senator Kawamoto, about that \$6,000. I just want to make sure that it's not being transferred from the fuel tax fund into the Food Bank fund.

"And I did want to say I wanted to add my thanks too, to all the hard work of my colleagues and to their staff and committees, but in this era of collaboration I am a little disappointed, Mr. President, because a month ago when we did this, everybody said that because I spoke so long we were going to meet in the Majority caucus room and indulge ourselves in ice cream. Now obviously, I did not speak long enough and did not vote 'no' on enough bills today to warrant further collaboration and ice cream, so I'll try to do better next time, Mr. President.

"Thank you." (Laughter.)

The Chair then commented:

"The Chair would like to thank all the members for their participation this morning and this afternoon. Thank you very much to you and your staff for all the hard work."

ADJOURNMENT

At 3:15 o'clock p.m., on motion by Senator Ihara, seconded by Senator Slom and carried, the Senate adjourned until 4:00 o'clock p.m., Thursday, April 10, 1997.

EXHIBIT "A"

SENATE FLOOR AMENDMENT

FLOOR AMENDMENT NO. 1

DATE APR 08 1997

TO: H.B. No. 1433 H.D. 2, S.D. 2

SECTION 1. House Bill No. 1433, H.D. 2, S.D. 2, is amended as follows:

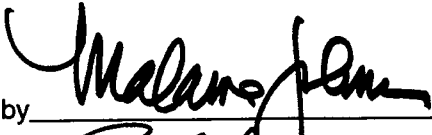
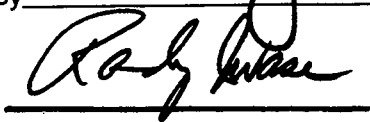
1. By deleting Part I:

["PART I

SECTION 1. Chapter 304, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

"§304- University of Hawaii at Manoa laboratory school tuition and fees revolving fund. There is established a University of Hawaii at Manoa laboratory school tuition and fees revolving fund into which shall be deposited all revenue collected by the University of Hawaii at Manoa laboratory school for tuition, fees charges, and any other charges to students, except as provided by law."

SECTION 2. Section 302A-1130, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

Offered by 


- () Carried
- () Failed to Carry
- (x) Withdrawn

FLOOR AMENDMENT NO. 1

Page 2

"(a) No equipment, material, or other fees shall be assessed against any pupil in any school[, except that the]; provided that:

- (1) The University of Hawaii board of regents may establish and assess tuition and fees for pupil attendance at the University of Hawaii at Manoa laboratory school sufficient to equal costs and to become self-sufficient; and
- (2) The department may assess and collect special fees and charges from pupils for co-curricular activities and from pupils who negligently break, damage, lose, or destroy school books, equipment, or supplies. Any pupil found to be responsible for the loss, destruction, breakage, or damage of school books, which shall include library and textbooks, of equipment, or of supplies, shall make restitution to the school in any manner, including the payment by the pupil or the pupil's parents of the actual replacement costs."

SECTION 3. The amount appropriated to UOH 100-University of Hawaii, Manoa in the amount of \$ shall lapse to the credit of the state general fund if House Bill No. 350 and this bill are passed by the legislature with the substantive

FLOOR AMENDMENT NO. 1

Page 3

provisions of H.B. No. 1433, H.D. 2, S.D. 2, during this regular session of 1997; and if both this bill and House Bill No. 350 become acts with the substantive provisions of H.B. No. 1433, H.D. 2, S.D. 2., on July 1, 1997."]

2. By renaming Parts II and III and renumbering the remaining sections as follows:

"PART [II] I

SECTION [4.] 1. The legislature finds that only through community and parent involvement in our schools can students realize their full potential and contribute to a better Hawaii. The school/community-based management initiative facilitates this end and the legislature will continue to support this program.

The legislature also finds that educators at the school level, while given the responsibility for the success of our children, are hindered in the management of their school's resources. To many, the budget remains a mystery, and the schools are unable to effectively use the fiscal tools provided.

This part will provide schools a firm voice in the management of their resources. The legislature has confidence in the educators who work closely with our children, and this part is a demonstration of this confidence.

FLOOR AMENDMENT NO. 1

Page 4

SECTION [5.] 2. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§302A- School-by-school budgeting. (a) For the purposes of this section, "school-by-school budgeting" means a process in which schools are given maximum flexibility in the preparation and execution of their budget.

(b) Participation in school-by-school budgeting shall be voluntary and initially limited to schools operating under either school/community-based management or student-centered school systems. Beginning with the budget preparation for the 1999-2000 school year, the eligible schools participating in school-by-school budgeting shall prepare their school's budget with the assistance of the department. The schools shall be allowed full discretion over the funds designated as school lump sum. The schools shall also be informed of the degree of discretion allowed over other types of funding, and shall formulate their budgets to achieve instructional program goals.

(c) The department, through either the state or district offices, shall provide appropriate training and technical assistance to schools in budget preparation and execution, and ensure that school budgets are in compliance with federal and

FLOOR AMENDMENT NO. 1

Page 5

state law, and the statewide education policy as set forth by the board.

(d) The department shall provide reports from the state and district offices to the schools. Reports relevant to budget preparation shall be provided no later than three weeks prior to the required date for a school's budget submission. Reports relevant to budget execution shall be provided no later than two months subsequent to the start of each new fiscal year. Reports for budget preparation shall include, but are not limited to:

- (1) Statewide legislative, executive, and board actions on the education budget;
- (2) A summary of guidelines provided by the governor in the preparation of the budget;
- (3) Guidelines established by the department and the board for school budget preparation;
- (4) The school's total budget ceiling with documentation of adjustments to the level of funding as compared with previous years;
- (5) Budget ceilings for all cost elements;
- (6) Explanations of criteria for staffing and funding for the school; and

FLOOR AMENDMENT NO. 1

Page 6

(7) Other information as necessary for efficient and effective budget formulation.

(e) Reporting requirements for budget execution shall include, but are not limited to:

- (1) Statewide legislative, executive, and board actions on the department budget;
- (2) Restrictions by the executive, and application of these restrictions by the department by program ID, level IV and level V program, and cost element;
- (3) Reserves held by the state and district offices, along with the rationale and parameters of expenditure for the reserves;
- (4) Descriptions of each type of allocation along with the degree of budget flexibility that accompanies each allocation;
- (5) Full explanations of the budget approval and appeal process along with timetables relevant to the processes; and
- (6) Other information necessary to provide the school with an understanding of budget execution decisions, policies, and procedures.

FLOOR AMENDMENT NO. 1

Page 7

(f) Prior to the beginning of each school year, schools participating in school-by-school budgeting shall prepare expenditure reports for the previous fiscal year that include, but are not limited to:

- (1) Expenditures by each allocation type listed by cost element and means of financing;
- (2) Variances between expenditures and the budget submitted for that fiscal year by allocation type, cost element, and means of financing;
- (3) Funds carried over from the prior fiscal year by allocation type and means of financing;
- (4) Areas of budget shortfall and surplus; and
- (5) Other information that provides an understanding of school level budget actions.

The reports listed in subsections (d), (e), and (f) shall be made available to any interested party upon request. Schools shall provide adequate notification to administrators, teachers, parents, and other school level personnel that these reports are available for review."

SECTION [6.] 3. Section 37-34.5, Hawaii Revised Statutes, is amended to read as follows:

FLOOR AMENDMENT NO. 1

Page 8

"~~[[§37-34.5]]~~ Department of education; allotment and expenditure plan; updates. The department of education shall submit an annual allotment and expenditure plan to the governor for each fiscal year[.] that specifically identifies the amount the department will allocate for school lump sum funding. The governor may require the department of education to submit an update of the expenditure plan based on changing economic conditions."

SECTION [7.] 4. Section 302A-1004, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The department shall submit to the legislature and to the governor, at least twenty days prior to the convening of each regular legislative session, an educational status report that includes but is not limited to the following:

- (1) Results of school-by-school assessments of educational outcomes, including reference to such student performance standards and school-by-school assessment models as may be developed by the commission on performance standards and adopted by the board;
- (2) Summaries of school-by-school lump sum allotments and department allocated sums with accompanying expenditure requirements;

FLOOR AMENDMENT NO. 1

Page 9

- [(2)] (3) Summaries of school improvement plans;
- [(3)] (4) Summary descriptions of the demographic makeup of the schools, with indications of the range of these conditions among schools within Hawaii;
- [(4)] (5) Comparisons of conditions affecting Hawaii's schools with the conditions of schools in other states; and
- [(5)] (6) Other such assessments as may be deemed appropriate by the board."

SECTION [8.] 5. Over the years, the department of education has been mandated to provide a number of programmatic functions in the schools. While the mandates often endure, the funding for such mandates does not increase with enrollment, and per school shares of funding often fall to levels which render the original intent moot. In addition to the loss of original intent, the mandates often run counter to the philosophy that the school level is often the best arbiter of how educational resources are used.

Currently there are over \$100,000,000 in funds in the school-based budgeting program (EDN 100) that carry strict provisions for expenditure. When funds for personnel are

FLOOR AMENDMENT NO. 1

Page 10

excluded, this amount exceeds the amount over which schools can currently exercise lump sum flexibility.

So that more resources may become available for direct control by the schools, the auditor, with the assistance of the department, shall conduct a review of all programs within the school-based budgeting program, and shall submit recommendations to the legislature as to which programs should be eliminated or maintained. The funds from programs eliminated shall be allocated to the level IV program of the school-based budgeting program entitled "regular instruction" for use by the schools.

During the remaining 1997-1999 biennium, all funds allocated to schools participating in the school-based budgeting program that have accompanying expenditure provisions shall be subject to review by the auditor.

The auditor shall initiate its review as of July 1, 1997, and complete its review of all programs no later than December 30, 1999.

PART [III] II

SECTION [9.] 6. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION [10.] 7. This Act shall take effect on July 1, 1997."

EXHIBIT "B"

SENATE FLOOR AMENDMENT

FLOOR AMENDMENT NO. 2

DATE APR 08 1997

TO: H.B. No. 1433, H.D. 2, S.D. 3

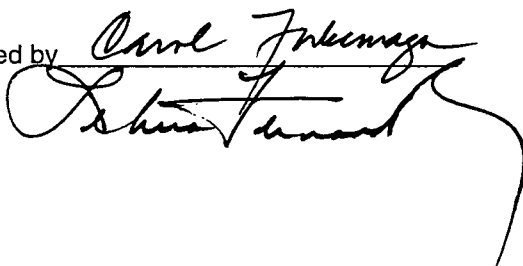
SECTION 1. House Bill No. 1433, H.D. 2, S.D. 2, is amended as follows:

1. By deleting Sections 1, 2, and 3:

["SECTION 1. Chapter 304, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

"§304- University of Hawaii at Manoa laboratory school tuition and fees revolving fund. There is established a University of Hawaii at Manoa laboratory school tuition and fees revolving fund into which shall be deposited all revenue collected by the University of Hawaii at Manoa laboratory school for tuition, fees charges, and any other charges to students, except as provided by law."

SECTION 2. Section 302A-1130, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

Offered by 

- () Carried
- () Failed to Carry
- (x) Withdrawn

FLOOR AMENDMENT NO. 2

Page 2

"(a) No equipment, material, or other fees shall be assessed against any pupil in any school[, except that the]; provided that:

- (1) The University of Hawaii board of regents may establish and assess tuition and fees for pupil attendance at the University of Hawaii at Manoa laboratory school sufficient to equal costs and to become self-sufficient; and
- (2) The department may assess and collect special fees and charges from pupils for co-curricular activities and from pupils who negligently break, damage, lose, or destroy school books, equipment, or supplies. Any pupil found to be responsible for the loss, destruction, breakage, or damage of school books, which shall include library and textbooks, of equipment, or of supplies, shall make restitution to the school in any manner, including the payment by the pupil or the pupil's parents of the actual replacement costs."

SECTION 3. The amount appropriated to UOH 100-University of Hawaii, Manoa in the amount of \$ shall lapse to the credit of the state general fund if House Bill No. 350 and this bill are passed by the legislature with the substantive

FLOOR AMENDMENT NO. 2

Page 3

provisions of H.B. No. 1433, H.D. 2, S.D. 2, during this regular session of 1997; and if both this bill and House Bill No. 350 become acts with the substantive provisions of H.B. No. 1433, H.D. 2, S.D. 2., on July 1, 1997."]

2. By inserting a new section 1 to read as follows:

"SECTION 1. The auditor shall conduct a cost/benefit study on the feasibility of charging a fee or instituting a tuition for enrollment into the University of Hawaii laboratory school in order to offset costs associated with the operation of the school. The auditor shall report the auditor's findings and recommendations to the legislature not later than twenty days prior to the convening of the 1998 regular session."

3. By renumbering the remaining sections as follows:

"SECTION [4.] 2. The legislature finds that only through community and parent involvement in our schools can students realize their full potential and contribute to a better Hawaii. The school/community-based management initiative facilitates this end and the legislature will continue to support this program.

The legislature also finds that educators at the school level, while given the responsibility for the success of our children, are hindered in the management of their school's

FLOOR AMENDMENT NO. 2

Page 4

resources. To many, the budget remains a mystery, and the schools are unable to effectively use the fiscal tools provided.

This part will provide schools a firm voice in the management of their resources. The legislature has confidence in the educators who work closely with our children, and this part is a demonstration of this confidence.

SECTION [5.] 3. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"S302A- School-by-school budgeting. (a) For the purposes of this section, "school-by-school budgeting" means a process in which schools are given maximum flexibility in the preparation and execution of their budget.

(b) Participation in school-by-school budgeting shall be voluntary and initially limited to schools operating under either school/community-based management or student-centered school systems. Beginning with the budget preparation for the 1999-2000 school year, the eligible schools participating in school-by-school budgeting shall prepare their school's budget with the assistance of the department. The schools shall be allowed full discretion over the funds designated as school lump sum. The schools shall also be informed of the degree of discretion

FLOOR AMENDMENT NO. 2

Page 5

allowed over other types of funding, and shall formulate their budgets to achieve instructional program goals.

(c) The department, through either the state or district offices, shall provide appropriate training and technical assistance to schools in budget preparation and execution, and ensure that school budgets are in compliance with federal and state law, and the statewide education policy as set forth by the board.

(d) The department shall provide reports from the state and district offices to the schools. Reports relevant to budget preparation shall be provided no later than three weeks prior to the required date for a school's budget submission. Reports relevant to budget execution shall be provided no later than two months subsequent to the start of each new fiscal year. Reports for budget preparation shall include, but are not limited to:

- (1) Statewide legislative, executive, and board actions on the education budget;
- (2) A summary of guidelines provided by the governor in the preparation of the budget;
- (3) Guidelines established by the department and the board for school budget preparation;

FLOOR AMENDMENT NO. 2

Page 6

- (4) The school's total budget ceiling with documentation of adjustments to the level of funding as compared with previous years;
 - (5) Budget ceilings for all cost elements;
 - (6) Explanations of criteria for staffing and funding for the school; and
 - (7) Other information as necessary for efficient and effective budget formulation.
- (e) Reporting requirements for budget execution shall include, but are not limited to:
- (1) Statewide legislative, executive, and board actions on the department budget;
 - (2) Restrictions by the executive, and application of these restrictions by the department by program ID, level IV and level V program, and cost element;
 - (3) Reserves held by the state and district offices, along with the rationale and parameters of expenditure for the reserves;
 - (4) Descriptions of each type of allocation along with the degree of budget flexibility that accompanies each allocation;

FLOOR AMENDMENT NO. 2

Page 7

- (5) Full explanations of the budget approval and appeal process along with timetables relevant to the processes; and
- (6) Other information necessary to provide the school with an understanding of budget execution decisions, policies, and procedures.
- (f) Prior to the beginning of each school year, schools participating in school-by-school budgeting shall prepare expenditure reports for the previous fiscal year that include, but are not limited to:
- (1) Expenditures by each allocation type listed by cost element and means of financing;
 - (2) Variances between expenditures and the budget submitted for that fiscal year by allocation type, cost element, and means of financing;
 - (3) Funds carried over from the prior fiscal year by allocation type and means of financing;
 - (4) Areas of budget shortfall and surplus; and
 - (5) Other information that provides an understanding of school level budget actions.

The reports listed in subsections (d), (e), and (f) shall be made available to any interested party upon request. Schools shall

FLOOR AMENDMENT NO. 2

Page 8

provide adequate notification to administrators, teachers, parents, and other school level personnel that these reports are available for review."

SECTION [6.] 4. Section 37-34.5, Hawaii Revised Statutes, is amended to read as follows:

"~~[[§37-34.5]]~~ **Department of education; allotment and expenditure plan; updates.** The department of education shall submit an annual allotment and expenditure plan to the governor for each fiscal year[.] that specifically identifies the amount the department will allocate for school lump sum funding. The governor may require the department of education to submit an update of the expenditure plan based on changing economic conditions."

SECTION [7.] 5. Section 302A-1004, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The department shall submit to the legislature and to the governor, at least twenty days prior to the convening of each regular legislative session, an educational status report that includes but is not limited to the following:

- (1) Results of school-by-school assessments of educational outcomes, including reference to such student performance standards and school-by-school assessment

FLOOR AMENDMENT NO. 2

Page 9

models as may be developed by the commission on performance standards and adopted by the board;

(2) Summaries of school-by-school lump sum allotments and department allocated sums with accompanying expenditure requirements;

[(2)] (3) Summaries of school improvement plans;

[(3)] (4) Summary descriptions of the demographic makeup of the schools, with indications of the range of these conditions among schools within Hawaii;

[(4)] (5) Comparisons of conditions affecting Hawaii's schools with the conditions of schools in other states; and

[(5)] (6) Other such assessments as may be deemed appropriate by the board."

SECTION [8.] 6. Over the years, the department of education has been mandated to provide a number of programmatic functions in the schools. While the mandates often endure, the funding for such mandates does not increase with enrollment, and per school shares of funding often fall to levels which render the original intent moot. In addition to the loss of original intent, the mandates often run counter to the philosophy that the school

FLOOR AMENDMENT NO. 2

Page 10

level is often the best arbiter of how educational resources are used.

Currently there are over \$100,000,000 in funds in the school-based budgeting program (EDN 100) that carry strict provisions for expenditure. When funds for personnel are excluded, this amount exceeds the amount over which schools can currently exercise lump sum flexibility.

So that more resources may become available for direct control by the schools, the auditor, with the assistance of the department, shall conduct a review of all programs within the school-based budgeting program, and shall submit recommendations to the legislature as to which programs should be eliminated or maintained. The funds from programs eliminated shall be allocated to the level IV program of the school-based budgeting program entitled "regular instruction" for use by the schools.

During the remaining 1997-1999 biennium, all funds allocated to schools participating in the school-based budgeting program that have accompanying expenditure provisions shall be subject to review by the auditor.

The auditor shall initiate its review as of July 1, 1997, and complete its review of all programs no later than December 30, 1999.

FLOOR AMENDMENT NO. 2

Page 11

PART III

SECTION [9.] 7. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION [10.] 8. This Act shall take effect on July 1, 1997."

EXHIBIT "C"

SENATE FLOOR AMENDMENT

FLOOR AMENDMENT NO. 3 DATE APR 08 1997

TO: H.B. No. 1433, H.D. 2, S.D. 2

SECTION 1. House Bill No. 1433, H.D. 2, S.D. 2, is amended as follows:

1. By deleting Sections 1, 2, and 3:

["SECTION 1. Chapter 304, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

"§304- University of Hawaii at Manoa laboratory school tuition and fees revolving fund. There is established a University of Hawaii at Manoa laboratory school tuition and fees revolving fund into which shall be deposited all revenue collected by the University of Hawaii at Manoa laboratory school for tuition, fees charges, and any other charges to students, except as provided by law."

SECTION 2. Section 302A-1130, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

Offered by *Carole Fukunaga*
Makana Omi

- Carried
- Failed to Carry
- Withdrawn

FLOOR AMENDMENT NO. 3

Page 2

"(a) No equipment, material, or other fees shall be assessed against any pupil in any school[, except that the]; provided that:

(1) The University of Hawaii board of regents may establish and assess tuition and fees for pupil attendance at the University of Hawaii at Manoa laboratory school sufficient to equal costs and to become self-sufficient; and

(2) The department may assess and collect special fees and charges from pupils for co-curricular activities and from pupils who negligently break, damage, lose, or destroy school books, equipment, or supplies. Any pupil found to be responsible for the loss, destruction, breakage, or damage of school books, which shall include library and textbooks, of equipment, or of supplies, shall make restitution to the school in any manner, including the payment by the pupil or the pupil's parents of the actual replacement costs."

SECTION 3. The amount appropriated to UOH 100-University of Hawaii, Manoa in the amount of \$ shall lapse to the credit of the state general fund if House Bill No. 350 and this bill are passed by the legislature with the substantive

FLOOR AMENDMENT NO. 3

Page 3

provisions of H.B. No. 1433, H.D. 2, S.D. 2, during this regular session of 1997; and if both this bill and House Bill No. 350 become acts with the substantive provisions of H.B. No. 1433, H.D. 2, S.D. 2., on July 1, 1997."]

2. By inserting a new section 1 to read as follows:

"SECTION 1. The auditor shall conduct a review of the recommendations of the Curriculum Research and Development Group Task Force Report, and shall report the auditor's findings and recommendations to the legislature not later than twenty days prior to the convening of the 1998 regular session."

3. By renumbering the remaining sections as follows:

"SECTION [4.] 2. The legislature finds that only through community and parent involvement in our schools can students realize their full potential and contribute to a better Hawaii. The school/community-based management initiative facilitates this end and the legislature will continue to support this program.

The legislature also finds that educators at the school level, while given the responsibility for the success of our children, are hindered in the management of their school's resources. To many, the budget remains a mystery, and the schools are unable to effectively use the fiscal tools provided.

FLOOR AMENDMENT NO. 3

Page 4

This part will provide schools a firm voice in the management of their resources. The legislature has confidence in the educators who work closely with our children, and this part is a demonstration of this confidence.

SECTION [5.] 3. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§302A- School-by-school budgeting. (a) For the purposes of this section, "school-by-school budgeting" means a process in which schools are given maximum flexibility in the preparation and execution of their budget.

(b) Participation in school-by-school budgeting shall be voluntary and initially limited to schools operating under either school/community-based management or student-centered school systems. Beginning with the budget preparation for the 1999-2000 school year, the eligible schools participating in school-by-school budgeting shall prepare their school's budget with the assistance of the department. The schools shall be allowed full discretion over the funds designated as school lump sum. The schools shall also be informed of the degree of discretion allowed over other types of funding, and shall formulate their budgets to achieve instructional program goals.

FLOOR AMENDMENT NO. 3

Page 5

(c) The department, through either the state or district offices, shall provide appropriate training and technical assistance to schools in budget preparation and execution, and ensure that school budgets are in compliance with federal and state law, and the statewide education policy as set forth by the board.

(d) The department shall provide reports from the state and district offices to the schools. Reports relevant to budget preparation shall be provided no later than three weeks prior to the required date for a school's budget submission. Reports relevant to budget execution shall be provided no later than two months subsequent to the start of each new fiscal year. Reports for budget preparation shall include, but are not limited to:

- (1) Statewide legislative, executive, and board actions on the education budget;
- (2) A summary of guidelines provided by the governor in the preparation of the budget;
- (3) Guidelines established by the department and the board for school budget preparation;
- (4) The school's total budget ceiling with documentation of adjustments to the level of funding as compared with previous years;

FLOOR AMENDMENT NO. 3

Page 6

- (5) Budget ceilings for all cost elements;
 - (6) Explanations of criteria for staffing and funding for the school; and
 - (7) Other information as necessary for efficient and effective budget formulation.
- (e) Reporting requirements for budget execution shall include, but are not limited to:
- (1) Statewide legislative, executive, and board actions on the department budget;
 - (2) Restrictions by the executive, and application of these restrictions by the department by program ID, level IV and level V program, and cost element;
 - (3) Reserves held by the state and district offices, along with the rationale and parameters of expenditure for the reserves;
 - (4) Descriptions of each type of allocation along with the degree of budget flexibility that accompanies each allocation;
 - (5) Full explanations of the budget approval and appeal process along with timetables relevant to the processes; and

FLOOR AMENDMENT NO. 3

Page 7

(6) Other information necessary to provide the school with an understanding of budget execution decisions, policies, and procedures.

(f) Prior to the beginning of each school year, schools participating in school-by-school budgeting shall prepare expenditure reports for the previous fiscal year that include, but are not limited to:

- (1) Expenditures by each allocation type listed by cost element and means of financing;
- (2) Variances between expenditures and the budget submitted for that fiscal year by allocation type, cost element, and means of financing;
- (3) Funds carried over from the prior fiscal year by allocation type and means of financing;
- (4) Areas of budget shortfall and surplus; and
- (5) Other information that provides an understanding of school level budget actions.

The reports listed in subsections (d), (e), and (f) shall be made available to any interested party upon request. Schools shall provide adequate notification to administrators, teachers, parents, and other school level personnel that these reports are available for review."

FLOOR AMENDMENT NO. 3

Page 8

SECTION [6.] 4. Section 37-34.5, Hawaii Revised Statutes, is amended to read as follows:

"~~[[§37-34.5]]~~ **Department of education; allotment and expenditure plan; updates.** The department of education shall submit an annual allotment and expenditure plan to the governor for each fiscal year[.] that specifically identifies the amount the department will allocate for school lump sum funding. The governor may require the department of education to submit an update of the expenditure plan based on changing economic conditions."

SECTION [7.] 5. Section 302A-1004, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The department shall submit to the legislature and to the governor, at least twenty days prior to the convening of each regular legislative session, an educational status report that includes but is not limited to the following:

- (1) Results of school-by-school assessments of educational outcomes, including reference to such student performance standards and school-by-school assessment models as may be developed by the commission on performance standards and adopted by the board;

FLOOR AMENDMENT NO. 3

Page 9

- (2) Summaries of school-by-school lump sum allotments and department allocated sums with accompanying expenditure requirements;
- [(2)] (3) Summaries of school improvement plans;
- [(3)] (4) Summary descriptions of the demographic makeup of the schools, with indications of the range of these conditions among schools within Hawaii;
- [(4)] (5) Comparisons of conditions affecting Hawaii's schools with the conditions of schools in other states; and
- [(5)] (6) Other such assessments as may be deemed appropriate by the board."

SECTION [8.] 6. Over the years, the department of education has been mandated to provide a number of programmatic functions in the schools. While the mandates often endure, the funding for such mandates does not increase with enrollment, and per school shares of funding often fall to levels which render the original intent moot. In addition to the loss of original intent, the mandates often run counter to the philosophy that the school level is often the best arbiter of how educational resources are used.

FLOOR AMENDMENT NO. 3

Page 10

Currently there are over \$100,000,000 in funds in the school-based budgeting program (EDN 100) that carry strict provisions for expenditure. When funds for personnel are excluded, this amount exceeds the amount over which schools can currently exercise lump sum flexibility.

So that more resources may become available for direct control by the schools, the auditor, with the assistance of the department, shall conduct a review of all programs within the school-based budgeting program, and shall submit recommendations to the legislature as to which programs should be eliminated or maintained. The funds from programs eliminated shall be allocated to the level IV program of the school-based budgeting program entitled "regular instruction" for use by the schools.

During the remaining 1997-1999 biennium, all funds allocated to schools participating in the school-based budgeting program that have accompanying expenditure provisions shall be subject to review by the auditor.

The auditor shall initiate its review as of July 1, 1997, and complete its review of all programs no later than December 30, 1999.

PART III

FLOOR AMENDMENT NO. 3

Page 11

SECTION [9.] 7. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION [10.] 8. This Act shall take effect on July 1, 1997."

ATTACHMENT "I"

**REPORT OF THE
CURRICULUM RESEARCH & DEVELOPMENT GROUP (CRDG)
TASK FORCE
Executive Summary**

Section I: Charge and Methodology of the Task Force

The Task Force to investigate the Curriculum Research & Development Group (CRDG) of the University of Hawai'i, Manoa was formed on September 5, 1996, by the Senior Vice President for Research and Dean of the Graduate Division, Dean Smith and charged to provide answers to six questions.

1. Is the early and continuing programmatic approach set by the initiating Legislative Report ("Stiles Report") of 1966 still appropriate?
2. Is a University-controlled and supported Laboratory School necessary?
3. If so, are there reasonable alternatives to the present form and source of support to the Laboratory School?
4. Does the CRDG generate the optimal amount of non-general fund income from grants, contracts, sales of materials and services, and gifts?
5. Does the CRDG maintain the optimal balance of services to Hawaiian, Pacific Island, U.S. mainland, and foreign schools, given the financial and professional conditions for providing service?
6. Do the CRDG and the Laboratory School provide optimum (necessary?) service to the Department of Education?

The Task Force formed separate subcommittees to investigate each of these questions. It interviewed individuals who once exercised administrative judgment over the CRDG, worked with it, were students or parents of students, or who had publicly taken strong positions concerning the CRDG or the Laboratory School. Data and documents relevant to the inquiry were collected and analyzed. Appendices A1 and A 2 list Task Force members and those interviewed.

The Task Force met weekly from September 25, through December 13, 1997, and six times during 1997. In addition to local members, Charles Read, Dean of the School of Education, University of Wisconsin, Madison, participated providing an external perspective of the process. Dean Read worked with the Task Force during the week of January 27, 1997, and contributed substantively to this final report.

Section II: History and Mission Statements.

The Laboratory School was originally part of the Territorial Normal and Training School. Act 213 of the 1931 Legislature transferred the school to the University and established the Teachers College, now known as the College of Education. As a result of the legislatively mandated report, *Preparation of Teachers and Other Educational Personnel in Hawai'i* (January 17, 1966), the so-called "Stiles Report," the University Laboratory School was converted from teacher training to a center for curriculum research, development, and experimentation. Over a two-year period the teacher training-mission was phased out, and the Laboratory School was integrated into the newly created Curriculum Research & Development Group (CRDG).

The primary mission of the CRDG is to function as an organized research unit of the University of Hawai'i to create, evaluate, disseminate, and support quality educational programs for all students and teachers, preschool through grade 12, and to participate in the instruction and research programs of the College of Education and other branches of the University.

The CRDG fulfills the University's land grant mission of preparing a highly educated citizenry, bringing University expertise to bear on societal problems and providing service programs through outreach.

Section III: Context and Environment of CRDG Operations

The CRDG operates within a complex environment of educational influences that affect the choices it makes in curriculum development. These include changes in local needs, shifting levels of governmental support, and market developments. The task of the CRDG has been to respond within its mission to these influences.

Historically these contextual influences are

- Changes in national models, trends, and financial inducements of the federal government.
- The steady State funding for curriculum development when federal moneys waned in the 1970s.
- Shifts in national curriculum priorities from disciplinary knowledge in the 1960s, to "back to basics," health, and environmental studies in the 1970s, to mathematics, science, and technology in the 1980s, to the current emphasis on congressionally mandated standards or state equivalents to be operational in the year 2000.
- The Federal Department of Education's new emphasis in the 1970s on in-service training of teachers focused on specific curricular programs.
- The National Science Foundation's initiative in the mid-1980s for development of inquiry curricula .
- The impact of computers and telecommunication on curriculum.
- The evolution of the textbook industry into a "big market" phenomenon.
- The continued needs of Hawai'i for curricular specificity.
- Changing relationships with the College of Education (COE) and Department of Education (DOE).
- Development of markets for CRDG materials on the U.S. mainland, in the Pacific region, and international sites outside the Pacific.

Section IIIA: Response to Task Force Questions

1. The appropriateness of the Stiles Report: Review of the activities of the CRDG and the Laboratory School and the curricular environment impinging on them indicates that the assumptions of the Stiles Report remain valid. This is seen when considering the role of the Laboratory School as the beta- test site for CRDG-developed materials, the need for unique Hawai'i specific curricular materials, and the requirement to stay current with changing national curricular demands.

2. and 3. The continued necessity for a University-controlled and supported Laboratory School. The Task Force review concluded that curriculum development for grades K–12 requires relatively permanent teams of committed individuals with various academic back grounds and time and resources to develop new tested curriculum materials. The Laboratory School is an appropriate site for these activities. No alternative explored by the Task Force appeared superior or equal to the present structure.
4. Non-general fund income from grants, contracts, sales of materials, and gifts. The Task Force review found that externally generated funds provided 55 percent of the total CRDG funding, thereby meeting the University-developed performance criteria for organized research units. A complete audit of CRDG funding and expenditures was performed. Income to the CRDG contributes substantially to the State of Hawai'i in terms of providing employment and purchase of services and material.
5. Service to Hawaiian, Pacific Island, U.S. mainland, and foreign schools. The Task Force concluded that the CRDG service in all four areas is extensive and that no imbalance exists with respect to this blend of service. The CRDG curricula are developed from the root base of Hawai'i 's needs for materials and teacher in-service. In a sense, service outside Hawai'i is a derived, rather than a primary driving force.
6. Service to the Department of Education. The Task Force review found that the service to the DOE was extensive, but that perceptions concerning that service differed widely, depending on the familiarity with the work. The Task Force concluded that the services provided were adequate, but that improvements could be made in how the CRDG and the DOE interact with respect to the development of curriculum activities and their dissemination within the DOE.

Section III B: New Issues

As a result of Task Force interviews, nine new issues emerged that we chose to address.

1. The CRDG is often criticized for failing to perform activities that lie outside its mission. This is especially true in discussion of the current teacher shortage that is both a national and a State problem. The Task Force finding is that the CRDG performs acceptably within its mission —responsibility for in-service training.
2. Are Professional Development Schools a viable alternative to the CRDG?
Professional Development Schools (PDS) have been proposed by some within the DOE and COE as alternatives to the activities performed by the CRDG. In the Task Force view, these are complementary activities, not competitive activities. PDS are designed essentially to enrich pre-service teacher training; they are not focused on curriculum development, a task that would remain even if PDS were developed in the state.
3. Do the demographic characteristics of the Laboratory School fail to serve the State need for representativeness? The claim is sometimes made that the Laboratory School population may be

representative of the state as a whole, but this fails to meet State needs because it does not replicate the demographic characteristics of any particular school or district. In the Task Force view this critique misses the point of the demographic representative needs for a curriculum testing site. The more relevant point is that all groups present in any single DOE school are represented within the population of the Laboratory School and are sampled in the testing process.

4. The CRDG as an emergent educational industry. The CRDG curriculum development efforts are contributing to emergent educational industry in Hawai'i. This is consistent with the aspirations of State leaders to increase commercial production and marketing of intellectual products.
5. The CRDG and the Laboratory School are an example of a multi-cultural school environment that works. The Task Force found strong support in its interviews and examination of school practices to suggest that its successes might be a model for other schools. Model features are a clear philosophy of learning; the existence of a positive learning environment; the existence of student-based cooperative, active, and exploratory learning; high standards of performance; enrichment through the breadth and depth of instruction; and the existence of socially and culturally heterogeneous learning groups.
6. The CRDG and Laboratory School can serve as a center for educational technology transfer to other schools. After the model of the UH Innovation Center, the CRDG and the Laboratory School can be viewed as a State resource for the development and diffusion of new educational technology. Existing successes within DOE can be built upon and expanded.
7. Communication Issues. Communication between the CRDG and Laboratory School and the COE and DOE can be improved. In the Task Force view communication between the CRDG and COE can be improved with a commitment by the leadership to make it so. Similarly, communication between CRDG and DOE can be enhanced by a revitalization of the Teacher Education Coordinating Committee. Joint research appointments between the CRDG, COE, and DOE would also serve to improve communication between the three units.
8. The CRDG specialization. The CRDG has better resources available for the development of curriculum than can be the case with DOE classroom teachers. Curriculum development within CRDG is a dedicated activity that provides it with appropriate personnel, time, resources, testing, and follow-through. These elements cannot be expected to be added on to the burdens of the existing DOE classroom teacher. The CRDG can become better integrated within the processes by which the varied curriculum needs of the DOE are developed and expressed.
9. Administrative placement of the CRDG. Until 1996 CRDG served two administrative masters, the Dean of the College of Education and the Vice President for Research. In July 1996 the CRDG was placed administratively solely within the structure for organized research, overseen by the Senior Vice President for Research. Recently, suggestions have emerged, including a legislative proposal, that the Laboratory School be relocated to the COE. It is the Task Force view that the burden of the CRDG

is in organized research in the field of curriculum design, development, and testing and that the Laboratory School is an integral part of that research. Administration of the CRDG and the Laboratory School should remain with the Vice President for Research. The interests of the College of Education in gaining cooperation in matters of in-service training of teachers in curriculum can be met through a variety of cooperative arrangements.

III C: Common Perceptions

The Task Force discovered in many of its interviews a set of common perceptions about the CRDG and the Laboratory School—mainly about the Laboratory School—that color and give context to how these units are perceived in the community at large. The very persuasiveness of these perceptions led the Task Force to list the more prominent ones and provide responses dictated by its analysis. Further, many of these views figure in the repeated recommendations of some public figures that the Laboratory School be closed—this makes their address central to the mission of the Task Force.

1. The Laboratory School is an elitist institution. It seeks to take only those students who will do well. Admissions are biased toward producing this elitist student body. Further, admissions are open to manipulation, especially by those who occupy political office.

The Task Force conducted a full review of admissions procedures for the Laboratory School and found a contrary case. Admission to the school is dependent first on recommendation by a public school principal. Applicants are then screened into predetermined categories to provide necessary representativeness. Those who pass this level of screening are then interviewed and a final choice made. The Task Force concludes that the process promotes a level of egalitarian choice rather than elitism. It is also the Task Force view that much of this continued perception of elitism is because admission to the Laboratory School results in only a few students out of the many applicants being selected. Disappointment on the part of those not selected may—deliberately or nondeliberately—engender and keep alive a certain amount of misconception about the School's admission processes.

2. The CRDG does little for local students. Most of its research and scholarly energies are directed at developing curricula for those outside Hawai'i. Evidence cited in support of this view is the sale of the CRDG textbooks abroad, including in Russia.

The Task Force found in its analysis that while much the CRDG curriculum product is sold either on the U.S. mainland or abroad, these marketed products were derived from materials first designed for and used to meet Hawai'i's curricular needs.

3. The CRDG is unconcerned with the mission of the Department of Education and gives little attention to its curricular needs. Cooperation between the CRDG and the DOE is poor. The Laboratory School makes an insufficient contribution to the considerable problems of the DOE, including remedying the teacher shortage, providing instruction to ethnically impacted schools, and improving test scores.

There is some truth to a pattern of mixed communication between the CRDG and DOE, but Task Force found in interviews that the pattern of DOE appreciation of CRDG efforts is a) cyclical, b) differs by leadership level within the department, and c) is more constant at the operational levels of the department. Some critique arises from a misperception of CRDG's mission.

4. The primary mission of the CRDG and the Laboratory School is teacher training.

This view of the Laboratory School persists, but is simply misunderstood. It has not been true since action was taken in response to the Stiles Report.

5. The Laboratory School is a public school in name alone. It is in reality a private school in disguise.

This characterization probably arises from the view that the Laboratory School is exempt from most administrative requirements of the DOE and from the School's ability to select its student body. Both are true. However, private schools normally select student bodies to maximize various attributes within their student populations whereas the Laboratory School selects to be representative of the overall public school student population. This misperception may be compounded by the participation of the University Laboratory School in an athletic conference made up of private schools. Unlike private schools, the Laboratory School is prohibited from charging tuition.

6. The Laboratory School is excessively expensive and thus a drain on the tax payers of Hawai'i. Were the school abolished, much needed moneys could be returned to the DOE and University.

An analysis of the CRDG and Laboratory School income and expenditures indicates that the Laboratory School has a smaller per-student cost than the public schools at large. Closing the Laboratory School would provide no budgetary windfall to either the State or the University as these students would need to be supported within the overall public school population, and the legislative appropriation to the University for the Laboratory School would be terminated.

7. The functions of the CRDG and the Laboratory School are easily interchangeable with the Department of Education.

Task Force analysis of CRDG functions fails to support this view. Neither Professional Development Schools nor individual classroom teacher initiative can supplant the beta-testing function of the Laboratory School in the curriculum design process.

Section IV: Recommendation

The Task force offers six recommendations.

- One**, improve coordination between the College of Education, Department of Education, and CRDG by
- working together to model successful CRDG practices and implement them in the schools.

- reviving the Teacher Education Coordinating Committee.
- linking the COE, DOE and CRDG by using contemporary technology.
- developing an inventory of all CRDG and DOE joint curriculum activity.
- continuing to explore new ways for the CRDG to test curriculum within the public schools.
- intensifying efforts to support teacher training of the CRDG curricula in use.
- increasing CRDG and COE cooperative activity.

Two, broaden the consultative mechanisms between the CRDG and the wider public to ensure the latter voice in CRDG research priorities.

Three, continue expansion of the CRDG's Asia-Pacific focus.

Four, broaden the role of the Laboratory School as a demonstration facility and enhance its training capacity.

Five, the CRDG should remain administratively placed within the University's structure of organized research units.

Six, initiate a concentrated effort by the University and the CRDG to publicize the CRDG activity within the community.

Seven, the CRDG should continually re-evaluate its internal structure to accommodate changing funding dynamics, challenges of "curriculum as technology," and personnel changes.

Section V: Conclusion

The Task Force reaches five broad conclusions:

One, we find no basis for either of two proposals: abolish the Laboratory School or separate it from the CRDG. None of our evidence support these proposals.

Two, the CRDG's future and value to Hawai'i is tied to changes occurring within the textbook industry. Mergers in that industry are marginalizing Hawai'i as a commercial textbook market. As far as Hawai'i's particular needs are concerned, the market will not provide. Restricting or abolishing the CRDG would deny Hawai'i access to curricular materials designed to meet its particular needs.

Three, Task Force interviews suggest that the growing number of SCBM schools will increase State requirements for locally based curriculum materials.

Four, the CRDG and Laboratory School provide a strong net economic benefit to the University and the State. To restrict their successes would impose the costs of foregoing these benefits.

Five, the CRDG fulfills its mission and that mission is appropriate for its activity. The State has a continued need for the activities of the CRDG and its Laboratory School.

ATTACHMENT "II"

The University Laboratory School
Curriculum Research & Development Group
University of Hawai'i

Enrollment Data

The University Laboratory School (ULS) is part of the Curriculum Research & Development Group (CRDG) at the University of Hawai'i - Manoa. The lab school is crucial to CRDG's work because it is where the staff test and refine new courses and materials until they are ready for Hawai'i's public schools.

To accomplish this work effectively, the lab school maintains a mixed body of regular students who reflect the statewide school population in family financial status, ethnicity, and learning performance.

In the 1996-97 school year, the student body of 360 breaks down like this:

Family financial status	Percentage
Welfare, unemployed, low-income	5
Unskilled or semi-skilled	18
Skilled, technical, clerical	43
Teachers, social workers, small-business owners, mid-managers in sales or services	28
Attorneys, physicians, professors, executives of major businesses and other organizations	7
Ethnicity	
Mixed (except part-Hawaiian)	29
Part-Hawaiian	18
Japanese	17
Caucasian	13
Filipino	9
Chinese	5
Korean	3
Black	2
Samoan	2
Other	2
Learning Performance (based on reading scores)	
Top stanine	11
Eighth stanine	16
Seventh stanine	18
Sixth stanine	16
Fifth stanine	17
Fourth stanine	15
Third stanine	5
Second stanine	1
Bottom stanine	0.3

RYT:ru
17a
Op. 64-55

STATE OF HAWAII
DEPARTMENT OF THE ATTORNEY GENERAL
HONOLULU, HAWAII 96813

December 4, 1964

Dr. Thomas H. Hamilton
President
University of Hawaii
1809 University Avenue
Honolulu, Hawaii 96822

Dear Dr. Hamilton:

By letter dated September 15, 1964, you requested our opinion relative to the laboratory school operated by the University of Hawaii. Your questions and our answers thereto are set forth below.

I. WHAT IS THE LEGAL STATUS OF THE LABORATORY SCHOOL OF THE UNIVERSITY OF HAWAII?

The University laboratory school is operated by the College of Education of the University of Hawaii and is under the jurisdiction and management of the Board of Regents of the University.

It was originally established and operated by the Territorial Normal and Training Schools, which was under the control of the Territorial Department of Public Instruction. The main function of the Territorial Normal and Training Schools was to train future teachers. In order to accomplish this goal, it established a laboratory school to provide students in training an opportunity to learn teaching skills and methods in an actual classroom situation.

In 1931 by Act 213^{1/} the legislature transferred the Territorial Normal and Training Schools to the University of Hawaii and established Teachers College, now known as the College of Education. Since then, the University has continued to operate and manage the laboratory school for the same purpose, and additional purposes, such as that of serving as an experimental base for the development of teaching techniques and methods and to conduct research related to education.

We are of the opinion that the Board of Regents of the University may legally continue to operate the University laboratory school under the broad powers granted it by the State Constitution and statutes,^{2/} provided the school is actually operated as a "laboratory school."

II. CAN THE BOARD OF REGENTS CHARGE TUITION OR OTHER SIMILAR FEES TO PUPILS ATTENDING THE UNIVERSITY LABORATORY SCHOOL?

We reply in the negative, for the reason that the legislature has not delegated to the Board of Regents the power to assess fees which are in the nature of a tax and for the further reason that charging of such tuition and fees militates against the public policy of the State of free public education.

^{1/} Act 213, S.L.H. 1931, is codified in section 44-17, R.L.H. 1955, which reads in part:

"Teachers college. The teachers college formerly known as the territorial normal and training school, shall be affiliated with the university and shall be under the jurisdiction and management of the university board of regents. . . ."

^{2/} State Constitution, Article IX, section 5; sections 44-3 and 44-1.5(f), R.L.H. 1955, as amended.

The taxing power is an attribute of sovereignty and is reserved to the State. (84 C.J.S., Taxation, § 4.) Unless this power has been duly delegated by law, a political subdivision or other agency of government, other than the State, does not have this power. (84 C.J.S., Taxation, §8; 9 McQuillin, Municipal Corporations, § 26.22; see also Art. VII, § 1 of the State Constitution.)

A careful search of our laws fails to reveal any delegation of the taxing power, expressly or impliedly, to the Board of Regents. Consequently, we are of the opinion that the Board does not have such power. (See 9 McQuillin, id., §§ 26.15 and 26.29.)

A tax has been defined as:

"...An enforced contribution, exacted pursuant to legislative authority, in the exercise of the taxing power, the contribution being of a proportionate character, payable in money, and imposed, levied, and collected for the purpose of raising revenue, to be used for public or governmental purposes, and not as payment for some special privilege granted or services rendered." (84 C.J.S., Taxation, p. 32.)

For example, in State v. Gorman, 49 N.W. 158, the Minnesota Supreme Court held that moneys collected by imposing a fee for the settlement of an estate and deposited in the county treasury as part of the general county funds were public in nature and that such exactions were in the nature of taxes.

In the instant situation, we understand that all the moneys collected as "tuition fees" are deposited in the State treasury as general fund realizations to be used for general State uses. We further understand that the legislature has already appropriated moneys for the operation of the University laboratory school. Thus it seems that the "tuition fee" exacted is in the nature of a revenue-raising measure rather than a fee for services rendered, and is therefore in legal effect a tax.

The fact that the exaction is called a "tuition fee" is not material, if it is in fact a tax:

As stated in 84 C.J.S., Taxation, § 34:

"The question of whether a particular contribution, charge, or burden is to be regarded as a tax depends upon its real nature, and if it is in its nature a tax, it is not material that it may be called by a different name. . . ." (Emphasis added.)

To summarize, we are of the opinion that the tuition fee being assessed against students attending the University laboratory school is in the nature of a tax.^{3/} The Board of Regents, not having been delegated the power to tax, is without authority to impose such fee.

In addition to the foregoing, we are of the opinion that the imposition of tuition and other fees at the University laboratory school militates against the public policy of the State of free public education.^{4/}

Initially, we must determine whether the University laboratory school is a "private" or "public" school, In 78 C.J.S., Schools and School Districts, §§ 606-609, a "private school" is defined as a school which is ordinarily owned and controlled by private persons or by private eleemosynary corporations. A "public school" is defined as a school which is established and maintained at public expense, primarily from moneys raised by general taxation and one that is controlled and administered by the State or its agencies.

3/ Section 44-3, R.L.H. 1955, as amended, expressly authorizes the Board of Regents to charge a tuition fee of not more than \$170 a year per student. We think that this section relates only to collegiate students attending the University and not to school-age children attending the laboratory school.

4/ In Bd. of Education of City of Lawrence v. Dick, 78 Pac. 812 (Kan. 1904), the court stated that the words "common schools" are synonymous with "public schools," and as used in the State Constitution, are interpreted to mean "free schools" so that the act of the legislature in attempting to authorize the board of education to collect tuition fees from resident pupils was void.

The University laboratory school is under the control and management of the Board of Regents of the University of Hawaii, a State agency. The land upon which the school is situated is public land which is held in fee by the University. Its buildings were constructed with public moneys and, since its inception, the legislature has continuously appropriated public moneys for the operation of the school.

We are of the opinion therefore, that the University laboratory school is a public school.

The public policy of the State against assessment of fees may be gleaned from actions of the legislature.

For example, in section 40-5, Revised Laws of Hawaii 1955, the legislature has specifically provided that:

"... No equipment, material or other fees shall be assessed against any pupil in any elementary school."

While it may be stated that said section would apply only to public schools under the control of the Department of Education, the legislative policy of free public schooling is clear.

With respect to imposition of fees above the elementary grades, we note that in 1937, by Act 201, the legislature repealed the statute authorizing an annual fee of \$10 for students in the ninth through twelfth grades. Since then no such fees have been imposed against public school pupils. This grant and subsequent withdrawal of authority to levy and collect fees evince a legislative intent to operate a public school system free of charges.

And finally, the proceedings of the Constitutional Convention relating to public education in general indicate general acceptance of the concept of free public education.^{5/}

For the above-stated reasons we are of the opinion that such fees may not be charged.

^{5/} See Vol. II, p. 584 of the Proceedings of the Constitutional Convention of Hawaii:

"HEEN: I'd like to find out from the chairman of the committee what was intended when the word 'free' was inserted in this sentence -- free of charge or free from non-sectarian control, or what?"

"WIST: I'd like to answer that. I think that this word 'free' has become sort of standardized; we're thinking of free public schooling for our children. However, since public education has been extending itself into the level of adulthood, perhaps we could resolve this, and I would like to suggest that we do resolve it by stating 'The State shall provide for the establishment, support and control of a state-wide system of public schools free from sectarian control.'

"HEEN: Well, of course, that means free from that type of control, but still it's not free of charge so far as the children are concerned.

....

"WIST: ... What I was trying to say was that the concept of education free of charge to children at the support of taxpayers has become so universally accepted that I don't think it's a serious issue.

"HEEN: Then if the language is changed as suggested by the last speaker, then it would leave it up to the legislature to say whether or not there shall be any charge, tuition fees, book fees, and so forth and so on. Is that correct?"

"WIST: That is correct. It's inconceivable to me, however, that a legislature would ever charge tuition of children attending public school." (Emphasis added.)

III. MAY THE BOARD OF REGENTS ESTABLISH REASONABLE REGULATIONS RELATIVE TO THE ADMISSION OF PUPILS TO THE UNIVERSITY LABORATORY SCHOOL?

We answer this question in the affirmative.

"The right or privilege to attend the public school is subject to such regulations, in respect of the admission and classification of pupils, as the legislature may from time to time see fit to make.

"The classification and assignment of pupils are purely administrative functions inherent in local school authorities, and the board or officers having control and supervision of the admission of pupils as a general rule have a discretionary power to establish reasonable rules and regulations for their admission. . . ." 79 C.J.S., Schools and School Districts, § 350. (Emphasis added.)

We have not found any statutory requirements relative to admission of pupils to our public schools, except the minimum and maximum age requirements^{6/} under the compulsory school attendance law and the anti-segregation provision in the State Constitution.^{7/} Since the Board of Regents exercises control over the University laboratory school by virtue of the broad powers delegated to it,^{8/} the Board has the power to establish admission regulations. These regulations, however, must be reasonable and non-discriminatory. (79 C.J.S., Schools and School Districts, § 350.)

A review of the admission standards at the University laboratory school indicates that they are based on such factors as social and emotional maturity, mental maturity, physical maturity, ethnic distribution, sex ratio, socio-economic background and size of groups.

We understand that these standards are necessary in order to achieve more meaningful and useful results for research and laboratory purposes and that the application of such standards would create classes composed of students broadly representative of the population of the State, so that any new teaching methods or tests devised and applied successfully at the University laboratory school, could be more effectively used by public schools generally.

We are of the opinion that, if the foregoing standards are used in this limited context to achieve the stated purpose, we see no objection thereto.

IV. CAN THE BOARD OF REGENTS OPERATE A SCHOOL CAFETERIA AT THE UNIVERSITY LABORATORY SCHOOL?

We answer this question in the affirmative.

The Board of Regents has broad powers to exercise control over and manage the affairs of the University of Hawaii (Sections 44-1.5 and 44-3, R.L.H. 1955, as amended). It also has broad administrative powers which extend to all matters affecting the welfare of the University. (78 C.J.S., Schools and School Districts, § 906.)

In Gregg v. United States, 22 F.Supp. 802 (1938), the court held that it was within the authority of the school district to establish and operate cafeterias in its public high schools.

^{6/} Sections 40-8 and 40-9, R.L.H. 1955.

^{7/} Section 1, Article I.

^{8/} Section 44-3, R.L.H. 1955, as amended, provides that the Board of Regents shall have general management and control of the affairs of the University.

We are of the opinion that the operation of a school cafeteria is reasonably incident to the operation of the University laboratory school; therefore, although there is no law expressly authorizing it, we think that it is within the scope of the broad powers conferred upon the Board of Regents.

V. CAN THE BOARD OF REGENTS OPERATE A COMPULSORY SCHOOL LUNCH PROGRAM IN THE ELEMENTARY AND HIGH SCHOOL LEVELS AT THE UNIVERSITY LABORATORY SCHOOL?

We reply in the negative.

Although the Board of Regents is vested with broad, discretionary powers, its powers are not unlimited. Its actions must not be unreasonable or arbitrary. (79 C.J.S., Schools and School Districts, § 350.)

We understand that the prime reason for instituting a compulsory school lunch program at the elementary and high school levels is to make the school cafeteria self-supporting financially. It has been reported that the school cafeteria has sustained a deficit over the years.

In State v. Board of Regents of the University of Wisconsin, 11 N.W. 472 (1882), the court stated that the Board of Regents had no power, in the absence of legislative grant, and by mere usage, custom, convenience or necessity, growing out of a depleted treasury, to exact charges from those in attendance as students.

Similarly, the Board of Regents in the instant case cannot mandate students at the University elementary and high school levels to eat in the school cafeteria merely to make it self-supporting financially.

Furthermore, there has been no evidence to indicate that lunches brought by students from home are inadequate or unhealthful, or that the present system of permitting students the option of purchasing school lunches or bringing their own lunches, has in any way been detrimental to an effective school administration.

Based on the foregoing, we are of the opinion that the evidence is not sufficient to warrant the institution of a compulsory school lunch program at the elementary and high school levels.

Very truly yours,

/s/ Roy Y. Takeyama

ROY Y. TAKEYAMA
Deputy Attorney General

APPROVED:

/s/ Bert T. Kobayashi

BERT T. KOBAYASHI
Attorney General