

THE
 TWENTIETH LEGISLATURE
 STATE OF HAWAII
 REGULAR SESSION OF 1999
 JOURNAL OF THE SENATE

FIRST DAY

Wednesday, January 20, 1999

In accordance with the provisions of Section 10 of Article III of the Constitution of the State of Hawaii, the Senate of the Twentieth Legislature of the State of Hawaii, Regular Session of 1999, was called to order at 10:01 o'clock a.m., by the Honorable Lorraine R. Inouye, Temporary Chair of the Senate.

At this time, the members of the Senate and guests rose to sing the National Anthem and "Hawaii Pono'i" led by Ms. Nalani Choy, Ms. Lehua Kalima and Ms. Angela Morales of "Na Leo Pilimehana."

The Divine Blessing was then invoked by the Reverend Alan Urasaki of the Aiea Hongwanji Mission, who was escorted to the rostrum by Senators Buen, D. Ige and Sakamoto.

Nominations now being in order for a temporary clerk, Senator Levin nominated Paul T. Kawaguchi, seconded by Senator Tam.

Senator Kanno moved that the nominations be closed, seconded by Senator Tanaka and carried.

The Chair declared Paul T. Kawaguchi as Temporary Clerk of the Senate.

Senator Taniguchi then moved that a committee of three Senators be appointed by the Chair as a Committee on Credentials to examine the certificates of election of the newly elected members of the Senate and to submit a report of its findings to the Senate, seconded by Senator Chun Oakland and carried.

The Chair thereupon appointed Senators Matsunaga, Levin and Anderson to serve on such committee.

At 10:09 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

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

SPECIAL COMMITTEE REPORT

Senator Matsunaga, for the Committee on Credentials, presented a report (Spec. Com. Rep. No. 1) as follows:

"The Honorable Lorraine R. Inouye
 Temporary Chair of the Senate
 The Twentieth State Legislature
 State Capitol
 Honolulu, Hawaii 96813

Dear Chair Inouye:

Your Committee on Credentials begs leave to report that it has examined the Certificates of Election of the Senate of the Twentieth Legislature of the State of Hawaii, Regular Session of 1999, and finds that the following persons have been legally elected and are fully qualified to sit as members of the Senate.

The terms of the newly elected Senators listed below will expire on November 5, 2002, except that the term of Senator David Matsuura will expire on November 7, 2000.

First Senatorial District

Lorraine R. Inouye

Second Senatorial District

David M. Matsuura

Fourth Senatorial District

Jan Yagi Buen

Sixth Senatorial District

Avery B. Chumbley

Seventh Senatorial District

Jonathan Chun

Tenth Senatorial District

Les Ihara, Jr.

Thirteenth Senatorial District

Rod Tam

Seventeenth Senatorial District

David Y. Ige

Eighteenth Senatorial District

Randy Y. Iwase

Nineteenth Senatorial District

Calvin Kawamoto

Twenty-first Senatorial District

Colleen Hanabusa

Twenty-second Senatorial District

Robert Bunda

Twenty-third Senatorial District

Bob Nakata

Respectfully submitted,

/s/ Matt Matsunaga
 /s/ Andrew Levin

/s/ Whitney Anderson"

Senator Taniguchi moved that Special Committee Report No. 1 be adopted, seconded by Senator Kanno and carried.

The Committee on Credentials was thereupon discharged with thanks.

The Chair, at this time, appointed Senators Fukunaga, Ihara and Slom to escort Chief Justice Ronald T.Y. Moon of the Hawaii State Supreme Court to the rostrum to administer the oath of office to the newly elected members of the Senate.

The Senators escorted Chief Justice Moon to the rostrum and were thereupon discharged with thanks.

Chief Justice Moon administered the oath of office to the newly elected members of the Senate who were standing at their respective desks.

The Roll was then called by the Temporary Clerk showing all Senators present.

Nominations for officers of the Senate being next in order, Senator Ihara placed in nomination the name of Senator Norman Mizuguchi for President of the Senate, seconded by Senator Kawamoto.

Senator Hanabusa moved that the nominations be closed, seconded by Senator Fukunaga.

The motion to close the nominations was then put by the Chair and carried unanimously and the Temporary Clerk was directed to cast a unanimous ballot for Senator Norman Mizuguchi as President of the Senate.

The ballot having been so cast, Senator Norman Mizuguchi was declared unanimously elected President of the Senate of the Twentieth Legislature of the State of Hawaii, Regular Session of 1999.

The Chair then appointed Senators Chun Oakland, Kawamoto, Nakata, Tam and Anderson to escort the President to the rostrum and the President addressed the members of the Senate and guests as follows:

"Governor Cayetano, Mrs. Cayetano, Lt. Governor Hirono, Mr. Leighton Oshima, Chief Justice Ronald Moon, Mayor Apana, Mayor Harris, Mayor Kusaka, Mayor Yamashiro, honored guests from here and abroad, members of the Senate, People of Hawaii:

"Welcome to the people's house and welcome to this convening of the Senate of the 1999 Session of the Twentieth State Legislature.

"I want to thank the members of the Senate for the honor you have bestowed upon me as your President. I will do my best to uphold your trust, and your vote of confidence.

"The convergence of the twilight of the twentieth century and the dawn of a new age give us a special place in the timeline of history. We have the unique honor to serve at this juncture of two centuries and two millenniums. During this historical time, we have the opportunity and inspiration to increase our efforts: to do things better and to make things right.

"A model example of one who exemplifies opportunity and inspiration is Professor Ryuzo Yanagimachi. For 30 years, he has quietly conducted research in a cramped laboratory on the UH-Manoa campus. His style is to conduct 'collaborative research' -- to work with others as partners and guide them to make things better. Professor Yanagimachi and his researchers brought international acclaim to the University of Hawaii and the State of Hawaii with successful mouse scale experiments. He, like many others in Hawaii, worked quietly without

complaining to bring about change in Hawaii. We all should embody Professor Yanagimachi's spirit that nothing is impossible to accomplish.

"Professor Yanagimachi, please stand to be recognized. (Professor Yanagimachi then rose to be recognized.)

"As we begin, we must listen to the people, they have a strong message for us. They want us to solve the problems that concern them the most. They want us to promote jobs and economic recovery, save small business, strengthen health care, improve public education, and make government serve the people.

"These are all matters of major importance, deserving our full attention. These are also matters which can be resolved only if we reason together as never before. This requires good faith by all parties involved in the legislative process. We need collaboration, cooperation, and the best efforts from everyone. And when there are conflicts, as there surely will be, we need civility and conciliation to be the rule, not discord and disunity.

"In this session, our most serious challenge is the economy.

"One proposal that emerged from the Senate's recent workshops to seek ways to stimulate the economy and create new jobs deserve our full support. Hawaii has a timely opportunity to establish a call-center industry, where we can serve as the 'electronic front-door' and the base for U.S. companies doing business in the vast Pacific-Asian markets or planning to enter these markets. The Internet will drive Hawaii's new economy and call centers would provide product and service information on behalf of U.S. companies.

"Hawaii has several advantages. To staff the call centers, Hawaii has a large number of adults who speak English as well as an Asian language, and we have the education resources to train more people in Asian languages. In addition, our time zone makes it convenient to communicate with Asia and the United States Mainland. Furthermore, Hawaii has an existing fiber optic cable system that connects Hawaii to the U.S. Mainland and the Pacific.

"If we make a breakthrough in the establishment of call centers, I believe it will open the way to other high technology opportunities. Call centers should be placed on a fast track. In moving ahead, we should also consider what kinds of incentives might be needed to induce companies to use Hawaii's facilities and workforce as their linkage to the Asian markets.

"Another resolve which emerged from the Senate's economic workshops is that we must persevere in seeing that local workers are hired for U.S. Department of Defense contracts performed in Hawaii. Our unemployment rate exceeds the national average, and therefore, under federal law, Department of Defense contractors with projects in Hawaii should be hiring local residents. However, Hawaii workers are not getting their fair share of jobs.

"The conclusion that we reached in our workshops is that we must clearly define Hawaii residents in our labor laws. This and other legislative proposals that will be introduced for your consideration would be the most promising approach to have federal contractors comply with federal law and open up more jobs for our local workers.

"In addition to trying to keep monies here at home through our work on the Department of Defense contracts, we have the opportunity to do the same with monies spent out-of-state for reinsurance. Therefore, we will aggressively work to attract the reinsurance industry to Hawaii for its jobs and its capital formation and retention.

"We can try to attract new businesses to locate here, and we can try to ensure that our workers get their fair share of defense

jobs, but how can we help the existing small businesses that struggle to survive year after year? Small businesses are the bulwark of our economy, and they provide the most jobs.

"In a recent interview, former Governor Ariyoshi raised an important issue. Government might consider giving a tax break to a new business coming in, but he asked: 'What about the businesses that have been here struggling all the time?' He observed: 'If we can somehow take the businesses that are here and make them feel that they are, in fact, cared for, I think that would go a long ways toward bringing our economy back.'

"I agree. Those are my sentiments exactly.

"I propose to the Senate that we lessen the tax burden specifically on small businesses. The most direct and efficient way to accomplish this relief is through a program of tax incentives. We will consider how best to structure these tax incentives and how long they should continue, but we intend that they be substantial, in the magnitude of about \$50 million. This proposal of tax incentives for existing small businesses does not preclude other approaches. We welcome all proposals to strengthen the small business sector of our economy. Let this be the session that we rally and respond to help small business.

"I now turn to what has been my foremost social concern for many of my years in the Legislature. That concern is long-term care.

"By now, the facts of this growing problem and looming tragedy are clear. Only the solutions are debatable. The escalating need for long-term care comes from the increase of an aging population with the mixed blessing of greater longevity versus longer illnesses. Many of us have experienced or know the harsh consequences when a person needs long term care.

"It is immensely expensive with the national average for institutional care now costing well over \$40,000 a year and continuing to spiral. Government's response, shared by the federal government and the states, has been Medicaid. It pays for the vast majority of long-term care patients, but it is a huge drain on federal and state budgets, including our own.

"It was once thought that the answer was in the Family Hope program, which would provide comprehensive long-term care for all who need it. But it is doubtful that Family Hope or any similar, comprehensive program can be enacted today or in the near future.

"Rather than be mired at dead center and do nothing, I propose that we move ahead and do the best that we can.

"One alternative to Medicaid is long-term care insurance. Increasingly, there is a wider range of long-term care insurance policies being offered in a more competitive market. It is now feasible for more individuals to consider buying long-term care insurance to provide for themselves and to protect their family assets. But insurance is expensive, especially for older persons who buy policies for the first time. High cost has been the greatest barrier to long-term care insurance.

"Let us lower that barrier by making the purchase of private insurance more affordable. We can do that by offering tax credits to offset the cost of 50 percent of the annual premiums up to a specified limit. Thus a policy that might ordinarily cost \$2,000 a year would then actually cost \$1,000.

"We must keep faith with our senior citizens on this issue.

"On the opposite side of the spectrum, we need to create new opportunities for early childhood development and education. The evidence is convincing that the early childhood years are the most critical in determining how well a child will do in later years. The track record of programs like the Good Beginnings

Alliance, Healthy Start and 0 to 3 exemplify the positive effects of early nurturing and learning.

"I propose two pilot projects to advance early childhood development and education. One project would be an early childhood development and education center on the Waianae Coast for native Hawaiian infants and young children up to age 4. This would be an excellent opportunity to expand the commitment of Princess Pauahi Bishop's wise and noble legacy, and that is why I will initiate discussion of this concept with Kamehameha Schools/Bishop Estate and other native Hawaiian organizations. I also see where valuable staff assistance can be contributed by students of the John A. Burns School of Medicine as part of their medical training.

"The second project would be carried out by the Department of Education at Linapuni School in Kalihi. Linapuni is currently an abbreviated elementary school from kindergarten to the second grade. The children there could be served just as well by Kalihi-waena and Fern elementary schools. Linapuni would then be converted to an early childhood development and education center for infants and children up to four years of age.

"With these two pilot projects, we would have a solid basis to determine the future course, content and range of early childhood education for the entire State.

"By far, the largest issue at hand in the area of education is compliance with the Felix consent decree. While the State is legally obligated to comply, we as Senators have a fiduciary responsibility to ensure that cost control measures are in place and that, ultimately, the money is being used for direct services to the children. This session I am requesting the co-chairs of the Ways and Means Committee and other appropriate committee chairs to review approaches that will improve accountability of the funds appropriated to the Felix issue.

"As I acknowledge the problems of the here and now, I also propose that we put in place a concept that I have supported since I chaired the House Education Committee 22 years ago -- the concept of school-by-school budget.

"School-by-school budgeting would formalize what teachers and principals already do in spending their supply and equipment monies and put the rest of their operating funds within their control and allow schools to truly operate as education centers, responsible for their resources as well as their outcome.

"School-by-school budgeting is the first step in reshaping the accountability of the educational institution, from teacher certification, to the responsibilities of school administration, to the accountability of the entire school.

"We as legislators are held accountable for funding the DOE, and school-by-school budgeting is the tool by which we can make informed decisions as to the appropriate level of funding and issues regarding school empowerment.

"With respect to the other important components of public education -- the University of Hawaii system -- we made the right decision in giving it as much autonomy as we possibly could while still preserving the university as a public institution. Yet, I believe we can still strengthen its governance, expand its visions, and elevate its national and international standing.

"We can do this by infusing the Board of Regents with additional vitality. I propose that we enlarge the Board of Regents by three additional members, with all three seats to be reserved for nonresidents of Hawaii. These nonresident regents are to be persons with renowned national and international reputations. The experience, knowledge and reputation that these new regents can bring will help advance the University of Hawaii onto the global stage of the twenty-first century.

"Finally, I would like to make a basic observation and proposal about government. I believe that all citizens should have the right to uninterrupted government services. The federal government shutdown a few years ago caused a nationwide outrage. In Hawaii, we have had our own share of government service disruptions.

"Over the years, we have come to realize that strikes by government workers are harmful to all parties. Beginning with the firefighters, a number of collective bargaining units have given up the right to strike in favor of binding arbitration.

"I propose that we now take the final steps to ensure the continuation of all government services. This would involve prohibiting strikes by public school teachers and the faculty of the University of Hawaii, and nonsupervisory blue-collar workers. For these units, it would mean using binding arbitration as the final means of settlement when agreements cannot be reached in collective bargaining negotiations.

"This fundamental change -- no strikes ever by all state and county workers -- would be in the best interests of government employees. Just as importantly, it would be in the best interests of the taxpayers public.

"Many other proposals will be on the Senate's agenda. I have mentioned only a few of them. Earlier during the pre-session, I said that the Senate will not be bogged down by issues which are divisive and sidetrack us from the important matters at hand. This does not mean that we should duck controversial issues, including the social policy recommendations of the Governor. There should always be room for discussion of even the most controversial issues. This is what a legislative forum is all about. But it does mean that we should not be forced to act on an issue where there is little chance that a consensus can be obtained. In short, if we cannot find common ground and reach timely agreement, we must move on.

"Sixty days separate us from today and a good ending to the session. We must use each day wisely and to the fullest. Working together, we can make this a very productive session, worthy of the people who sent us here to do their business.

"Mahalo and Aloha."

Senator Anderson, Minority Leader of the Senate, then responded as follows:

"Mr. President, Governor and Mrs. Cayetano, distinguished guests, colleagues, people of Hawaii, family and friends -- Aloha.

"This is the last legislature of the twentieth century. One hundred years ago, Hawaii was in a state of transition. It began as a monarchy, then we went on to become an independent republic, was annexed as a territory of the United States and finally became the 50th State of the United States. And as history tells us, the first legislature of this century faced, as we do today, the need to adjust -- to adjust to a changing world. I only pray that we will all succeed as well as they did.

"To make this happen and to turn things around will take strong leadership in order to help us prosper and grow -- leadership based on principles, not friendships. I applaud the Senate President for his statements ensuring the public that this legislative body will focus first on the economy so that we can then take care of all of our other issues.

"Last year I spoke of hope -- hope for true leadership, hope for true reform and, yes, hope for the people of Hawaii. I believed that we had reached a turning point in these hard years of economic drought. I thought that together we would find workable solutions. Unfortunately, I was wrong. We must all face the bleak fact that we are continuing to experience an economic drought. We are in even more trouble today than

ever before. Sure, some of us are better off than we were last year, but those people are few and far between.

"Ladies and gentlemen, in this new millennium, I see a Hawaii that is an enviable place to live, work and raise our families. I see a sound, healthy economy where small businesses can thrive. I see our State less dependent on tourist dollars and relying more on diversified agriculture. I see our children learning in top-notch schools that are well maintained with books for all and teachers who are paid what they deserve. And yes, I do see hope for the citizens of our great State.

"My fellow colleagues, the people of Hawaii are counting on us, their elected officials, to make these positive changes and to provide them that hope and positive imagination for their future. Unfortunately, we have failed in the past to provide this leadership and to institute true reform. We cannot, and we must not fail again. I said it once and I'll say it again, we have to make tough decisions this legislative session -- decisions that are based on what is right, not what looks good on election day. We must plan, we must budget, and above all, we must think and act sensibly.

"We must put our fiscal house in order and comply with the statutes by filling the Office of the Legislative Analyst and funding it. This is the only way our legislative branch will really be able to implement performance-based management of the state budget. The departments will have to justify the budget they present us. The unfilled position was authorized by Act 347 in 1990 and it was never funded. We did come close last year, but the bill died in Ways and Means. We need to immediately begin the search for a qualified person to serve as the State's Legislative Analyst. This person should have the same type of excellent qualifications as the State Auditor, Marion Higa, and I'm sure that person would perform a similarly outstanding job.

"It seems that the administration and some legislators look for ways to spend money if the economic forecast looks good. For instance, why are we pouring more money into the airport when the tourism industry is reported to be declining? Why are we spending millions of dollars targeting the Asian tourism market whose economy is down, while we are spending far less on the Mainland markets whose economy is up. The reports that we get, we get an immediate response on those dollars spent there. I believe that we should be spending our money more efficiently.

"Bankruptcies -- personal and business -- are at an all time high. Just about every time we pick up a newspaper, we read of another small business that has failed. Successful small businesses stimulate our economy . . . we must support them. We should consider giving new types of businesses tax breaks for the first year in business for new businesses. And yes, as the President said, we should give the same tax breaks if we have similar based businesses here in Hawaii.

"Much of the high cost of doing business in Hawaii is due to high lease rent. Surplus state lands and unused agriculture lands should be made available to small businesses at reasonable rates. Long-term, low-cost leasing would enable small businesses to get much needed bank loans.

"Take for instance offering a 55-year lease on state land, no rent for the first five years (I'm sure that the banks could accept this). The counties would get property tax. The construction industry would be stimulated, then there would be jobs. Rent would then be paid to the State after the five years is up. Or how about a seven-year phase in -- zero the first year, a percentage the second year and so on until after seven years they pay the full amount.

"And speaking of lands, we must make good use of our thousands of acres of state lands. It has been 20 years since the Constitutional Convention mandated LESA. We must immediately move to identify and protect our valuable

agricultural lands and designate marginal, conservation and other lands. Rather than going through a costly condemnation process to take someone's land, we have to utilize those state lands that are just lying idly. Lands taken out of agriculture shouldn't be just turned into tracts for big buildings or houses. We must actively encourage diversified agriculture and forestry, ecotourism and also cultural parks. Large cultural parks would provide open, green space and also multiple opportunities for entrepreneurs and small businesses. We can work with our ethnic chambers of commerce to accomplish this.

"Rather than just continue to give lip service, we must provide diversified agriculture farmers the help we have promised for well over twenty years. We should look at the leases on state lands that have been bid out and make sure that those lease holders who have complied with all of the provisions set forth in their lease should have the automatic option to re-lease these lands without again going through a costly and time consuming bidding process. This can and should be done for all state leases -- agricultural, commercial, residential, etc.

At a time when so many small businesses are forced to downsize, our state government is bloated, primarily because it covers functions it should not cover and does not adequately staff in the areas we are responsible for. We should take a close look at our hiring practices. We should look not so much at cutting the number of employees, but rather making sure that they are filling necessary positions in the various departments. Our departments run the spectrum from grossly over-staffed to pitifully understaffed. Take for instance, the CSEA (Child Support Enforcement Agency). It has the highest caseload per worker in the nation.

"Government should be more efficient and accountable, ladies and gentlemen. We must have rules and regulations but they should not have the force of law. That only stifles local growth and discourages new businesses from establishing in Hawaii. We must also encourage the privatization of those functions of government that can be performed more efficiently and effectively at less cost by the private sector.

"We can and should streamline our very own legislature. We could do this with a unicameral legislature -- one house consisting of fifty-one members will be both cost-effective and time-efficient. A unicameral legislature has worked for years in Nebraska and it can work here too. Departmental administrators and others will save time testifying in one committee in a single house, rather than wasting countless hours standing at the railing waiting to give the same testimony they gave a few weeks before in the opposite house. Government will be more open because decisions will no longer be made in the secrecy of conference committees. And of course, there will be far less duplication of bills. And if you don't really think that a fifty-one member unicameral legislature will save dollars, just envision for a moment, ladies and gentlemen, the entire second floor of this building completely EMPTY -- no Senators, no staff, no phones, no faxes, no people running around -- completely EMPTY. That's a whole lot of dollars saved!

"Ladies and gentlemen, we should concentrate not only on just dollars and cents, but more so on good common sense.

"And while we are on the subject of the legislature, during the last legislative session a multi-million dollar deal was perpetrated on the people of Hawaii -- a sweetheart deal to provide corporate welfare to a former island-based company. I'm speaking about the Waiahole Ditch. In order to make it legal, our legislature exempted chapter after chapter of Hawaii laws, laws that the legislature itself had enacted over the years. In one fell swoop, we brushed aside statutory laws that everyone else must abide by to give preference to one corporation. This should not -- must not -- ever be allowed to ever happen again. Hawaii Revised Statutes must apply to

everyone and to every special interest equally. Never again should the legislative and executive branches of our government be allowed to erase whole chapters of the laws to benefit any entity at the expense of our citizens. Prohibiting exemptions to any chapter or section of the law without a two-thirds vote of both houses would make it very difficult to favor any one entity or special interest by exempting them from the law. At the same time, a two-thirds vote in both houses would allow for emergency legislation in extraordinary circumstances such as natural disasters, wars, floods, water shortages and so forth.

"What about education? Our children are being educated in failing schools. You've all read the front page headlines decrying the poor performance. We rank among the lowest in the nation in the areas of academic standards, assessments and school accountability. We need to hold our paid leaders in education accountable for test scores, poor performances and low expectations. Our education system is substandard at best and it is our children -- tomorrow's leaders -- that will suffer because of it. Without well-educated citizens, ladies and gentlemen, it is impossible to understand and react to the new realities of this world. We cannot compete educationally in the twenty-first century using a nineteenth century school system. We must strive for improvement and we mustn't be afraid to experiment -- to try something new. Our schools are in gross disrepair and we don't even have an adequate number of textbooks for our children. Many of the textbooks we do have in our schools are outdated and need to be replaced. We should make use of vouchers to give parents more choice in how and where they want their children to be educated. We should consider revamping the charter schools that are currently in operation that are too closely tied to the Department of Education. We should allow them greater independence so that they can perform the functions characteristic of true charter schools.

"Hopefully, we can all agree on decentralizing the Board of Education so that each district elects its own members. Board of Education members should not be appointed by the Governor, but I do strongly believe in an appointed superintendent. This would, of course, require a constitutional amendment. This superintendent should not be given a five year contract, but as long as he or she is doing the job that they are appointed for, it would be for the same length of time that the Governor is in office. This would prevent a new administration from being forced to honor the contract of a previous governor's cabinet member. As a member of the governor's cabinet, the school superintendent should not be accountable to the Board of Education, but to the Governor and to the people of Hawaii. And finally, we must encourage teachers -- good teachers -- to teach our children in our public schools by awarding them merit pay.

"Hindsight is twenty-twenty, as we all know. But ladies and gentlemen, I believe we should have paid more attention to the civil service reform ideas generated by James Takushi. These ideas would have added more flexibility to managing government employees. Not surprisingly, these suggestions were killed, possibly by the unions. I have said that teachers and others should be paid on merit, and to do so, we have to reform our collective bargaining laws. For too long we have allowed almost all government employees to be paid on an even scale. By this I mean that everyone gets the same percentage of pay regardless of his or her ability to work hard or just lean on a broom. There should be a mechanism in place to reward good workers and superior unionized employees. Unions are needed and necessary, but when it comes to bargaining for across the board, it should be for medical benefits, retirement benefits, etc. We should also seriously think about upper-level blue and white collar supervisors, as well as school principals, being unionized. After all, they are management.

"Hawaii is one of only two states which does not support some form of legalized gambling which could generate significant income for our State. I know you have all heard the

stories that if you frequent Las Vegas on any given weekend, you feel like you're in Hawaii. Every dollar spent in Las Vegas by a local resident is a dollar lost for Hawaii's economy. Year after year, we debate the pros and cons of lotteries, off-shore casinos, horse racing and even bingo. Yet, we pass nothing. I have proposed in the past and will do so again, a non-binding referendum to give the people of this State the opportunity to voice their opinion for or against gambling once and for all. Then our legislators can follow the wishes of their constituents, not just the special interest groups who flock to the legislature every year to protest any type of legalized gambling or to try to have us pass it. An Attorney General opinion that was passed in 1936 (AG 63-11) established that non-binding referendums are legal and indeed we should consider this because we don't need a constitutional change. Again, I say let our people speak out on this particular issue!

"The past few years in our State have been hard and I will be the first to admit that it is not going to be easy to turn things around. We have to listen to all sides. Republicans have had innovative ideas for years, but most of our legislation, ladies and gentlemen, never receives a public hearing. And let me tell you -- You don't have to be a Democrat member to have a good idea. I agree with the President, it's time to end partisan bickering, put aside political differences and pull together for the good of the people of Hawaii. Does this mean unicameral, merit pay, taxes off food and drugs, changing our rules and regs, utilization of state lands, vouchers for education? You tell us. Because the only promise that Senator Slom and I have ever made is that we will work as hard as we possibly can for the people of Hawaii. We make no other promises.

"Mahalo and Thank you."

At 11:06 o'clock a.m., the Senate stood in recess subject to the call of the Chair. At this time, the members of the Senate and their guests were entertained by "Na Leo Pilimehana" and Miss Kara Owada the "Oscar Meyer Wiener Kid."

The Senate reconvened at 11:28 o'clock a.m.

The President thanked "Na Leo Pilimehana" and Kara Owada for providing the entertainment during the recess.

The President then announced that nominations were in order for the office of Vice President of the Senate.

Senator Matsunaga placed in nomination the name of Senator Avery Chumbley for Vice President of the Senate, seconded by Senator Matsuura.

Senator D. Ige moved that the nominations be closed, seconded by Senator M. Ige.

The motion was then put by the Chair and carried and the Temporary Clerk was directed to cast a unanimous ballot for Senator Chumbley as Vice President of the Senate.

The ballot having been so cast, Senator Avery Chumbley was declared unanimously elected as Vice President of the Senate of the Twentieth Legislature of the State of Hawaii, Regular Session of 1999.

SENATE RESOLUTIONS

The following resolutions (S.R. Nos. 1 and 2) were read by the Temporary Clerk and were disposed of as follows:

S.R. No. 1, providing for the election of Paul T. Kawaguchi for Clerk of the Senate, Carol T. Taniguchi for Assistant Clerk of the Senate, Bienvenido C. Villaflo for Sergeant-at-Arms of the Senate, and Abraham Pacheco for Assistant Sergeant-at-Arms of the Senate, Twentieth Legislature of the State of Hawaii, Regular Session of 1999, was offered by Senators Ihara and Anderson.

On motion by Senator Bunda, seconded by Senator Iwase and carried, S.R. No. 1 was adopted.

The President thereupon administered the oath of office to the newly elected Clerk, Assistant Clerk, Sergeant-at-Arms and Assistant Sergeant-at-Arms of the Senate.

S.R. No. 2, entitled: "SENATE RESOLUTION RELATING TO THE ADOPTION OF THE RULES OF THE SENATE," was offered by Senators Ihara and Anderson.

On motion by Senator Chumbley, seconded by Senator Anderson and carried, S.R. No. 2, was adopted.

SENATE CONCURRENT RESOLUTION

The following concurrent resolution (S.C.R. No. 1) was read by the Clerk and was disposed of as follows:

S.C.R. No. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE CHIEF JUSTICE OF THE HAWAII SUPREME COURT TO ADDRESS THE LEGISLATURE ASSEMBLED IN JOINT SESSION FOR THE STATE OF THE JUDICIARY ADDRESS," was offered by Senators Chumbley and Matsunaga.

On motion by Senator Matsunaga, seconded by Senator Chumbley and carried, S.C.R. No. 1 was adopted.

At 11:32 o'clock a.m., the Senate stood in recess subject to the call of the Chair. The members of the Senate and their guests were then entertained by the "Society of Seven."

The Senate reconvened at 12:04 o'clock p.m.

The President thanked the gentlemen of the "Society of Seven" for their performance during the recess.

The following Senate leadership assignments were announced by Senate President Mizuguchi:

Majority Leader:
Senator Les Ihara, Jr.

Majority Floor Leader:
Senator Jonathan Chun

Minority Leader:
Senator Whitney Anderson

Minority Floor Leader:
Senator Sam Slom

The President also announced the following standing committees of the Senate, their respective chairs and members:

COMMERCE AND CONSUMER PROTECTION

Senator Brian Kanno, Co-Chair
Senator Brian Taniguchi, Co-Chair
Senator Robert Bunda
Senator Colleen Hanabusa
Senator Les Ihara, Jr.
Senator Lorraine R. Inouye
Senator David Matsuura
Senator Sam Slom

ECONOMIC DEVELOPMENT

Senator Lorraine R. Inouye, Chair
Senator Jan Yagi Buen, Vice Chair
Senator Marshall Ige
Senator Cal Kawamoto
Senator Brian Taniguchi
Senator Sam Slom

EDUCATION AND TECHNOLOGY

Senator David Ige, Chair
 Senator Norman Sakamoto, Vice Chair
 Senator Robert Bunda
 Senator Avery Chumbley
 Senator Matt Matsunaga
 Senator Rod Tam
 Senator Sam Slom

GOVERNMENT OPERATIONS AND HOUSING

Senator Rod Tam, Chair
 Senator David Matsuura, Vice Chair
 Senator Jonathan Chun
 Senator Colleen Hanabusa
 Senator Andrew Levin
 Senator Matt Matsunaga
 Senator Norman Sakamoto
 Senator Joe Tanaka
 Senator Whitney Anderson

HEALTH AND HUMAN SERVICES

Senator Suzanne Chun Oakland, Chair
 Senator Randy Iwase, Vice Chair
 Senator Carol Fukunaga
 Senator Andrew Levin
 Senator Whitney Anderson

JUDICIARY

Senator Avery Chumbley, Co-Chair
 Senator Matt Matsunaga, Co-Chair
 Senator Suzanne Chun Oakland
 Senator Les Ihara, Jr.
 Senator Norman Sakamoto
 Senator Joe Tanaka
 Senator Whitney Anderson

LABOR AND ENVIRONMENT

Senator Bob Nakata, Chair
 Senator Marshall Ige, Vice Chair
 Senator Avery Chumbley
 Senator Suzanne Chun Oakland
 Senator Carol Fukunaga
 Senator Les Ihara, Jr.
 Senator Brain Kanno
 Senator Sam Slom

TRANSPORTATION AND INTERGOVERNMENTAL AFFAIRS

Senator Cal Kawamoto, Chair
 Senator Robert Bunda, Vice Chair
 Senator Jan Yagi Buen
 Senator David Ige
 Senator Lorraine R. Inouye
 Senator Randy Iwase
 Senator Brian Taniguchi
 Senator Sam Slom

WATER, LAND, AND HAWAIIAN AFFAIRS

Senator Colleen Hanabusa, Chair
 Senator Joe Tanaka, Vice Chair
 Senator Jonathan Chun
 Senator Brian Kanno
 Senator David Matsuura
 Senator Bob Nakata
 Senator Whitney Anderson

WAYS AND MEANS

Senator Carol Fukunaga, Co-Chair

Senator Andrew Levin, Co-Chair
 Senator Jan Yagi Buen
 Senator Jonathan Chun
 Senator Suzanne Chun Oakland
 Senator David Ige
 Senator Marshall Ige
 Senator Randy Iwase
 Senator Cal Kawamoto
 Senator Bob Nakata
 Senator Rod Tam
 Senator Brian Taniguchi
 Senator Whitney Anderson

INTRODUCTION OF SENATE BILLS

On motion by Senator Chun, seconded by Senator Slom and carried unanimously, the Clerk was authorized to receive bills for introduction prior to 4:30 o'clock p.m. In consequence thereof and subsequent to its recessing at 12:05 o'clock p.m., the following bills passed First Reading by title and were deferred:

Senate Bill

No. 1 "A BILL FOR AN ACT RELATING TO EDUCATION."

Introduced by: Senator Tam.

No. 2 "A BILL FOR AN ACT RELATING TO THE PUBLIC PROCUREMENT CODE."

Introduced by: Senator Tam.

No. 3 "A BILL FOR AN ACT RELATING TO THE REAL ESTATE COMMISSION."

Introduced by: Senator Tam.

No. 4 "A BILL FOR AN ACT RELATING TO GOVERNMENT ADMINISTRATION."

Introduced by: Senator Tam.

No. 5 "A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS."

Introduced by: Senator Tam.

No. 6 "A BILL FOR AN ACT RELATING TO WATER QUALITY."

Introduced by: Senator Tanaka.

No. 7 "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII."

Introduced by: Senator Tanaka.

No. 8 "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII."

Introduced by: Senator Tanaka.

No. 9 "A BILL FOR AN ACT RELATING TO FOREIGN CAPITAL DEPOSITORIES."

Introduced by: Senator Tanaka.

No. 10 "A BILL FOR AN ACT RELATING TO WASTEWATER."

Introduced by: Senator Tanaka.

No. 11 "A BILL FOR AN ACT RELATING TO ATTACHMENT AND EXECUTION."

- Introduced by: Senator Tanaka.
- No. 12 "A BILL FOR AN ACT RELATING TO INCOME TAX."
Introduced by: Senator Tanaka.
- No. 13 "A BILL FOR AN ACT RELATING TO PROCESS SERVERS."
Introduced by: Senator Tanaka.
- No. 14 "A BILL FOR AN ACT RELATING TO CRIMES AGAINST NONRESIDENTS."
Introduced by: Senator Tanaka.
- No. 15 "A BILL FOR AN ACT RELATING TO TAXATION."
Introduced by: Senator Inouye.
- No. 16 "A BILL FOR AN ACT RELATING TO TAXATION."
Introduced by: Senator Inouye.
- No. 17 "A BILL FOR AN ACT RELATING TO TAXATION."
Introduced by: Senator Inouye.
- No. 18 "A BILL FOR AN ACT RELATING TO SOCIAL SECURITY NUMBERS."
Introduced by: Senator Slom.
- No. 19 "A BILL FOR AN ACT RELATING TO REGULATORY PROCESSES."
Introduced by: Senators Levin, Chun, Kanno, Nakata, Fukunaga, Taniguchi.
- No. 20 "A BILL FOR AN ACT RELATING TO REAL ESTATE BROKERS AND SALESPERSONS."
Introduced by: Senators Taniguchi, Kanno.
- No. 21 "A BILL FOR AN ACT RELATING TO ATHLETIC CONTEST OFFICIALS."
Introduced by: Senator Taniguchi.
- No. 22 "A BILL FOR AN ACT RELATING TO ATHLETIC CONTEST OFFICIALS."
Introduced by: Senator Taniguchi.
- No. 23 "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY."
Introduced by: Senator Taniguchi.
- No. 24 "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR SCHOOL ADMINISTRATION FOR KAU HIGH AND PAHALA ELEMENTARY SCHOOL."
Introduced by: Senator Levin.
- No. 25 "A BILL FOR AN ACT RELATING TO EDUCATION."
Introduced by: Senator Levin.
- No. 26 "A BILL FOR AN ACT RELATING TO EARTHQUAKE INSURANCE."
Introduced by: Senator Levin.
- No. 27 "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE REGISTRATION."
Introduced by: Senator Levin.
- No. 28 "A BILL FOR AN ACT RELATING TO AN INSURANCE CONSUMER ADVOCATE."
Introduced by: Senator Levin.
- No. 29 "A BILL FOR AN ACT RELATING TO IRRADIATION OF AGRICULTURAL COMMODITIES."
Introduced by: Senator Levin.
- No. 30 "A BILL FOR AN ACT RELATING TO ENDANGERED SPECIES."
Introduced by: Senators Levin, Nakata.
- No. 31 "A BILL FOR AN ACT RELATING TO ALCOHOL CONCENTRATION LEVELS."
Introduced by: Senator Levin.
- No. 32 "A BILL FOR AN ACT RELATING TO INCOME TAX."
Introduced by: Senator Levin.
- No. 33 "A BILL FOR AN ACT RELATING TO CONSERVATION LICENSE PLATES."
Introduced by: Senator Levin.
- No. 34 "A BILL FOR AN ACT MAKING AN APPROPRIATION TO MATCH FEDERAL FUNDS FOR THE ESTABLISHMENT OF MANUFACTURING EXTENSION PROGRAMS."
Introduced by: Senator Inouye.
- No. 35 "A BILL FOR AN ACT MAKING AN APPROPRIATION TO MATCH FEDERAL FUNDS FOR THE HAWAII FORESTRY AND COMMUNITIES INITIATIVE."
Introduced by: Senator Inouye.
- No. 36 "A BILL FOR AN ACT RELATING TO CONDOMINIUMS."
Introduced by: Senator Tam.
- No. 37 "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR HAWAIIAN LANGUAGE EDUCATION."
Introduced by: Senator Tam.
- No. 38 "A BILL FOR AN ACT RELATING TO ANNUAL STATE AND COUNTY GOVERNMENT FINANCIAL AUDITS."
Introduced by: Senator Tam.
- No. 39 "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM."
Introduced by: Senator Mizuguchi.

No. 40 "A BILL FOR AN ACT RELATING TO
PHYSICIAN ASSISTANTS."

Introduced by: Senator Mizuguchi.

No. 41 "A BILL FOR AN ACT RELATING TO
TEACHERS."

Introduced by: Senator Mizuguchi.

ADJOURNMENT

At 4:30 o'clock p.m., the Senate adjourned until 11:30
o'clock a.m., Thursday, January 21, 1999.