

FORTY-EIGHTH DAY

Tuesday, April 14, 1998

The Senate of the Nineteenth Legislature of the State of Hawaii, Regular Session of 1998, convened at 10:16 o'clock a.m. with the President in the Chair.

The Divine Blessing was invoked by the Reverend Nathan Kohashi, Pearl City Community 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-Seventh Day.

MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 251 to 274) were read by the Clerk and were disposed of as follows:

Gov. Msg. No. 251, advising the Senate that the terms of the nominees to the Hawai'i Teacher Standards Board, under Gov. Msg. No. 204, dated March 18, 1998, have been amended to expire as follows: CATHERINE H. PAYNE, term to expire June 30, 1998; and GERVACIO BUENCONSEJO, EDWIN T. GINOZA, PETER C. MORTON, SHARON T. NAKAGAWA, CATHERINE H. PAYNE, CHERYL M. SHINTANI and TWYLLA-DAWN STEER, terms to expire June 30, 2001, was referred to the Committee on Education.

Gov. Msg. No. 252, submitting for consideration and confirmation to the Aquatic Life and Wildlife Advisory Committee, County of Maui, the nomination of STEPHEN E. SMITH, term to expire June 30, 2002, was referred to the Committee on Economic Development.

Gov. Msg. No. 253, submitting for consideration and confirmation to the Criminal Injuries Compensation Commission, the nomination of PAULA CHUN, term to expire June 30, 2002, was referred to the Committee on Judiciary.

Gov. Msg. No. 254, submitting for consideration and confirmation to the Hawai'i Advisory Commission on Drug Abuse and Controlled Substances, the nominations of: KENNETH L. TANO, term to expire June 30, 2000; and VERONICA B. YAMANOHA, term to expire June 30, 2001, was referred to the Committee on Health and Environment.

Gov. Msg. No. 255, submitting for consideration and confirmation to the General Assistance Advisory Council, the nominations of: FRED C. HOLSCHUH, M.D., RUTH ELLEN LINDENBERG, MILDRED R. TANABE, Dr. P.H., and GINGER STRAWN, terms to expire June 30, 1999; M. VICTOR GEMINIANI, KATHLEEN E. HASEGAWA, DEBRA K. SHIMIZU and CLAIRE WOODS, terms to expire June 30, 2000; and SANDRA K. MEEHAN, MARION F. POIRIER and ESETA A. ULU, terms to expire June 30, 2001, was referred to the Committee on Human Resources.

Gov. Msg. No. 256, submitting for consideration and confirmation to the Hawai'i Historic Places Review Board, the nominations of ROY K. ALAMEIDA, JOYCE N. CHINEN, Ph.D., ROBERT J. HOMMON, Ph.D., RICHARD K. PAGLINAWAN and NANCY LYMAN PEACOCK, terms to expire June 30, 2002, was referred to the Committee on Education.

Gov. Msg. No. 257, submitting for consideration and confirmation to the Statewide Health Coordinating Council, the nomination of GERI MARULLO, term to expire June 30, 2001, was referred to the Committee on Health and Environment.

Gov. Msg. No. 258, submitting for consideration and confirmation to the Honolulu Subarea Health Planning Council,

the nominations of: DANIEL A. BARRETTO, term to expire June 30, 1999; ROBERT Y. HEE, term to expire June 30, 2001; and MARIAN G. MARSH, LANE K. UCHIMURA and STELLA M. Q. WONG, terms to expire June 30, 2002, was referred to the Committee on Health and Environment.

Gov. Msg. No. 259, submitting for consideration and confirmation to the West Oahu Subarea Health Planning Council, the nominations of: ALAN ARAKAWA, term to expire June 30, 2000; and LAURIE A. B. OISHI and JOHN V. SCHLEIF, terms to expire June 30, 2002, was referred to the Committee on Health and Environment.

Gov. Msg. No. 260, submitting for consideration and confirmation to the Windward Oahu Subarea Health Planning Council, the nominations of: JOHN E. AOKI, M.D., term to expire June 30, 2000; and CLIFTON C. CASSITY, GREGG OISHI and MELODY S. FANNING, terms to expire June 30, 2002, was referred to the Committee on Health and Environment.

Gov. Msg. No. 261, submitting for consideration and confirmation to the Hawai'i County Subarea Health Planning Council, the nomination of JOHN MCNEIL, term to expire June 30, 2000, was referred to the Committee on Health and Environment.

Gov. Msg. No. 262, submitting for consideration and confirmation to the Kauai County Subarea Health Planning Council, the nominations of: KENNETH VILLABRILLE, term to expire June 30, 2000; ABEL MEDEIROS, term to expire June 30, 2001; and JOSEPHINE C. DUVAUCHELLE and KALEINANI M. LARSEN, terms to expire June 30, 2002, was referred to the Committee on Health and Environment.

Gov. Msg. No. 263, submitting for consideration and confirmation to the Maui County Subarea Health Planning Council, the nominations of: JOHN ORNELLAS, term to expire June 30, 1999; and CATHERINE NOBRIGA KIM, THOMAS ALBETE, GLENN S. IZAWA, KATHLEEN L. STREET, GUY M. SUGINO, M.D., SARAJEAN A. TOKUNAGA, ANN K. TAKAKURA and CHERYL C. GARCIA, terms to expire June 30, 2002, was referred to the Committee on Health and Environment.

Gov. Msg. No. 264, submitting for consideration and confirmation to the State Highway Safety Council, the nominations of JAMES S. CORREA, RICHARD M. IGA, TRINETTE P. KAUI and DAVID M. JORGENSEN, terms to expire June 30, 2002, was referred to the Committee on Transportation and Intergovernmental Affairs.

Gov. Msg. No. 265, submitting for consideration and confirmation to the Board of Directors, Housing and Community Development Corporation of Hawai'i, the nominations of: DON FUJIMOTO and NADINE K. NAKAMURA, terms to expire June 30, 2000; KURT H. MITCHELL, term to expire June 30, 2001; and DONALD K. W. LAU and WESLEY R. SEGAWA, terms to expire June 30, 2002, was referred to the Committee on Government Operations and Housing.

Gov. Msg. No. 266, submitting for consideration and confirmation to the Real Estate Commission, the nominations of CHARLES H. AKI, MICHAEL G. CHING, ALFREDO G. EVANGELISTA and IRIS R. OKAWA, terms to expire June 30, 2002, was referred to the Committee on Commerce, Consumer Protection, and Information Technology.

Gov. Msg. No. 267, submitting for consideration and confirmation to the Rental Housing Trust Fund Advisory Commission, the nominations of: LESLIE Y. KURISAKI, term to expire June 30, 2000; CRAIG K. HIRAI and RICHARD C.

LIM, terms to expire June 30, 2001; and BETTY LOU LARSON and STEPHEN K. KAWAHARA, terms to expire June 30, 2002, was referred to the Committee on Government Operations and Housing.

Gov. Msg. No. 268, submitting for consideration and confirmation to the Board of Taxation Review, First Taxation District (Oahu), the nomination of DIANNE L. Y. MERRITT, term to expire June 30, 2002, was referred to the Committee on Ways and Means.

Gov. Msg. No. 269, submitting for consideration and confirmation to the Board of Taxation Review, Second Taxation District (Maui County), the nomination of EUGENE F. SIMON, term to expire June 30, 2002, was referred to the Committee on Ways and Means.

Gov. Msg. No. 270, submitting for consideration and confirmation to the Board of Taxation Review, Third Taxation District (Hawai'i), the nomination of BERT M. WAGATSUMA, term to expire June 30, 2002, was referred to the Committee on Ways and Means.

Gov. Msg. No. 271, submitting for consideration and confirmation to the Board of Taxation Review, Fourth Taxation District (Kauai), the nominations of JOSE R. S. DIOGO, term to expire June 30, 1999; and SANDRA L. HOWATT, term to expire June 30, 2002, was referred to the Committee on Ways and Means.

Gov. Msg. No. 272, submitting for consideration and confirmation to the Board of Certification of Operating Personnel in Wastewater Treatment Plants, the nominations of KENNETH T. ISHIZAKI and LEWIS CURTIS TINDALL, terms to expire June 30, 2002, was referred to the Committee on Health and Environment.

Gov. Msg. No. 273, submitting for consideration and confirmation to the Hawai'i Workforce Development Council, the nominations of: CHARLENE T. GOO, GLENN K. MURANAKA, EILEEN WACHI and JAMES G. WESTLAKE, terms to expire June 30, 2000; RICHARD T. HASHIMOTO, SUSAN AU DOYLE, ALAN GARSON, Ed.D., and CHARLES KAWAKAMI, terms to expire June 30, 2001; and EDWARD M. BOUGHTON, WAYNE H. KISHIDA, JOHN J. K. LEE and M. WINONA CABRAL WHITMAN, terms to expire June 30, 2002, was referred to the Committee on Human Resources.

Gov. Msg. No. 274, advising the Senate of the withdrawal of the nomination of JANE RENFRO SMITH from the Procurement Policy Board, under Gov. Msg. No. 210, dated March 18, 1998, was placed on file.

In compliance with Gov. Msg. No. 274, the nomination listed under Gov. Msg. No. 210 was returned.

HOUSE COMMUNICATION

Hse. Com. No. 142, informing the Senate that the House has disagreed to the amendments proposed by the Senate to the following House bills:

H.B. No. 2496, H.D. 2 (S.D. 1);
 H.B. No. 2614 (S.D. 1);
 H.B. No. 2711, H.D. 1 (S.D. 1);
 H.B. No. 2714, H.D. 2 (S.D. 1);
 H.B. No. 2760, H.D. 1 (S.D. 2);
 H.B. No. 2761 (S.D. 1);
 H.B. No. 2776, H.D. 1 (S.D. 2);
 H.B. No. 2786, H.D. 2 (S.D. 2);
 H.B. No. 2793 (S.D. 1);
 H.B. No. 2846, H.D. 1 (S.D. 1);
 H.B. No. 2957, H.D. 2 (S.D. 1);
 H.B. No. 3022, H.D. 2 (S.D. 1);
 H.B. No. 3027, H.D. 2 (S.D. 1);

H.B. No. 3453, H.D. 2 (S.D. 1); and
 H.B. No. 3468, H.D. 2 (S.D. 2),

was read by the Clerk and was placed on file.

STANDING COMMITTEE REPORTS

Senators Bunda and M. Ige, for the Committee on Government Operations and Housing, presented a report (Stand. Com. Rep. No. 3299) recommending that the Senate advise and consent to the nomination of RAYMOND H. SATO as Comptroller, in accordance with Gov. Msg. No. 189.

In accordance with Senate Rule 36(6), action on Stand. Com. Rep. No. 3299 and Gov. Msg. No. 189 was deferred until Thursday, April 16, 1998.

Senators Fernandes Salling and Levin, for the Committee on Health and Environment, presented a report (Stand. Com. Rep. No. 3300) recommending that the Senate advise and consent to the nominations of DIRK K. WASANO, MILLICENT L. K. ROGERS, JOHN H. ROBERTS, MATTHEW CHARLES BASSETT, ANGELA I. ZANGERLE, GLORIA S. KISHI, Ph.D., JAMES RICHARD SKOUGE, Ed.D., DAVID A. WOLL and J. CURTIS TYLER, III, to the State Planning Council on Developmental Disabilities, in accordance with Gov. Msg. No. 199.

In accordance with Senate Rule 36(6), action on Stand. Com. Rep. No. 3300 and Gov. Msg. No. 199 was deferred until Thursday, April 16, 1998.

Senators Fernandes Salling and Levin, for the Committee on Health and Environment, presented a report (Stand. Com. Rep. No. 3301) recommending that the Senate advise and consent to the nominations of TERRY YOUNG, Ph.D., ANTHONY S. AKAMINE, DEAN M. GEORGIEV and DONALD A. MEDEIROS to the Commission on Persons with Disabilities, in accordance with Gov. Msg. No. 200.

In accordance with Senate Rule 36(6), action on Stand. Com. Rep. No. 3301 and Gov. Msg. No. 200 was deferred until Thursday, April 16, 1998.

Senators Fernandes Salling and Levin, for the Committee on Health and Environment, presented a report (Stand. Com. Rep. No. 3302) recommending that the Senate advise and consent to the nominations of STEPHEN T. DYE, Ph.D., WILLIAM S. PETTI and PURNIMA PATIL MCCUTCHEON to the Environmental Council, in accordance with Gov. Msg. No. 202.

In accordance with Senate Rule 36(6), action on Stand. Com. Rep. No. 3302 and Gov. Msg. No. 202 was deferred until Thursday, April 16, 1998.

Senators Fernandes Salling and Levin, for the Committee on Health and Environment, presented a report (Stand. Com. Rep. No. 3303) recommending that the Senate advise and consent to the nomination of WILLIAM C. LENNOX, JR., to the State Council on Mental Health, in accordance with Gov. Msg. No. 207.

In accordance with Senate Rule 36(6), action on Stand. Com. Rep. No. 3303 and Gov. Msg. No. 207 was deferred until Thursday, April 16, 1998.

Senators Fernandes Salling and Levin, for the Committee on Health and Environment, presented a report (Stand. Com. Rep. No. 3304) recommending that the Senate advise and consent to the nominations of SETSU FURUNO, Ph.D., and HELEN MAY SMALLEY-BOWER to the Reproductive Rights Protection Committee, in accordance with Gov. Msg. No. 213.

In accordance with Senate Rule 36(6), action on Stand. Com. Rep. No. 3304 and Gov. Msg. No. 213 was deferred until Thursday, April 16, 1998.

Senators Fernandes Salling and Levin, for the Committee on Health and Environment, presented a report (Stand. Com. Rep. No. 3305) recommending that the Senate advise and consent to the nomination of IAN KAGIMOTO to the Board of Certification of Operating Personnel in Water Treatment Plants, in accordance with Gov. Msg. No. 214.

In accordance with Senate Rule 36(6), action on Stand. Com. Rep. No. 3305 and Gov. Msg. No. 214 was deferred until Thursday, April 16, 1998.

Senators Aki and Tam, jointly with Senators Fernandes Salling and Levin, for the Committee on Education and the Committee on Health and Environment, presented a joint report (Stand. Com. Rep. No. 3306) recommending that S.C.R. No. 47 be adopted.

On motion by Senator Ihara, seconded by Senator Slom and carried, the joint report of the Committee was adopted and S.C.R. No. 47, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE UNIVERSITY OF HAWAII SCHOOL OF PUBLIC HEALTH TO STUDY THE FEASIBILITY OF UTILIZING COMPLEMENTARY AND ALTERNATIVE MEDICAL CARE IN THE HEALTH CARE SYSTEM IN HAWAII," was adopted.

Senators Aki and Tam, for the Committee on Education, presented a report (Stand. Com. Rep. No. 3307) recommending that S.C.R. No. 137, as amended in S.D. 1, 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. 137, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE BOARD OF EDUCATION TO CONSIDER THE PROPOSAL OF THE ECONOMIC REVITALIZATION TASK FORCE THAT ALL PUPILS GRADUATING FROM HIGH SCHOOL BEGINNING WITH THE 2000 SCHOOL YEAR SHALL BE COMPETENT IN LANGUAGES OTHER THAN ENGLISH," was adopted.

Senators Aki and Tam, for the Committee on Education, presented a report (Stand. Com. Rep. No. 3308) recommending that S.R. No. 65, as amended in S.D. 1, be adopted.

On motion by Senator Ihara, seconded by Senator Slom and carried, the report of the Committee was adopted and S.R. No. 65, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE BOARD OF EDUCATION TO CONSIDER THE PROPOSAL OF THE ECONOMIC REVITALIZATION TASK FORCE THAT ALL PUPILS GRADUATING FROM HIGH SCHOOL BEGINNING WITH THE 2000 SCHOOL YEAR SHALL BE COMPETENT IN LANGUAGES OTHER THAN ENGLISH," was adopted.

Senators Aki and Tam, for the Committee on Education, presented a report (Stand. Com. Rep. No. 3309) recommending that S.C.R. No. 180 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. 180, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION TO NAME THE MAUI HIGH SCHOOL GYMNASIUM IN HONOR OF FORMER SENATOR MAMORU YAMASAKI," was adopted.

Senators Aki and Tam, for the Committee on Education, presented a report (Stand. Com. Rep. No. 3310) recommending that S.C.R. No. 192 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. 192, entitled: "SENATE CONCURRENT RESOLUTION ENCOURAGING THE KIHEI HIGH SCHOOL

COMMUNITY COMMITTEE TO CONTINUE ITS EFFORTS TO ESTABLISH A CHARTER SCHOOL IN KIHEI, MAUI, CENTERED ON SYSTEMS TECHNOLOGY AND BASED ON PUBLIC-PRIVATE PARTNERSHIPS," was adopted.

Senators Aki and Tam, for the Committee on Education, presented a report (Stand. Com. Rep. No. 3311) recommending that S.R. No. 91 be adopted.

On motion by Senator Ihara, seconded by Senator Slom and carried, the report of the Committee was adopted and S.R. No. 91, entitled: "SENATE RESOLUTION ENCOURAGING THE KIHEI HIGH SCHOOL COMMUNITY COMMITTEE TO CONTINUE ITS EFFORTS TO ESTABLISH A CHARTER SCHOOL IN KIHEI, MAUI, CENTERED ON SYSTEMS TECHNOLOGY AND BASED ON PUBLIC-PRIVATE PARTNERSHIPS," was adopted.

Senators Aki and Tam, for the Committee on Education, presented a report (Stand. Com. Rep. No. 3312) recommending that S.R. No. 102, as amended in S.D. 1, be referred to the Committee on Ways and Means.

On motion by Senator Ihara, seconded by Senator Slom and carried, the report of the Committee was adopted and S.R. No. 102, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE GOVERNOR TO USE FEDERAL IMPACT AID REIMBURSEMENTS FOR EDUCATION EXCLUSIVELY FOR EDUCATIONAL PURPOSES," was referred to the Committee on Ways and Means.

Senators Aki and Tam, for the Committee on Education, presented a report (Stand. Com. Rep. No. 3313) recommending that S.R. No. 103, be referred to the Committee on Ways and Means.

On motion by Senator Ihara, seconded by Senator Slom and carried, the report of the Committee was adopted and S.R. No. 103, entitled: "SENATE RESOLUTION AUTHORIZING THE SENATE COMMITTEE OF EDUCATION TO EVALUATE THE STRUCTURE AND APPROPRIATENESS OF SCHOOL /COMMUNITY-BASED MANAGEMENT, STUDENT-CENTERED SCHOOLS, CHARTER SCHOOLS, AND SCHOOLS-WITHIN-A-SCHOOL IN RELATION TO A COMMUNITY-BASED APPROACH TO ESTABLISHING SCHOOL PRIORITIES AND ACCOUNTABILITY," was referred to the Committee on Ways and Means.

ORDER OF THE DAY

THIRD READING

Stand. Com. Rep. No. 3138 (H.B. No. 2331, H.D. 1, S.D. 1):

On motion by Senator D. Ige, seconded by Senator Metcalf and carried, Stand. Com. Rep. No. 3138 was adopted and H.B. No. 2331, H.D. 1, S.D. 1, 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. 3139 (H.B. No. 2519):

On motion by Senator D. Ige, seconded by Senator Metcalf and carried, Stand. Com. Rep. No. 3139 was adopted and H.B. No. 2519, entitled: "A BILL FOR AN ACT RELATING TO LIST OF PERSONS EXAMINING RECORDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3140 (H.B. No. 2791, H.D. 1):

On motion by Senator D. Ige, seconded by Senator Metcalf and carried, Stand. Com. Rep. No. 3140 was adopted and H.B. No. 2791, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUSINESS ACTION CENTER," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3141 (H.B. No. 2844, H.D. 1, S.D. 1):

On motion by Senator D. Ige, seconded by Senator Metcalf and carried, Stand. Com. Rep. No. 3141 was adopted and H.B. No. 2844, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE SUNSET CLAUSE FOR MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE TREATMENT INSURANCE BENEFITS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2672, H.D. 1, S.D. 1:

On motion by Senator D. Ige, seconded by Senator Metcalf and carried, H.B. No. 2672, H.D. 1, 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.

H.B. No. 2701, H.D. 2, S.D. 1:

On motion by Senator D. Ige, seconded by Senator Metcalf and carried, H.B. No. 2701, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TELECOMMUNICATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2814:

On motion by Senator D. Ige, seconded by Senator Metcalf and carried, H.B. No. 2814, entitled: "A BILL FOR AN ACT RELATING TO SENIOR PSYCHOLOGISTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3148 (H.B. No. 2855, H.D. 1, S.D. 1):

On motion by Senator D. Ige, seconded by Senator Metcalf and carried, Stand. Com. Rep. No. 3148 was adopted and H.B. No. 2855, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO NURSE MIDWIVES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 92, H.D. 2, S.D. 1:

On motion by Senator Kawamoto, seconded by Senator Sakamoto and carried, H.B. No. 92, H.D. 2, 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.

Stand. Com. Rep. No. 3157 (H.B. No. 3138, H.D. 1, S.D. 1):

On motion by Senator Iwase, seconded by Senator Solomon and carried, Stand. Com. Rep. No. 3157 was adopted and H.B. No. 3138, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE COUNTIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 3167, H.D. 1, S.D. 1:

On motion by Senator Aki, seconded by Senator Tam and carried, H.B. No. 3167, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3159 (H.B. No. 2883, H.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3159 was adopted and H.B. No. 2883, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO KAWAINUI MARSH," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3160 (H.B. No. 2992, H.D. 2, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3160 was adopted and H.B. No. 2992, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO NOTARIES PUBLIC," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3161 (H.B. No. 2857):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3161 was adopted and H.B. No. 2857, entitled: "A BILL FOR AN ACT RELATING TO THE CHRONIC RENAL DISEASE PROGRAM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3162 (H.B. No. 2762, H.D. 1, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3162 was adopted and H.B. No. 2762, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO POOLED INSURANCE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3163 (H.B. No. 3005, H.D. 2, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3163 was adopted and H.B. No. 3005, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION 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. 3164 (H.B. No. 2985, H.D. 1, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3164 was adopted and H.B. No. 2985, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO IRRIGATION AND WATER UTILIZATION PROJECTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3166 (H.B. No. 3489, H.D. 2, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3166 was adopted and H.B. No. 3489, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HARBORS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 3281, H.D. 1, S.D. 1:

On motion by Senator Bunda, seconded by Senator M. Ige and carried, H.B. No. 3281, 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. 3169 (H.B. No. 2660, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3169 was adopted and H.B. No. 2660, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC SERVICE COMPANY TAX," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3172 (H.B. No. 3443, H.D. 1, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3172 was adopted and H.B. No. 3443, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO LOANS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3173 (H.B. No. 3527, H.D. 1, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3173 was adopted and H.B. No. 3527, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR PROJECTS ON THE ISLAND 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. 3174 (H.B. No. 3367, H.D. 1, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3174 was adopted and H.B. No. 3367, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH TOURISM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3175 (H.B. No. 2852, H.D. 2, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3175 was adopted and H.B. No. 2852, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TELEHEALTH," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3176 (H.B. No. 2862, H.D. 2, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3176 was adopted and H.B. No. 2862, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SERVICES FOR DEVELOPMENTAL DISABILITIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3177 (H.B. No. 2758, H.D. 1, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3177 was adopted and H.B. No. 2758, 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. 3178 (H.B. No. 2801, H.D. 1, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3178 was adopted and H.B. No. 2801, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION 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. 3180 (H.B. No. 2842, H.D. 1, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3180 was adopted and H.B. No. 2842, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE DIRECTOR 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. 3182 (H.B. No. 3028, H.D. 1, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3182 was adopted and H.B. No. 3028, H.D. 1, S.D. 2, 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. 3183 (H.B. No. 3361, H.D. 3, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3183 was adopted and H.B. No. 3361, H.D. 3, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CHILD PROTECTION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3185 (H.B. No. 2892, H.D. 1, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3185 was adopted and H.B. No. 2892, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL FACILITY REVENUE BONDS FOR AIRPORTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3186 (H.B. No. 3248, H.D. 1, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3186 was adopted and H.B. No. 3248, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LAPSED WARRANTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3187 (H.B. No. 2558, H.D. 1, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3187 was adopted and H.B. No. 2558, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LAND USE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2778, S.D. 1:

On motion by Senator Baker, seconded by Senator Fukunaga and carried, H.B. No. 2778, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR LEGAL SERVICES FOR DEPARTMENT OF HAWAIIAN HOME LANDS INDIVIDUAL CLAIMS REVIEW," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3189 (H.B. No. 2528, H.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3189 was adopted and H.B. No. 2528, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3190 (H.B. No. 2845, H.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3190 was adopted and H.B. No. 2845, H.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.

H.B. No. 3466, H.D. 1:

On motion by Senator Baker, seconded by Senator Fukunaga and carried, H.B. No. 3466, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO RETENTION OF CASHED WARRANTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2816:

On motion by Senator D. Ige, seconded by Senator Metcalf and carried, H.B. No. 2816, entitled: "A BILL FOR AN ACT RELATING TO PHARMACIST LICENSURE EXAMINATIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2490, H.D. 3, S.D. 1:

On motion by Senator D. Ige, seconded by Senator Metcalf and carried, H.B. No. 2490, H.D. 3, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TELECOMMUNICATIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3196 (H.B. No. 2671, H.D. 2, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3196 was adopted and H.B. No. 2671, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST UTILITIES SERVING THE GENERAL PUBLIC," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3199 (H.B. No. 2909, H.D. 2, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3199 was adopted and H.B. No. 2909, 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. 3200 (H.B. No. 2563, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3200 was adopted and H.B. No. 2563, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL-BASED BUDGETING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3206 (H.B. No. 3247, H.D. 1, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3206 was adopted and H.B. No. 3247, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SHORT TERM INVESTMENT OF COUNTY MONIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3207 (H.B. No. 2498, H.D. 2, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3207 was adopted and H.B. No. 2498, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," having been read

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

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3208 (H.B. No. 2598, H.D. 2, S.D. 2):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3208 was adopted and H.B. No. 2598, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AUTOMATIC EXTERNAL DEFIBRILLATORS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3209 (H.B. No. 2847, H.D. 2, S.D. 2):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3209 was adopted and H.B. No. 2847, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SOLID WASTE MANAGEMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3210 (H.B. No. 2423, H.D. 1, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3210 was adopted and H.B. No. 2423, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE INSURANCE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3211 (H.B. No. 2774, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3211 was adopted and H.B. No. 2774, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM INFORMATION PRACTICES ACT (MODIFIED)," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3212 (H.B. No. 3568, H.D. 1, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3212 was adopted and H.B. No. 3568, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FRAUDULENT USE OF CREDIT CARD," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3213 (H.B. No. 2780, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3213 was adopted and H.B. No. 2780, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3215 (H.B. No. 2357, H.D. 2, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3215 was

adopted and H.B. No. 2357, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INDEMNIFICATION OF COUNTY AGENCIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3216 (H.B. No. 3082, H.D. 1, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3216 was adopted and H.B. No. 3082, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ADMINISTRATIVE REVOCATION OF DRIVER'S LICENSE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3217 (H.B. No. 3185, H.D. 1, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3217 was adopted and H.B. No. 3185, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ADMINISTRATIVE REVOCATION OF DRIVER'S LICENSE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3218 (H.B. No. 3252, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3218 was adopted and H.B. No. 3252, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE SAFETY RESPONSIBILITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3219 (H.B. No. 3581, H.D. 1, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3219 was adopted and H.B. No. 3581, H.D. 1, 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. 2443, H.D. 2, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2443, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO REAL PROPERTY ENCROACHMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2524, H.D. 1, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2524, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONTESTS FOR CAUSE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2779, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2779, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM INTERSTATE FAMILY SUPPORT ACT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2932, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2932, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO NUISANCE ABATEMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2935, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2935, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SENTENCING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2941, H.D. 1, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2941, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SENTENCING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2522, H.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2522, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PARTIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2708:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2708, entitled: "A BILL FOR AN ACT RELATING TO COURTS AND JUDICIAL PROCEEDINGS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2850, H.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2850, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SMALL ESTATES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2942:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2942, entitled: "A BILL FOR AN ACT RELATING TO OFFENSES AGAINST PROPERTY RIGHTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2709, H.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2709, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO NONCONSENSUAL COMMON LAW LIENS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3232 (H.B. No. 2358, H.D. 2, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3232 was adopted and H.B. No. 2358, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD PASSENGER RESTRAINT SYSTEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3233 (H.B. No. 2537, H.D. 1, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3233 was adopted and H.B. No. 2537, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3234 (H.B. No. 3289, H.D. 1, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3234 was adopted and H.B. No. 3289, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LIABILITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2355, H.D. 1, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2355, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL TRESPASS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2381, H.D. 1, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2381, 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. 3237 (H.B. No. 3059, S.D. 1):

On motion by Senator Chun Oakland, seconded by Senator Kanno and carried, Stand. Com. Rep. No. 3237 was adopted and H.B. No. 3059, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE POLICY CONCERNING THE UTILIZATION OF VOLUNTEER SERVICE," having been

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

Ayes, 25. Noes, none.

H.B. No. 2866, S.D. 1:

On motion by Senator Chun Oakland, seconded by Senator Kanno and carried, H.B. No. 2866, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT ON PUBLIC WORKS PROJECTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2867:

On motion by Senator Chun Oakland, seconded by Senator Kanno and carried, H.B. No. 2867, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT ON PUBLIC WORKS PROJECTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2871, S.D. 1:

On motion by Senator Chun Oakland, seconded by Senator Kanno and carried, H.B. No. 2871, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2887:

On motion by Senator Chun Oakland, seconded by Senator Kanno and carried, H.B. No. 2887, entitled: "A BILL FOR AN ACT RELATING TO THE STATE COMMISSION ON THE STATUS OF WOMEN," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 3053:

On motion by Senator Chun Oakland, seconded by Senator Kanno and carried, H.B. No. 3053, entitled: "A BILL FOR AN ACT RELATING TO CIVIL SERVICE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 3054, H.D. 1:

On motion by Senator Chun Oakland, seconded by Senator Kanno and carried, H.B. No. 3054, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PERFORMANCE RATINGS OF EMPLOYEES IN THE CIVIL SERVICE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 3055:

On motion by Senator Chun Oakland, seconded by Senator Kanno and carried, H.B. No. 3055, entitled: "A BILL FOR AN ACT RELATING TO CIVIL SERVICE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2810, H.D. 1:

On motion by Senator D. Ige, seconded by Senator Metcalf and carried, H.B. No. 2810, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE CODE OF FINANCIAL INSTITUTIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3249 (H.B. No. 2332, H.D. 2, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3249 was adopted and H.B. No. 2332, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRAFFIC CODE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3250 (H.B. No. 2533, H.D. 1, S.D. 2):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3250 was adopted and H.B. No. 2533, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO QUARANTINE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3251 (H.B. No. 3403, H.D. 2, S.D. 1):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3251 was adopted and H.B. No. 3403, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO OFFENSES AGAINST PROPERTY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2437, H.D. 1, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 2437, 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.

H.B. No. 3553, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, H.B. No. 3553, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FORFEITURE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2362, H.D. 1, S.D. 1:

On motion by Senator Chumbley, seconded by Senator Baker and carried, H.B. No. 2362, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHARITABLE TRUSTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3259 (H.B. No. 1966, H.D. 2, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3259 was adopted and H.B. No. 1966, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ADULT RESIDENTIAL 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. 3260 (H.B. No. 2649, H.D. 2, S.D. 2):

On motion by Senator Chun Oakland, seconded by Senator Kanno and carried, Stand. Com. Rep. No. 3260 was adopted and H.B. No. 2649, H.D. 2, S.D. 2, 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, 25. Noes, none.

H.B. No. 1099, H.D. 2, S.D. 1:

On motion by Senator D. Ige, seconded by Senator Metcalf and carried, H.B. No. 1099, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO OCCUPATIONAL THERAPISTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2626, H.D. 1:

On motion by Senator D. Ige, seconded by Senator Metcalf and carried, H.B. No. 2626, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO OCCUPATIONAL THERAPY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3265 (H.B. No. 2560, H.D. 2, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3265 was adopted and H.B. No. 2560, H.D. 2, 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. 3266 (H.B. No. 2680, H.D. 2, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3266 was adopted and H.B. No. 2680, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STUDENT-CENTERED SCHOOLS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3273 (H.B. No. 3446, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3273 was adopted and H.B. No. 3446, S.D. 2, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2750, H.D. 1, S.D. 1:

On motion by Senator Baker, seconded by Senator Fukunaga and carried, H.B. No. 2750, H.D. 1, 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.

H.B. No. 2506, H.D. 1, S.D. 1:

On motion by Senator D. Ige, seconded by Senator Chumbley and carried, H.B. No. 2506, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FORECLOSURES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3277 (H.B. No. 2837, H.D. 1, S.D. 2):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3277 was adopted and H.B. No. 2837, H.D. 1, S.D. 2, 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, 25. Noes, none.

Stand. Com. Rep. No. 3280 (H.B. No. 503, H.D. 2, S.D. 2):

On motion by Senator Chumbley seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3280 was adopted and H.B. No. 503, H.D. 2, S.D. 2, 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, 25. Noes, none.

Stand. Com. Rep. No. 3284 (H.B. No. 3192, H.D. 1, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3284 was adopted and H.B. No. 3192, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SUPPORT ENFORCEMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3286 (H.B. No. 1332, H.D. 2, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3286 was adopted and H.B. No. 1332, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE STATE WATER CODE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3289 (H.B. No. 3625, H.D. 3, S.D. 2):

By unanimous consent, action on Stand. Com. Rep. No. 3289 and H.B. No. 3625, H.D. 3, S.D. 2, was deferred until later on the calendar.

Stand. Com. Rep. No. 3291 (H.B. No. 2426, H.D. 1, S.D. 1):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3291 was adopted and H.B. No. 2426, 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, 25. Noes, none.

H.B. No. 2912, H.D. 1, S.D. 1:

On motion by Senator Baker, seconded by Senator Fukunaga and carried, H.B. No. 2912, 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. 2710, H.D. 1, S.D. 1:

On motion by Senator Baker, seconded by Senator Fukunaga and carried, H.B. No. 2710, H.D. 1, S.D. 1, 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.

At 10:23 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:25 o'clock a.m.

THIRD READING

Stand. Com. Rep. 3171 (H.B. No. 2547, H.D. 2):

By unanimous consent, action on Stand. Com. Rep. No. 3171 and H.B. No. 2547, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," was deferred until Tuesday, May 5, 1998.

Stand. Com. Rep. No. 3293 (H.B. No. 2552, H.D. 1, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3293 be received and placed on file, seconded by Senator Fukunaga and carried.

Senator Baker moved that H.B. No. 2552, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Baker then offered the following amendment (Floor Amendment No. 5) to H.B. No. 2552, H.D. 1, S.D. 2:

SECTION 1. Senate Bill No. 2552, H.D. 1, S.D. 2, is amended by:

1. Deleting Part VI in its entirety and inserting a new Part VI to read as follows:

"PART VI.

SECTION 63. The purpose of this Part is to lower the expenditure ceiling of the public utilities commission special fund from \$1 million to \$500,000.

SECTION 64. Section 269-33, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) All moneys in excess of [\$1,000,000] \$500,000 remaining on balance in the public utilities commission special fund on June 30 of each year shall lapse to the credit of the state general fund."

2. Renumbering Sections 67, 68, 69, 70, 71, 72, and 73 as Sections 65, 66, 67, 68, 69, 70, and 71, respectively; and

3. Amending and renumbering Section 74 to read as follows:

"SECTION [74.] 72. This Act shall take effect upon its approval; provided that [sections] section 62 [to 65] shall take effect on July 1, 1998."

Senator Baker moved that the amendment be adopted, seconded by Senator Fukunaga.

Senator Baker rose in support of the floor amendment as follows:

"Mr. President, the proposed amendment would delete Part VI which proposes to repeal the Employment and Training Fund and transfer any unexpended money in the fund to the Unemployment Compensation Fund. However, the repeal of the ETF is inconsistent with your committees intent in this area and inconsistent with action your committee proposed in H.B. No. 1533, previously.

"As proposed in H.B. No. 1533, your committee intends to extend the moratorium on assessments into the fund with the balance flowing into the Unemployment Compensation Fund to forestall higher assessments to Hawaii businesses. Therefore, the current Part VI in H.B. No. 2552 needs to be deleted.

"Additionally, your committee further proposes to amend the bill by inserting a new Part VI to decrease the ceiling of the Public Utilities Commission Special Fund from \$1 million to \$500,000. The amendment will increase the spill over from the special fund to the general fund which is currently in the statutes. The resulting additional monies to the general fund from the PUC's special fund are included in the Ways and Means Committees' financial plan and budget worksheets but were inadvertently omitted from inclusion in this vehicle bill. Therefore, this item needs to be adopted to effectuate the budget items."

At 10:28 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:29 o'clock a.m.

Senators M. Ige, Sakamoto, Solomon, Iwase, Slom, Aki Anderson and Tanaka then requested their votes be cast 'Aye, with reservations,' and the Chair so ordered.

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

By unanimous consent, H.B. No. 2552, H.D. 1, S.D. 3, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," was placed on the calendar for Third Reading on Thursday, April 16, 1998.

MATTER DEFERRED FROM THURSDAY, APRIL 9, 1998

THIRD READING

H.B. No. 2878, H.D. 1, S.D. 1:

Senator Tanaka moved that H.B. No. 2878, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Taniguchi.

Senator Anderson rose to speak on the measure as follows:

"Mr. President, I'm going to have reservations on this particular bill. We did meet with different people. I still believe that it's going to be over-regulated as far as the recreational people. But over and above that, the purpose of this bill is to give the Department of Land and Natural Resources the authority to adopt permanent rules. And as you well know, any time that the department does have permanent rules in place, they have the force of law. They're not flexible enough, and it is almost an impossibility for us to work with because everybody listens to what the department says. So

whenever we want to do a bill, they will say that they have a rule in place. They've had public hearings, and we're all in trouble.

"Thank you very much, Mr. President."

Senators Slom and Chumbley then 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. 2878, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AQUATIC RESOURCES," 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. 3142 (H.B. No. 2899):

Senator D. Ige moved that Stand. Com. Rep. No. 3142 be adopted and H.B. No. 2899, having been read throughout, pass Third Reading, seconded by Senator Metcalf.

Senator Slom rose in opposition to the measure and said:

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

"As I have said previously, I think that the public is very discouraged with the number and kinds of closed-door meetings we have. And even for such a worthy cause as providing donations to the University or to other eleemosynary organizations, I don't think there should be anything that should be hidden or concealed from the public because, unfortunately, months or years later we find out, without knowing what the quid pro quo was, that some of the decisions were bad. So I will vote against this bill and urge my colleagues to do so.

"I think if we're really going to talk about open government and sunshine, then it should be in every case. And if our University wants autonomy, this would be a good place to start.

"Thank you, Mr. President."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3142 was adopted and H.B. No. 2899, entitled: "A BILL FOR AN ACT RELATING TO DONATIONS TO GOVERNMENT AGENCIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Anderson, Ige, M., Slom).

H.B. No. 2823, H.D. 1, S.D. 1:

Senator D. Ige moved that H.B. No. 2823, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Metcalf.

Senators Solomon, Slom, Anderson and Iwase 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. 2823, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE INSURANCE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2675, H.D. 2, S.D. 1:

Senator D. Ige moved that H.B. No. 2675, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Metcalf.

Senator Sakamoto rose to speak against the measure and stated:

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

"The measure calls for elimination of state constructed examinations, instead requiring that candidates pass regional examinations. Mr. President, I believe we have state constructed examinations in the first place because Hawaii is different from the mainland -- different needs and different circumstances from the mainland.

"I do recognize that some professions, maybe, have no substantial difference; for example, dentistry. I'm sure that teeth in Hawaii are not different from teeth on the mainland. But I'm sure we agree that landscaping in Hawaii, Mr. President, is different from landscaping on the mainland.

"Also, Mr. President, it calls for elimination of the professional and vocational licensing boards and commissions in the name of streamlining government. However, the fact is people serving on these boards are hard-working volunteers who serve their community at no cost.

"Mr. President, this is not streamlining. This is 'shibai,' Mr. President. Laying off volunteers will not result in cost-savings for our state budget. Laying off volunteers will not reduce the size of government. Laying off volunteers will deprive the state of valuable expertise and experience of the professional community. The consumer will lose out.

"Furthermore, Mr. President, it should be noted that this bill received overwhelming negative testimony. It seems the only testimony in support came from the DCCA. So we should be heeding the voice of the people, not the bureaucracy. So, for those reasons, I will be voting 'no,' Mr. President."

The motion was then put by the Chair and carried, H.B. No. 2675, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 15. Noes, 10 (Aki, Anderson, Bunda, Fernandes Salling, Ige, M., Iwase, Sakamoto, Slom, Solomon, Tanaka).

Stand. Com. Rep. No. 3165 (H.B. No. 2361, H.D. 1, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3165 was adopted and H.B. No. 2361, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE TOWING FEES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Kanno).

Stand. Com. Rep. No. 3168 (H.B. No. 2486, H.D. 3, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3168 be adopted and H.B. No. 2486, H.D. 3, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Sakamoto rose to speak with reservations on the measure and said:

"I'd like to express my reservations, Mr. President. I spoke earlier on this measure, but particularly, I just want to make it clear that it's not the legislative intent of this measure to regulate lay people, pastors, and people who are just helping other people with their personal problems, Mr. President."

Senators Slom and Solomon then requested their votes be cast "Aye, with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3168 was adopted and H.B. No. 2486, H.D. 3, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO MARRIAGE AND FAMILY THERAPISTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3170 (H.B. No. 2702, H.D. 2, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3170 was adopted and H.B. No. 2702, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES COMMISSION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3179 (H.B. No. 2958, H.D. 1, S.D. 1):

Senator Baker moved that Stand. Com. Rep. No. 3179 be adopted and H.B. No. 2958, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Sakamoto rose in opposition as follows:

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

"General contractors and subcontractors have enough options to settle disputes over payments without implementing stiff penalties, such as the state comptroller getting involved in settling these disputes. We should be trying to limit government's involvement in private matters, and this seems to be another function that they want to stick our noses in.

"This bill does not address who will be responsible to determine what is a bona fide dispute. If the comptroller is to adopt rules, is he the single individual empowered to make this decision? This would be putting too much power in the hands of one individual.

"The current law has sufficient safeguards to ensure that subcontractors get paid in a timely manner. Any disputes between the general contractor and the subcontractor should be resolved through existing legal procedures -- mediation, arbitration, or the courts.

"Thank you, Mr. President."

Senators Taniguchi, Kawamoto, Chumbley, Solomon, Fernandes Salling and Iwase requested their votes be cast "Aye, with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3179 was adopted and H.B. No. 2958, H.D. 1, 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, 23. Noes, 2 (Sakamoto, Slom).

Stand. Com. Rep. No. 3181 (H.B. No. 3024, S.D. 1):

Senator Baker moved that Stand. Com. Rep. No. 3181 be adopted and H.B. No. 3024, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Slom rose in opposition as follows:

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

"The bill involves food stamps and the expansion thereof, and while I realize that part of the bill is to be in conformity with the federal government, we also have a problem in this state and other states and that is, in the State of Hawaii more than \$29 million in fraudulent use of food stamps have been reported by the state. In a time when we are trying to conserve money, in a time when we're trying to preserve the safety net for those people that really need it, I think that we have to do more to tighten up our food stamp eligibility, not to expand it.

"I also understand that in this bill, Mr. President, it allows for the state to provide for food stamps for illegal -- illegal -- immigrants. So for these and other reasons, I'm voting 'no,' Mr. President."

Senator Anderson rose to speak against the measure and stated:

"Mr. President, I'd just like to state that after reading the bill, it did say ineligible for food stamps. That was my main reason for also going 'no,' Mr. President.

"Thank you."

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

"Mr. President, I, too, rise to speak against this measure.

"Mr. President, before I begin, I'd like to recognize one of the co-chairs that worked on this measure. I think it's courageous in trying to pull together all the different ideas.

"Mr. President, I, too, would like to express the concerns that the previous two speakers expressed regarding the food stamp program. It was my understanding that if there is extra money in the Department of Social Services, that these monies would go into the program. It's not that the program established would have general fund monies at this time, but if there were excess funds. My problem is, Mr. President, I think that when we're flush with cash, excess funds should be used all up. We should use it for the elderly. We should use it for the abused. We should use it for our youth. We should have accounts in every department.

"But unfortunately, Mr. President, we are in times when we do not have money. The coffers are not flush. And those monies, if there is any extra, should come back right here for us to decide what our priorities are. For that particular reason, Mr. President, I urge my colleagues to vote 'no' on this measure.

"Thank you."

Senator Chun Oakland rose in support of the measure and stated:

"Mr. President, I would like to speak in support of H.B. No. 3024, S.D. 1.

"With regard to some of the previous speakers' concerns, I believe the Human Resources Committee shares the concern about fraudulent use of food stamps and other public assistance monies. And for that reason, this Legislature and past Legislatures have actually enacted electronic benefit transfer legislation similar to smart card idea, which will be used as a tool to reduce fraud.

"But with respect to this particular measure, besides conforming to the federal government so that we can continue to get federal monies for public assistance, there is a provision that would send a policy statement out to the public, embodied in our statutes, that should there be funding in the future, we should consider establishing a food stamp program for legal

immigrants. And that is what is covered in this particular measure -- not illegal immigrants.

"With regards to legal immigrants, I'm not too sure if we really put two and two together, but legal immigrants also provide taxes to this state as well as other states in the nation. And because of federal action these past few years, legal immigrants now do not have assistance offered to them in regards to food stamp programs. And I know our state, along with many other states, is in a lawsuit right now to see if in fact what congress did and what our federal government did, in general, is really constitutional, knowing that legal immigrants do provide tax money to our government, yet are denied such provisions as food stamps.

"So I would urge my colleagues to support this measure. I think this is a very sound policy that we would be supporting.

"Thank you."

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

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

"Mr. President, all of us in this room are aware that our state and our country were founded by legal immigrants. And the role of immigrants in both our state and our country is critical to our community.

"One of the previous speakers mentioned that when we are flushed with cash the department would be able to implement this program. I'd like to comment on that. What the bill provides is that the department would then have to come back to the Legislature for authorization of such spending, and the Legislature reserves the right to appropriate such dollars. So the bill does not actually appropriate those monies and it doesn't give the department any such flexibility.

"I'd like to also mention that when congress took action on the welfare reform act, at the same time, they eliminated legal immigrants from receiving food stamps. And many across the country have viewed that as a mistake. These are legal immigrants and, as the former speaker indicated, these are tax-paying members of our community. As the country, including congress, looks at changing back that law, I think this is a worthy measure for our body to consider.

"Thank you."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3181 was adopted and H.B. No. 3024, 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, 22. Noes, 3 (Anderson, Ige, M., Slom).

Stand. Com. Rep. No. 3184 (H.B. No. 2888, H.D. 2, S.D. 1):

Senator Baker moved that Stand. Com. Rep. No. 3184 be adopted and H.B. No. 2888, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Slom rose to speak on the measure as follows:

"Mr. President, I rise to speak for the bill with reservations.

"This is an important fund and an important bill, and certainly we're all for compensating those that are injured. I think, though, that ultimately those that are injured are our taxpayers and the general public. I have concerns about the open-ended nature of the bill and the lack of detailing in terms of where the money is actually going. And it's my understanding that in some cases some of these funds are

actually padded in terms of pain and suffering, rather than actual expenditures, which is what the purpose of the law is.

"So, I will vote with reservations, but I think that we need to look further upon this bill and upon anything else that utilizes public monies.

"Thank you, Mr. President."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3184 was adopted and H.B. No. 2888, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR COMPENSATION OF CRIMINAL INJURIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3191 (H.B. No. 2441, H.D. 1):

Senator Baker moved that Stand. Com. Rep. No. 3191 be adopted and H.B. No. 2441, H.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Anderson, rising to speak with reservations, then said:

"Mr. President, I have reservations on this particular measure.

"On item two of the committee report it says, 'Provides that any expenditure made to a candidate for Governor or Lieutenant Governor supporting a co-candidate in the general election shall not be considered a campaign contribution.' It is a new provision. It's never been in there before and when I read it I thought, why not the primary election also? Why are we just looking at a general election? In fact, why are we even having it in there?

"So, with these reservations I'd like to at least be considered for the committee to see if we could amend that and take it off, or at least amend it to put back the primary election also.

"Thank you very much, Mr. President."

Senator Slom then rose and said:

"Reservations, please, Mr. President."

The Chair so ordered.

Senator Anderson rose again and said:

"Just a brief comment. I just want to make sure that if I sit on a committee, I always like input. I don't want to just be there. That's my only thing. Thank you very much."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3191 was adopted and H.B. No. 2441, H.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, 25. Noes, none.

Stand. Com. Rep. No. 3192 (H.B. No. 3031):

Senator Baker moved that Stand. Com. Rep. No. 3192 be adopted and H.B. No. 3031, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Slom rose to speak with reservations on the measure and said:

"Mr. President, I'd like to make remarks with reservations for this bill.

"I think, generally, the public supports the idea of funding candidates voluntarily through the voluntary check-off system on their income taxes, which will be due for Hawaii next Monday. But what this bill proposes to do is to take some of those funds and use them for administrative expenses for the Campaign Spending Commission. Up until this point, the expenditures of the commission have been from the general fund, and what we're saying now is we're going to allow people to check off money which they assume is going to candidates and it will go to administration.

"I'm not sure by reading the bill that there are checks and balances or accountability or responsibility for how much and what kind those administrative expenditures should be. So I think that we always run the danger if we're leading the public on to believe that they're donating to candidates and it's going to be used for administration. So I will extend my reservations.

"Thank you, Mr. President."

Senator Solomon rose and said:

"A W/R, Mr. President."

The Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3192 was adopted and H.B. No. 3031, entitled: "A BILL FOR AN ACT RELATING TO THE CAMPAIGN SPENDING COMMISSION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3197 (H.B. No. 3437, H.D. 2, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3197 be adopted and H.B. No. 3437, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senators Slom and Solomon then requested their votes be cast "Aye, with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3197 was adopted and H.B. No. 3437, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO FUNDING THE HAWAII HURRICANE FUND," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3198 (H.B. No. 3613, H.D. 2, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3198 be adopted and H.B. No. 3613, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Tam requested a conflict ruling as follows:

"Mr. President, I declare a possible conflict of interest. I sell life insurance."

The Chair ruled that Senator Tam was not in conflict.

Senator Sakamoto rose to speak with reservations and said:

"Mr. President, I'll be voting with reservations. I have several concerns.

"First, the bill seems to contradict the policy we've set in numerous other bills where we are requiring changes in accounting and management procedures to create accountability, result oriented planning and budgeting, and streamlining for efficiency.

"Here, we're setting up a revolving fund of \$350,000 to be paid by businesses and ultimately by consumers without designating desired outcomes or goals. We're also giving the insurance commissioner the right to hire unspecified or unenumerated staff, while we're requiring departments throughout the state to reduce staff. If there is a critical need that justifies increasing this staff while demanding cuts elsewhere, we should be stating so in the measure. This is not the time to ask more from our consumers or struggling businesses.

"Thank you, Mr. President."

Senator Slom rose in opposition to the bill and said:

"Mr. President, I was going to vote with reservations on this bill, but the silver-tongued orator from Moanalua enthralled me with his remarks and I'm so convinced that now I'm going to have to vote 'no' against that bill.

"Thank you, Mr. President."

Senators Solomon, Tanaka and Iwase then requested their votes be cast "Aye, with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3198 was adopted and H.B. No. 3613, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3201 (H.B. No. 2567, H.D. 2, S.D. 1):

Senator Baker moved that Stand. Com. Rep. No. 3201 be adopted and H.B. No. 2567, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator M. Ige rose to speak in support of the measure and said:

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

"Mr. President, it is said that a journey of a thousand miles begins with the first step and this bill really is that first step that I know will take us on this long journey that I know everyone will be quite satisfied with.

"I think for the first time we're looking at requiring the governor and the mayors to get together to make a recommendation to the public, come November of 1998, looking at duplication of services, for streets, for parks. And I just believe that if we can hold this position, it's the most responsible thing to do. Not only that, but it will give the people the confidence that we are having their interest in mind as we deliberate over the types of services that are duplicated, and in a way reducing our government size.

"So, Mr. President, I urge the members to support this much anticipated measure. Thank you."

Senator Anderson rose to speak with reservations on the measure and said:

"Mr. President, I have some reservations. I wasn't going to stand on this particular bill, but because the last paragraph of the bill says that the bill will be for November 30, 1998, I

wasn't sure if we'd have the same governor. And if we don't, I don't know if there'd be enough time for them to work together. I'm hoping that we will have a change. So, for that reason I have some reservations.

"Also, if we have the same governor, for 40 years we've been waiting for duplications to be changed. Also, we are hoping some day that government will make up their minds with the counties on who owns certain lands such as roadways in Waimanalo. We moved there in 1946. They're still fighting over who owns it. You don't get any repairs done and we have lots of problems, Mr. President.

"So, for that reason, I have some reservations."

Senator Slom rose and said:

"Reservations, please, Mr. President."

The Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3201 was adopted and H.B. No. 2567, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE DUPLICATION OF GOVERNMENTAL SERVICES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3202 (H.B. No. 2765, H.D. 1, S.D. 1):

Senator Baker moved that Stand. Com. Rep. No. 3202 be adopted and H.B. No. 2765, 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 once again rise to speak against this bill.

"Mr. President, it was a bad bill before, it's a bad bill now. It will always be a bad bill. This bill does not provide or protect local jobs. It doesn't do anything to help our local construction industry. It has been argued that this is not a union bill, but in fact this is a union bill because that's the whole premise of this measure and this legislation -- to force non-union people to take away their choices, to force them to sign a union project labor agreement.

"If, Mr. President, we saw that there was some way that this was going to benefit the local construction industry and is going to give us lower prices and better construction, then I would be for this measure. But we have not seen that. In fact, we saw a great deal of testimony in opposition to this bill from those individuals, some of whom have been former union members, that all they asked for was a choice and their choice was that they did not want to have to belong to a union to be involved in a project.

"Further, Mr. President, as I pointed out on the Senate floor just a couple of weeks ago, we were in a hearing with the state Department of Labor and our own state Department of Labor is unable, with their vast brain power and vast resources, to come up with any way of defining 'local' or 'resident' in order to protect local jobs. So again, this is something that we are being told is going to help local businesses, local contractors, but in fact is not. And the local contractors and the neighbor island contractors associations have been adamantly opposed to it, so I am opposed also.

"Thank you, Mr. President."

Senator Kawamoto rose to support the measure and said:

"Mr. President, I beg your indulgence.

"As far as the previous speaker is concerned, this is not a labor bill. Read the bill -- it is not a labor bill. This is a bill to get off the dime and not have status quo like we've been doing for the past four years. The previous speaker is always speaking about getting off the dime and not being status quo. This bill would provide that.

"Ladies and gentlemen, members of the Senate, two weeks ago -- two weeks ago -- we had a \$20.4 million project in Wahiawa at Schofield Barracks that was given to a mainland contractor, E.E. Hunt, and Senator Bunda and myself wrote a letter to General Steele. This \$20.4 million was on top of the \$44 million this company received the previous year. This is 100 percent of all the defense projects here in the State of Hawaii that are going to mainland contractors.

"Ladies and gentlemen, the good Senator Inouye in congress provided us \$3.8 million in the last four years -- 90 percent of those projects have gone to the mainland. That's why we are in this situation we have today. Ladies and gentlemen, and members of the Senate, I apologize for you having to vote again, but the people in the House did not see the light, therefore, we are again taking this to conference and providing the light for those people. We need jobs for our local residents. That's our way to bring back our economy.

"We have sent the letter to General Steele, Senator Bunda and I, and we're telling him that these are the things that we are doing here in the Legislature. We are providing the avenues and the tools needed to provide this opportunity. It may not do anything, but it provides the tools for the governor, if provided the opportunity, and that's what we're asking for -- to do something and for an opportunity for our local residents and contractors to share in the defense projects. So, I urge my colleagues to vote 'aye' on this bill.

"Thank you very much."

Senator Sakamoto spoke against the measure as follows:

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

"Proponents of this bill say that the intent is to assure jobs for local contractors and construction workers. Unfortunately, this bill does not accomplish that.

"Additionally, it raises grave concerns about pension and benefit credits for workers of non-signatory companies, and puts non-union companies at a competitive disadvantage because they will not be allowed to use their current employees or subs.

"However, I do commend my colleague from Waipahu for working to keep jobs in Hawaii. While I will not be able to support this measure, Mr. President, I believe he has addressed the same intent in H.B. No. 2501, which I will support.

"So if you want to assure jobs for local contractors and construction workers, support H.B. No. 2501 -- not this measure. This bill doesn't achieve the stated intent, so for that reason, Mr. President, I'll be voting in opposition."

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

"Mr. President, I'll be voting 'no' for the first time. I voted 'with reservations' originally. That was on S.B. No. 2496. Unfortunately, H.B. No. 2765 is exactly the same.

"My reasoning, originally, was I wanted to help local contractors, and I said I had reservations but we had some amendments that I thought would meet every constitutional problem that we were going to have by stating for locals. When checking when this was going to be in Ways and Means to see if we could get an amendment, I was unable to get an

amendment. I still had reservations, but I knew that there would be a chance since the bill went over to the House. I took the amendments over to the House, but the House killed the bill. This morning we have this one, and still the amendments are not in it -- my amendments.

"This bill, right now, the way we get it, says project labor agreement, which is strictly a union agreement, but nothing in here states that it's for local workers, or local contractors, who are licensed and who hire locals, but non-union. They are excluded from this bill. And I was assured by the union people that they didn't care one way or the other.

"But, Mr. President, when you refuse to put an amendment that would take care of our local people and it's not going to go ahead and bother the constitutional requirements that we have, then I have a problem, and I have to vote 'no,' and that really bothers me because I was hoping that we could get more construction workers, local construction workers hired for the jobs that are available. But we're not doing it and we're not going to do it with this bill.

"Thank you very much, Mr. President."

Senator Chumbley rose in opposition and stated:

"Mr. President, I'll be voting 'no' and would like to have my written comments inserted into the Journal."

The Chair having so ordered, Senator Chumbley's remarks read as follows:

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

"Mr. President, I admire the efforts of the good Senator from Waipahu and his concern about jobs for our state residents who are unemployed and sitting on the bench. My opposition against this measure is not against the opposition of providing jobs for those people who are on the bench. My opposition is much, much simpler than that, Mr. President. My opposition is simply because the measure as proposed to us is unnecessary.

"In June of 1996, the U.S. President handed down a memorandum which directed the federal government to enter into project/labor agreements in situations where they felt it was appropriate and where the states would cooperate. So in essence, members, we've had PLA since June of 1996. For the last 21 months this state could have done a PLA agreement.

"Members of the Maui Contractors Association, the members of the Contractors Association of Kauai, the Hawaii Island Contractors, and even the Oahu Contractors Association and all of those companies that this measure purports to support are in opposition to this measure. My concern is the message that we send to all of those companies, the fact that the business in this state is struggling and what are we attempting to do through this measure. They're very, very concerned about it.

"So, I urge all of my colleagues to vote 'no' on this unnecessary change to our existing procurement code.

"Thank you."

Senator Metcalf rose in support and said:

"Mr. President, I will be voting 'yes,' but I do have written remarks that I'd like to have inserted into the Journal."

The Chair having so ordered, Senator Metcalf's remarks read as follows:

"Mr. President, I rise in support of H.B. No. 2765, H.D. 1, S.D. 1, relating to procurement.

"Although the measure has been amended to no longer require the procurement officer to condition award of a contract

on the adoption of a project labor agreement and other amendments have been made to the bill, I have concerns regarding whether or not passage of this bill will in fact have any positive impact on the creation of new construction jobs here in Hawaii.

"On this basis I am reserving my final judgment on the matter should it emerge from conference."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3202 was adopted and H.B. No. 2765, H.D. 1, 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, 18. Noes, 7 (Aki, Anderson, Chumbley, Fernandes Salling, Matsunaga, Sakamoto, Slom).

Stand. Com. Rep. No. 3203 (H.B. No. 2648, H.D. 2, S.D. 1):

Senator Baker moved that Stand. Com. Rep. No. 3203 be adopted and H.B. No. 2648, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Iwase rose in opposition to the measure and said:

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

"Mr. President, I voted 'no' on the Senate bill and I'll be voting 'no' today for the same reason. While I understand the strategy, which is to gut the House bill and put in the Senate version, the bill remains narrowly drawn to address only the facts of the Mitchell case and not the holding of the Mitchell case. And because the bill is so narrowly drawn and includes the phrase 'just cause,' we do not help employers; we do not help employees; we do not help the work environment for employers and employees; and it jeopardizes the gains we have made to lower workers' compensation premiums.

"I believe if you talk to people from the insurance industry and you ask them for what affects the Mitchell case if left unaddressed -- and this bill does not address the Mitchell case in total -- what effect there would be on premiums, I think you will get the answer that the premiums will increase by several percent and we are not helping them at a time when we should be, so I'll be voting 'no.'

"Thank you."

Senator Sakamoto also rose in opposition to the measure as follows:

"I speak in opposition, just a short comment, Mr. President.

"I agree with the previous speaker and the court ruled that we should fix it. So I believe we should just fix it -- no games, just fix it correctly, Mr. President."

Senator Kanno rose in support of the measure and said:

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

"Mr. President, notwithstanding the comments of one of the previous speakers that the bill does not address the Mitchell case, I'd like to read from the Supreme Court's ruling, quoting: 'This appeal presents a single question whether an employee's stress-related injury resulting from disciplinary action taken by an employer in response to an employee's misconduct is a compensable injury under HRS 386-3.' Further, the Supreme Court writes: 'If the Legislature should deem it advisable in the future, it can amend HRS Chapter 386-3 to exclude from coverage those injuries resulting from disciplinary action.' And it cites statutes from a number of states including Colorado, quoting: 'mental impairment shall not be considered to arise out of and in the course of employment if it results from a

disciplinary action.' Quoting from New York: 'The terms "injury" and "personal injury" shall not include an injury which is solely mental and is based on work-related stress if such mental injury is a direct consequence of a lawful personnel decision involving a disciplinary action.' And quoting the statute which is the same language in three states -- Alaska, Maine and Montana -- 'A mental injury is not considered to arise out of and in the course of employment if it results from any disciplinary action.'

"Mr. President, your committee is committed to taking this measure to conference and continuing to address the issues brought forward.

"Thank you."

Senator Iwase then stated:

"Mr. President, I'm glad the previous speaker has a copy of the Mitchell case and I, therefore, would ask that he read the entire Maine statute."

Senator Chumbley then rose and said:

"Mr. President, please note my reservations on this measure."

The Chair so ordered.

Senator Iwase rose again and said:

"Mr. President, going back to the Maine statute, it's not limited to disciplinary action. It has other areas that are involved that would be excluded from workers' compensation.

"I, again, repeat myself -- this is a bill that addresses the facts of the Mitchell case.

"Again, I am pleased that the previous speaker has the Mitchell case before him. If you've read the Mitchell case, you will understand why the court came to the conclusion that it did, based on the facts before it. But if you read the basis for the court's decision, you would have to conclude that in jeopardy, for employers, making them liable for workers' compensation would be other personnel action taken by the employer against the employee, justifiable, good faith action taken by the employer -- job demotion, job transfer, lack of pay raise, and on and on and on.

"And it is the law of the Mitchell case and how the court read our workers' compensation law that is at issue and which must be addressed. It was addressed in the Maine statute, which is cited by the Supreme Court of the State of Hawaii in the Mitchell case. And we should pass the Maine statute, and not this one.

"Thank you."

Senator Kanno then rose and said:

"Mr. President, notwithstanding the disagreements from the previous speaker, I think what the Senator is referring to is that the entire statute is not printed in the ruling from the Supreme Court. But I would like to indicate that what the Supreme Court specifically said was, quote: 'Injuries resulting from disciplinary action,' and in their direction to the Legislature they did not discuss other personnel actions and making it broader in that recommendation.

"Thank you."

Senator Metcalf then added:

"Mr. President, notwithstanding the fact that the co-chair of the Human Resources Committee may be practicing law without a license, I do think that his legal analysis is the accurate one.

"Thank you."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3203 was adopted and H.B. No. 2648, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 15. Noes, 10 (Aki, Anderson, Bunda, Fernandes Salling, Ige, M., Iwase, Sakamoto, Slom, Solomon, Tanaka).

Stand. Com. Rep. No. 3204 (H.B. No. 2870, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3204 be adopted and H.B. No. 2870, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Sakamoto rose to support the bill with reservations and said:

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

"I understand the committee's attempt to create fairness in the workers' compensation laws for people who have part-time jobs, but this measure creates some inequities for businesses, the businesses that we say we're trying to help in these tough times.

"Under this measure, a person who is working 5 hours on one part-time job and 10 hours on another part-time job could collect 35 hours of workers' comp benefits from an injury on the part-time 5-hour job, and he could still go to work at his 10-hour job. So, conceivably, Mr. President, a person could be off work on his 5-hour job, collecting 35 hours of benefits because of that and still going to work on his 10-hour job.

"We need to make things right, Mr. President -- fairness -- but this is not the way. I don't think that was the intent of this measure. It's unfair, and that should be corrected, Mr. President."

Senator Kanno rose in support and said:

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

"Notwithstanding the concerns from the previous speaker, the real purpose of the bill is to fairly apportion workers' comp payments to the affected employer. In the Senator's example, the employer that was affected with the injury at his work site would only be responsible for that share of that person's work hours. That's the original intent of the bill.

"I think one of the unintended consequences of changing the statute was that we are changing the benefit levels. In discussion yesterday with the Labor Department, Mr. Gary Hamada confirmed that the current practice is exactly what the concern that Senator Sakamoto is raising. So the changes that were made in the Senate bill really is keeping in practice, the practice that is in place today. And the impact of the bill is specifically to fairly apportion the payments to the employer so the affected employer's payments would be limited to just that share of the work hours, with the other portion being paid by the special compensation fund.

"Thank you very much."

Senator Anderson then noted:

"Mr. President, would you mark me down with a W/R, please."

The Chair so ordered.

Senator Slom rose in opposition and said:

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

"For the remarks that the good Senator from Moanalua made, I would like to add, particularly hearing the last speaker, the idea here is not to fairly apportion. The idea is to subsidize. And I think we're all concerned about unintended consequences, about bad legislation, and this legislation does not correct the problems. Actually, what we're doing is we are passing money from one hand to the other.

"And when the good Senator says you don't have to worry about it because it comes from a special workers' compensation fund, I would remind the good Senator and my colleagues that it is businesses that pay into that special workers' compensation fund. So, if we're going to have a subsidy bill, that's one thing, but if we're going to talk about fairness, this bill is not fair. In addition to that, we have wage and hour laws, and the idea is that everybody is supposed to be compensated for hours actually worked. If they're going to be compensated for hours actually worked, then any benefit should be based on hours actually worked, not to boost them up to 35 or 40 hours. So I'm voting 'no,' Mr. President.

"Thank you."

Senator Levin rose to speak with reservations on the measure as follows:

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

"I share the concerns expressed by the Senator from Moanalua and I'm hoping that the bill can be dealt with better in conference.

"Thank you."

Senators Solomon, Tanaka, Fernandes Salling, Iwase and M. Ige, then requested their votes be cast "Aye, with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3204 was adopted and H.B. No. 2870, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

Stand. Com. Rep. No. 3205 (H.B. No. 2366, H.D. 2, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3205 be adopted and H.B. No. 2366, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Kanno stated:

"Mr. President, I'd like to request that the record correctly reflect my support on the bill. Inadvertently, the record of the vote was filed with a vote indicating 'no' on my behalf, and that is incorrect.

"Thank you."

The Chair so ordered.

Senators Solomon, Fernandes Salling, Anderson and Slom, then requested their votes be cast "Aye, with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3205 was adopted and H.B. No. 2366, 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.

Stand. Com. Rep. No. 3214 (H.B. No. 3257, H.D. 2, S.D. 1):

Senator Chumbley moved that Stand. Com. Rep. No. 3214 be adopted and H.B. No. 3257, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Matsunaga.

Senator Slom, speaking with reservations, then said:

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

"My reservations, I think it's a good bill, basically, for the counties, except that it excludes any employees prior to June 1, 1998. Now, either we're taking in blind faith that we don't have any problems whatsoever, or we're overlooking the possibility that if we're going to have criminal checks that it should be for all employees. So, that's the extent of my reservations.

"Thank you, Mr. President."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3214 was adopted and H.B. No. 3257, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY CHECKS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2667, H.D. 1, S.D. 1:

Senator Chumbley moved that H.B. No. 2667, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Matsunaga.

Senator Slom rose and stated:

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

"I'm speaking on behalf of my cats, Smoky Mountain Slom and Bagheera Slom. They were very concerned about this bill. They certainly do not want cruelty to animals and they don't support cruelty in any way, particularly to Republican elephants, but they have instructed me that this bill in its language is extremely broad, and allows for abuses from family members or neighbors or others that may accuse pet owners of being abusive because their water wasn't changed on time or because maybe we're using high fat diet food instead of low fat diet food. So, just with these cautions, I will support the bill with reservations and pass the word along to my pets.

"Thank you, Mr. President."

Senator Metcalf then said:

"Mr. President, just an observation. I thought it was only Dr. Doolittle who talked to the animals, but it's quite interesting to know that we have a member here that does the same.

"Thank you." (Laughter.)

Senator Slom responded:

"Yes, Mr. President, I do talk to the animals because sometimes I get better responses from them than I do from my colleagues.

"Thank you, Mr. President."

Senators Solomon, Iwase, Sakamoto, Bunda and Tanaka then 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. 2667, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRUELTY TO ANIMALS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 2869, H.D. 1, S.D. 1:

Senator Chun Oakland moved that H.B. No. 2869, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Kanno.

Senator Sakamoto rose to speak with reservations and said:

"Mr. President, I'm not on a bungee cord going up and down, but I do rise to speak with reservations on this matter.

"Bungee jumping is a new amusement sport in Hawaii that is in use by some jumping enthusiasts and by some amusement operators. The purpose of this bill is an attempt to be 'Big Brother' to regulate bungee jumping at amusement facilities. Mr. President, we're trying very hard to streamline government, and we're not doing a good job of it this way. So why should government get involved in regulating this industry when the industry can do a better job of regulating themselves because they bear the risk of failure.

"The Department of Industrial Relations admitted that they don't have the personnel nor the expertise in bungee jumping. The operators are saying they do not have the thousands of dollars to send government employees to the mainland for proper training to become bungee inspectors.

"Mr. President, as an advocate of business, I am suggesting that government should be in the business of stimulating new businesses, assisting growth in existing businesses, and facilitating the economic well-being of businesses. By imposing more regulations, government is, in essence, hindering business.

"For these reasons, Mr. President, I will be voting with reservations."

Senator Kanno rose to support the measure and said:

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

"Where the interest of the public is served is dealing with public health and safety. Notwithstanding the remarks of the previous speaker, amusement rides are currently inspected by the Department of Labor with the express purpose of making sure that they are safe, given that there have been a number of accidents on the mainland as well as here in Hawaii. Because the main part of the bungee jumping apparatus is not mechanical, it currently escapes our inspections. Where public health and safety is of concern, government has a limited appropriate role in assuring that safety.

"Thank you."

Senator Chumbley rose in opposition and said:

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

"Mr. President, my opposition is not about protecting the public, because I think the co-chairs of the Human Resources Committee have done a very good job in looking out for the public interest. My opposition, Mr. President, is in regards to the mandate that the inspector must be from the State of Hawaii. I think having a qualified inspector from the mainland

inspect amusement rides and bungee jumping operations is a real benefit to the public safety, as well as a way to reduce high costs of government.

"One of the primary reasons to hire an independent safety inspector from the mainland to inspect our amusement rides each year is that this inspector is exposed to amusement rides at carnivals throughout the country and may inspect up to 20 to 30 of the same rides every year. I think that type of experience gained through the working full-time inspector is a benefit to our public.

"The Department of Labor in its testimony states, and I quote, 'The Department believes that the activity can be effectively regulated by requiring evidence of safe design and manufacturer, and safe certification on proper erection, operator training, and the use of the amusement rides including bungee jumping devices. Proof of insurance coverage would also be required to include these insurers as additional partners in safeguarding the public safety.'

"I do believe there is a benefit, in this case, in bringing someone from the mainland to inspect these. So, for those reasons, I'll be voting 'no.'"

At 11:19 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 Anderson rose to speak on the measure and said:

"Mr. President, I'll be 'with reservations' on this. I wanted to go 'no.' I originally went straight up, but I did talk to the chairman.

"And my reservations are, after reading this and talking to some people, that the individual with the amusement ride, they do have their own inspectors. These inspectors naturally are not able to license other people or do other things, but they do have their own inspectors. And this bill tells us that we have to have our own department with another inspector or we're going to have to fund them to go to the mainland to be trained. I would hope that anybody who has a business, such as Mr. Fernandes for many years in the carnival business, and having his own operators is definitely aware that he has to provide the public with a secure type inspection to make sure that all of these rides are safe.

"And those are my reservations. I don't think that we need to have another inspector. I don't mind the Department of Labor checking to make sure that they're doing their job, but I don't believe that we should be funding this for another inspector from the department.

"Thank you very much, Mr. President."

Senators Solomon, Fernandes Salling and Sakamoto then 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. 2869, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AMUSEMENT RIDES, INCLUDING BUNGEE JUMPING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Chumbley, Matsunaga, Slom).

H.B. No. 3132, H.D. 1, S.D. 1:

Senator Chun Oakland moved that H.B. No. 3132, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Kanno.

Senator Sakamoto rose to speak with reservations as follows:

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

"Mr. President, the airlines industry is a very dynamic and highly competitive business enterprise that requires innovative and ingenious operational planning and scheduling of manpower. Otherwise, Mr. President, an individual airline will certainly go under. Airline scheduling and the accompanying workload are not synonymous with an even and balanced workload. Therefore, the assignment of personnel to operate within these constrained conditions are difficult, at best.

"The airlines industry and many of their employees have testified in support of a measure that would allow employees to voluntarily, voluntarily exchange schedules to avoid conflicts, to avoid overtime, voluntarily exchange their own work hours. Such flexibility would allow employees to take advantage of the peaks and valleys of airline schedules and help with their own personal schedules, whether it's school needs, sporting events, church activities, second jobs, travel during off-peak periods, family responsibilities, and voluntary community work.

"Mr. President, I think you will agree with me that the use of voluntary trading of shifts can curtail the use of unauthorized absences, abuse of sick leave because of personal needs, and really these are the facts of life.

"Therefore, Mr. President, I believe this bill is too restrictive. It allows the exchange of work with another employee only for the sole purpose of family and medical leaves. Other states and municipalities allow the use of full flexible scheduling, so why should we be different, Mr. President?

"Thank you."

Senator Iwase rose and said:

"Mr. President, for the reason expressed by the Senator from Moanalua for expanded flexibility, I will be voting with reservations.

"Thank you."

Senators Slom, Solomon and Fernandes Salling then 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. 3132, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WAGE AND HOUR LAW," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3248 (H.B. No. 3302, H.D. 2, S.D. 2):

Senator D. Ige moved that Stand. Com. Rep. No. 3248 be adopted and H.B. No. 3302, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Metcalf.

Senator Levin rose in support of the measure and said:

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

"This is a bill that would ban diploma mills, and certainly no one is supportive of diploma mills. But the way the bill is written, it would put out of business, as I understand it, at least two institutions on the Big Island -- one in East Hawaii and one in West Hawaii -- which are very well respected members of the Big Island community. I would hope that as this bill moves into conference, that a better formulation can be found, so that we don't throw out the baby with the bath water and we don't

pass a bill that will put out of business responsible unaccredited institutions that are granting diplomas.

"Thank you."

Senator Metcalf rose and said:

"Mr. President, I will support the measure, but in all other respects I would ask that Senator Levin's remarks be included in the Journal as my own."

The Chair so ordered.

Senator Slom rose with reservations and said:

"Mr. President, I, too, will be supporting the measure, with reservations, and those reservations include the fact that we're putting too much emphasis on the accreditation process which in many cases is a very political process. There are many fine institutions that meet all the other criteria of education and also with new innovations in education, but in fact have not been accredited by the standard accrediting institutions. So, reservations, please.

"Thank you."

Senators Anderson and Fernandes Salling then requested their votes be cast "Aye, with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3248 was adopted and H.B. No. 3302, H.D. 2, S.D. 2, 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.

H.B. No. 2666, H.D. 1, S.D. 1:

Senator Chumbley moved that H.B. No. 2666, 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 with reservations as follows:

"Mr. President, I rise to speak for the bill, with reservations.

"House Bill No. 2666 removes what were already vague and loose constitutional protections and replaces them with references to HRS, Section 709-906, and this Section pertains to offenses against the family and incompetence. It does contain necessary references and requirements to police officers involving reasonable suspicion, but says nothing about firearms or plain view which have been taken out of the law. The result is that the bill allows for, if not encourages, unconstitutional applications in violation of search and seizure, so I would caution our supporters on this bill.

"Thank you, Mr. President."

Senator Matsunaga rose in support of the measure and said:

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

"Mr. President, when it strikes, nothing is more dangerous a threat to the safety of our families than domestic violence because it is a threat from within. Mr. President, the Senate has taken a very strong position and we believe firmly that it is not the victims to blame, that domestic violence is a crime to be punished and not a threat to be concealed. So we hope this sends a strong message to the House.

"Thank you."

Senator Fernandes Salling then said:

"With reservations, Mr. President."

The Chair so ordered.

The motion was then put by the Chair and carried, H.B. No. 2666, H.D. 1, 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, 24. Noes, none. Excused, 1 (Bunda).

H.B. No. 2889, H.D. 1, S.D. 1:

Senator Chumbley moved that H.B. No. 2889, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Matsunaga.

Senator Anderson noted:

"Mr. President, a W/R please."

The Chair so ordered.

The motion was then put by the Chair and carried, H.B. No. 2889, 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, 24. Noes, none. Excused, 1 (Bunda).

H.B. No. 2921, H.D. 1, S.D. 1:

Senator Chumbley moved that H.B. No. 2921, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Matsunaga.

Senators Taniguchi and Kanno then 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. 2921, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3257 (H.B. No. 2843, H.D. 1, S.D. 2):

On motion by Senator Chumbley, seconded by Senator Matsunaga and carried, Stand. Com. Rep. No. 3257 was adopted and H.B. No. 2843, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO DRUG DEMAND REDUCTION ASSESSMENTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3261 (H.B. No. 3010, S.D. 2):

Senator Chumbley moved that Stand. Com. Rep. No. 3261 be adopted and H.B. No. 3010, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Matsunaga.

Senators Slom and Anderson then requested their votes be cast "Aye, with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3261 was adopted and H.B. No. 3010, S.D. 2,

entitled: "A BILL FOR AN ACT RELATING TO CONCURRENT JURISDICTION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3264 (H.B. No. 1866, H.D. 2, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3264 be adopted and H.B. No. 1866, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Tam requested a conflict ruling and said:

"Mr. President, I wish to declare a possible conflict of interest. I sell life insurance."

The Chair ruled that Senator Tam was not in conflict.

Senator Bunda rose in opposition to the measure and said:

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

"Mr. President, insurance premiums have been around since the early 1900's and it presently accounts for about 4 percent of the total state revenues. To some it's a modest amount, but to others it's a big price to do business in the State of Hawaii.

"Mr. President, the tax credit issue was heavily debated in these hallways in 1992, and many of you remember the heavy discussions and negotiations we were having between in-state and out-of-state insurance carriers. In 1992 we passed legislation for the 1 percent credit which has been deemed constitutional and it has never been ruled unconstitutional by any court. In fact, it is not discriminatory because certain out-of-state carriers have qualified for this credit by establishing their own customer based service center and maintaining their records in the State of Hawaii.

"In 1992 some of the out-of-state insurance companies filed a lawsuit to challenge the constitutionality of the current law. It was settled in 1997 with the out-of-state companies receiving about \$3.5 million and the state receiving \$28 million. The state, at that time, did not say the law was unconstitutional.

"The question now is, Why do we really want to repeal this law when, in fact, the present law works? I guess the answer is that we really need the \$6 million to \$7 million to actually balance the budget.

"But the bigger policy question, Mr. President, we need to ask ourselves today is whether we really need to take in those dollars from the credit or do we save those sorely needed private sector jobs. We could potentially lose more tax revenues than we would gain in the long run.

"Mr. President, elimination of the tax credits like this is also a tax increase and such increases can very much create some problems of their own. I know of one local company which will have a big impact on themselves and will lose about \$1 million and you know this will result in the lay-off of workers. Mr. President, already this company has recently laid off workers.

"Is this our intention to bankrupt more of our local companies by passing a law like this. This repeal, I believe, will do more harm than good to our local insurance carriers than we can imagine. The elimination of the tax credit will result in tax losses which will more than offset the revenue gain. It could also potentially result in the loss of 1,500 jobs. Mr. President, I ask, Is this economic revitalization?

"I urge my colleagues to really consider voting 'no' on this measure."

Senator Baker rose to support the measure and said:

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

"Mr. President, while it's true that for now the lawsuit between the foreign carriers and the state has been settled, the issue has not been litigated to a final resolution. When we heard this measure before the Ways and Means Committee, the deputy attorney general for taxation testified that the settlement agreed upon between the attorney general, on behalf of the state, and the 49 foreign insurance carriers that filed the original lawsuit, simply barred future litigation only until the year 2000. This issue is far from resolved. And after that time period the state will be right back where we were almost ten years ago. It's time to resolve the issue once and for all by repealing this credit. It's a matter of fairness and equity among all insurers and creating greater competition and a leveling of the playing field in the marketplace.

"It's curious that when the industry came forward to testify on this measure before your Ways and Means Committee, they said well, perhaps there might be some job loss. But actually the folks that fought this credit last year have already moved out of the state and the credit is still there. It is not a certainty that preserving the credit will entice industry officials with headquarters elsewhere to qualify as a domestic insurer here.

"It seems to me that we're going to bite the bullet this year or we'll bite it in the year 2000. And as a matter of course, the revenues gained from this measure are needed in the state at this particular time. Therefore, I urge my colleagues to move this measure forward.

"Thank you."

Senator Iwase rose to speak against the measure and said:

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

"Mr. President, the Senator from Wahiawa has well explained the reasons why this bill should not pass. This bill does run counter to all the rhetoric that we have heard around this building about helping Hawaii based businesses.

"And with the indulgence of my colleagues in Ways and Means, I just would like to summarize a report from an associate dean, professor of business economics at the University of Hawaii: The potential effects of repealing this tax credit -- 1500 job loss; potential loss to the economy -- income loss of \$52.8 million, direct and indirect tax loss of \$12.9 million; that all this will bring to the state coffers if we repeal it is \$6.5 million, in fact, in short, a net loss for the State of Hawaii.

"If we want to repeal this credit for a mere \$6.5 million at a loss of \$6.4 million, potentially, but if we need the money to balance our financial plan, and that was the reason I heard why we need this tax cut -- we've got to balance our financial plan; it was an administration's financial plan and so we need it. But Mr. President, so was the GET. That was an administration's financial plan. And somehow we took out hundreds of millions of dollars from the financial plan, and now we're worried about \$6.5 million.

"Well, if we need \$6.5 million, Mr. President, a few weeks ago or a couple of weeks ago, we, the bi-partisan coalition, transmitted to you a tax plan and in it was a call to repeal the food tax credit, which is \$25 million, to be replaced to help low-income people and senior citizens with a modified adjusted gross income. That would cost the state \$18 million. That saves the state \$7 million. And we don't need this tax credit repeal if we're looking for a mere \$6.5 million because we can make it up by repealing the food tax credit and enacting the modified adjusted gross income tax credit.

"In response to the comments from the chair of the Ways and Means Committee, she is correct. The deputy attorney general did say that there is in the settlement a cap on litigation to the year 2000. What is also important to note, however, is that litigation that resulted in the settlement was based upon a law which we changed in 1992, and that law is, as the Senator from Wahiawa points out, constitutional. It does not discriminate against foreign insurance companies. Foreign insurers, and there are two who qualify for this Hawaii-based tax credit -- GEICO and TIG, are eligible for this 1 percent tax credit if they come to Hawaii, establish a customer service center, accounting, and other agents and other employees. This was an incentive measure to bring businesses to Hawaii. It is here. It is a measure we have now to help Hawaii-based businesses.

"There was a comment that we want to resolve this issue once and for all, and therefore the answer is to repeal the tax credit. Well, if we are going to fear lawsuits that may result in bills that we enact being ruled unconstitutional, then we might as well shut down today and not pass any law that has a smidgen of constitutionality questions. We don't do that.

"Finally, on the issue of fairness that was raised by the co-chair, Mr. President, as we move through the agenda, we are going to find measures that provide exemptions from our tax system -- \$16 million to \$40 million is one estimate, perhaps more -- 16 to 40 million. Every incentive we pass, every tax break we pass, is unfair if we want to define fairness in the context of this bill, because every tax incentive and every tax exemption that we pass benefits a class of people to the exclusion of all others. The issue of fairness is really not relevant here, at least for this measure.

"I saw on television last night a statement made by the governor about the Senate plan, and I appreciate the response of the Senate co-chairs that he must look at our entire package, that we have job incentives. There was a point made about the job incentives provisions that we have, to bring new businesses into Hawaii and to provide help to our businesses in Hawaii. This bill takes away what is presently existing to help Hawaii based businesses. It is constitutional. If repealed, it would cost the state millions of dollars in loss, not to talk about the loss of people's jobs. And I have spoken to at least two companies that presently qualify for the Hawaii based credit, and they told me that as of the time they spoke to me, their mainland companies have asked them to come back because they don't really need their shops in Hawaii, but for the tax credit. They're going to shut down. And we can sit here and say they won't, but they are. These people who are working for them now are going to lose their jobs. We're taking away their jobs. We're taking away an incentive and we've talked about incentives. We ought to live by our words, and I'm going to be voting 'no' on this bill.

"Thank you."

Senator Sakamoto also rose to speak against the measure and said:

"Mr. President, I also rise in opposition.

"I agree, Mr. President, with the co-chair about fairness and consumers having a good price of product to buy. Consumers can have a product, but if they have no job they cannot purchase. If there are no businesses here to provide jobs, then consumers cannot purchase.

"I agree with the Senators from Wahiawa and Mililani in their arguments. The bottom line is we need to, as the Senator from God's country in front of me said, help our people keep their jobs. And if we can wait till the year 2000, re-look at this measure, let that be. But let's not put more people in jeopardy now.

"The policy of this body seems to be, bring in companies from somewhere else, bring them here, entice them. You

know, we're saying let's do captive insurance companies. Let's entice people to come. Let's do technology. Let's entice people to come. Once they get here, what? We've got to look at a policy of taking care of companies we have, jobs we have. And yes, there's dollars involved, certainly there's dollars involved. But let's take care of the businesses here, Mr. President, and the jobs. Therefore people can afford to live here if we can take care of those things."

Senator Kawamoto spoke with reservations on the measure as follows:

"Mr. President, as the previous speaker, my co-chair from transportation, indicated, I am indeed concerned about the jobs and I will be voting 'W/R' primarily because of the concern that we cannot allow the loss of jobs. We must focus on trying to save jobs to help our economy. We are doing the reverse with this bill.

"Thank you very much."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3264 was adopted and H.B. No. 1866, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE PREMIUM TAXES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 15. Noes, 9 (Aki, Anderson, Bunda, Ige, M., Iwase, Sakamoto, Slom, Solomon, Tanaka). Excused, 1 (Taniguchi).

Stand. Com. Rep. No. 3267 (H.B. No. 2998, H.D. 2, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3267 be adopted and H.B. No. 2998, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator M. Ige rose in opposition and stated:

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

"Mr. President, I'm just very concerned the way this measure was developed. I believe that the commercial harbors in our state hold a tremendous future. I believe that as we approach the next millennium, the harbors will play a major role in our economy. If we can assure our people that goods travelling over water is brought to us efficiently with tremendous amount of quality in its service, we can guarantee to our people that we will have products at a stable price.

"Mr. President, I believe by mixing maritime and non-maritime entities in a commission to make the recommendation to us is ill-advised. We should have the courage to look toward the future, separate commercial harbors because of its potential to be our cash cow, and make the necessary decisions that will benefit our entire community. That is our responsibility. This is where the buck stops. However controversial, it's our job to make that decision. I do not believe the commission will be able to do that.

"Thank you."

Senator Kawamoto rose to speak in favor of the measure as follows:

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

"Mr. President, many of us spent our interim working on this project. We went to all the islands, the co-chair and myself. We went to all the islands, the airports and harbors. We met with many Senators from the areas, those who could come to some of our meetings. We met with all the users of commercial and small boat harbors, and we finally had a conference here. We all talked the same language for the first time in a long time. I know I've been here only four years, but I understand

from the former transportation chair that they've been trying to get people together to talk in the same language.

"For the first time, we had an opportunity to do this, and we asked for this temporary commission. We had different bills, but we thought the commission method would provide the opportunity to look at the maritime authority, to look at the membership, to look at the possibilities as far as where they wanted to go with this effort. We felt this temporary commission, with time, could look into the matter and come back to us and tell us or give us who the members should be and what they can do. So, I ask my colleagues to vote 'aye' on this measure.

"Thank you."

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

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3267 was adopted and H.B. No. 2998, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII MARITIME AUTHORITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 2 (Ige, M., Kanno). Excused, 1 (Taniguchi).

Stand. Com. Rep. No. 3268 (H.B. No. 3033, H.D. 2, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3268 was adopted and H.B. No. 3033, H.D. 2, 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, 24. Noes, none. Excused, 1 (Taniguchi).

At this time, Senator Levin, on behalf of the members of the Senate, extended happy birthday wishes to Senator Kawamoto.

At 11:57 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 2:06 o'clock p.m.

RECONSIDERATION OF ACTION TAKEN

H.B. No. 2887:

Senator Chun Oakland moved that the Senate reconsider its action taken earlier on the calendar on H.B. No. 2887, seconded by Senator Kanno.

Senator Chun Oakland noted:

"This bill is identical to S.B. No. 2903, which crossed first and which the House has passed on Third Reading. This bill allows the commission to more easily achieve quorum, specifying that the seven appointed members of the commission shall serve as voting members of the commission, and that the quorum shall consist of a majority of the seven appointed voting members."

The motion was put by the Chair and carried.

By unanimous consent, H.B. No. 2887, entitled: "A BILL FOR AN ACT RELATING TO THE STATE COMMISSION ON THE STATUS OF WOMEN," was recommitted to the Committee on Human Resources.

THIRD READING

Stand. Com. Rep. No. 3269 (H.B. No. 3457, H.D. 2, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3269 be adopted and H.B. No. 3457, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Anderson then requested his vote be cast "Aye, with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3269 was adopted and H.B. No. 3457, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE WEST HAWAII REGIONAL FISHERY MANAGEMENT AREA," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3270 (H.B. No. 1824, H.D. 2, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3270 be adopted and H.B. No. 1824, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

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

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

"Mr. President, the information that we got was that there are over 40,000 accounts written off by this corporation, amounting to approximately \$22 million. And the information that we have is that this is only the tip of the iceberg, and that there is a whole lot more accounts out there that could be chased after or gotten to replenish the general fund. And what bothers me is that this corporation is now asking for more autonomy and to exempt themselves from open meetings.

"Mr. President, I would like to acknowledge the efforts of the co-chairs of Ways and Means in their effort to try to resolve this problem and I humbly ask the Health chairs, when it comes to conference, to seriously look into this situation because I do not believe we are solving the situation by addressing it in the budget. I believe we can solve the situation by addressing it in this measure, and these questions need to be asked. As a result, I will be voting 'no.'

"Thank you."

Senator Fukunaga rose to support the measure as follows:

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

"Referring to the comments made by the prior speaker, I believe the bill before us, H.B. No. 1824, does address the specific concerns he raises. The committee report on page 2 specifies that the Hawaii Health Systems Corporation shall refer, to the collections unit of the Department of the Attorney General, collection and enforcement of all outstanding accounts receivable that have been generated prior to January 1, 1997, that have been deemed uncollectable, written off or returned from a private collection agency. It allows the corporation to take responsibility for collection of accounts that have arisen after January 1, 1997. It is the co-chair's and the committee's intention that all outstanding accounts receivable will be acted upon.

"We believe that for these reasons, the bill does address the specific problem and we would urge all members to vote in support of the measure.

"Thank you."

Senators Anderson and Slom then requested their votes be cast "Aye, with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3270 was adopted and H.B. No. 1824, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3271 (H.B. No. 2803, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3271 was adopted and H.B. No. 2803, S.D. 2, 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, 24. Noes, none. Excused, 1 (Bunda).

Stand. Com. Rep. No. 3272 (H.B. No. 3065, H.D. 2, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3272 be adopted and H.B. No. 3065, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Iwase rose to speak on the measure as follows:

"Mr. President, with reservations on this bill because I think we have a problem with Article III, Section 14, of the State Constitution with the one subject requirement.

"Thank you."

Senators Fernandes Salling, Tanaka, Anderson, M. Ige and Solomon then requested their votes be cast "Aye, with reservations," and the Chair so ordered.

Senator Slom then rose and said:

"Mr. President, I just would like to add a couple of remarks about that bill, about the cigarette tax.

"First of all . . ."

The Chair interjected:

"Are you voting for or against the bill?"

Senator Slom responded and continued:

"With reservations. First of all, I think we're trying to solve a problem that has not been documented that exists here in terms of contraband cigarettes.

"Secondly, we're giving the police department additional work and I think that instead of chasing cigarette marauders they should be doing their job in terms of regular criminals and those that are doing violence upon others.

"Thank you."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3272 was adopted and H.B. No. 3065, H.D. 2, S.D. 2, 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, 25. Noes, none.

H.B. No. 1533, H.D. 2, S.D. 1:

Senator Baker moved that H.B. No. 1533, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Kanno rose to speak on the measure with reservations as follows:

"Mr. President, I'll be voting 'aye' on the measure, with reservations.

"I'm addressing the removal of monies from the dwelling unit revolving fund and the homes revolving fund.

"Although much time and money have been invested in the Kapolei community, the Villages of Kapolei is less than one-half finished. Some of the promised improvements include a neighborhood park, elderly housing, a commercial center and affordable rental housing.

"Removal of these funds may affect state plans to expedite work related to the University of Hawaii -- West Oahu, the state's new ballpark complex in Kapolei, the North-South Road/H-1 Interchange. The North-South Road improvements are critical to the transportation demands in the Ewa Plain.

"In 1986, the State of Hawaii, under the leadership of Governor John Waihee, embarked on an effort to address the housing problem in our state. With the creation of HFDC and the Villages of Kapolei, the state assumed the role of master developer.

"Just as much as we hold developers like Gentry and Castle & Cooke to their commitments to the community, we now need to hold the state responsible for the commitments and promises made to the homeowners in the Villages of Kapolei.

"I ask that the body review and consider carefully the specific commitments that must be followed through on before \$48.9 million is removed.

"Other factors need to be considered. Home sales have slowed in Kapolei just as they have in the rest of the state. Kapolei developers have had to request extensions from their commitments to HFDC and the State of Hawaii. This may also affect the balances of HRF and DURF.

"I'll be voting with reservations. Thank you"

Senator Slom then rose and said:

"Reservations, please, Mr. President."

The Chair so ordered.

Senator M. Ige rose in opposition and said:

"Mr. President, just a few words in opposition, please.

"Mr. President, as one of the co-chairs of Government Operations, we hear testimony on the importance of housing and shelter for our people and HRF and DURF was established for that purpose. To remove the monies now, I believe, is short sighted and irresponsible.

"Thank you."

Senator Bunda rose and said:

"Mr. President, reservations for me, please."

The Chair so ordered.

The motion was then put by the Chair and carried, H.B. No. 1533, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," having been read

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

Ayes, 24. Noes, 1 (Ige, M.).

H.B. No. 2800, S.D. 1:

Senator Baker moved that H.B. No. 2800, 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 this bill.

"I'm a little confused by the bill and I know that the original purpose was to allow the state greater latitude in terms of investment with commercial paper and bankers' acceptances and I certainly support that. But I'm a little stymied with the definition and the usage of 'linked investment' here. It seems to me that this bill is heavily skewed in favor not of managing state funds, but for certain financial institutions, one of which is on the verge of trying to reorganize and reincorporate in the State of Delaware. I think that testimony has brought out that the state will actually lose money in this transaction, and that while it does give greater latitude to certain financial institutions, it may not be in the best interest or in the financial safety of the state to allow this to happen.

"So, for these and other reasons, Mr. President, I'm voting 'no.'"

Senators Solomon and Fernandes Salling then 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. 2800, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MANAGEMENT OF STATE FUNDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

H.B. No. 3199, H.D. 2, S.D. 1:

Senator Chun Oakland moved that H.B. No. 3199, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Bunda.

Senators Anderson and Slom then 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. 3199, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PRIVATIZATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1160, H.D. 1, S.D. 1:

Senator Chumbley moved that H.B. No. 1160, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Matsunaga.

Senator Anderson rose to speak with reservations on the measure and said:

"Mr. President, I'll be voting with reservations on this particular measure primarily because it says that you're going to have to come out with additional reports. I stated some of my reservations in the committee that all of our people that work on our campaigns are volunteers. This puts an added amount of work on them. Some people have said that it doesn't

really do that. Others said that it really doesn't matter. But whenever we pass anything that gives more work to a volunteer, I think that it's our responsibility to look at the time that's going to be put in and make sure that we know what we're voting for.

"For that reason, I do have reservations on this particular measure."

Senator Slom also rose to speak with reservations as follows:

"Mr. President, I, too, will be supporting the bill with reservations.

"I want to thank the Judiciary co-chairs for changing the effective date of the bill so that it was not retroactive and it was not in the middle of the campaign. However, the reporting requirements, I think, are onerous for non-incumbents and for volunteers, so I support the remarks made by the Minority Leader.

"Thank you."

The motion was then put by the Chair and carried, H.B. No. 1160, 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, 25. Noes, none.

Stand. Com. Rep. No. 3282 (H.B. No. 3528, H.D. 1, S.D. 2):

Senator Chumbley moved that Stand. Com. Rep. No. 3282 be adopted and H.B. No. 3528, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Matsunaga.

Senator Sakamoto rose to speak on the measure as follows:

"Mr. President, I rise in support with reservations.

"Mr. President, job reference liability is a common sense measure. Employers need the ability to select qualified employees based on factual references. Anything less, hinders the ability of a company to compete in an already difficult economy.

"Additionally, Mr. President, our laws often hold an employer liable for the actions of his or her employees. It is only sensible and fair that we, therefore, allow the employers access to all pertinent information available during the hiring process.

"So, while I am not 100 percent supportive of the language in this bill, I believe we need to move this measure to conference. More importantly, last year this wasn't resolved. This year we can't let that happen again, Mr. President."

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

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3282 was adopted and H.B. No. 3528, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT PRACTICES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 3130, H.D. 1, S.D. 1:

Senator Chumbley moved that H.B. No. 3130, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Matsunaga.

Senator Taniguchi then said:

"Mr. President, please note my reservations."

The Chair so ordered.

Senators Kanno and Metcalf then 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. 3130, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO A CONSTITUTIONAL CONVENTION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3285 (H.B. No. 2564, H.D. 1, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3285 be adopted and H.B. No. 2564, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator M. Ige rose to speak against the measure and stated:

"Mr. President, I rise again to speak against this measure.

"Mr. President, the percent of students scoring average or better in reading, grade 3, is 66 percent. The percent of students that score average or better in reading, grade 8, is the same, 66 percent. The percent of students scoring average or better in math, grade 6, is 82 percent. The percent of students scoring average and above in math, grade 10, is 78 percent, and it seems to be dropping.

"Mr. President, we don't need a commission to tell us the scores are low, nor do we need another layer of bureaucracy to inform us about what's wrong. I believe accountability rests in each of us here. This is where the buck stops. We do not need a bill like this. We should confront the challenges right here on this floor.

"Thank you."

Senator Baker rose to support the measure as follows:

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

"Mr. President and fellow colleagues, this measure will help us improve the performance in our schools. The successful program developed in Chicago is the model for this bill. A team of individuals will visit a school, observing the school's operations, very much like our school inspection team for facilities, but this inspection focuses on performance. This bill sets up a mechanism to help schools that are not performing. When schools ask for assistance, that help will come as intensive support for the faculty, marshalling other resources in the school, and working with the community. This bill is one way to demonstrate that we take the performance of our schools seriously and that we're going to insist on accountability, matching our rhetoric with action.

"This important measure gives us the means to determine a school's performance but it also instills student accountability as well. It allows the Board of Education to establish policies to assess a deposit fee for all school books and instructional materials.

"I think this bill is a great step forward to assist our schools with their performance, giving confidence back to the public that the schools are, in fact, providing young people with the

tools and knowledge to be successful in the workplace and in life.

"I urge all my colleagues to support this measure. Thank you, Mr. President."

Senator Tam also rose to support the measure as follows:

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

"In addition to the words that were mentioned by the previous speaker, this bill is a positive bill bringing forth the parties involved in the schools to work together. And if I may add, this is a temporary commission, not a permanent one.

"Thank you."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3285 was adopted and H.B. No. 2564, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Ige, M.).

Stand. Com. Rep. No. 3287 (H.B. No. 2655, H.D. 1, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3287 be adopted and H.B. No. 2655, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Slom rose in opposition and said:

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

"In it's amended form, the bill, I think, offers many good things for economic development, has blended in a number of different provisions from different bills, but unfortunately the crux of the bill still remains an increase in the transient accommodations tax to 11.5 percent and a newly offered transient occupancy tax on time shares.

"As I stated before, I believe that it is not constitutional to tax the time shares because they are sales of property that have already taken place. And as far as the transient accommodations tax increase, I know that many of my colleagues say, 'Yeah, but the hotel industry came and this is what they said. They asked us to do it.' And I must say that I think few people in that industry are extremely short sighted and have very short memories. They don't remember how they've been taken once, twice, three times by the Legislature in the past.

"First, they agreed to an increase from 6 percent to 7 percent, then they agreed to an increase from 7 percent to 11 percent. But the Senate, to make sure that we do things better than the House, added yet another half percent to 11.5 percent, and the quid pro quo was that we were going to exempt the hotel rooms from the general excise tax.

"We heard testimony from Budget and Finance, from the budget director, saying that that was not policy that the state wanted to adopt -- to exempt hotel rooms from general excise -- because if the hotel rooms got the exemption, then other industries would be tempted to ask for that exemption too.

"So at this point, Mr. President, the hotel industry faces a possibility of an 11.5 percent transient accommodations tax, plus a 4 to 5.35 percent general excise tax in an industry which is already suffering because of low arrivals, high cost, and declining occupancy. And so, if we're talking about economic revitalization and we're saying that the tourist industry is our primary industry, then I think it's extremely short-sighted to talk about raising this tax. I think and I predict it will be extremely detrimental if we pass it.

"Thank you, Mr. President."

Senator Iwase rose to speak on the measure with reservations as follows:

"Mr. President, I rise to speak with reservations on the bill.

"Mr. President, my reservation is based upon . . . I voted previously about the one subject rule, Article III, Section 14, which was expounded upon in the Hawaii Supreme Court case Schwab v. Ariyoshi, where the court found that the constitutional requirement mandates that all parts of the bill embrace but one subject, and that the parts are, I'm quoting from the case, 'so connected and related to each other, either logically or in popular understanding, as to be parts of or germane to that general subject.' The purpose of the constitutional requirement, as the court in Schwab said, was to prevent hodge-podge or logrolling legislation, to prevent surprise or fraud upon the Legislature by means of provisions in bills of which titles give little intimation, and also to apprise the people of the proposed matters of legislation. In short, the broad title, and in this case 'Relating to Economic Development,' does not permit logrolling legislation.

"I think also, Mr. President, since we always talk about notice to the public and openness to the public and having public participation, if we truly desire to have that kind of participation and truly desire to notify the public, we must be especially careful to limit the subject in a bill where the title is very broad. And in this case, we failed under the title of Relating to Economic Development. It kind of reminds me of Ross Perot's giant sucking sound from Mexico he said. This bill, like a tornado, has swept into it, sucked into it, such disparate subjects as tax credit for technology training or job creation; a hope and lifetime learning credit; tax credit for Asian-Pacific language courses from DOE or private language schools; establishing the Hawaii Internet Exchange; and then the entire matter relating to the tourist accommodations tax, TAT and the TOT, which affects not just the tourist industry, but the state and county governments regarding the distribution of the TAT.

"These subjects and others included in the bill are not so connected or related to each other. The TAT and the TOT, for example, have absolutely zero relationship to the hope and lifetime learning, zero relationship to establishing the Hawaii Internet Exchange. I believe we've challenged to the extreme the one subject requirement mandated by our Constitution and I'll be voting with reservations.

"Thank you."

Senator Metcalf then inquired:

"Will the previous speaker yield to a question?"

Senator Iwase having answered in the affirmative, Senator Metcalf continued:

"The case cited, Schwab v. Ariyoshi, what was the court's ruling on that case?"

Senator Iwase replied:

"Thank you for the question. The court ruled that the action of the Legislature was constitutional. Do you want me to elaborate on it? I'll be glad to."

Senator Metcalf replied: "No. Actually . . ."

Senator Iwase interjected:

"Please ask me. (Laughter) Please."

Senator Metcalf continued:

"Actually, I have another question. You indicated that the court ruled that the action was constitutional. (Senator Iwase: "Yes.") Can you briefly describe the facts in that case."

Senator Iwase responded:

"Thank you very much for that question. Yes. In that case, the title of the bill, Act 58, the title of the bill was 'An Act Making Appropriations for Salary and Other Adjustments Including Cost Items of Collective Bargaining Agreements Covering Public Employees and Officers.' Part I of the bill mainly appropriated certain sums for the fiscal biennium for all collective bargaining cost items of the contract; Part II -- adjust the maximum salary limits for certain officers and staff members of the executive branch; Part III -- affect adjustments in salary for officers in the judicial branch, the district family court judges, etc.; and Part IV -- salaries for certain legislative officers."

Senator Metcalf further inquired:

"And the court in that case found that the title of that bill fairly could be construed as embracing all those subjects, including the judicial salary increases that were rolled into that measure?"

Senator Iwase replied:

"Under the title of the bill -- Making Appropriations for Salary and Other Adjustments Including Cost Items of Collective Bargaining Agreements Covering Public Employees and Officers -- yes."

Senator Metcalf then stated:

"Mr. President, based on that analysis, I fail to see how the Senator from Mililani can argue that this title is too narrow to encompass the subjects contained in this measure."

"Thank you."

Senator Iwase responded:

"Mr. President, in response, if you read the Schwab case, I repeat the quote from the case, 'that the parts are so connected and related to each other, either logically or in popular understanding, as to be parts of or germane to that general subject.' And also to keep in mind the purposes of Article III, Section 14, if you believe that tax credits for technology training and job creation is logically related to the tourist accommodations tax, then that is your opinion -- I disagree."

"Thank you."

Senator Baker rose to support the measure and said:

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

"Mr. President, this session much of our efforts have focused on our economy: shoring up our state's number one economic driver -- tourism -- and looking for ways to enhance the economic engine of the future -- high technology. An important element of the pursuit for the high tech arena is workforce development."

"The measure before us contains these two elements because they are quite related. They are the two key elements that we have looked to, to revitalize our economy. We seek to strengthen the current number one economic driver in our state which is our visitor industry, and we're looking to further develop, entice and enhance our fledgling high technology industry. Both of these are key aspects of economic development. I believe the nexus is there. We need to move this measure forward."

"Thank you."

Senator Anderson rose in opposition and said:

"Mr. President, I, too, will be going 'no,' but not because of the two learned gentlemen. As attorneys, I like their arguments, but I'm going along with the Minority Floor Leader's words, and could they please be reflected in the Journal as though they were my own."

Senator Fukunaga rose in support of the measure and said:

"Mr. President, I rise to speak in support of this bill and I would like to note for the Senator from Mililani that the subject matter referencing the TAT and TOT discussion was contained in a prior Senate measure which did receive a full hearing and discussion in the Senate Ways and Means Committee."

"This measure, as discussed by the Ways and Means co-chair, does certainly fall within the parameters of what we consider our most important high technology and tourism industry promotion initiatives; and we certainly believe that these fully embrace the subject of the bill."

"Thank you."

Senator Fernandes Salling rose in support of the measure and said:

"Mr. President, I rise to speak in favor of the bill. However, I do note the good arguments that were expressed here today by the Senator from Mililani which I think is on point and makes it clear that we face a danger of perhaps losing portions of the bill if the title does not adequately embrace all of the different proposals that you have in it, and they are quite different. We're talking high tech versus TAT. And as I recall, the Attorney General last year asked us to specify that our titles be 'Regarding Economic Development for High Tech Measures in the Area, blah, blah, blah, blah.' That was what the AG was requiring. I'm not sure if they are going to again require us to do that, but I'm just asking the chairs to consider that I don't think you want to lose some of these provisions of the bill that I believe are good and that we need."

"So you might keep in mind that perhaps it's safer to, in the course of moving forward, look for another title, just in case there's a chance that this could happen."

"Thank you."

Senator Metcalf rose again in support and said:

"Just a couple of more points, Mr. President, in support of the measure."

"I think if this body were to rely on every pronouncement by the Attorney General's office, we would not likely make much progress. And I think this body is the judge of its own rules and we also interpret the Constitution as we proceed with legislation. To my knowledge, there has been no successful challenge to any measure passed by the Legislature based on the scope of its title, and I think, as the previous speakers from Maui and from Makiki have indicated, the nexus is quite clear that these are economic development programs, Mr. President."

"Thank you."

Senators Solomon, Tanaka and M. Ige then requested their votes be cast "Aye, with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3287 was adopted and H.B. No. 2655, H.D. 1, 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 (Anderson, Slom).

Stand. Com. Rep. No. 3288 (H.B. No. 2990, H.D. 2, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3288 be adopted and H.B. No. 2990, 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 and said:

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

"We certainly all know the importance of water in our state. We know the importance of water for farmers, particularly small farmers, and we all know the problems that the state has had with its stewardship of the four ditches that it now controls. Two of them have severe problems, operationally and in terms of maintenance. One of them on the Big Island, Hamakua, is in very desperate need. So now we consider a bill that really is the 'son of a ditch' -- Waiahole.

"And I can remember asking in the first economic committee hearing for a description of what it was that the state was buying for \$10.5 million. And everybody thought that was a joke because everybody said, 'It's the ditch. It's the ditch, stupid. Everybody knows it's the ditch.' But I want to know exactly what we got and what we were getting for our money and I'm glad to see that on March 30 there was a memo that came to the Ways and Means Committee and it lists everything in there, including aluminum ladders, a couple of Nikon cameras and a lot of old trucks and equipment that we're getting.

"But I'm concerned about a number of different things. First of all, I think we have possibly a potential constitutional problem. The legislative declaration in Section 15, I believe, is an unconstitutional violation of the separation of powers in at least three ways. First, the Legislature is impermissibly restraining the Water Commission's ability to change or alter its decision through the rule or decision-making capacity as a separate independent administrative agency. Secondly, the Legislature is restraining the courts from hearing litigation involving this matter. This violates the separation between the Legislature and the Judiciary. Thirdly, this last violation also forces the courts to violate the separation between the Executive and the Judiciary in addition to the above Section 15, violates the procedural in substantive due process, open courts and basic liberty and property rights under our State Constitution. This is because there is current ongoing litigation over this ditch.

"There are also other interested parties who could bring suits. There could also be a problem with forcing the decision to be in effect for 20 years over the life of the bonds, if the bonds are retired in advance. To reduce the risk of losing additional money on this purchase, the sale contract should require the seller to purchase title insurance for a number of years, but that's not included in the bill. Only after a complete title search by the insurance carrier and prepayment of the premium by the seller will insurance be issued. This process will identify the true owner of the property and address any issues regarding easements.

"Finally, Mr. President, I think members of the Ways and Means Committee and other committees were aware that this has been a private ditch for all these years. The Senate Minority Leader had suggested on several occasions that first of all, through its gratitude and through all of the economic benefits that the company has garnered because of the use of this ditch, that it should donate the ditch to the people of Hawaii. Failing that, the state should lease out this property for a period of time. And failing that, since it is a private ditch, it

should be sold to private customers; thus relieving the taxpayers of any liability.

"And you might say, Who would buy this ditch? Well, Mr. President, as my colleagues know, there has been at least one firm offer for purchase. As a matter of fact, I have here a copy of the check that was proffered to the committee in the amount of \$100,000, deposit on Waiahole Ditch purchase upon receipt of title report, from one Mr. Steven Sawyer. Nothing was done about that, Mr. President, and I find that odd that we, in this time of very difficult financial circumstances, we don't look for innovative ways, particularly when we have somebody who has both the ways and the means to purchase this ditch and to take upon himself the responsibility of operation, maintenance and repair.

"So, for all of these reasons and these cautions, Mr. President, I am compelled to vote against the Waiahole Ditch purchase by the state.

"Thank you."

Senator Fukunaga rose to support the measure and said:

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

"I want to thank the good speaker from Hawaii Kai for some of the issues that he has brought up in his discussion. And I do want to assure the members that a number of issues have been raised throughout the course of deliberations on this measure, and the discussions have not been concluded. As you will note in the bill, there is a defect which places the implementation date in the year 2020. It is your committee's intention to continue to work with all stakeholders in this process to ensure that the final work product is one that all can be satisfied with.

"For those reasons, I would urge my colleagues to vote in support of the measure. Thank you."

Senator Kawamoto rose to support the bill as follows:

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

"Mr. President, this so-called ditch or 'son of a ditch' as called by the Senator from Hawaii Kai, this ditch was built by unsophisticated means from 1913 to 1916. This ditch has been going on for quite some time and has been helping the sugar industry. This ditch, right now, would provide water in a sharing manner to the other folks on the windward side, to provide water for almost 893-1,000 farmers. This number is twice the amount of workers Oahu Sugar Plantation had three years ago.

"Also, the recharge, or the water that's not used, that goes into the ground helps out the Pearl Harbor aquifer. And for your information, fellow Senators, this Pearl Harbor aquifer does not only have water for the Pearl City and Waipahu area, it goes from Waianae to Hawaii Kai, many of your districts. That's who uses the water. So we should all be in favor of this Waiahole Ditch because it provides water for about two-thirds of the people on Oahu.

"Thank you very much."

Senator Anderson rose in opposition and said:

"Mr. President, I will be voting 'no' on this particular measure and I wasn't going to speak on it, however, just to clarify a few things that haven't been said.

"We've been going through a drought recently and here we're saying we're going to have water for 20 years that's going to be allocated and it's going to tell you how much water. Well, there's a problem if in 20 years we don't have the amount of water and we're saying we're going to put it in there for 20 years what we're going to do.

"Over and above that, Mr. President, I brought it out the other night that the Agribusiness Development Corporation, the governor said that he wanted to get rid of this particular program. The House Finance Committee did a line item removal of this particular item, and here we're turning over everything to the Agribusiness Development Corporation. I have a problem with that. I don't have a problem helping farmers. I don't have a problem saying we're going to lease the ditch. I would rather American Factors give us that ditch for a dollar and love and they owe us a lot of love, let me tell you. So, a dollar and love is not over and above what we should expect from this.

"I also said we could go into condemnation. There are many things that we can do rather than spend 10-point-something million dollars. So I have a real problem. I again say I didn't plan on speaking on this particular bill but I would look at what the good Senator from Hawaii Kai said. It's a constitutional problem. We cannot subject someone for 20 years on this particular measure, and I will be voting 'no.'

"Thank you very much, Mr. President."

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3288 was adopted and H.B. No. 2990, H.D. 2, S.D. 2, 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, 22. Noes, 3 (Anderson, Fernandes Salling, Slom).

At 2:45 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 2:51 o'clock p.m.

Stand. Com. Rep. No. 3290 (H.B. No. 3200, H.D. 1, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3290 be adopted and H.B. No. 3200, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Iwase supported the measure as follows:

"Mr. President, I'm rising to speak in support with reservations.

"Mr. President, first of all, the Public Employees Health Fund, as we learned throughout this session, is one which is going to be a source of great concern. It's a concern now and it's going to be a concern in coming years because of the money that's in it. At the hearing of the Ways and Means Committee on Thursday night when we were given the digest, one provision in the digest regarding the committee's recommendation is to require the Public Employees Health Fund to return all monies to the state and counties general funds that were in excess of 8.7 million necessary for the fund to stabilize health insurance rates for 1998-1999 fiscal year. And in raising the question as to the amount that would be returned to the state, I believe the response was \$40 million.

"My concerns and reservations about the bill, Mr. President, are as follows: First, as I understand it, the amount of reserves in the Health Fund as of June 30, 1997 is 38.5 million, and of that amount, 225.11 million, not 40 million, is eligible for return to the state because there is a 60-40 split in the employer/employee contribution. Of that 38 million, 13.4 million in contributions from the active employees should not be refunded to the state. And if the money amount, the 40 million, is used and the Senate financial plan is 40 million, then we are short.

"Secondly, Mr. President, when the bill left the Human Resources Committee, authority was given to the Health Fund

to refund the monies to the employees upon the effective date of the act, I believe. We have now modified the bill to allow refunds beginning in fiscal years 2000 and 2001. In short, the WAM version delays the refund of this \$13 million to the state employees. There's really no explanation in the WAM committee report for keeping the money from our workers until the year 2000, yet, in the bill, effective now, there will be a refund of monies to the state. This is unfair and this is unequal treatment for our employees.

"Also, Mr. President, the 8.7 million rate stabilization amount is not yet a final figure. The Health Fund board will vote this Friday to determine whether or not that is the amount needed to stabilize the fund. The amount could be higher, in which case the Senate financial plan would again be short.

"We are withholding monies from our workers without explanation, monies which should be refunded to them now in these tough economic times. It would help generate consumer spending which our economy sorely needs. We do not know what dollar amount in this bill is part of the Senate financial plan, but if it is 40 million and 8.7 million, then we may be off by several million and our financial plan would be short. So, I'm voting with reservations

"Thank you."

Senator Fukunaga rose in support of the measure and stated:

"Mr. President, I rise to speak in support of this measure. I would like to respond to the prior speaker's comments.

"In Section 9 of the bill (contrary to the prior speaker's comments), the bill specifies that on the effective date of the act, the Public Employees Health Fund will return all amounts representing the employer's share of insurance carrier refunds, rate credits, and interest, in excess of the 8.7 million necessary to stabilize health insurance rates for the 1998-1999 fiscal year, and those funds shall be transferred from the Public Employees Health Fund to the state general fund and to the appropriate county general funds. This transfer is in conjunction with Act 183, SLH 1995, as amended by Act 269, SLH 1996, and Act 276, SLH 1997, which require the health fund to return the employer's share of excess funds to the state or county for deposit into the appropriate general fund. As of the effective date of this act, no employer contributions have yet been returned to the general fund.

"Further, that law permits the health fund to use insurance carrier rate credits, reimbursements, earnings and interest to stabilize health benefit plans or long-term care benefit plans or other expenses with legislative approval. The determination as to the timing and the return of employee contributions is a matter to be determined by the Legislature. And that is the measure that we have before us.

"For the foregoing reasons, we urge all members to vote in support of the bill."

Senators Solomon, Anderson, M. Ige and Slom then requested their votes be cast "Aye, with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3290 was adopted and H.B. No. 3200, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3292 (H.B. No. 867, H.D. 1, S.D. 2):

Senator Baker moved that Stand. Com. Rep. No. 3292 be adopted and H.B. No. 867, H.D. 1, S.D. 2, having been read

throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Sakamoto rose to support the measure with reservations and said:

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

"Encouraging early retirement because of the lack of space for people in our government is a good thing. However, these incentives cost the state money, so I'm concerned about the cost. The last time we had early retirement, there was an unanticipated cost to the state. And the last time, as well, which may occur this time again, last time we had to rehire people who retired early, and that again costs and maybe it will become a wash.

"Mr. President, as I read the committee report, in the original bill it called for the Employees' Retirement System to conduct a study to determine the fiscal ramifications of converting all present ERS members to contributory membership and report to the Legislature. In an earlier bill we heard, Mr. President, we jiggle a little bit here and we save 30 million, possibly jiggle some place else and you lose 60 million; jiggle there, 90 million. We've been working with this retirement fund for years as sort of a bank and in this case, maybe as a candy store -- jiggle this, jiggle that, 30, 60, 90 -- well, who knows.

"I think, Mr. President, our public employees have a problem every time we touch the retirement fund. And they don't deserve to be juggled with here and there. And I think we need to address, perhaps, what the original bill said and look at what many part private employees do. Your IRA account is your account. The social security account is your account, it's your account. In the public/private sector, unions, as well, agree that you get your retirement based on your longevity, how well you work, how long you work, how much you make. I think we need to look at that, Mr. President.

"So, reservations on the bill that stands, but also ask people to consider looking at how we can address our retirement system so people actually will get benefited by how much they make and how long they work and how well they work."

Senator Slom rose to speak against the bill and said:

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

"Again, I think the bill is sending mixed signals. We say we want to down-size government and we want to reduce the public employee workload, but we're not doing it right. We're not doing it in any business-like fashion. And instead we're throwing fear into public employees because they don't know what the Legislature is about to do next. As the good Senator from Moanalua said, we're jiggling with not only their health benefits but other legal and vested rights, as well.

"The problem I have, though, here is, and the Senator reminded us all what happened with the last early retirement, we had a rush for people to get out of government. They wanted to get out and, unfortunately for us, it was the best that got out because they'd lost confidence in management -- the management. And that's where the problem is. And so instead of just offering early retirement, what we really should be doing is insisting that in these various departments, the managers take full responsibility and accountability for their employees. And those employees that are doing a good job should have no fear of losing their jobs, in fact, should be given incentives. And those people that in fact are not doing a good job should not be there because they take away from their fellow employees that are very proud to try to make contributions for the public sector.

"But most troubling of all, Mr. President, is in this bill we're talking about down-sizing. There's a provision to allow the governor to appoint or hire 50 new positions, and the judiciary

to hire 10 new positions. So we're not consistent. But we are setting up a precedent here for the possible violation of legally vested rights for a certain group of employees. I think there's a much better way to do it. I think we should be doing it better, and again, I think the bottom line here is on management. And that's what we should require, so I will be voting 'no.'

"Thank you."

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. 867, S.D. 2, puts in place a severance plan and an early retirement option for employees facing a reduction in force. It is a humane approach to downsizing because it seeks to provide our public employees with options and mitigative measures in the face of inevitable layoffs throughout government.

"Our tough economic times require us to right-size government and, unfortunately, right-sizing government means proportionately laying off part of our workforce. In anticipation of a reduction in force, your Committee on Ways and Means sought to offer some incentives and extended benefits to help affected employees transition from public service to retirement or to the private sector. Simply laying off employees and subjecting them to our tight job market, we believe, would be irresponsible and uncompassionate. Neither the private sector nor government safety nets can be expected to support the 400-plus employees that may be affected.

"Specifically, this bill would offer employees facing a layoff with severance or early retirement, depending on which category best suits them. And for those persons who may be just a few months short of vesting, we've included a provision that would allow them to vest, as well.

"This measure is far different, Mr. President, than the previous early retirement program that this Legislature enacted a number of years ago. That program was open to all employees. That previous proposal was costly and caused great disruption, as it was considered an employee benefit. This proposal is different. It is a targeted approach. It is a management tool to transition affected employees from government service to retirement or other occupations.

"House Bill 867, H.D. 1, S.D. 2, draws from previous experience. The proposal has been drafted to follow the best practices in the private sector. This is a compassionate approach and we believe it is the right thing to do and it is only for those employees who are faced with layoffs or a reduction in force.

"Additionally, this bill provides that all vacant positions shall be eliminated. Your Ways and Means Committee took every vacant position as of March 1, 1998, that was not deemed an essential position. In excess of 1,100 vacant positions have been eliminated. That is the reason we felt it necessary to provide a small pool of full-time equivalent positions for both the governor, the chief justice, and in another bill, for the university president. Such a pool of vacant positions would allow critical services to be maintained, and flexibility to meet new requirements. Government would be downsized but critical services and functions would not be impaired.

"Mr. President, your co-chairs believe that establishing a severance benefit and early retirement option for eligible state employees who would otherwise be laid off will ease the initial financial burden of a layoff and to help those employees reestablish themselves either in another vocation or in retirement.

"We believe this bill is an appropriate and compassionate response to the necessary and inevitable downsizing of our

government. I urge all of my colleagues to support this measure.

"Thank you."

Senator Anderson rose in opposition and said:

"Mr. President, I'll be voting 'no.'"

"Again, I was not really prepared to speak on this particular issue, but it was brought out that we have to be compassionate, number one, and what happens in private enterprise is that they have learned to down-zone, and that's great. There's a difference, though. When you give years of service to credit to employees with nine years, you give one year so that they can get out early. There's nothing else that says that there's any age bracket. Then we have a problem.

"When you're in private enterprise, you either have time of service or you're old enough. And in some cases, if you don't go one way or the other, you don't go anywhere. And that's the problem that I have with government. All of a sudden we're saying we're like private enterprise. Well, private enterprise when they down-zone and they're going to give you an early out, you are normally 55, 60 years of age, or you have 20 years of service, but they don't pay you to make the service time if you're too young, or if you're older they don't try to look at seeing where you are with giving you another five years off or something. They work it out in a different manner.

"This one here, there is nothing that says that you have to have your 10 years and 55 years of age, or that you have to have 10 years with no age. It leaves it open. And I have a problem with that because we were told by Mr. Anzai that they have no control over the retirement system cost. And this is going to cost the retirement system. It's going to cost the medical system, and we're going to say, well, we had no control over this. And that's not quite true. And that's one of the reasons that I'm voting against this.

"I also have a wife with Hawaiian Airlines with 41 years of service, but she couldn't get out because she wasn't 60 at the time. And that is what you do in private enterprise. You have to, when you're going to retire, you have to have it both ways. Now, if they had offered her an early out, they may have let her go at 59. I'm not sure, but she sure as heck would have had 40 years.

"So for those reasons, Mr. President, I am going to be 'no' on this particular measure.

"Thank you."

Senator Iwase spoke with reservations as follows:

"Mr. President, I'm standing to speak in support of the bill with reservations.

"Mr. President, I made my statements at the Ways and Means Committee hearing when I voted along with two other colleagues, with reservations. They remain the same. That night, we did not know. It was basically on the timing of the bill and the chilling effect, the cloud that's placed over 42,000 state workers not knowing if they're going to have their jobs or not because we do not have a plan -- a specific, clear, directive plan -- as to what programs would be cut, and what kind of services government would be providing in a right size government.

"Since that night, I found out the next day while watching a press conference that about half the cuts were supposed to be with DOE. Now I'm getting calls from teachers, although understanding what was said there, I guess because we're here, that we're dealing with the administrators, we're getting calls from teachers who are afraid that they're going to lose their jobs, people who are in special education who believe their

programs are going to be cut because we're cutting half of the employees of the Department of Education.

"And if these kinds of things go out with this kind of bill, then it chills spending. Again, that's what we need to have. We need to have spending. Forty-two thousand government workers, they spend well in the State of Hawaii. They have supported this economy, and we ought to let them know who's going to be here and who's not going to be here.

"One final comment, Mr. President, because I've been noticing in the paper that they've been calling this an early retirement option. Well this really isn't an early retirement option bill, far different from the past. You must fall into a category to qualify for two options, and that category is, you lost your job -- you were either laid off or you were terminated. If you are in that category, you can get the severance package or you can opt for early retirement. This is not an early retirement package to allow people to retire early. You have to fall into a very specific category, and again, that sends a message out there that your job is in jeopardy for all 42,000 employees. And I hope we can be more specific as we move through this process and bring some comfort level to the people in the public workers sector.

"Thank you."

Senator Kanno rose to support the measure and said:

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

"I'd like to respond to the statements made by the Senator from Moanalua regarding Legislators jiggling the system for the financial benefit of the general fund. Contrary to those remarks, the efforts of the Ways and Means Committee and the Human Resources Committee have really been more along the lines of a thoughtful process addressing the long-term financial stability of both systems.

"A year ago, the Legislature passed a major reform measure for the Employees' Retirement System. What the measure did was eliminate the excess earnings provision. Members may recall earnings over 8 percent would be removed from the Employees' Retirement System for the benefit of the general fund. The measure last year eliminated that. Given the financial times, measures like these have to be well thought out and it was quite coincidental and beneficial to the deliberations here on the state budget that that measure saved the general fund \$73 million last year. But no one, critics included, can claim that the measure hurt the Employees' Retirement System. Rather, it will help the system reach a fully funded status. Provided the investments at the stock market continue in the way that they have been in recent years, the system could be fully funded by the year 2005. In which case, the appropriations that this body is having to make in the order of \$200 million to \$400 million would be eliminated by that time. So in that instance alone, the reforms made to the Employees' Retirement System are really towards financial stability rather than jiggling or raiding of the funds.

"Another improvement made this year is the salary increase assumption. There was a measure contemplating lowering the assumption from 4 to 3 percent. And through deliberations here in the Senate, we were able to develop another proposal in concert with the Employees' Retirement System using a three-year floating average which no longer bases these calculations on estimates or assumptions; rather it's based on actual figures and actual salary increases, making an improvement to the system. Coincidentally, because of the tight financial times, it works in concert with our budget plan, saving the general fund \$30 million in fiscal 1999 and \$39 million in fiscal 2000.

"Most of all, I'd like to emphasize that the changes we're making to the system never disregard what the long-term impacts are and we are really looking at making improvements, not just for two and four years out, but rather 10, 20, 30, 40, 50-

plus years into the future. That's the commitment of the Human Resources Committee and I can assure as well for the Ways and Means Committee.

"I think concerns about the health fund will require that we are also in need of making major reforms to the health fund system, but likewise we're going to do so in a very thoughtful process, and I can assure the members we will not be jiggling with the system.

"Thank you."

Senator Sakamoto rose again and said:

"Mr. President, in response to several of the comments.

"Firstly, I'm not opposed to some of the changes, especially last year's change to make the fund ongoing and self-sufficient. But I do believe in the long term we need to look at letting people contribute to their own retirement account.

"When social security was started, when many funds like this current Employees' Retirement System fund was started, there was no money, so you had to promise money. And a person who was 40 years old or 50 years old when the fund started, had to get a promise that something was going to be paid to them. But take these young people here, if they were to start working in a private enterprise or for this government, they have an opportunity over the next 25, 39, however many years, to build up money in their own accounts. I believe those are responsible changes that we need to look at that was in this bill, that study, to look at that type of contributing to your own fund. That's what I'm talking about. And some of the jiggling, if it has to be done for financial matters, yes, but I still feel that people who have money in the fund are always concerned because next year we can come back and say, 'Oh shucks, we will do something different.'

"And for the previous comments from the co-chair of Ways and Means, I'm glad you're looking at the best practices in the private sector. I hope your comments about irresponsible and uncompassionate don't relate just because people get laid off and don't have a severance package, don't have an early retirement package, means that the employers that have to take such action are irresponsible and uncompassionate. I believe there are many responsible and compassionate employers and that doesn't mean just because you cannot offer these things, means you've got a problem. So I'm asking you to really look at the best practices and please, it doesn't mean because we cannot offer, many times there is no money. And in this case, our state really doesn't have a whole lot of money to offer a whole lot at this point either."

Senators Solomon, Sakamoto and Fernandes Salling then requested their votes be cast "Aye, with reservations," and the Chair so ordered.

The motion was then put by the Chair and carried, Stand. Com. Rep. No. 3292 was adopted and H.B. No. 867, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Anderson, Ige, M., Slom).

H.B. No. 2512, H.D. 1, S.D. 1:

Senator Baker moved that H.B. No. 2512, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Iwase rose in support of the measure and said:

"Mr. President, I'm rising to speak in support of the bill with reservations.

"Mr. President, this morning we passed a bill to repeal the insurance tax premium credit to get \$6.5 million into the state treasury. At the hearing in Ways and Means on Thursday night, this is a bill relating to taxation providing several forms of exemptions from the GET for various areas: for example, gross proceeds or gross income arising from the sale of health care services to or on the premises of a foreign health care provider or to a non-resident patient of or referred by a foreign health care plan provider; estimated potential loss of revenue (because we're not receiving the revenues yet, I guess, was the reason), but potential loss of revenue, 16 to 40 million dollars, million dollars, 16 to 40; the prosthetic device, 1 million; and prescription drugs, another 600 thousand.

"I believe the arguments that were raised in support of passing the premium tax credit exemption repeal are applicable here and causes some concern for me, the need, for example, to raise money for the state treasury and fairness. However, in the interest of trying to stimulate the economy, I am going to support this measure with reservations.

"Thank you."

Senator Slom rose in support with reservations as follows:

"Mr. President, I, too, rise in support with reservations.

"In addition to the remarks from the Senator from Mililani, I would also point out that two other areas in this bill grant exemptions to aviation training facilities and also to cargo maintenance facilities. And as I spoke about this bill previously, or about this concept, at first there was a magic number, I believe it was 80,000 sq. ft., and then that was reduced to the present 30,000 sq. ft. in this bill, because at 80,000 sq. ft., no local facilities would qualify, only out-of-state facilities, and only one facility, as a matter of fact, one facility that the governor had chosen. Then it was reduced to 30,000 to take into consideration facilities by two of the largest aviation training and maintenance facility companies in the state.

"My question, Mr. President and my colleagues, again is, we always do all this talking in here about small business, but unfortunately that's all we do is do the talking, because if we really wanted to pick these two areas of aviation training and cargo maintenance facilities, we wouldn't pick a magic number of 30,000 sq. ft. We would say that any businesses in this area are important enough and deserve the general excise tax exemption. We haven't done that and, therefore again, once again, we discriminate against the smallest of small businesses engaged in these activities.

"So, reluctantly I will support this bill with reservations."

Senators Bunda, Solomon, Fernandes Salling and Anderson then 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. 2512, 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, 25. Noes, none.

H.B. No. 2749, H.D. 1, S.D. 1:

Senator Baker moved that H.B. No. 2749, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Iwase rose in support with reservations and said:

"Mr. President, I'm speaking in support of the bill with reservations.

"Mr. President, at the Ways and Means hearing on Thursday night, I had asked but was not able to get the figure for this tax cut that's proposed in this bill, H.B. No. 2749, \$35,000 joint filing, family of four. Two weeks ago, we submitted to you a tax proposal spreading out tax cuts over four years. For that family of four at \$35,000, there would be a refund in the first year of \$372. The tax cuts proposed in H.B. No. 2749, which would spread over three years, are really, I think, while it's a step forward, it's not enough of a step forward -- the kind of step we need to make to put money in the hands of people to generate spending.

"We have all this talk about these changes so that we can bring all these investments into Hawaii. We all know the Asian market is still a problem. The United States market, while picking up, is still not a big tourist market for us. We need the people in this state to spend money in order to generate business in this state. The only way we can do that is to give them a sense of comfort, our public employees, that they have a job so that they can spend money, and also to give a tax refund so that they will have money to spend.

"The proposal by WAM, in contrast to the proposal of the bi-partisan coalition, just to give you some examples, the WAM is an 8.5 percent excess, the tax bracket, 8.5 percent excess over 30,000, plus \$1,725 for a family of four (this is taxable amount \$35,000), from the bi-partisan tax proposal, a 7 percent tax bracket of the excess over 20,000. There was talk about progressive tax reform and so I went and looked at how many people file joint filings and where the middle class is. Last year there were 165,513 joint filings, and of that amount, 61 percent or 101,748 joint filings fell into the category of over \$20,000 to \$80,000. This is the middle class, Mr. President, this group. Of the \$6.7 billion in taxable income of the state's joint filing, this group has \$4.3 billion of taxable income, or 64 percent of the taxable income. So let's look at how we're helping them in giving them a tax refund, if at all.

"Under the WAM proposal, the tax bracket: 7.5 percent for over 20,000; 8.5 percent for 30,000 to 50,000; and 9 percent for over 50,000 to 80,000. The highest tax bracket today is 10 percent. The bi-partisan proposal: 7 percent for over 20,000 to 60,000 and an 8 percent tax bracket for the \$60,000 to \$80,000 income range.

"Mr. President, we need to return the money that this state has been collecting from the middle class. We need to do it in the form of a tax break. We have today heard enough proposals to take care of a number of groups. We may believe that because we have unions, that the middle class is represented in this body, but they do not have advocates. And they are often forgotten and they're often put on the side and often receive what's left on the table. Well, I think in this case they've gotten only what's left on the table, which is a minimal tax break, modest tax break. I think that was the word that was used by the Senate. We need to give them more. We can give them more. We must give them more. We must give the middle class hope that this government will right-size itself, that this government is giving a tax break to them that is meaningful.

"I believe for a family of four at \$35,000 a year, \$372 is a lot of money. I don't know how many of you in here have a family of four at \$35,000 a year, but it is a lot of money -- not enough to take a trip to Europe or elsewhere, but enough money to spend; maybe a dinner out with your family; clothes for your children; maybe a down payment on a car, hopefully. But we're not giving them \$372 back in the first year of a tax refund and that's going to hurt us. We are not reinvesting in our people. We are not reinvesting in our economy.

"This measure, while again is a step forward, I will be voting in support of it with reservations in the hope that as we go to conference, we will understand that what we need is not just a tax break, not just a tax break that we can take home to our voters, but one that we believe in because it is right, because the

amount of money given back to the people is right and what they justifiably deserve, and what we can give them and what we must give them if we are going to talk about economic revitalization. So I'll support this measure with reservations.

"Thank you, Mr. President."

Senator McCartney rose in support of the measure and said:

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

"Mr. President, the challenge, the dilemma, is that we cannot give a huge tax decrease without cutting government. We have to make some hard choices and the bottom line is, Mr. President, I see hope in this body that people are saying, we don't want to raise the excise tax; we want to lower the income tax; and we need to cut the size of government. We may be discussing and debating here how to get there, but I have hope that the Senate is putting together a good plan, a plan that is grounded, a plan that is reasonable, a plan that moves the economy forward in these very tough and troubling times. And there may be a lot of talk and there may be a lot of discussion and dialogue among ourselves, but we actually are more on the same page than it may appear to some people out there. And I do believe that the Senate will be making a difference as we move ahead.

"So I'd like to thank the two co-chairs for the tough decisions that they made because they're not easy decisions and you cannot just simply cut taxes and increase the size of government. Those two do not work together. We have to do the opposite and that's what we're doing in this bill. We're taking a step forward. We need to go into conference with the House and make some more difficult decisions. But I'm proud of the effort we've put forward so far and I think that we all are more on the same page than most of us realize.

"Thank you, Mr. President."

Senator Fukunaga also rose to support the measure and said:

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

"In reference to some of the prior comments, this bill is a step forward. We believe it's perhaps a more modest proposal than the earlier proposal put forth by the Senate Ways and Means Committee. But it seeks to balance the budget. It does intend to give us hope. It does intend to give us relief in the areas where we need relief the most.

"I would direct members' attention to the body of the standing committee report which talks about how most of the prior proposals which have come before this body suggested amendments to individual brackets and rates that have, to a greater or lesser extent, favored taxpayers in the upper middle and upper income ranges. These taxpayers would have received the largest percentage tax reductions in relation to their adjusted gross income. However, what we have tried to achieve with the measure before you is to say that when tax reductions as a percentage of adjusted gross income are computed, the computation should maintain consistent progressivity in the tax law. The measure that you currently have before you is designed to do just that.

"And in response to the Senator from Mililani's questions regarding the family of four in the \$35,000 salary range, we would offer the following: this family would receive \$356 in tax breaks as a result of this proposal: perhaps not as great as the \$372, but we feel a step in the right direction nevertheless.

"So, for these reasons, we do observe, Mr. President, that for the bulk of our taxpayers who fall within the \$20,000 to \$80,000 salary range, this measure is a way of providing tax relief without busting the budget.

"For all of the foregoing reasons, we would urge our members to vote in support. Thank you."

Senators Solomon, Tanaka, Slom and Anderson then 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. 2749, 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, 25. Noes, none.

**MATTER DEFERRED FROM
EARLIER ON THE CALENDAR**

THIRD READING

Stand. Com. Rep. No. 3289 (H.B. No. 3625, H.D. 3, S.D. 2):

On motion by Senator Baker, seconded by Senator Fukunaga and carried, Stand. Com. Rep. No. 3289 was adopted and H.B. No. 3625, H.D. 3, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT REORGANIZATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

THIRD READING

H.B. No. 2500, H.D. 1, S.D. 1:

Senator Baker moved that H.B. No. 2500, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Fukunaga.

Senator Baker rose in support of the measure and said:

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

"Mr. President, when we began this session back in January, your Committee on Ways and Means made a commitment to move our state toward a sound economic future through the development of meaningful tax reform, government downsizing, and initiatives to assist our business community. House Bill No. 2500, S.D. 1, is based on those principles.

"Outlined not only by your Committee, Mr. President, but during your opening day remarks as well, this budget reflects the Senate's commitment to do what is right for the people of this state. While many have bemoaned the state of our economy, your Committee took a different view and saw this as an ideal opportunity to initiate positive changes and fix what is no longer working in government. Our current circumstance challenged us to be creative and to go beyond conventional ways of thinking. I believe we've met this challenge and have recommended a variety of proposals to move our state forward.

"In light of the continued economic crisis in Asia, Japan in particular, we remain strong in our commitment to diversify our economic base through the support of technology industries, the health and wellness industry, diversified agriculture, and the development of a qualified workforce. We find renewed hope and encouragement from the number of new businesses from the mainland and abroad that are interested in establishing a presence in our state. These new industries bring the prospect for increased jobs and future opportunities for our people.

"Mr. President, we believe that the direction your Committee has taken is fiscally sound and builds on the Senate's philosophy to support measures that broaden the economic base, initiate programs for jobs creation, instill accountability in education, maintain essential services to the public at the most

basic and direct level, and reduce the cost and size of government.

"The budget proposed by Ways and Means is not predicated on a general excise tax increase. I would note for my colleagues that the body across the way passed over to us a budget predicated on a GET increase. They cut funds out of education at the classroom level. They cut funds from direct services to people. They cut people's jobs and yet they still raised taxes. Your Ways and Means Committee has found a way to balance our budget without cutting essential services. We have preserved funding in education at the school level. We have preserved direct services in health and human services. We have down-sized government by taking it from administrative overhead and administrative structures rather than line services, and we have done so without raising the general excise tax. And we've provided personal income tax relief for our citizens.

"We believe the budget before us is in tune with the overwhelming sentiment, not only in this body, but in the community, that a tax increase is the wrong approach and this is the wrong time for such an increase. Therefore, your Committee has indeed constructed a budget based on a financial plan that provides modest personal income tax relief, targeted general excise tax credits to encourage new industries, and no general excise tax increase, which we believe would hurt Hawaii's existing businesses. What have we done for small business, Mr. President? We have not raised the general excise tax.

"Your Committee has developed a budget that begins to have government tighten its own belt, to live within its means. It is a reasoned approach, Mr. President, and I urge all my colleagues to support it.

"Before I move on and turn the microphone over to my co-chair, I would just like to recognize and acknowledge our Ways and Means team, our staff that is seated in the gallery. Mr. President, this year your Ways and Means Committee tried a new approach. We tried to stem the tide of crash and burn procedures that had been the method of operation of Ways and Means Committees in the past. We didn't ask our analysts to stay here for 24-hours a day just for the sake of keeping themselves and others company when they had finished their work. Everyone knows that WAM's work is stressful and involves long hours. However, we knew that the staff had the talent, the ability, and the where-with-all to get the job done within a reasonable amount of time. In the last few days there were a few 18-hour-plus days, but the staff rose to the challenge and completed the task. Mr. President, we want to thank all the staff for the effort that they put forward to support the co-chairs as well as the members of the Committee on Ways and Means. And now, could I please ask Gerald Dang, our committee clerk, and all of our Ways and Means analysts and staff to please rise to be recognized. (The Ways and Means staff, who were seated in the gallery, then rose to be recognized.)

"Mr. President, there are a lot of long hours ahead, but I know they're up to the challenge and your Committee will be well supported when we go to Conference with the House.

"To discuss the budget in some additional detail, may I yield the microphone to the Ways and Means co-chair."

Senator Fukunaga rose to support the measure and said:

"Mr. President, I also rise to speak in support of this measure and to talk a little bit about the Senate's approach to the budget process.

"This year, two of our overriding themes were that government must contribute towards economic recovery by living within its means. We've sought to demonstrate fiscal accountability in our streamlining, consolidating, reallocating and reducing throughout the budget process. Additionally, we

have sought to provide the tools to facilitate the private sector's success. For many of the areas within the executive budget, we have sought to modify government operations to complement many of the initiatives that you will see before you in other pending legislation. Many of these measures have been generated by industry consensus and collaborative team building and, as the good Senator from Moanalua has stated, have really been built upon finding and maintaining best practices and developing the best solutions for Hawaii's economic woes.

"In the area of economic development, our tourism marketing and promotion area reflects the decrease of general fund support to the DBEDT budget. However, this is accompanied by a very strong endorsement of the visitor industry's approach to modify the TAT by establishing the Hawaii Tourism Authority and replacing the GET imposed on hotel room rentals with the TAT raised to rates recommended by the tourism industry.

"In the area of health and wellness, our Department of Health's and Department of Human Services' budgets reflect full funding for direct services like perinatal services, health care for the medically underserved, and retention of full funding and support for purchase of services contracts with providers of senior citizen, domestic violence and abuse, and other services for the frail and vulnerable in our society.

"At the same time, we have not neglected some of the initiatives that may serve to give us some new economic development opportunities: for example, our University of Hawaii budget includes support for the AHEC initiative while H.B. No. 3367, which is one of the measures we voted on today, promotes health-related tourism by establishing an international exchange program for UH medical and nursing students. House Bill No. 2512, S.D. 1, incorporated the Senate's tax bill to reduce pyramiding of the general excise tax in the health services industry; and H.B. No. 2852 reduced barriers to and expanded the use of telehealth by removing the necessity of face-to-face examinations as a prerequisite for reimbursement from health care plans.

"The list could go on and on in the area of economic development in terms of community team-building and consensus-generation. We have also sought within our Ways and Means staff and through our crafting of the budget to build upon the best practices of the Senate.

"In addition to the accolades which my co-chair, Senator Baker, has extended to our budget staff, we'd also like to recognize the bills research group headed up by Troy Shimasaki and to thank many of the people who partnered with us from the Senate Majority Research staff, the Legislative Reference Bureau and from the President's office. The budget that you see before you is a product of all of our efforts; and truly, we could not have done it without each and every one of you.

"For these reasons, we urge you to vote in support of the measure."

Senator Tam also rose to support the measure and said:

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

"First, I want to thank the co-chairs and staff of the Committee on Ways and Means for emphasizing the needed programs for students and teachers in the classroom. I personally want to extend appreciation to the staff. I recall when I was a staff member of Ways and Means back in the 1980s, quite some time ago, whereby we worked countless hours without much sleep. I appreciate it.

"I also want to thank the members of the Committee on Education for their patience and dedication. Because of the strong grass roots interest in education, they sat through long committee hearings. Due to public demand, we heard many

bills related to public schools and libraries. We also received a lot of testimony from students, parents, teachers, administrators and other people interested in education.

"As Legislators, it is our job to provide the needed funding to carry out the goals and objectives of the elected Board of Education. Despite our current economic problems, the Senate draft of this supplemental budget for fiscal year 1998-1999 accomplishes those goals and objectives.

"As co-chair of the Committee on Education, I received many telephone calls and letters from people all over the State of Hawaii. They support public education!

"When I go into the community and talk face-to-face with parents and grandparents, with aunts and uncles, they tell me that education should be our highest priority. As a parent myself, I understand how they feel. They want the very best for their children and for their grandchildren.

"This year it has been very difficult for the Education Committee and the Ways and Means Committee to accomplish this for various reasons.

1. The Economic Revitalization Task Force.

"The budget process has been difficult because the legislative package from the Economic Revitalization Task Force has created some confusion, and even fear, among members of the public.

"For one thing, when the Economic Revitalization Task Force, essentially made up of big business, presented their recommendations for education, they did not present a plan of action for education, for example, one of their suggestions was to require the Department of Education to greatly expand programs for computer literacy and foreign language training, but they failed to tell us that developing a plan of action and implementing their recommendation would cost almost \$40 million.

"Since the action plan and the money is not available at this time, we have asked the Department of Education to explore new and innovative ways to meet this objective without spending such a large amount of money.

2. Problems with the executive budget.

"The last minute changes in the executive budget and the fact that the budget did not fully disclose needed information, such as accurate federal fund projections.

"President Clinton and the United States Congress have expressed strong support for funding education. The United States Department of Education says that Hawaii will get an additional \$15 million next year. However, there is no accounting for this money in the executive budget. It is the intent of congress that federal funds for education should be used to fund public schools, and should not be placed into the general fund to be used for non-educational purposes.

"We have taken congressional intent into account in the Senate education budget.

3. Priorities for cutting the budget.

"Because of the state's poor economic condition, the Committee on Ways and Means directed us to cut Department of Education current services for fiscal year 1998-1999 by 5 percent. In complying with this directive, the Senate Committee on Education followed the priorities and goals of the Board of Education and did not cut classroom needs or programs.

"Although the Senate based this budget on these stated problems, a positive budget for education is currently established. This positive budget consisted of the following:

- a. Continued funding for current classroom education programs. The Committee on Ways and Means also recognized that our highest priority is face-to-face teaching in the classroom. Both committees created an 'A' and 'B' category of needs. The 'A' budget consisted of:
 - (1) Programs directly helping students and teachers in the classroom;
 - (2) Programs required by state and federal laws; and
 - (3) Programs required by the Federal Constitution and the State of Hawaii Constitution.

The 'B' budget consists of all other functions of the Board of Education, including state and district administration.

By taking this approach, we carried out the peoples desire that we cut from managerial and administration positions (especially vacant positions) and that we protect positions at the school level.

- b. Accomplishing class size reduction. We all received a lot of letters, telephone calls and faxes on this. In listening to the voice of the people, one expectation stood out as being supported by almost everyone. The people of Hawaii very clearly stated support for the idea of reducing the student/teacher ratio.

The House of Representatives budget proposal is to keep kindergarten through second grade class size ratio at 21 students to 1 teacher. You probably remember that before last year, the ratio was 20 to 1. But last session, the House of Representatives insisted on raising the ratio to 21 to 1. As a result, class sizes got bigger and we received reports that some classes had up to 40 students in one classroom, especially when the Department of Education arbitrarily used their own internal department class size ratio of 25 students to 1 teacher before allocating classroom assistant positions, thus deviating from legislative intent.

The Education Committee decided to restore the class size ratio to what it had been before 1997. The first few years of elementary schools are very important for student growth and achievement. Smaller class size gives teachers more time to provide personal attention to each student in the class.

Furthermore, I believe that the cost of reducing K-2 class size is a wise use of taxpayers dollars, even in these hard economic times. Thus, in working jointly with the Ways and Means Committee co-chairs we funded class size reduction.

I am proud to declare that the Senate legislation entails the following:

- (1) Funding the 21 to 1 class size ratio for kindergarten to second grade;
- (2) Stopping the Department of Education from deviating from the 21 to 1 class size ratio; and
- (3) Upon the receipt of the federal impact aid funds above the current dollars which we receive now, class size for kindergarten to second grade will be reduced to the 20 students to 1 teacher ratio.

According to the United States Department of Education, the increase in the basic federal impact aid support payments next year will be more than enough to reduce K-2 class size ratio to 20 to 1. The cost of this improvement is \$3.5 million.

- c. Accomplishing repair and maintenance in our schools. The Committee on Education also desired an increase in funding for repair and maintenance of our public school buildings and library facilities statewide. According to the Department of Accounting and General Services, there is a \$240 million backlog of repair and maintenance work that has been deferred in the past, statewide.

Changing the funding source for repair and maintenance from cash to bonds at a time when interest rates are low is a sensible use of public funds. Also, the additional \$30 million added by the Senate will help the construction industry and will produce jobs for Hawaii's working people.

- d. Accomplishing continued funding of the peer education program.
- e. Accomplishing funding the special education program called the Central Auditory Processing Deficits Program.
- f. Accomplishing continued funding of the IRA and core education positions, which I may add, unfortunately, that the House of Representatives eliminated from the current funding.

"The above six programs funded in the Senate budget are examples of a positive education budget.

"As the legislative process continues, I strongly believe that the budget for education will be increased to help achieve quality education in accordance with Hawaii goals for education. I feel that funding will be considered for special education, Hawaiian studies, educational assistants, after school instruction program, school registrars, school counselors and other education programs.

"We need to also consider non-cost program items such as the conversion of temporary to permanent positions for bilingual assistants and athletic healthcare specialists otherwise known as athletic trainers.

"The Senate needs to utilize the Federal impact aid dollars to help supplement public education needs as intended by the Federal Government.

"Mr. President and fellow colleagues, the Legislature can satisfactorily fund Hawaii's public school student classroom needs without increasing the excise tax.

"Thank you."

Senator Iwase rose in support with reservations and said:

"Mr. President, I'm rising to speak in support of the bill with reservations.

"Mr. President, I also would like to commend the co-chairs of the Ways and Means Committee, as well as the staff, for the work they did and all the long hours they put into this budget, particularly their support of education as was set forth by the co-chair's detailed analysis of the education provisions of the budget.

"My reservation is based on the fact that I received, today, a communication which was sent to the co-chairs of the Ways and Means Committee from the Hawaii Bankers Association. I'd just like to highlight it. They were 'informed that the Senate version of the budget requires the Department of Commerce and Consumer Affairs to become self-sufficient by placing all

general fund positions into revolving funds,' and there is some support for that concern on page 8 of the committee report. Again, I just received this today, and just let me highlight some of the things they said in opposition to that section that refers to the division of financial institution.

'DFI is to be funded by examination fees collected on an hourly basis In order to collect DFI's expected annual expenditures of approximately \$2 million, the hourly fees would have to rise from the current \$40 per hour to approximately \$195 per hour. Additionally, the hourly rate will always increase in the future because of roll up costs Another concern is that under the dual banking system, licensees have an option of converting to a federal charter and leaving the State system. . . .

'This proposal will most hurt the smaller licensees who do not have an option of converting to a federal charter. For instance, a small company that may have net earnings of \$10,000 per year would have to pay over 20% of its net to the State if an examination was conducted by one examiner taking 2 man days

'This proposal further serves to reinforce the negative publicity and attention Hawaii receives about its business climate. We urge that the Committee consider alternative ways of generating revenues to fund DFI.'

"As the committee report notes, Mr. President, DCCA to supplant the general funds with special and revolving funds, because it is driven primarily by user fees. The arguments presented by the banking association, and we may all have opinions about bankers, but if the argument is true about the use of special funds and revolving funds and would apply to all other regulated industries under DCCA -- the contractors' licensing board, the architectural engineers, and so on -- then the cost concerns and the rising cost concerns expressed by the bankers would also hold true.

"So I have a concern about that and I would hope that they would be addressed during the course of the conference. We have a long ways to go even though there's a short period of time, but it's going to be a long ways, and I hope the Ways and Means Committee co-chairs look at that.

"So I do have those reservations.

"Thank you."

At 3:55 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 3:56 o'clock p.m.

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

Senator Slom also rose to support the measure with reservations and stated:

"Mr. President, I rise to support the budget with reservations, and just want to make two quick comments.

"I think that the Ways and Means Committee did a fine job. I think the document is superior to that of the other body over there, and even though I will not be on the Conference Committee, I do want to volunteer the services of my cats and myself, should the need arise to get into any of the clawing with the issue.

"I want to remind our body that we are absolutely in a non-negotiable position with the general excise tax. So I think, Mr. President, what we should do since we're about ready to adjourn now, maybe we can all walk hand-in-hand, arm-in-arm together over to the House and show them our support for a

non-tax-increase, and possibly influence those last couple of recalcitrant votes over there on general excise tax.

"So again, thank you to the Ways and Means Committee. Thank you, Mr. President."

Senator Metcalf rose at this time on a point of personal privilege and said:

"Mr. President, I rise on a point of personal privilege.

"Mr. President, earlier the good Senator from Hawaii Kai represented to me on the railing that his cat was in fact declawed. (Laughter.) So I'm not sure what benefit it will be in Conference negotiations, although I'm sure that we do appreciate the offer.

"Thank you."

The motion was then put by the Chair and carried, H.B. No. 2500, 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.

Senator Baker, for the Committee on Ways and Means, requested a waiver to Senate Rule 20 for S.C.R. Nos. 19, 140, 147, 153, 186 and 207; and S.R. Nos. 70, 73 and 89, and the Chair granted the waiver.

Senator Anderson rose on a point of personal privilege and said:

"Mr. President, I rise on a point of personal privilege.

"Mr. President, on Thursday I made some comments about some heavies coming in, and I've been holding this article from Thursday, April 9, page A7 in the Star-Bulletin. It did say that Senator 'Inouye says tax plan is "bitter medicine."' And it says: 'U.S. Sen. Daniel Inouye is backing the recommendations of Gov. Ben Cayetano's economic revitalization task force, including an increase in the 4 percent excise tax. "The recommendations are painful," Inouye said, before this morning's meeting with state Senate President Norman Mizuguchi (D, Aiea), whose chamber opposes an excise tax hike."

"You know, I had so many nasty things to say because they were partisan and I didn't want to do that, so what I'm going to do is just point out a few things. The good Senator came back from Washington to tell us about bitter medicine that he just gave us, or is going to give us. But what the good Senator hasn't said is what has he done in Washington to help our people. For instance, the Jones Act cost us \$2,000 to \$3,000 per year, per household, and he hasn't done anything to help us in that area, and he's come back to tell us about taxes. How about the failing newspapers? It was his bill that put the two newspapers under one roof, allowing them not to be competitive and he hasn't done anything with that. How about the airline tax? When I went to Washington, not one person told me that any of them asked for exemptions on the airline tax that impacts every one of us. How about the immigrants? We're having problems like every other state that's close to borders. We don't even know how much water, what's going to be the impact on all of us, if we're going to be able to take care of lot of these people that come in. Not one thing was done.

"And then the last thing that got me is that all of them voted for the \$17 billion highway. That was a Republican measure. All they had to do was vote against it. Only 80 people voted against it. Senator Slom and I said that, that was a shame. We don't even send back some money that the Republicans ask us to for membership because we said they're not doing their job.

But all the four had to do was vote against it, they would have gotten the money here, anyway. Everybody is so intense about saying we've got the pork for you.

"Now, those are things that are very bitter, Mr. President, to have a person come home and to tell us how and why we have to help our people. They don't do one darn thing themselves to benefit the people of this state. I've been holding that back and I do thank you for the time, Mr. President." (Laughter.)

ADJOURNMENT

At 4:04 o'clock p.m., on motion by Senator Ihara, seconded by Senator Slom and carried, the Senate adjourned until 11:30 o'clock a.m., Thursday, April 16, 1998.