JOURNAL

of the

HOUSE OF REPRESENTATIVES

of the

NINTH LEGISLATURE STATE OF HAWAII

First Special Session of 1977

Convened Monday, May 9, 1977 Adjourned Friday, May 13, 1977

CERTIFICATE

We hereby certify that the minutes for each day's session as appears in this House Journal are true and correct and that the original copies have been duly signed by the Speaker and Clerk of the House of Representatives and are on file in the Archives of the State of Hawaii.

Speaker, House of Representatives Respectfully submitted,

Speaker, House of Representatives

Clerk, House of Representatives

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THE

NINTH LEGISLATURE

STATE OF HAWAII

SPECIAL SESSION OF 1977

JOURNAL OF THE HOUSE

FIRST DAY

Monday, May 9, 1977

In accordance with the provisions of Section 17, Article II of the Constitution of the State of Hawaii, the House of Representatives of the Ninth Legislature of the State of Hawaii convened in Special Session on Monday, May 9, 1977, for the consideration of the general appropriations bill and other legislative matters as may be necessary.

The Honorable James H. Wakatsuki, member from the Eighteenth Representative District, he having been elected Speaker of the House of Representatives on the opening day of the Ninth State Legislature and retaining that position under the provisions of Rule 1 of the Rules of Procedure of the House of Representatives, called the House to order at 10:00 o'clock a.m.

GOVERNOR'S MESSAGE

A message from the Governor (Gov. Msg. No. 1) was read by the Clerk as follows:

"STATE OF HAWAII Executive Chambers Honolulu

May 5, 1977

The Honorable James H. Wakatsuki Speaker of the House of Representatives Ninth State Legislature State Capitol Honolulu, Hawaii 96813

Dear Representative Wakatsuki:

Transmitted herewith is a copy of the Proclamation I have signed today convening the Legislature of the State of Hawaii to Special Session on Monday, the 9th of May, 1977, at 10:00 a.m.

I am glad that the Senate and the House have come to an understanding on the bills to be considered as well as the final terms thereof which will make it possible for the Legislature to complete its work during a five-day period.

With warm personal regards, I remain.

Yours very truly,

/s/ George R. Ariyoshi

GEORGE R. ARIYOSHI

Enclosure"

"PROCLAMATION

I, GEORGE R. ARIYOSHI, Governor of the State of Hawaii, by virtue of the authority in me vested by law, do hereby convene the Legislature of the State of Hawaii, in Special Session on Monday, the 9th day of May, 1977, at 10:00 a.m., for consideration of the general appropriations bill and other legislative matters as may be necessary.

DONE at the State Capitol, Honolulu, State of Hawaii, this 5th day of May, 1977.

/s/ George R. Ariyoshi

GEORGE R. ARIYOSHI Governor of Hawaii

APPROVED AS TO FORM:

/s/ Ronald Y. Amemiya

RONALD Y. AMEMIYA Attorney General"

The Divine Blessing was invoked by the Reverend Dr. Ted Fritschel of the Lutheran Campus Ministry, after which the Roll was called showing all members present with the exception of Representative Larsen, who was excused.

ORDER OF THE DAY

INTRODUCTION OF BILLS

Representative Yuen moved that the following bills (H.B. Nos. 1 to 16) pass First Reading by title, seconded by Representative Kamalii.

House Bill Nos.

1 "A BILL FOR AN ACT relating to the State budget."

Introduced by: Representative Wakatsuki.

2 "A BILL FOR AN ACT making appropriations for Judiciary program expenditures and for improvements for the fiscal biennium July 1, 1977 to June 30, 1979, and authorizing the issuance of bonds."

Introduced by: Representative Wakatsuki.

3 "A BILL FOR AN ACT relating to a constitutional convention."

Introduced by: Representative Wakatsuki.

4 "A BILL FOR AN ACT relating to unemployment."

Introduced by: Representative Wakatsuki.

5 "A BILL FOR AN ACT making appropriations for collective bargaining cost items and for salary adjustments of employees excluded from certain bargaining units."

Introduced by: Representative Wakatsuki.

6 "A BILL FOR AN ACT relating to farm loans."

Introduced by: Representative Wakatsuki.

7 "A BILL FOR AN ACT relating to aquaculture development in Hawaii and making an appropriation therefor."

Introduced by: Representative Wakatsuki.

8 "A BILL FOR AN ACT relating to the public employees health fund."

Introduced by: Representative

Wakatsuki.

9 "A BILL FOR AN ACT relating to capital improvements."

Introduced by: Representative Wakatsuki.

10 "A BILL FOR AN ACT relating to the relief of certain persons! claims against the State and providing appropriations therefor."

Introduced by: Representative Wakatsuki.

11 "A BILL FOR AN ACT relating to the compensation of certain persons under the criminal injuries compensation act and providing appropriations therefor."

Introduced by: Representative Wakatsuki.

12 "A BILL FOR AN ACT relating to the lapsing of certain funds."

Introduced by: Representative Wakatsuki.

"A BILL FOR AN ACT relating to motor carriers, motor carrier vehicles, and motor vehicles."

Introduced by: Representative Wakatsuki.

14 "A BILL FOR AN ACT relating to witness expenses in criminal proceedings."

Introduced by: Representative Wakatsuki.

15 "A BILL FOR AN ACT relating to the Office of Revisor of Statutes."

Introduced by: Representative Wakatsuki.

16 "A BILL FOR AN ACT relating to regional design plans."

Introduced by: Representative Wakatsuki.

Representative Abercrombie, upon being recognized, stated:

"I rise to speak against the motion."

At 10:07 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

Upon reconvening at 10:19 o'clock a.m., the Chair stated:

"The motion before the House

is for the passage of House Bill Nos. 1 to 16 on First Reading and to be referred. Before discussion, if there's no objection, the Chair will recognize Representative Kihano for an introduction."

Representative Abercrombie then said:

"I will gladly yield the floor."

Representative Kihano then stated:

"Thank you, Representative Abercrombie.

Mr. Speaker, we are deeply honored and privileged this morning to have our senior senator visiting with us, seated in the gallery. Senator Dan Inouye."

The Honorable Daniel K. Inouye then stood to accept the applause of the members of the House and the audience seated in the gallery.

The Chair then recognized Representative Abercrombie, who stood and said:

"Mr. Speaker, I rise to speak against the motion on three grounds.

Ground number one that the Constitution, Article III, Section 11, paragraph 2, the last sentence, very clearly provides that the Governor of this State may request a special session for the Senate alone in this State.

Inasmuch as it is the Senate which has failed to pass the budget; inasmuch as it is the Senate which has caused this special session to occur; inasmuch as it is the Senate which has failed to carry through on its responsibilities, then I believe the Governor was honor-bound to call that Senate into session to reconsider its action.

Under the rules, a bill may be reconsidered on the day following a vote. The Senate should have been given the opportunity to do the right thing by the Governor. If they failed to do it, then we might have been called into special session.

Secondly, Mr. Speaker, this is a special session, but I have no staff. There are sixteen bills here. There are some eleven pages of detailed corrections to be made to the budget. I have here in my hand a thickness of at least two to three inches. I have a bill for an act relating to the State budget, some two to three inches thick.

I understand that the Senate thinks things get slipped in arbitrarily. How do I know that the Senate hasn't tried to slip something in arbitrarily? The only way I can do it is to read it. I understand that that is not a popular pasttime in the Senate to read the State budget or any of the bills. Nonetheless, I try to do that, but I have no staff. To the best of my knowledge, every member on the floor here has someone hired for nineteen hours a week, at approximately \$3.00, primarily to answer phones, to take messages, carry out such duties as they may be able to do in that time frame.

The people who worked with me during the session, who had a detailed knowledge of the budget, who were able to advise me and consult with me on matters relating to the budget, are not with me. Yet, I am expected to act on a \$1.7 billion budget with no staff.

Now, if the idea was to cut the expenses, I can well understand that. But, the Governor has called us into special session. Will the Governor provide me with staff? Am I to vote on this on the basis that I hope that I can read, in the next few days, every change that is in this budget? I hope so. I'll do my best. But, I have no staff. How can we, in good conscience, pass any bill on First Reading or any other bill without any staff?

Is this the way we are going to do things in the future? Run everything down to the last minute, then have somebody stand up and say: oh, we didn't get things finished in time; let's have a special session; let's get everybody out of here then we'll run it through; then we'll all meet, fifty-one of us, twenty-five there. We don't need any staff. I know they didn't need a staff in the Senate because they didn't bother to read the bill when it came out of the conference, before they signed it. They don't need a staff over there; especially some senators in the Leeward district. They don't need any staff, they only need the HMA after the fact to find out what they should have been doing in the first place. I want staff. When staff is provided me, I'll consider passing something on First Reading.

And, thirdly, page 7 of the Special Session of 1977 summary, at the bottom, is so offensive to me; the logic involved in the last three sentences, entitled: Chiropractic and Immuno-therapy Services, are excluded from the proviso; both HMSA and Kaiser Health plans

do not cover these services. It's so offensive to me in logic; it's so offensive to me in terms of humanity; it's so offensive to me in terms of due process, that under no circumstance will I vote for the passage, or rather the referral on First Reading or passage on First Reading of a bill by its title to the extent that these titles cover such a situation. I thought that this was a state and a city and a nation of laws where there is due process for the individual. How any member in this body can stand up and say that you qualify for medicaid is dependent upon belonging to the HMSA or the Kaiser Health Plan, a private health plan, or you as a citizen is not entitled to medical services. It's such an outrage against anybody with any sensitivity to the Constitution, is beyond me.

Now, there have been arguments made on this floor, during this term, in detail and passionately made about the rights of the individual citizen's as opposed to private interest; and we know that one of the reasons that we stand here and sit here today is because special interest in the Senate, representing at least the HMSA, if not others, have dictated to the rest of us in this State as to whether or not we can pass a budget. The Constitution does not provide special favoritism for the HMSA or anyone else in respect of their right to health care. I'm going to repeat that last sentence, both HMSA and Kaiser Health Plans do not cover these services.

Can anyone in here look any member or anyone who has cancer and needs immuno-therapy treatment in the face and tell them I'm sorry you don't qualify for medicaid because Kaiser and HMSA doesn't provide it?

Now, maybe that's not supposed to be discussed on First Reading? I think such outrage to justice should be discussed any time it appears in a legislative body or the floor. Everyone in this country is entitled to medical care under the law. If they violate the law, that's something different; arrest them; bring them to trial; convict them; sentence them. But, to tell someone ahead of time and to tell me that because private health plans don't provide for, therefore, the individual citizen is not entitled, it is such a farce. It's so ludicrous in its reasoning as to be beyond my comprehension.

For those reasons, I will not vote and I ask the rest of you not to vote that we pass this on First Reading for referral to committee.

Thank you."

The motion was put by the Chair and carried and House Bill Nos. 1 to 16 passed First Reading by title.

COMMITTEE REFERRALS

The Chair, at this time, referred House Bill Nos. 1 to 16 to the Committee on Finance.

Representative Kunimura then extended birthday greetings to the Sgt. at Arms, Mr. Richard Sugita.

At 10:30 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 10:31 o'clock a.m.

ADJOURNMENT

At 10:31 o'clock a.m., on motion by Representative Yuen, seconded by Representative Kamalii and carried, the House of Representatives adjourned until 10:00 o'clock a.m. tomorrow, May 10, 1977.

SECOND DAY

Tuesday, May 10, 1977

The House of Representatives of the Ninth Legislature of the State of Hawaii, First Special Session of 1977, convened at 10:00 o'clock a.m., with the Speaker presiding.

The Divine Blessing was invoked by the Reverend Doctor William E. Phifer, Jr., Presbyterian Minister (Retired), after which the Roll was called showing all members present with the exception of Representatives Abercrombie, Fong, Garcia, Larsen, Poepoe and K. Yamada, who were excused.

The Clerk proceeded to read the Journal of the House of Representatives of the First Day.

On motion by Representative Yuen, seconded by Representative Kamalii and carried, reading of the Journal was dispensed with and the Journal of the First Day was approved.

At this time, the following introductions were made to the members of the House:

Representative Sutton introduced Gregory Won, stating:

"Mr. Speaker, we have in the audience today a seventeen year old youth, Gregory Won. He is a Junior at Castle High School. He won the American Legion finals in Hawaii, and from here, he went to Bakersfield, California, and he won in Bakersfield, and from there, he went on to Billings, Montana. Billings, Montana, incidentally, is where Jack Dempsey got the heavy weight championship of the world, so it is not totally unknown. But he had a lot of competition and he took first. Then from there, he went on to Philadelphia, and he took third in the Nationals.

This man had a wonderful speech, 'The Constitution: The Temperance of American Struggle', and why it is so important for us today to see how the role of the Constitution is very comparable to what it was in colonial days.

He is a magnificent speaker and has been a member of the Castle Debate Team."

A red carnation lei was then presented

to Gregory by Mrs. Edith Campos.

Representative Lunasco then introduced 60 second and third grade students from Haleiwa Elementary School.
They were accompanied by their teachers, Mrs. Honke, Mrs. Yamamoto and Mrs. Ortiz.

At this time, the Chair directed the Clerk to note the presence of Representatives Abercrombie, Fong and Garcia.

ORDER OF THE DAY

SUSPENSION OF RULES

On motion by Representative Yuen, seconded by Representative Kamalii and carried, the rules were suspended for the purpose of considering Second Reading bills by consent calendar.

The Chair then stated:

"By general agreement, the Chair, at this time, will entertain debate on all the bills listed in the Order of the Day, and the Chair would also welcome any of you to insert into the record any remarks that you may have made regarding the bill during the Regular Session."

Representative Abercrombie then rose on a point of information and asked:

"Am I to understand then that there will be no remarks allowed on Third Reading?"

The Chair replied:

"That is the understanding."

Representative Abercrombie then asked:

"Is that in the Rules, or when you say that is an understanding, is that in the Rules, or is that some kind of an agreement which supersedes the Rules?"

At 10: 12 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 10:36 o'clock a.m.

STANDING COMMITTEE REPORTS

Stand. Com. Rep. No. 1 on H.B. No. 1:

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1) recommending that H.B. No. 1 pass Second Reading and be placed on the calendar for Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 1 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters.

Representative Suwa then rose and stated:

"Mr. Speaker, I rise to speak in favor of House Bill No. 1.

Mr. Speaker, House Bill No. 892, HD 1, SD 1, CD 1, of the 1977 Regular Session was used as the basis for formulating this bill. We have met with the Senate, thoroughly examined and discussed the contested areas, and arrived at the following agreement. Mr. Speaker, to save some time here, I would like to insert my statement here, somewhat to be lengthy, so I request that the rest of the statement be inserted into the Journal."

The Chair, noting that there were no objections, so ordered.

Representative Suwa's remarks are as follows:

"Transportation:

(1) The State's contribution to the Oahu Metropolitan Planning Organization has been reduced by \$5,000.

Public Assistance and Medical Services:

(1) With respect to the health care payments program, payments for tonsillectomies will continue to be allowed. Payments for sterilizations will also continue to be allowed. Payments for sterilizations will also continue to be allowed, but with the specific provision that at least 14 days elapse (from the time a person consents to the procedure) before the procedure is performed. Payments for cosmetic surgery for women who have had mastectomy will be allowed but not immuno-therapy or chiropractic treatments.

- (2) HMSA is required to retain and store the required demographic data on a weekly basis and begin reporting monthly summaries of this data by October, 1977.
- (3) The Department of Accounting and General Services will study the feasibility of developing and installing an inter-island and intra-island microwave communication system.

Formal Education:

- (1) An appropriation of \$2 million for fiscal year 1978-79 has been included for the purpose of acquiring the Saint Francis High School property.
- (2) Changes to the school-by-school budgeting format have been made to reflect legislative intent that this format should not disturb normal appropriation accounting and allotment control procedures.

In making these adjustments to the budget, we have not changed our basic approach. The budget does not call for any tax increases; the national policy of the Carter Administration calls for a tax reduction, rebates, and other proposals to stimulate the economy. I do not think it is wise for the State policy to be counter to the national policy. Our basic premise, therefore, is that programs must be funded within existing revenue sources.

The budget before us today reflects a strong sense of legislative priorities. It restores to needed levels, those programs which were experiencing hardship by austerity. It authorizes new programs only in cases where they are clearly needed. It expands some programs where the evidence is clear that public benefits will accrue. And where the benefits are questionable, programs are held to current service levels and, in some cases, contracted.

The subject matter committees of this honorable body have played an important part in shaping the budget before us. Many of their comments are to be found, not only in the budget itself, but also in the guidelines specified in the Committee Report.

I wish to again thank all of my colleagues and their staff for participating in this budget.

I urge all of you to support this bill. Thank you."

Representative Ushijima then rose

and stated:

"Mr. Speaker, the Finance Committee Chairman has indicated that House Bill 892, SD 1, CD 1, is similar to House Bill No. 1 with a few corrections. May I respectfully request, Mr. Speaker, that my comments made earlier on House Bill 892, SD 1, CD 1, be inserted into the Journal."

The Chair noting that there were no objections, so ordered.

Representative Ushijima's remarks are as follows:

"Mr. Speaker, I rise to speak in favor of House Bill No. 892, HD 1, SD 1, CD 1. As the Chairman of the House Higher Education Committee, I would like to confine my remarks to the portion of the budget concerning higher education.

House Bill No. 892, HD 1, SD 1, CD 1 provides the University with nearly \$103 million for fiscal year 77-78, which is approximately \$.5 million more than was requested in the Governor's budget, and the budget that was passed by this House on March 17.

We had earlier indicated in our Committee Report of the House draft of House Bill 892 that, in periods of extended fiscal austerity, the University must assume budget reductions through savings in personnel costs and that the search for such savings should begin at the administrative level. The conferees have taken the initial step toward this end by eliminating several vacant top-level administrative positions which were included in the Governor's budget request. Mr. Speaker, monies saved by the elimination of these positions were generally reallocated to instructional programs and library services.

In the area of instruction, we had previously expressed a reaffirmation of our commitment to undergraduate instruction and our belief that every attempt must be made to accommodate student needs at the basic higher education level. This concern was expressed in this budget by allocating an additional \$145,000 for instruction at Manoa Campus and \$20,000 for each of the seven community colleges. These funds were provided in response to the University's impact statements of the Governor's budget which indicated, Mr. Speaker, that, due to inadequate funding, certain courses

would be eliminated.

Another concern, Mr. Speaker, expressed by this body was that budget restrictions in recent years have adversely affected the development of library facilities and services at the University. The University's libraries have experienced shortfalls in holdings, acquisition rates and staffing. Consequently, the students are being deprived of adequate learning resources to complement and broaden the scope of their classroom instruction. To address this problem, Mr. Speaker, the budget includes \$987,000 for Manoa's libraries, \$100,000 for Hilo Campus, and \$105,000 for the community colleges.

In addition to the \$1.3 million operational budget, Mr. Speaker, a total of \$2,288,410 in supplemental appropriations was provided to the University. These supplemental appropriations were provided to insure the continuation of several important programs such as the allied health program at the Kapiolani Community College, the Marine Option Program, the Center for Labor Education, the University with Walls Program, non-income generating sports, and continuing education for women. Mr. Speaker, the Governor's budget request did not include funds for these programs; however, public testimonies during the course of this session clearly indicated the need for continuation of such programs. In view of this, the Governor should appropriately respond, as we have, to the students' needs by releasing these supplemental funds.

I realize, Mr. Speaker, that many of us still feel that more funds are needed to maintain a quality higher education system. However, I would like to emphasize that the House conferees, led by our able Finance Chairman, exerted a sincere and commendable effort in obtaining needed additional funds for the 77-78 fiscal year.

While the budget for the first half of the biennium is still a conservative one, the conferees could not responsibly allocate more funds to the University since its administration has failed to specify its priorities and clearly delineate its direction. For this reason, Mr. Speaker, the University's requests for new positions for the second half of the biennium were denied. The legislative intent underlying this budget is very clear. During the 77-78 fiscal year, the University must exercise fiscal responsibility and demonstrate accountability in its expenditures. Moreover, during the next session, the University must specify its priorities and accordingly justify its budgetary needs for fiscal year 1978 and 1979. I submit, Mr. Speaker, that the University budget before us reflects a serious challenge to the University Administration to 'shape-up.'

For this reason, members of this honorable body, I strongly urge my colleagues to vote in favor of H.B. No. 1."

Representative Medeiros then rose and stated:

"Mr. Speaker, I rise to speak in favor of House Bill No. 892, HD 1, SD 1, CD 1.

Mr. Speaker, in 1971, as a freshman legislator, I authored a bill to curb violence, burglary and hijacking in our schools. Four years later, this proposal was passed by both houses and signed into act by the Governor. Appropriated with it was \$50,000. A year later, I requested additional money to continue this program. I was successful then, and this year, I introduced a bill for \$1 million for this program. It is now incorporated in our budget to expand this program and I would like, Mr. Speaker, to take this opportunity to thank the Chairman of the Education Committee and all its members, and the Chairman of the Finance Committee and all its members for allowing this program

The faculty of the Department of Education, the students and parents appreciate it. Thank you very much and please support this."

Representative Segawa requested the following remarks be inserted into the Journal:

"Mr. Speaker, I rise to speak in favor of House Bill No. 1. I would like to keep my short remarks within the area of health.

Mr. Speaker, a person's priorities in life are often measured by one's involvement in life. Within all these priorities of life, we tend to take for granted one of our most important priorities. This is the gift of good health. In spite of the advances in medicine, medical equipment and facilities, man still succumbs to the ravages of alcoholism, drug abuse, cancer, mental illness, mental retardation and many other illnesses.

Our State is in the forefront nationally in providing for the medical care of our people and is, in fact, rated as the top state as far as the health of people is concerned. Mr. Speaker, this did not come about by accident. Our State Legislature has been conscious of the health needs of our people in the past. And this year is no exception in providing funds to care for our people in spite of the anticipated limited funds in our treasury.

Our health budget exceeds \$96 million for the biennium to provide the necessary and urgent health services to our people. To name a few items, besides provisions to maintain current services, the budget provides for the expansion of our school health aides to all schools, which we trust the Governor will implement. It provides important hearing and vision screening of our young school children; it provides necessary funds to upgrade our County/State Hospitals, and it continues to provide funds for private agencies to augment services provided by our Department of Health.

Mr. Speaker, this is a very difficult budget year, but I would like to call the attention of the members of this body to the budget that the health of our people is being taken care of in a very responsible manner.

I wish to thank our Finance Committee Chairman and his Committee members for the long hours in working out this budget in a very difficult budget year, and I urge all members to vote for this bill."

Representative Mizuguchi requested the following remarks be inserted into the Journal:

"Mr. Speaker, I rise to speak in favor of House Bill No. 1.

Mr. Speaker, the subject of education has caused much attention to the subject of controversy during this particular legislative session, and I believe that this is a good sign, a healthy sign, for public education in the State of Hawaii. We have called attention to the problems of education and we, in the House, have offered solutions to meet the vexing and complex problems that face education.

During the pre-session, the House majority prepared a program to alleviate and improve some of the problems in education. I am glad to say that due to the fine work of the House Finance Committee Chairman, Jack Suwa,

members of his Finance Committee, and also the hardworking staff of the Finance Committee, many of whom are sitting in the gallery this morning, the House was able to push a major part of its educational program through conference.

Mr. Speaker, before us, in this bill, is an education budget which appropriates some instructional funds to individual public schools. This new approach to budgeting and appropriations has been the subject of some controversy, but I believe that the apprehension which some may have would be dispelled if they examine the case for school-by-school budgeting.

First, Mr. Speaker, let us consider the budget of the Department of Education submitted to the Legislature for approval. The Department requested nearly \$518 million for its operations during the next two years. Of that amount, nearly half is lumped in a single budget item labeled 'Regular Instruction. Teachers, supplies, and equipment for the instruction of 174,000 students in 222 schools throughout the State are budgeted in a single lump sum of \$256 million. Is this enough? Is it too much? Will each school get a fair share of the money? We simply cannot tell on the basis of the budget which was submitted to us.

Itemizing the regular instruction appropriation by schools would open up educational funding decisions to public scrutiny. In this way, school-by-school budgeting would tend to increase the equity with which funds are distributed among schools more than the lump sum budget format which has obscured funding decisions concerning individual schools. Mr. Speaker, with lump sum budgeting, the division of funds among the schools has been an administrative process, outside of public view and beyond the public's control.

One of the worst aspects of the present system, which we have corrected in this bill, is that it has produced inequalities among our schools which run counter to our goal of equal educational opportunity. Some elementary schools have counselors and others do not; some schools have registrars but not other schools; and as the Legislative Auditor recently reported, there is no rational basis for the wide disparities in library collections and library personnel in our schools.

Inequalities abound, and they would have continued to develop unless we elevated school resources to full public view.

Thus, a major advantage of schoolby-school budgeting, as proposed in this Conference draft, is that it would let some sunshine in. It would provide the public and the Legislature with information about the resources needed by each school, and the resources required to equalize educational opportunity for all of our children.

Another advantage of school-by-school budgeting is that it would facilitate the channeling of funds directly to the school level. To illustrate, the school-by-school budget for regular instruction contained in this bill provides not only for the basic instructional needs of each school, but also the special, unique needs of each school. Funds for basic needs will provide for teachers, supplies, and equipment; the amounts specified in this category were based upon school budget estimates supplied by the Department.

The special needs funds are additional school funds to meet the needs of the individual school, as determined by the Principal, in consultation with faculty, parents and students. These funds were distributed among the schools according to a formula which provides each school with \$2,000 plus \$7 per pupil for the first year. The formula was designed to assure that smaller schools would receive adequate amounts to meet their special needs and also to acknowledge the needs of schools with larger enrollments. Using enrollment information provided by the Department, the formula was strictly applied without deviation to all schools.

Decisions as to how these funds are spent should be made right at the school level by people who work with students daily; not at a level removed from the real problems of the schools. Testimony from Principals and teachers showed that they are willing to take on this added responsibility.

DOE Superintendent, Charles Clark, has said that his policy is to give individual schools greater authority and responsibility to run their programs. We agree. In effect, what we have done is to give meaning to that policy by assuring that individual schools are given the resources to enable them to discharge their

greater responsibility.

While appropriating funds is a fundamental legislative power, the Chairman of the Board of Education has questioned the authority of the Legislature to do so on a school-by-school basis. He fears that the Legislature will be usurping the Board of Education. Until the thorny question of governance of the public school system is settled, hopefully by the next Constitutional Convention, the Board needs to understand that its powers are limited by the Constitution itself.

The Constitution limits the role of the Board by stating that 'the Board of Education shall have the power, in accordance with law, to formulate policy, and to exercise control over the public school system through its executive officer, the Superintendent of Education.' This means, Mr. Speaker, that the Legislature may legislate on any matter relating to public education and that the Board of Education may formulate policy where no law exists, or where there is a law, in a manner not contrary to law.

Generally, the Legislature is cautious not to interfere with the daily, internal operations and management of the Department; it leaves such supervision to the Superintendent and the Board. But the Legislature cannot abdicate its basic responsibility in making appropriations and doing so in a meaningful way.

Rubber-stamping a \$256 million budget item, by either the Board or the Legislature, cannot be considered informed decision-making. The Legislature must have some assurance that the funds will be adequate in amount and fairly distributed. The Board of Education cannot provide such assurance since it received no more information than the Legislature on the Department's plans for the \$256 million. Schoolby-school budgeting, as proposed in this bill, would provide both the Board and the Legislature with information necessary for responsible decision-making.

As to the contention that school-

by-school budgeting will limit the powers of the Board of Education; on the contrary, it should strengthen the Board in its ability to exercise policy control over the schools. School-by-school budget would give the Board a means to execute its educational policies.

The final issue, Mr. Speaker, concerns administration. Admittedly. school-by-school appropriations format could cause administrative problems because it represents a major change in the appropriations structure. However, Mr. Speaker, Superintendent Clark has assured us that should school-by-school appropriation become a reality, he will strive to minimize paperwork and obtain the greatest flexibility to meet contingencies. I believe, Mr. Speaker, that he will provide the leadership to install the new system smoothly and efficiently.

Mr. Speaker, there has been much talk, much agreement among legislators, educators, and administrators that, to improve the quality of education in this State, we must refocus our attention upon the individual schools. The basis for this new perspective is the recognition that each school is unique, with individual teachers teaching students who are unique, and serving communities with various needs and aspirations. This perspective, Mr. Speaker, requires a fundamental change in approach from that of seeking improvements and applying resources to the Department of Education as a whole to that of encouraging improvements and resources to the individual schools.

Mr. Speaker, with school-byschool budgeting proposed in this Conference draft, we will be taking a large and necessary step to improve the public school system by improving and better meeting the needs of the individual schools.

Therefore, Mr. Speaker, I encourage all members of this body to vote for this bill.

As an added addendum, Mr. Speaker, I would like to incorporate in the Journal an explanation of the special needs funds for schools.

SCHOOL-BY-SCHOOL BUDGETING

Arguments and Rebuttals

Arguments

Rebuttals

General

 There are no advantages to school-by-school appropriations. School-by-school appropriations makes it easier to channel funds in education to where it counts—to the schools where all teaching and learning take place. In the budget, additional funds have been allocated to schools based on a formula which has been applied without deviation: \$2,000 to each school, plus \$7 per pupil for the first year. These funds are to be used at the discretion of individual schools. Appropriating funds in this manner means that schools are more likely to get the funds they need than if funds were to be budgeted through statewide programs.

- School-by-school budgeting will politicize education.
- It will open up educational funding decisions to public scrutiny. With lump sum budgeting, the division of resources among schools was an administrative process, outside public view and beyond public control.
- School-by-school budgeting will create inequities among the schools.
- Inequalities abound under the current budgeting system, and they will continue to develop unless we expose school resources to public scrutiny with school-by-school budgeting.
- The Legislature will use school-by-school budgets to 'pork-barrel' their favorite schools.
- 'Pork-barrelling' in education will be much more difficult under school-by-school budgeting, since the budgets are visible and

favoritism can be detected. In fact, the current process, where DOE allocates funds to schools after the budget is passed, is much more susceptible to 'pork-barrelling', and there have been many inequalities in distribution of resources under the current system. Some elementary schools have counselors and others do not; some schools have registrars but not other schools; and library resources vary greatly.

- School-by-school budgeting will destroy the statewide school system.
- The only change that school-by-school budgeting makes is to provide for the appropriation of funds for the schools on a school-by-school basis. The money will continue to come from the State General Fund. Funds for the State and district level functions will continue to be appropriated in the conventional way. Statewide programs can continue to be implemented.
- If Principals are given authority over the spending of salary savings at the schools, the budgets will not be equitable.
- School salaries will continue to be paid from a central salary account; thus, Principals will not be able to spend salary savings.
- Principals will have too much power under school-by-school budgeting.
- Principals should be the managers of their schools—as they are now. However, they should consult with their faculty in deciding how resources should be used. A budget proviso specifically requires Principals to consult with teachers, and if practicable, with parents and students, before making

discretionary spending decisions to meet the special needs of their schools.

8. The school-by-school budget does not take into account the greater resource needs of the new schools and the high schools.

There are two categories of appropriations in the school-by-school budget: (1) for basic needs; and (2) for special needs. The basic needs category provides for the basic instructional needs of regular students, for their teachers, and for classroom supplies and equipment. It is in this category that the needs of new schools and high schools are greater. The amounts in this category are those submitted to us by the DOE; therefore, they take into account the needs of the new schools and the high schools to the extent that DOE budgeting formulas do.

Governance

School-by-school budgeting is unconstitutional.

The appropriation of funds is clearly a legislative prerogative in education as in all other program areas. The Constitution did not limit the powers of the Legislature by creating the Board of Education. Rather, the Board is set up to operate 'in accordance with law', law which is established by the Legislature.

 Legality aside, the Legislature should not get involved in the details of educational budgeting. The Legislature has not only the authority but a public obligation to make responsible decisions concerning the DOE budget.
Rubber-stamping a \$256 million appropriation cannot be considered informed decision-making. The Legislature must have some assurance that the funds will be adequate in amount and fairly distributed. The Board of Education cannot provide such assurance since it, in effect, rubber-stamped the \$256 million figure without detailed scrutiny.

11. School-by-school budgeting will undermine the powers of the Board of Education.

School-by-school budgeting should strengthen the Board in its ability to exercise policy control over the schools. Under lump sum budgeting, the Board of Education, like the Legislature, received no information on how funds were to be allocated among the individual schools. School-by-school budgeting would provide both the Board and the Legislature with information on how funds were to be allocated among the individual schools. School-by-school budgeting would provide both the Board and the Legislature with information necessary for responsible decision-making.

12. The Legislature should not get involved in nickel and dime decision-making.

The regular instruction budget is \$256 million for the biennium, nearly half of the budget for lower education, nearly 13 percent of the total State operating budget. With 222 schools, the average school has an operating budget of over a million dollars. Many of the high schools are multi-million dollar operations.

Administration

 School-by-school budgeting will be too rigid to meet contingencies. The following provisions have been made in the budget bill: (1) to allow the Department to transfer personnel positions from one school to another in response to increases or

decreases in enrollment; (2) to establish contingency funds at the district level to pay for unanticipated personnel costs at any school; and (3) to establish a statewide reserve fund to supplement appropriations to schools and to meet contingencies.

14. School-by-school budgeting will be impossible to administer from an accounting standpoint.

Provisions have been included which will: (1) permit school salaries to continue to be paid from a central salary account; and (2) permit school-by-school appropriations to be considered as one single appropriation for the purpose of the variance report, allotment controls by the Department of Budget and Finance, and appropriation accounting by the Department of Accounting and General Services. Individual school accounts already exist for equipment and supply funds. Similar accounts will be established for special needs funds, should they be approved.

15. School-by-school budgeting will create a tremendous administrative workload at the school level.

The budget for regular education should already be constructed from the budgets for individual schools. Principals should already have objectives and plans for their schools and prepare their equipment and supply budgets accordingly. Salary budgets will continue to be handled centrally, on a school-by-school basis. Since the regular instruction appropriation will be handled as a single appropriation for the purposes of variance reporting, allotment control, and appropriations accounting, Principals will not be involved in these aspects either.

16. School-by-school budgeting PPB, with all of its paperwork, at the school level.

Schools should have long-term objectives and is simply a disguise to introduce short-term objectives, and they should look at themselves from time to time to determine whether they are achieving them. However, the Legislature has no expectation that the formal PPB requirements which are required of statewide programs should apply to schools. In fact, a budget proviso specifically exempts school-by-school appropriations from variance report requirements.

School-by-school budgeting 17. will make it difficult to make cuts or additions of funds to regular instruction.

School-by-school budgeting will make it necessary to examine the impact of such cuts or additions on the individual schools. Previously, budget restrictions have been made without much thought as to how they would affect individual schools.

18. The requirements of schoolby-school budgeting will exceed the DOE's information capability.

The basic needs portion of the school-by-school budget was prepared from information supplied by the DOE. The Department has this information already because it is necessary for the preparation of a budget for regular instruction, whether the budget is presented to the Legislature as a lump sum or on a school-by-school basis."

"EXPLANATION OF SPECIAL NEEDS FUNDS FOR SCHOOLS

(Representative Norman Mizuguchi)

The most innovative aspect of this school-by-school budget is the provision made to meet the special needs of individual schools. While each school will receive funds to meet basic needs -- to provide for regular instructional personnel, supplies, and equipment -- the

'Special Needs' funds are to be used to meet individual school needs as identified by school Principals in consultation with faculty, students, and parents. 'Special Needs' funds will be used to improve the instruction of students; for example, through the purchase of additional supplies and equipment or the hiring of temporary personnel to augment instruction.

<u>DISTRIBUTION OF FUNDS.</u> A formula was used to distribute special needs funds among the 222 schools in the State and it was applied without deviation: \$2,000 plus \$7 per pupil for each school.

EXPENDITURE PLANS. After funds are allotted, Principals will be asked to submit their plans for the expenditure of 'Special Needs' funds to their district superintendents. A district superintendent may advise a Principal to amend an expenditure plan if the need for a proposed expenditure can be met from another source.

EXPENDITURE PROCEDURES. Schools will follow normal DOE disbursement procedures in the expenditure of 'Special Needs' funds.

EXPENDITURE RECORDS. Each school will keep a record of 'Special Needs' expenditures.

EVALUATION. The Superintendent or district superintendent may request an evaluation of a specific expenditure.

 $\underline{\text{MONITORING}}$. The Superintendent will monitor adherence to guidelines he issues for the expenditure of 'Special Needs' funds, and the Legislature may request accountability reports."

Representative Carroll requested the following remarks be inserted into the Journal:

"Mr. Speaker, I rise to speak in favor of House Bill No. 1, with reservations.

At the outset, for the record, Mr. Speaker, I would like it noted that during this session and the previous years, I have introduced measures asking that this State go to the zero line budgeting technique which, I think, is a far more rational way of budgeting.

I would direct my remarks, at this point, to that section which has to do with the correctional master plan, Social Services Section No. 420, and also University of Hawaii 59.

Mr. Speaker, within this appropriation request is a glaring example of the most profound shortcoming of this body when this Legislature finds itself too far removed from a thorny problem. We often try to solve the problem simply with money. In this case, we are not providing money to be spent solving the problems of a crucial criminal recidivism situation that we have in this State. We are perpetuating ideas by this appropriation; ideas and concepts that have proven not to work, and the moneys within the budget allocated to the correctional master plan. I am talking about,

specifically, the operational costs of the correctional master plan. It is a horrifying indication that this body is not yet prepared to come to grips with the fact that rehabilitation for most recidivists is simply not a realistic expectation. We are somewhat like the fabled ostrich, but instead of burying our head in sand, we bury it in money.

Within this appropriation measure, we are talking about nearly \$12 million for one line item for operating costs. Last year, we appropriated for one facility which will be spending the bulk of this money, approximately \$11 million, so we are talking about \$23 million to be expended in the next biennium for approximately 250 people.

Now, Mr. Speaker, to my way of thinking, this does not make sense. The hour is late; my remarks go on, and I would like the remarks incorporated with these which have been spoken and inserted into the Journal, if there is no objection."

The Chair, noting that there were no objections, so ordered.

Representative Carroll's remarks are as follows:

"Within this appropriation measure is a construction measure and not a penal measure. It is nice to have a pretty prison, but we all know dozens of other programs to which

these funds could be allocated. Mr. Speaker, a successful corrections plan is not first a question of bricks and mortar. It is first and foremost a question of people. How many public servants seated here, Mr. Speaker, have actually taken the time to personally investigate the issues involved in corrections? If we are to be committed to rehabilitation, have we investigated whether rehabilitation is truly feasible? Even if we accept the premise that rehabilitation is a realistic goal, how many here have asked whether operating the new prison facility is a primary factor in changing the tide of history, of making rehabilitation on any scale a workable answer?

How many Representatives, Mr. Speaker, have learned about the overwhelming amount of problems facing those who have to supervise inmates on a day-in, day-out basis?

Allow me to humbly mention to you that if we are to build anything, we should build an administrative organization, a personnel structure, which ends the total anarchy pervading our correctional system. As it stands now, under-paid, under-trained, under-qualified, under-protected correctional guards face substantial problems just attempting to maintain security, let alone promote rehabilitation. At times, the guards aren't even sure who is running the facility—the inmates or them.

Mr. Speaker, our problem is not in buildings; it is in people. Now I admit this is a much more serious problem, but facts are facts. If we are going to have a corrections system which does something right, whether that something is isolation, punishment, or rehabilitation, this Legislature should focus in on who is running our system; who is employed by the system; what programs have been developed and implemented by these employees; and whether or not procedures have been initiated to insure that qualified, trained personnel are at work in this area.

I would like to recommend that before any more money is spent paying homage to the correctional master plan, we allocate funding which will permit us to start back at the beginning, at the basics. An athletic team which has lost every game for twelve months concerns itself with personnel and basic training. It doesn't start talking about building a new stadium to improve its record.

I humbly suggest, Mr. Speaker, that this money should be put to good use, training people and organizing employee procedures. The savings we could realize by refurbishing the present facilities should be more than enough to fund the training of personnel and the development of programs.

I say let us build people, not fancy prisons, and if we finally come to believe that rehabilitation is not likely for the vast majority of inmates, then let us at least have a well-organized, well-trained group of corrections personnel to do the job."

Representative Sutton requested the following remarks be inserted into the Journal:

"Mr. Speaker, I rise to speak in favor of House Bill No. 1, the State Budget. Mr. Speaker, as you well know, I have been here now for three years and this is my first vote in favor of the budget, Mr. Speaker.

It is not, Mr. Speaker, mere pride in partial authorship. It is my sincere belief, Mr. Speaker, that we have attempted to balance the equities.

Admittedly, Mr. Speaker, the spending of \$1,662,000,000 of other people's money is not a responsibility to be taken lightly. Admittedly, Mr. Speaker, the task requires acceptance of a good deal of self-serving evidence. Admittedly also, Mr. Speaker, I, myself, did not make the investigations as thoroughly as I should have done. The constraints of time are severe.

On one subject, may I divert for one minute, Mr. Speaker, and that is that someday, we can modify our budget procedure to the concept of zero budgeting. But the hour is late and I shall not go into zero budgeting.

But, Mr. Speaker, with all this infirmities, I still urge my colleagues to give their approval.

In closing, Mr. Speaker, I would like to thank the Chairman of this Committee, Chairman of the Finance Committee, for his consideration of the two Republican members, Tony Narvaes and myself. We were given the floor at any time that we requested it. We were given every consideration by the staff

and we were given consideration in getting our concept into the Committee Report. The Chairman is not only hardworking, but very generous and fair-minded.

I would thus ask all my colleagues to vote in favor of the budget.
Thank you."

Representative Naito requested the following remarks be inserted into the Journal:

"Mr. Speaker, I rise to speak briefly in favor of House Bill No. 1, and in doing so, I would like to point out to my colleagues that all credit must go to the staff of the Finance Committee, the members of that Committee and, in particular, the Chairman of Finance, as being the moving light behind the final home product that we have before us.

Mr. Speaker, as Chairman of the Committee on Corrections and Rehabilitation, my subject matter does not have that high a priority as such areas as education and its help but, Mr. Speaker, in terms of the needs of our correctional programs of the State, in terms of the communities involved, relating to crime and recidivism, especially, that is, repeat criminal offenders, our Committee has worked long and hard to come up with approaches, and we have also come up with programs to deal with these problems and, Mr. Speaker, the work of this Committee has not been dealt with lightly by the Finance Committee. All the input a Committee Chairman could desire was extended to me by Finance and, as I understand, this amenity was also extended to other subject matter chairmen.

Mr. Speaker, as an example of the forethought and competence of the Finance Chairman, I would like to draw your attention to page 72, in part 5 of the bill, that we have before us. Mr. Speaker, there are five appropriations on this particular page that relate to public safety. Three of these appropriations relate to three appropriation bills that were passed by this House and were sent to the Senate. One of these deals with programs for juvenile corrections. For a long time, there has been a great lack of programs in juvenile corrections at the Hawaii Youth Correctional Facility. This bill was worked over very thoroughly and we did come up with programs and it was passed by the House and sent to the Senate.

A second one, also dealing with juveniles, had to do with security of juveniles at the juvenile facility at the Hawaii Youth Correctional Facility. This has been a problem also for many years and we have come up with some solutions which we hope will take care of these particular problems. This bill was also sent to the Senate.

The third has to do with on-going programs, in-community programs—the best operation that we have right now of a halfway house to deal with adult criminal offenders. This bill was also sent to the Senate.

Well, Mr. Speaker, the Senate, in its strange and mysterious ways, put this bill in two particular committees. The first committee was so impressed with all of these bills that they doubled all our appropriations that we sent to them and then in some peculiar manner, they managed to kill them all in the second committee. Mr. Speaker, I was very impressed by this move, and I went to our Chairman of the Finance Committee, practically in tears at that time, and he said not to worry. He had forethought to stick it in the budget just in case this particular thing would happen. Well, that was part

The next part that I want to commend the Finance Committee and the Chairman for thinking about and for doing to carry out this operation was to manage to get our original appropriations in this budget bill passed and that is where we stand right now and, Mr. Chairman, I am eternally grateful to the Committee, to the staff who worked very, very hard with our staff, to all of the members and, in particular, to the Chairman.

Mr. Speaker, I urge that we pass the budget bill for all of the wonderful things, but in my case, in particular, for the very fine things that the Chairman and the Committee did for Corrections.

Thank you."

Representative Abercrombie then rose and stated:

"I rise to speak against this bill.

Mr. Speaker, if you will refer to Page 2 of the Committee Report, you will see one of the reasons why I have to speak against this bill. I would like to rise and I would like to ask that all of the remarks that I made before just be inserted into the Journal and buried someplace, but I can't. We are in this session because we have been put in a situation of being extorted, as far as I am concerned. I can understand why people who want to see the budget passed, and I certainly can understand and in other circumstances, could accept the deliberations of the Finance Committee in preparing this bill and the Committee Report for us, but I believe the circumstances are so outrageous from the point of view of extortion, as I indicated, by certain members of the Senate, in particular, Senators Francis Wong and Donald Ching, and that it is not possible for me to before this. As a matter of fact, I would be quite content to keep rejecting this document until we got back to the original version right through July 1st, if necessary, in order to put these people in their place. It is my hope that the voters will do so in 1978.

If you will look at that first page, down at the bottom, you will see, with respect to health care payments, program payments for tonsillectomy will continue to be allowed. Everyone knows that the medicaid and medicare situation where many doctors are concerned is a national scandal. Many doctors are concerned about it. It is unfortunate that we have a number of doctors, including doctors in this community, especially some of those associated with the Hawaii Medical Service Association who fall in this category as far as I am concerned. Their only interest is their own financial benefit; who has no regard for the public whatever; who epitomize greed and avarice.

You will have tonsillectomies all right. You will have tonsillectomies all over the place because it is an easy surgery to perform. I am given to understand by members of the Public Assistance Committee that many of these tonsillectomies aren't even performed in the hospital. It is just an easy green's fee or two or three, for a doctor to perform. They'll continue to have that. It won't benefit working people. It won't benefit the average taxpayer at all. It will benefit certain doctors. All these things were there when the original budget document went over from here in March, but I guess either the Senators for whom these doctors are clients, weren't reading it. Maybe they were all out playing golf with them. I don't

know. They didn't pick it up. They didn't pick it up in the Conference Committee. They only picked it up after the Conference Committee was over, and they apparently had sufficient power in the Senate to be able to coerce or encourage their colleagues to thus vote against the budget that this Finance Committee in this House had put together with this much sincere effort that it was possible to do. So, we have the tonsillectomies left, but we do have out, though, immuno-therapy and chiropractic treatments.

It just strikes me as the epitome of what constitutes greed and avarice that tonsillectomies icould be left in but that the people who suffer the ravages of the particular cancer that immuno-therapy attacks would be left out. It strikes me as a savage irony that chiropractic treatments would be left out.

A health care system licensed in this State, not fully approved by everybody--just like acupuncture, other forms of healing, but the doctors have that lined up too. They sent me a vicious and libelous letter, as far as I am concerned, on the 27th of April, under the letter head of the Hawaii Medical Association, signed by Dr. Calvin Sia, and this man indicated that there was no effective care from these people. They might not receive effective care if the people of the United States had the opportunity to choose who it was that they wish to go for their health care. I am sure that Dr. Sia and members of the Hawaii Medical Association would be delighted to see all of us locked into some kind of permanent contract with themselves; that we would pay them forever, and we would have nothing to say about it.

There are a lot of allegations made about unions—trade unions, especially—a lot of allegations made about them in this State, in the press, private conversation, and I want to indicate that from my point of view, the unions are way, way behind in being able to enforce any kind of unanimity of purpose when it comes to strongarming anyone; when it comes to doctors.

The doctors in this country have one of the sorriest records of selfishness that it has been my misfortune to have to deal with, both as an individual, and as an elected official that I have ever encountered. Their indifference to people, their concern for their own pocketbook, is notorious.

The doctors that stand against it, in many instances, ostracize, and in many instances, not thought well of. There are such doctors. I know these people-men and womenthat I have been in contact with here in the State of Hawaii and many of them feel as I do about it. Who in the hell are the doctors to tell any individual when he or she is supposed to see, in respect of what they consider to be in their. . "

Representative Kamalii interrupted on a point of order and stated:

"I'm a little confused at this point as to whether this bill has anything to do with personal attacks that are being made on professions of either the union or the doctors. The speaker should contain his remarks to immuno-therapy or chiropractic treatments, but I think the speaker is drifting off to areas of personal attacks and I would appreciate it if we stick to the bill."

Representative Abercrombie replied:

"I don't know how much more clear I can make that I am speaking about immuno-therapy and chiropractic treatments because I am referring to a letter which, I presume, the previous speaker got from the Hawaii Medical Association dated April 27, unless the doctors don't think that the. . ."

The Chair interrupted and stated:

"Let the Chair rule on Representative Kamalii's point of order.

The Chair rules, Representative Abercrombie, that you are drifting afield. If you will confine your remarks to the merit of the bill and make your connection with your opinion regarding the medical profession in respect to the immuno-therapy and chiropractic treatment, the Chair will let you continue."

Representative Abercrombie then stated:

"Thank you. In other words, I will continue what I was saying. Was there another point of order? I thought I heard one."

The Chair recognized Representative Carroll and he stated:

"Mr. Speaker, you have eloquently answered my point of order. Thank you."

The Chair then directed Representative Abercrombie to "proceed" and stated:

"You have two minutes under the Rules."

Representatives Cayetano and Uwaine yielded their ten minutes to Representative Abercrombie.

Representative Abercrombie continued his remarks, stating:

"Thank you. I do not know personally, one of the individuals involved, but a friend of mine came to me yesterday and talked to me about their friend who has the kind of cancer immunotherapy addressed. Perhaps, all of us are lucky in here. Perhaps, Dr. Sia is lucky in here. Perhaps, he will never have anyone in his family nor anyone in the Hawaii Medical Association will ever have anyone in their family who will have this kind of cancer, but if they do, perhaps they will be glad that they have someone in the medical profession with sufficient funds to be able to cover it. My grandfather died of cancer, my father's father, and he died in Rosewel Park Institute in Buffalo, New York, because my family did not have sufficient funds to pay for the care that was necessary while he died. He took a long time dying. He was a pretty strong individual -it took him a long, long time to die. If it hadn't been for the existence of that Institute, I don't know what would have happened. I have a fair idea my father would have been driven into bankruptcy to pay for it.

We don't have a national health program yet in this country. I think, probably we are the only industrialized country in the world that doesn't have it and mostly all of the unindustrialized countries in the world have it. The principal reason we don't have it is that the medical profession, in part, has prevented this from occurring by virtue of its special interest lobbying. That special interest lobbying was evident in the rejection of the budget by the Senate. If one of the previous speakers that has now left the floor was paying attention to what I have been saying, she would have known that I was not attacking the profession as a whole; I am attacking those doctors in the profession who exemplify, in my mind, greed and avarice. They can figure out for themselves who they are, and if that is considered a personal attack, or if it wasn't clear that it was not a personal attack, let me make it clear now--it is a personal attack on those people, and on those people who deny other people their

right as individual citizens in the United States under the Constitution with due process allowed them. Not only allowed them, but a right and privilege to choose the medical care they think is best for themselves.

I wish to speak further then, Mr. Speaker, on the instance of Higher Education on pages 7 and 8, in respect of the 1973 audit—the last paragraph on page 7 and moving on to page 8—the audit of the University of Hawaii's faculty workload. The reference there is to the 1973 audit of the University of Hawaii faculty workload; unfortunately, several studies have been done since that time which were not addressed, which alter considerably the figures utilized there.

Over the past four years, the introduction and continuation, in effect. . . expansion of what I call an academic piece work system of lecturers which has practically brought the University to its knees in terms of effective teaching. It has continued and expanded so that this estimated average faculty workload figures for the community colleges and the University can become virtually meaningless. The halls of the various buildings on all the campuses are filled with lecturers and part-time instructors. Programs have been devastated; department chairmen don't know from one semester to the next what courses they will be able to offer. They don't know what programs they will be able to continue. It is a fact, at this time, that programs like nursing, the associate degree in nursing, at the University of Hawaii is being ravaged.

It is a fact that at Kapiolani Community College, the respiratory therapy program is on the verge of losing its accreditation, and the fact of the matter is that Kapiolani should lose its accreditation; that what is involved now is a mercy mission or rescue mission underway by individuals in the University system attempting to reclaim some ground in that area, on their own, without any help from the Administration at the University; without any help at all from those who have the responsibility for seeing this kind of situation doesn't occur in the first place so that when we talk about budgetary shortcomings and so on, and personal cost savings, I agree that the Administrator should be the first to go. They haven't done their job and they haven't made the proper presentations to us.

I consider that, aside from the perfidious operations of members of the Senate; in case the members didn't get who I said in the first place, it is Senators Donald Ching and Francis Wong.

I hope they will be here for the vote.
Didn't manage to make it the last time.
Aside from their perfidious conduct.

Representative Sutton interrupted on a point of order and stated:

"Mr. Speaker, I would request that that last word 'perfidious' be struck from the record. Under Cushing's Rules of Order, we do not talk of personalities or our brother Senators with the word 'perfidious'. The word 'perfidious' is slanderous and it is defamation per se."

At 10:55 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

Upon reconvening at 11:05 o'clock p.m., the Chair directed the Clerk to note the presence of Representative Poepoe.

Representative Sutton then rose and asked:

"Mr. Speaker, I had asked the Chair to rule that we cease and desist from utilizing slanderous names or individual personalities. Could I have a ruling?"

The Chair stated:

"The Chair concurs. The Chair would request Representative Abercrombie and all members, on debating any issues, to refrain from getting into personalities and also confine your remarks to the merits of the bill and not make any remarks that may be bordering on the question of slander relating to such personalities. Will you proceed, Representative Abercrombie, with that in mind."

Representative Kunimura then rose on a point of order and stated:

"Mr. Speaker, I personally feel that the word used by Representative Abercrombie is a word in the dictionary; it is not as descriptive as my vocabulary, and if we are to express our feelings about whatever subject is before this House, that we--I am not saying because we enjoy immunity--but we should be free, without any suppression or implied suppression, of exercising

the constitutional privilege of free speech.

Now, if it is perfidious, then it is so, and if it is libelous, then it is so. But we must speak and hear. We must start here in these chambers to start preserving the rights of individuals, if necessary, to attack another individual to bring to the public what the hell is going on in this State."

The Chair directed Representative Abercrombie to "proceed" and he continued, stating:

"Thank you, Mr. Speaker.

Parenthetically, as I conclude, Mr. Speaker, I appreciate very greatly the comments just made and I want to indicate, Mr. Speaker, that my adjective there, 'perfidious' was in respect of the conduct of certain Senators, and to the extent that naming the individuals involved is not proper on the floor--I don't know all about that. I am not as learned in the parliamentary area as the Representative from the 15th district, perhaps, but nonetheless, I do think that the essential point is that we are here and I am debating this bill and indicating to the body the reasons for my vote, and I cannot divorce myself from those activities which have caused us to be here today and those actions which caused us to be here today. And that is the reason for the procedure I followed.

I would like to conclude, then, Mr. Speaker, on that point, that aside from the individual circumstances that I have cited and that I feel so strongly about, and I think that needs emphasis here, especially on that first paragraph there. I feel just as strongly about it as I can and what I urge upon the rest of the members of this body, and I think almost everyone of you have, at one time or another, risen on this floor and spoken about something which you cared very deeply about; which you thought offended your sense of what was right and what was wrong, and each of us not only has that privilege, but I expect, that duty. I am glancing around again and I can't think of a person in here who has not, at one time or another, risen for exactly that reasoning; for that kind of logic that something had happened which offended your sense of rightness and wrongness of things and you felt it necessary, not only to make your opinion known, but to urge

upon everyone else that they take the same position, and I feel that way about the immuno-therapy and chiropractic treatments.

As you know, it is interesting that not all of us feel the same about any given thing. It may seem a minor matter, but it is not a minor matter to those for whom it is a serious situation. And as I say, each of us felt that way and it is in that spirit that I have made these remarks, and I feel that strongly about it, and I'll have to defend that here or outside, whatever it is. That is my problem, not yours.

So that takes us then to why we are here. I honestly believe that this budget should be defeated, not because it lacks the intense deliberate. . .I was going to say ideas but it isn't a question of ideas. We worked our ideas during the session. We worked hard on all of that. Just as Vice Chairman of Higher Education, we worked so hard with the Finance Committee, so it's not ideas; it is an attempt, the good faith attempt-that is what I am trying to get at-the good faith attempt by the Finance Committee to conclude a just and proper document which I believe was done and now, in addition to good faith attempt again by the Finance Committee, to conclude it again. They believed in this and they presented it to me and they talked with the Chairman about it. I talked with the Vice Chairman about it at some length, and I respect them for the arguments that they made to me as to why this was necessary to pass and why they felt this was an honorable situation and felt, I think, from their point of view, that it is. It can be characterized that way.

What I am defending here is that every member must, if he or she concludes that they cannot abide by the situation, that they are honor bound then to vote against it. It is not voting against the members then, to do that. But if they feel that they must do it, even if it entails a further inconvenience, if you will, to ourselves or to whomever, and that is the essential point. If the majority here feel today, and when Third Reading comes up, that that circumstance does not exist, obviously, they are going to pass it. But I remember very well, my friends, the last day of the Regular Session, or the extended session, very, very hard-nosed speeches were made on this floor; very, very uncertain comments, in no uncertain terms, were made in caucus as to what they felt was the circumstances, and I feel the same way now as I did

then and that is why I have to vote the way I do, but I do appreciate the effort made, and my respect for and my personal friendship and affection for those people whom I have to disagree with remains intact, as far as I am concerned, but I cannot abide what has happened on the other side; I cannot abide the kind of politics that was played on the other side; I cannot abide what those people have done.

The only good thing, I think, will come out of this is not only a fairly reasonable budget; all things considered, probably better. In fact, from my point of view, again as Vice Chairman, much better than I thought we were going to get in the first place, in great measure, due to the willingness of the Finance Committee to consider and to fight for ideas in higher education that they may not entirely have shared in the beginning. Their openness and willingness to listen to us, but I think the main thing that may come out of it is that the voters of this State, in 1978, will show their disgust for and the rejection of special privileged interest legislation and legislators who represent them in a way that is not manifest to public interest, and I hope there will be candidates forthcoming, perhaps from this body, as well as other areas of this State, who will take this message in their own way, in their own point of view, to the voters, and the voters will respond. I feel confident they will respond and perhaps we can have a Legislature which differs honestly and not for reasons of special privilege.

Thank you, Mr. Speaker."

Representative Kunimura then rose and stated:

"Mr. Speaker, I rise to speak in favor of this bill and in doing so, I would like to prevail on the good judge because I have been assured by this gentleman from Manoa that on many occasions, the debate on the floor has strongly changed the course of his voting record, so I hope my good friend from Manoa will listen to what I have to say. What I say today, Mr. Speaker, will soon be forgotten but I am pretty sure the hard work done by three freshmen chairmen of the standing committees will have a long and significant influence on the future of this State.

First of all, Mr. Speaker, may

I commend the Chairman of the Committee on Human Resources. Mr. Baker has done a tremendous job in turning around and really putting our State resources where we have been only talking. We have been criticizing the Department of Social Services and Housing about their shoddy manner in which they have been operating. This time, we are putting money, positions, and equipment, and giving them the kind of guidelines to come up with solid recommendations to the Legislature to improve in their responsibility for those who are not able to take care of themselves.

Mr. Speaker, also, I would like to send a bouquet of roses to the Chairman of the Education Committee. For many years now, I have been sitting here-actually thirteen sessions on the Finance Committee; fifteen years here in the House of Representatives. I have never seen anything more provocative, more interesting, and more meaningful, than the school by school budgeting, and I would like to say to the Chairman of the Committee and members of both Committees that your work will be appreciated in the future.

This is the beginning of returning the responsibility and the authority to where it should have been for long, long years now past. The actual battlefront of education and the battle against ignorance lies in the classroom way down in the lower elementary section and the kind of budgeting concept now will afford the people in the community--the teachers and the administration on the lower level--to make certain kinds of choices that people in America have enjoyed so many years ago, but somehow, because of legislative and political erosion, that we built an inverted pyramid, as far as education is concerned.

The other area, Mr. Speaker, I would like to also send another bouquet of roses to the Chairman of the Higher Education Committee. He has been very patient, diligent, and conscientious in his approach to meeting the crises of the University statewide system, and throughout this Committee Report, Mr. Speaker, you will find pages after pages, paragraphs after paragraphs, meaningful and stern messages to the departments. And I want to also, Mr. Speaker, thank the Chairman of the Finance Committee and the Vice Chairman for being patient with us, keeping us apprised of all situations, and bringing about the conclusion of

putting together the budget.

There have been hard and trying times because in our system of bicameralism, you got to have concurrence on the part of the other house. I will continue to say the only and the best and the most efficient system is the benevolent dictator. We are going to have to trade off, but there again, our liberties for the one man to rule, and that, he will not do. So, living with this situation we have, I must say that we have come across with a budget that is meaningful with the amount of money or the revenues that is at our command. I must say this is a unique budget.

I would also like to touch in the area of immuno-therapy. Mr. Speaker, I lost my mother when I was nine years old. She died of cancer. A few years later, while I was in Hattisburg, Mississippi, my father died of stomach cancer. After I returned, my blood uncle died of stomach cancer and after that, my sister died of stomach cancer. So, cancer is within my family and I would like to see very much, measures like immuno-therapy, and the choice be given to those who are afflicted with this terminal disease, but, again, the reality of finances, the choices we must make in putting together the budget, I wish we had all the money.

You know, countries like Venezuela where they have \$10 billion of surplus money that they put in a New York bank to earn interest and yet, you find two-thirds or three-fourths of the population in Venezuela worse off than our lowest poverty family.

K Now, in this country and in this State, we have shared more than a Christian would be required to share and I would like to say this: If I had a choice and we had the money, I would choose immunotherapy, but knowing the situation of our budget, DSSH has an openend budget. They can spend if we allow them; they can spend and they must because they cannot discriminate; give everyone their choice of what they want to do in the area of immuno-therapy or even chiropractic treatment. These things, we know, are going to cost us money, but we have to be realistic because even if you buy private medical insurance, these things are not covered. Are we going to set a policy in this State that the taxpayers who pay for their viability of this

State get less than those who are unfortunately unable to pay the taxes. These things we must equate.

I know how it feels to have cancer or person in the family that died from cancer. It is a traumatic experience but here, we must be realistic; we got to be conscious. We cannot spend more than we have and, Mr. Speaker, I hope my good friend from Manoa will look at these items in the budget. I think if we had a little more time or a little more money, we could have come out with something a little better. The time we had; the money, we did not.

I would like to again, Mr. Speaker, thank you and the officers of this House and especially the minority members on the Finance Committee for their cooperation and their hard work. We have been a family up there. We forgot our partisanship and we worked together and I think this House also is now making the turn towards a better tomorrow.

Thank you, Mr. Speaker."

Representative Evans then rose and stated:

"I rise to speak in favor of House Bill No. 1 with some reservations.

Mr. Speaker, I have expressed my concerns in a letter dated May 4, 1977, to the Chairman of both the Ways and Means and Finance Committees. In discussing my concerns with the Chairman of the Finance Committee and knowing of his fairness to all members of the House, I feel assured that those concerns that I have expressed will be discussed during the interim.

However, Mr. Speaker, some individuals saw the concerns expressed in my letter as a personal attack. Therefore, my remarks regarding school-by-school budgeting must be made.

It is no secret that I have been an opponent of school-by-school budgeting. But I want to make it clear that the opposition rests primarily on two grounds. First, I was concerned that the original provisos in the final version of the budget would overly politicize the school budgeting process by promoting a 'special interest' mentality among schools, as commonly occurs among agencies appealing directly to the Legislature for funds. I prefer making the Department of Education more accountable for its expenditures at the school level without institutionally undermining its unifying role as the

school system's guiding central authority. Secondly, I object to the manner in which school-by-school budgeting was considered--without public hearings on the originally proposed provisos, without any opportunity for that exchange of opinion -- among legislators, educators, and concerned citizens. That, I believe, is essential to the democratic process this Legislature is supposed to embody. The second objection is not based on any ideals. When there is open discussion on a particular matter (without which the original provisos were not accorded); when there is opportunity for mature reflection (which was denied even members of the Education Committee). weaknesses that could return to haunt a proposal's proponents are more likely to be avoided.

I think it is important to remind my colleagues that we are here today in Special Session because one of the major areas of disagreement was school-by-school budgeting.

In a letter dated May 9, addressed to the Chairmen of both the Ways and Means and Finance Committees, by another member of the House, it is stated that I do not comprehend, that I do not understand that the Special Education Program is not included in regular instruction. I am more than aware of that—as one who has championed the cause of the exceptional child—that this is not so.

It is further stated in the letter that as a member of the Committee, I was informed just what enrollment figures were used for the 'Special Needs' area. That is not so. I had to do my own homework. I would like to point out again that in the 'Special Needs' area, only enrollment figures for regular education students were used.

Many of the children listed as special education students are really regular education students. Many of them are termed 'learning disabled' and receive only thirty to forty-five minutes a day in a learning center or resource room. The greater part of their day is spent in the regular education classroom. Why should they not receive the additional benefits allowed for regular education students? If we provided more services to special education children within their regular classrooms, we would not have so many children termed, 'learning disabled.'

Can it be shown anywhere in the

Exceptional Child Program (EDN 107) which I am quite aware of, that we are also showing a \$7.00 increase above and beyond basic needs for the special education child?

Mr. Speaker, House Bill No. 1 more clearly defines the methods to be used for appropriating moneys to the individual schools. The Committee Report also states much more clearly the intent and purposes of the provisos. However, it is again my fervent hope that those concerns which I have expressed will not be tossed aside.

Thank you."

Representative Mizuguchi then rose and stated:

"Mr. Speaker, I rise to rebut some of the statements made by the previous speaker.

I believe that there used to be an understanding that both the Department of Education and the Legislature have agreed that EDN 105 which is the regular instruction program is only for regular instruction in regular schools. All special education costs, including special education in regular schools are budgeted in EDN 107 which is the exceptional children program. Since the regular instruction budget category EDN 105, is designed for regular instruction only, the calculation of special need funds for each regular school were deliberately limited to regular student enrollment because it is only in EDN 105 which we have gone to the process of school-by-school budgeting.

There is a charge that was made that we have been patently discriminatory against special education students and this is quite false. I believe that in the budget before us, the appropriations for supplies and equipment for special education in regular schools for 1977-1979 shows a substantial increase. The estimated expenditures for supplies and equipment for special education in regular schools in 1975-1977 fotalled \$488,414. In contrast, the appropriations for the same items of expenditures for 1977-1979 in the budget before us totals \$776,434, an increase of 59 percent from the current biennium to the coming biennium. So, contrary to what the previous speaker has stated, the Legislature has not discriminated against special education students and the figures speak for themselves if you will look correctly at the budget.

There were also remarks made that there was no allowed public input or discussion on the new concept of school-by-school budgeting, that the particular concept would politicize the school budgeting system. I really fail to see how this could be the case as far as politicizing the school budget is concerned. The figures for the basic needs category were submitted by the Department of Education, but there was no tampering or politicizing of those figures. They were submitted by the Department.

I believe that both the Chairman of Finance and the Chairman of the Education Committees in both houses, obtained these particular figures from a joint letter signed by all parties concerned.

I think that as far as public hearing is concerned, as early as December 15, I believe the Honolulu Star Bulletin carried an article as it related to the plans for education during the upcoming session and in that particular headline, it read that the proposal to decentralize the Department of Education to give teachers, principals, students and parents, a little more say, a little more discretion, and a little more authority in determining their school needs.

In January of 1977, this particular proposal was advanced through the House majority program. As early as January, the Minority Leader, the illustrious Ralph Ajifu, had come up and stated that the school-by-school proposal was merely a Republican policy and it was long overdue; that the Legislature try and not lump sum the Department of Education budget, but try to find a more meaningful way to budget for educational purposes.

On January 31st, the House Finance Committee held a public hearing on EDN 105 and at that particular hearing, the Chairman stated that in no way would the program appropriation structure, meaning the lump sum budgeting, would be approved by the Legislature.

On January 8, 1977, the Honolulu Star-Bulletin, in its editorial, cautioned the Legislature in its move to reform the education budget and to cautiously examine the moving towards schoolby-school budgeting.

On February 17th, the House Education Committee held a public hearing on EDN 105 and at that point in time, the same remarks aired by the Chairman of the Finance Committee was given to the Department of Education as it related to the non-acceptability of lump sum budgeting for the Department of Education.

So I feel, Mr. Speaker, that we have gone through this particular process. No change is easy to make, especially in a bureaucracy like the Department of Education. But we have taken the first step in attempting to give emphasis and give focus to the management unit which we feel is important, and that is the individual schools.

Thank you."

Representative Evans then rose and stated:

"Mr. Speaker, I would like to rebut the rebuttal of the previous speaker.

Mr. Speaker, I think it is imperative to inform my colleagues that this was a Republican policy. It is a Republican policy or platform which was put together in 1975 and I happened to be the spokesperson at that time, and still am, and it was through my efforts that the program came about. The original provisos which have since been changed and which caused so much disagreement--all it talked about was lump sum budgeting-and that is why these provisos were changed. That's one of the reasons we're in Special Session, and that is the kind of thing we are opposed to and, hopefully, it will be changed.

In my speech today, I have not mentioned the word 'discrimination', and if we consider some of the hearings that were held as an endorsement of school-by-school budgeting, there was never a document stating that there would be a hearing on school-by-school budgeting, and I think that has to be made very clear.

Thank you."

Representative Cobb then rose and stated:

"I rise to speak briefly in favor of House Bill No. 1; first, by incorporating my remarks on Third Reading on H.B. 892 in March into the Journal.

Second, on the point mentioned by the Representative from the Thirteenth District concerning the faculty workload, I think his point was very well taken, that the 1973 study was a rather old one and there have been two or three studies since then, more accurately documenting the faculty workload, as well as the fact that preparation time of two to three hours per classroom hour is needed by faculty members at both the University and the community colleges in order to adequately do a job.

The third is the sentiments expressed by the senior Representative from Kauai relative to immuno-therapy; that if we did have the money, it would probably be included and, yet, I have to agree with the points he raised that, in fairness, we have to be able to provide for those not on public assistance; it is difficult to do it for those on public assistance. In that connection, Mr. Speaker, I owe the senior Representative from Kauai a debt of gratitude, as he and my father had taught me the meaning of a prayer that I saw the other day that 'May God grant us the courage to accept things that we cannot change; the strength to acknowledge what we can; and the wisdom to know the difference.'

Thank you."

Representative Cobb's remarks on the State budget made on the 41st day are as follows:

"Mr. Speaker, I rise to speak in favor of the State budget with some reservations and perhaps a few observations.

Mr. Speaker, during the caucus, it was pointed out to us that another step has been taken towards legislative control of the budget once it's passed and we go home. That language reads: 'And unless otherwise provided by this act, the Governor is authorized to transfer funds between appropriations within an expending agency for research and development and operating purposes provided that prior to effecting any transfer the Governor shall obtain approval of the President of the Senate and the Speaker of the House of Representatives. And provided further that any transfers shall not be made to implement any collective bargaining contracts signed after this Legislature adjourns sine die.'

Mr. Speaker, two years ago, we took the step of requiring the Governor to notify us in writing any time a budget transfer was made. Since that time, almost on a weekly basis, sometimes two or three times each week, we've received notices through your office of another budget transfer in dollar amounts ranging from \$3,100 to over

a million dollars. This will add another step. And yet, it seems to be such a long, slow process.

I began discussing the concerns of budgetary withholdings or what amounted to impounding of funds five years ago. It has taken us that long to come this far. Yet, I wonder, with the margin of votes required to pass this budget, including the CIP, which is not technically before us, except in short form, but with a margin of votes being two-thirds and the margin of votes necessary for a constitutional amendment being also twothirds, that perhaps, some day, we should consider taking the ultimate step and that is to impose actual controls as to what the Governor may spend - how much - because, let's face it, without those kind of controls, this document, for all its hard work, for all the priorities, for all of the tremendous input from the members of this House, is but a guide for a discretionary spending of the Governor.

On page 137, in section 121, it states that in releasing funds for projects, the Governor shall consider the legislative intent and objectives of the user agency. But 'consider' is not a requirement that he shall follow. And, therein lies the crucial difference that he may consider and choose to disagree or disregard the legislative intent.

True, we would have been notified in the past. And if this language on page 126 survives intact through the other house and the conference committee, then your concurrence and the concurrence of the Senate President would be required.

Perhaps, Mr. Speaker, this is an issue which should be dealt with in the forthcoming constitutional convention. But I think it goes to the heart of all of the budget problems that we've had. One session, virtually one-third of the legislative priorities were ignored or not spent. Time and again, we hear various members of our community complain, with justification in many cases, that their project which is contained in the budget, has not had its funds released.

I think, Mr. Speaker, this goes to the heart of the accountability system that we talk about. If we are going to appropriate a budget, we should not only do so in terms of dollar figures that are within the spending projections, but we should do so on a basis that what we appropriate is in fact going to be spent.

I am personally glad to see the chairman and the members of the Finance Committee moving in this direction. Yet, I think we all recognize that a journey of a thousand miles begins with a single step, and we

have a few more miles to go.

Thank you."

Representative Baker then rose and stated:

"Mr. Speaker, I just want the record to show that immuno-therapy mentioned here does not address any existing program."

Representative Suwa then rose and stated:

"Mr. Speaker, as the movant, I would like to close this discussion, but in doing so, I wish to again thank all of my colleagues, the fifty members of the House, and their staff who have participated in this budget. Therefore, I urge all of you to support this bill.

Thank you."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 11, 1977.

Stand. Com. Rep. No. 2 on H.B. No. 2:

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 2) recommending that H.B. No. 2 pass Second Reading and be placed on the calendar for Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 2 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters.

Representative Suwa then requested that the following remarks be inserted into the Journal:

"Mr. Speaker, I rise to speak in favor of House Bill No. 2.

This bill is substantially the same as House Bill No. 892, HD 1, SD 1, CD 1, duly considered by the Ninth Legislature, Regular Session, 1977, except that Section 7 of this bill includes reference to Unit 13, in addition to Units 1, 3, 4, and 10. This section authorizes the Judiciary to use amounts budgeted for incremental

and longevity salary increases to fund collective bargaining cost items.

This bill represents the proposed budget of the Judiciary, adjusted for salary turnover savings, deletion of nonessential positions, and other minor adjustments. This bill adequately provides for the necessary Judiciary programs and level of services for the ensuing biennium.

I urge all of you to support this bill. Thank you."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR JUDICIARY PROGRAM EXPENDITURES AND FOR IMPROVEMENTS FOR THE FISCAL BIENNIUM JULY 1, 1977 TO JUNE 30, 1979, AND AUTHORIZING THE ISSUANCE OF BONDS", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 11, 1977.

Stand. Com. Rep. No. 3 on H.B. No. 3:

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 3) recommending that H.B. No. 3 pass Second Reading and be placed on the calendar for Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 3 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters.

Representative Suwa then requested that the following remarks be inserted into the Journal:

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

This bill is identical to House Bill No. 28, HD 2, SD 1, CD 1, duly considered by the Ninth Legislature, Regular Session, 1977.

The bill provides a total appropriation of \$2,066,099: \$1,500,000 is for defraying the pre-session, session and post-session expenses of the Convention, including the salaries of the delegates; \$485,599 is for conducting the election of delegates; \$8,500 is for supervising campaign contributions and expenditures; and \$72,000 is for updating the Hawaii Constitutional Convention studies.

I urge all of you to support this bill. Thank you."

Representative Uwaine requested the following remarks be inserted into the Journal:

"Mr. Speaker, I rise to speak in favor of House Bill 28, but with reservations.

The purpose of the Constitutional Convention is to review a document which guarantees basic rights to each individual.

Mr. Speaker, just for the record, I want to state that during your Committee's public hearings, people have testified in favor of the Constitutional Convention, while at the same time, spoke in favor of denying one 'select group' of individuals their basic right to run for the Convention. They were talking about you and me and all elected officials. despite the ruling of the Attorney General which allows elected officials to seed a seat as delegate to the Convention. To me, Mr. Speaker, this is not only discrimination, but 'speaking from two sides of one's mouth.

Mr. Speaker, the people who have testified, defend themselves by saying we, elected officials, have special interests. But, what is special interests? Everyone has a special interest whether it be their families, their home, or their religion, just to name a few. Mr. Speaker, what about teachers, the businessmen and those active in party politics? Don't they also have special interests?

Mr. Speaker, I feel this should be a matter for each individual legislator's conscience. If he believes he can contribute constructive ideas and concerns, then he should be allowed to run. No one should play the role of God and point fingers at 'special interests.'

Mr. Speaker, the ultimate decision to who can best represent the people at the Constitutional Convention, will be the voters.

With this in mind, I urge my colleagues to vote in favor of the measure. $^{\shortparallel}$

Representative Garcia requested that the following remarks be inserted into the Journal:

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

I would like to point out also, in conjunction with the statement made by the last Representative from Maui, that this particular section of the bill was the last item for negotiation and we did carry this particular House position throughout the entire negotiations, until such time when it became necessary to reach some kind of a compromise in this area because of the unwillingness of the Senate conferees to look into this particular area and agree to it.

One thing that I would like to convey to the members is the fact that every single member on the Committee, and others, have participated in making the drafting of this -- what I think will be a noteworthy bill in the history of Hawaii--into one that has been as successful as it has been because of the amount of public input and the amount of Committee discussion that has gone on regarding this particular legislation. The real credit for this bill should go to every member on the Committee and every person who participated in the deliberations of the Con-Con--setting up for the Con-Con--and I certainly hope that the public will recognize this particular fact that every member was willing to contribute; every member was willing to put in their two cents and to compromise on certain areas where, perhaps, we could reach compromise, but to hang on to other areas they felt strongly about.

I would like to take this opportunity to thank all the members, not only in working on this particular legislation, but also on all the other Judiciary Committee legislation that we worked on this particular past session. It has been a very trying one for many of us on the Committee because of the length of time that it took, but I think a very rewarding one.

Thank you."

Representative Ueoka requested that the following remarks be inserted into the Journal:

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

The compromise measure, as recommended by the Conference Committee, calls for 102 delegates. The House originally passed a measure calling for 105 delegates. I feel a little sad in that 105 delegates were not set by this Conference Committee. The 102 is based upon the present representative districts. It merely doubled, going up to 102. The three extra delegates represents 'manuahi'—one for the island of Niihau, one for

Lanai, and one for Molokai.

The Constitutional Convention will be creating another chapter in the history of Hawaii, and I also feel that we have missed a rare chance to write a sub-chapter in the chapter of the history of Hawaii by allowing the people from Niihau, or Lanai and Molokai, to be represented in the Constitutional Convention.

A few days ago, I discussed this matter with a Representative from Kauai and he stated that he has never been to the island of Niihau. This is modern America and yet, a Representative has not been able to go to Niihau. By allowing a delegate to be represented from the island of Niihau, I feel that it would have been a real opportunity because no one from this particular island would be able to participate in the governmental process in any form.

Notwithstanding the fact that we lost out in obtaining representation from the island of Niihau, Lanai or Molokai, still I feel that the bill, as it appears before this House this morning, is a good one, and I urge the members of this body to vote for it.

Thank you."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B. No. 3 entitled: "A BILL FOR AN ACT RELATING TO A CONSTITUTIONAL CONVENTION", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 11, 1977.

Stand. Com. Rep. No. 4 on H.B.

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 4) recommending that H.B. No. 4 pass Second Reading and be placed on the calendar for Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 4 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters.

Representative Suwa requested that the following remarks be inserted into the Journal:

"Mr. Speaker, I rise to speak

in favor of this bill.

This bill is identical to House Bill No. 137, HD 2, SD 2, CD 1, duly considered by the Ninth Legislature, Regular Session, 1977.

It lapses all prior appropriations unencumbered on June 30, 1977, and appropriates \$12,000,000 for the extension of the State Program for the Unemployed (SPU) for an additional year. Continued unfavorable economic conditions and accompanying high unemployment in the State necessitates the continuance of this program for an additional year.

I urge all of you to vote for this bill. Thank you."

Representative Takamine requested that the following remarks be inserted into the Journal:

"Mr. Speaker, I rise to speak in favor of House Bill No. 4, Standing Committee Report No. 4. This bill extends the State Program for the Unemployed (SPU) through the fiscal year 1977-78.

This unemployment program was started in 1975 as one of the State's major efforts to help resolve our high unemployment problem. Hawaii's economy was suffering from the ill effects of the national recession and large cutbacks in military spending. We were suffering from increasing numbers of workers in our labor force without the same increase in new jobs. Our unemployment rate was unprecedented in Hawaii's history.

At this time, the Federal Comprehensive Employment and Training Act had already been operating for two years in all the states. It seemed to be a good way by which government could help the unemployment problem.

Our State Program for the Unemployed was designed after the CETA model, but it also went one step further by providing loan and subsidy incentives to the private sector in the hiring of the unemployed.

Act 151, Session Laws of Hawaii 1975, established the State Program for the Unemployed as a one-year project with three major components to promote jobs and economic recovery. The first component is SCET or the State Comprehensive Employment and Training. It provides immediate temporary public service jobs. The second component is the State Assistance for Certain Employment Program which subsidizes employers willing to hire and train unemployed persons. The

third component is the State Loans for Certain Employment which offers low-interest loans to employers willing to hire unemployed persons.

During this 1977 legislative session, we have found that the State's economic outlook remains uncertain. As policymakers, we reviewed all governmental programs with an eye on fiscal constraint. Unemployment is still at historically high levels and is still the State's major problem.

Under the Carter Administration, Federal CETA monies are expected to increase. Various other proposals for economic recovery and assistance to the states are also being proposed by the new National administration. While our own State's resources are limited, we can supplement the Federal government's efforts, and together can prevent the further deterioration of employment in Hawaii. Federal assistance alone cannot do the job.

Therefore, Mr. Speaker, this bill before us is needed. Not only is it needed to supplement Federal efforts but also as a continuation of our deep belief that unemployment brings long term negative social, psychological and economic effects on the people of Hawaii. We certainly cannot afford the expensive labor and production losses that unemployment brings. We cannot afford the costs of continued unemployment benefit payments. Unemployment in Hawaii has also affected increases in the State's welfare rolls. But most of all, we cannot afford the social cost of unemployment on the individual. The disruption of families, lowered standards of living, and the loss of self-esteem and self-respect which occur as an individual suffers prolonged unemployment and has to move on to public assistance after all other benefits run out. These are setbacks that a lot of times can never be overcome.

The State Program for the Unemployed represents our best effort to counter unemployment. It is productive. It has created approximately 3,000 more jobs since its creation in 1975. In return, the public has benefited from increased public services. Therefore, Mr. Speaker, it is imperative that we continue to support the State Program for the Unemployed through House Bill No. 4.

I urge all my colleagues to vote in support of this measure. Thank you. $\mbox{\sc i}$

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B. No. 4 entitled: "A BILL FOR AN ACT RELATING TO UNEMPLOYMENT", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 11, 1977.

Stand. Com. Rep. No. 5 on H.B. No. 5:

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 5) recommending that H.B. No. 5 pass Second Reading and be placed on the calendar for Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 5 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters.

Representative Suwa requested that the following remarks be inserted into the Journal:

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

This bill is identical to House Bill No. 5, HD 2, SD 1, CD 1, duly considered by the Ninth Legislature, Regular Session, 1977.

It provides appropriations for the fiscal biennium 1977-79 to fund collective bargaining cost items in the newly negotiated agreements.

I urge all of you to support this bill. Thank you."

Representative Stanley requested that the following remarks be inserted into the Journal:

"Mr. Speaker, I rise to speak in favor of this bill very briefly.

I would submit to my colleagues that the collective bargaining agreements that this bill represents are fair and equitable and I hope that everyone, at the time for final passage, will vote for this bill. Thank you."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B. No. 5 entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS AND FOR SALARY ADJUSTMENTS OF EMPLOYEES EXCLUDED FROM CERTAIN BARGAINING UNITS", passed Second Reading and

was placed on the calendar for Third Reading tomorrow, May 11, 1977.

Stand. Com. Rep. No. 6 on H.B. No. 6:

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 6) recommending that H.B. No. 6 pass Second Reading and be placed on the calendar for Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 6 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters.

Representative Suwa requested that the following remarks be inserted into the Journal:

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

This bill is identical to House Bill No. 180, SD 1, CD 1, duly considered by the Ninth Legislature, Regular Session, 1977.

It provides the Department of Agriculture with more flexibility to set their direct farm loan interest rates and further clarifies the purposes of its loan program. It also appropriates \$1,500,000 for loans to independent sugar growers.

I urge all of you to support this bill. Thank you.

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B. No. 6 entitled: "A BILL FOR AN ACT RELATING TO FARM LOANS", passed Second Reading and was placed on the calendar for Third Reading on May 11, 1977.

Stand. Com. Rep. No. 7 on H.B. No. 7:

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 7) recommending that H.B. No. 7 pass Second Reading and be placed on the calendar for Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 7 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters. Representative Suwa requested that the following remarks be inserted into the Journal:

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

This bill is identical to House Bill No. 1713, HD 2, duly considered by the Ninth Legislature, Regular Session, 1977

It appropriates the sum of \$672,228 for operating costs and \$138,300 for capital investment costs to help sustain the momentum generated by the aquacultur planning program. It also insures that immediate actions will be initiated to encourage and promote commercial development of aquaculture in Hawaii.

I urge all of you to support this bill. Thank you."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B. No. 7 entitled: "A BILL FOR AN ACT RELATING TO AQUACULTURE DEVELOPMENT IN HAWAII AND MAKING AN APPROPRIATION THEREFOR", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 11, 1977.

Stand. Com. Rep. No. 8 on H.B. No. 8:

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 8) recommending that H.B. No. 8 pass Second Reading and be placed on the calendar for Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 8 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters.

Representative Suwa requested that the following remarks be inserted into the Journal:

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

This bill is identical to House Bill No. 1175, duly considered by the Ninth Legislature, Regular Session, 1977.

In view of rising health care costs and in order to maintain the current level of benefits for the children of State and county employee-beneficiaries enrolled for dental benefits, this bill increases the public employer's monthly contributions to the health fund's dental plan from \$3.25 to \$3.74 for each child under age 19. An appropriation of \$354,000 is made for this purpose.

I urge all of you to support this bill. Thank you."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B. No. 8 entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 11, 1977.

Stand. Com. Rep. No. 9 on H.B. No. 9:

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 9) recommending that H.B. No. 9 pass Second Reading and be placed on the calendar for Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 9 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters.

Representative Suwa requested that the following remarks be inserted into the Journal:

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

This bill is identical to House Bill No. 1292, HD 1, duly considered by the Ninth Legislature, Regular Session, 1977.

It amends Acts 195 and 197, Session Laws of Hawaii 1975, by authorizing changes in the funding designation of certain capital improvement projects from general fund source to general obligation bond fund source. This action makes available \$28,362,000 in general revenue fund, while staying well within the available debt margin for general obligation bond fund authorizations.

I urge all of you to support this bill. Thank you."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B. No. 9 entitled: "A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENTS", passed Second Reading

and was placed on the calendar for Third Reading tomorrow, May 11, 1977.

Stand. Com. Rep. No. 10 on H.B. No. 10:

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 10) recommending that H.B. No. 10 pass Second Reading and be placed on the calendar for Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 10 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters.

Representative Suwa requested that the following remarks be inserted into the Journal:

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

This bill appropriates the total sum of \$282,503.80 representing 35 individual claims for legislative relief pursuant to Section 37-77 and Chapter 662, Hawaii Revised Statutes. The claims are identical to the claims included in House Bill No. 10, HD 1, SD 2, duly considered by the Ninth Legislature, Regular Session, 1977, except that it authorizes payment of the claim to Paul B. and Maethylle Bailey for a total of \$2,611.94, based upon a transmittal from the Department of Budget and Finance, dated May 2, 1977 The authorization of payment of this claim will minimize the interest due.

I urge all of you to support this bill. Thank you."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B. No. 10 entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 11, 1977.

Stand. Com. Rep. No. 11 on H.B. No. 11:

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 11) recommending that H.B. No. 11 pass Second Reading and be placed on the calendar for

Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 11 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters.

Representative Suwa requested that the following remarks be inserted into the Journal:

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

This bill appropriates \$223,847.13 to compensate 162 victims, 33 attorneys, 37 doctors, hospitals and a funeral home pursuant to Chapter 351, Hawaii Revised Statutes.

The claims under this bill are identical to the list of claims submitted by the Criminal Injuries Compensation Commission as reviewed by the Ninth Legislature, Regular Session, 1977, in the due consideration of House Bill No. 11, HD 2.

I urge all of you to support this bill. Thank you."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B.
No. 11 entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF CERTAIN PERSONS UNDER THE CRIMINAL INJURIES COMPENSATION ACT AND PROVIDING APPROPRIATIONS THEREFOR", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 11, 1977.

Stand. Com. Rep. No. 12 on H.B. No. 12:

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 12) recommending that H.B. No. 12 pass Second Reading and be placed on the calendar for Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 12 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters.

Representative Suwa requested that the following remarks be inserted into the Journal:

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

This bill is identical to House Bill No. 12, HD 2, SD 1, CD 1, duly considered by the Ninth Legislature, Regular Session, 1977.

This bill lapses prior year appropriations which are no longer needed and remain unencumbered. These pending appropriations obscure the true fund balance of the State General Fund, especially in those areas where the intended purposes of the Act have been accomplished.

I urge all of you to support this bill. Thank you."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B. No. 12 entitled: "A BILL FOR AN ACT RELATING TO THE LAPSING OF CERTAIN FUNDS", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 11, 1977.

Stand. Com. Rep. No. 13 on H.B. No. 13:

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 13) recommending that H.B. No. 13 pass Second Reading and be placed on the calendar for Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 13 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters.

Representative Suwa requested that the following remarks be inserted into the Journal:

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

This bill is identical to House Bill No. 1685, HD 2, SD 2, CD 1, duly considered by the Ninth Legislature, Regular Session, 1977.

It transfers the responsibility for administering motor carrier safety functions and activities from the Public Utilities Commission to the Department of Transportation.

This proposed transfer is the result of a recommendation by the Legislative Auditor in Audit Report No. 75-6, entitled, 'Management Audit of the Public Utilities Program', Vol. III, December, 1975. The Legislative Auditor found that the current organization and administration of motor carrier safety regulation under the Public Utilities Commission was ineffective,

inefficient and in 'a state of shambles.' (Vol. III, page 91)

This bill is also in concert with the findings of the report to the Ninth State Legislature, State of Hawaii, of the Commission on Organization of Government, dated February 1977.

This bill appropriates \$271,276 for fiscal year 1977-78 and \$261,988 for fiscal year 1978-79 to be expended by the Director of Transportation with the approval of the Governor.

I urge all of you to support this bill. Thank you."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B.
No. 13, entitled: "A BILL FOR AN ACT RELATING TO MOTOR CARRIERS, MOTOR CARRIER VEHICLES, AND MOTOR VEHICLES", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 11, 1977.

Stand, Com. Rep. No. 14 on H.B. No. 14:

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 14) recommending that H.B. No. 14 pass Second Reading and be placed on the calendar for Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 14 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters.

Representative Suwa requested that the following remarks be inserted into the Journal:

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

This bill is identical to House Bill No. 1693, duly considered by the Ninth Legislature, Regular Session, 1977.

This bill establishes the means of financing witness expenses required by County Prosecutors and the Public Defender.

It amends existing law by providing that duly certified witness certificates for witnesses subpoenaed on behalf of the State by the Public Prosecutor, and on behalf of a defendant by the Public Defender shall be paid upon vouchers approved by the State Director of Finance and warrants drawn by the State Comptroller.

This bill also provides that each Public Prosecutor or County Attorney and the Public Defender shall submit to the Department of Budget and Finance of the State for inclusion in the Department's budget request for each fiscal biennium the amount required for each fiscal year for expenses for witnesses subpoenaed by him.

I urge all of you to support this bill. Thank you."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B.
No. 14, entitled: "A BILL FOR AN ACT RELATING TO WITNESS EXPENSES IN CRIMINAL PROCEEDINGS", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 11, 1977.

Stand. Com. Rep. No. 15 on H.B. No. 15:

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 15) recommending that H.B. No. 15 pass Second Reading and be placed on the calendar for Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 15 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters.

Representative Suwa requested that the following remarks be inserted into the Journal:

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

This bill is identical to House Bill No. 15, HD 1, SD 1, CD 1, duly considered by the Ninth Legislature, Regular Session, 1977.

The reorganization proposal made by this bill will transfer the statute revision and publications of laws program from the Office of the Revisor of Statutes to the Legislative Reference Bureau. The intent is to clarify matters of the administration of the Office of the Revisor of Statutes and to place the entire program under the legislative branch. A further intent of this bill is to increase the efficiency of the legislative service agencies. It proposes to reorganize the statute revision and publication program by combining it with related legislative services that are rendered by the Office of the Legislative Reference Bureau.

This bill appropriates \$20,000 to the Legislative Reference Bureau to carry out the purposes of this bill.

I urge all of you to support this bill. Thank you."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B. No. 15, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF THE REVISOR OF STATUTES", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 11, 1977.

Stand. Com. Rep. No. 16 on H.B. No. 16:

Representative Suwa, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 16) recommending that H.B. No. 16 pass Second Reading and be placed on the calendar for Third Reading.

Representative Suwa moved that the report of the Committee be adopted and H.B. No. 16 pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Peters.

Representative Suwa requested that the following remarks be inserted into the Journal:

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

This bill is identical to House Bill No. 154, HD 2, SD 2, CD 1, duly considered by the Ninth Legislature, Regular Session, 1977.

It designates geographic areas within the State for the development of regional design plans and the appropriation of funds towards this end.

An authorization of \$125,000 for fiscal year 1977-78 is provided for the purposes of this bill.

I urge all of you to support this

bill. Thank you."

The motion was put by the Chair and carried, and the report of the Committee was adopted and H.B. No. 16, entitled: "A BILL FOR AN ACT RELATING TO REGIONAL DESIGN PLANS", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 11, 1977.

The Chair directed the Clerk to note that printed copies of H.B. Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16 were made available to the members of the House at 10:00 o'clock a.m.

At this time, Representative Abercrombie rose and stated:

"Mr. Speaker, if I might, I want to make a request that when we adjourn. ..I was very, very saddened yesterday, Mr. Speaker, and still today, feel very, very badly.

A friend of mine, and a friend of the State of Hawaii, died yesterday--Author James Jones. I had occasion to, and the opportunity to, meet and become a friend of Mr. Jones. I am sure the members here know who he is because 'From Here to Eternity' was based on his activities here as a member of the Armed Forces in World War II. He got his education and he started writing at the University of Hawaii, College of Continuing Education. Jim felt very strongly about it; he spoke to me at great length about it, and I think it was part of the basis for our friendship. I had no idea he was as ill as he was and he died unexpectedly.

As Mrs. Krueger said in today's 'Advertiser', that he was proud of his association with the University of Hawaii. He wore his class ring, as a matter of fact, from the University of Hawaii and, unfortunately, was not able to return here as he had wished to because of his responsibilities elsewhere. And so I would ask, Mr. Speaker, with the indulgence of the members of this House, that when we adjourn today, we adjourn in honor of the memory of James Jones, a friend of mine who died, and a friend of Hawaii who died yesterday."

ADJOURNMENT

At 11:47 o'clock a.m., on motion by Representative Yuen, seconded by Representative Kamalii and carried, the House of Representatives adjourned until 10:00 o'clock a.m. tomorrow, May 11, 1977, by a rising vote, in memory of the late James Jones.

THIRD DAY

Wednesday, May 11, 1977

The House of Representatives of the Ninth Legislature of the State of Hawaii, First Special Session of 1977, convened at 10:00 o'clock a.m., with the Speaker presiding.

The Divine Blessing was invoked by the Reverend Kim On Chong, Chaplain, Mid-Pacific Institute (Retired), after which the Roll was called showing all members present with the exception of Representatives Garcia, Larsen, Stanley and Ushijima, who were excused.

The Clerk proceeded to read the Journal of the House of Representatives of the Second Day.

On motion by Representative Yuen, seconded by Representative Kamalii and carried, reading of the Journal was dispensed with and the Journal of the Second Day was approved.

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 1 to 5) were read by the Clerk and were disposed of as follows:

A communication from the Senate (Sen. Com. No. 1) transmitting Senate Bill No. 1, entitled: "A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENT PROJECTS AND AUTHORIZING THE ISSUANCE OF BONDS", which passed Third Reading in the Senate on May 11, 1977, by not less than two-thirds vote of all the members to which the Senate is entitled, was placed on file.

A communication from the Senate (Sen. Com. No. 2) transmitting Senate Bill No. 2, entitled: "A BILL FOR AN ACT RELATING TO THE STATE POST-SECONDARY EDUCATION COMMISSION", which passed Third Reading in the Senate on May 11, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 3) transmitting Senate Bill No. 3, entitled: "A BILL FOR AN ACT RELATING TO A RENTER'S INCOME TAX CREDIT", which passed Third Reading in the Senate on May 11, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 4) transmitting Senate Bill No. 4, entitled: "A BILL

FOR AN ACT RELATING TO A CRIME COMMISSION", which passed Third Reading in the Senate on May 11, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 5) transmitting Senate Bill No. 5, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL QUALITY AND LITTER CONTROL", which passed Third Reading in the Senate on May 11, 1977, was placed on file.

Representative Yuen moved that Senate Bill Nos. 1 to 5 pass First Reading by title, seconded by Representative Kamalii.

Representative Suwa then rose and stated:

"Mr. Speaker, Senate Bill Nos. 1 to 5 are identical to Senate Bill Nos. 3, SD 1, HD 1, CD 1; 47, SD 1, HD 1; 1305, SD 1; 1308, SD 1, HD 1, CD 1; and 1464, SD 2, HD 2, CD 1; duly considered by the Ninth Legislature, Regular Session of 1977, except that an effective date has been included in Senate Bill No. 3.

The Finance Committee truly examined and discussed these bills on the date of introduction by the Senate. We, therefore, recommend that these bills lay on the Clerk's desk for passage on Second Reading tomorrow, and passage on Third Reading on Friday.

Thank you, Mr. Speaker."

Representative Cobb then rose on a point of information and asked:

"The Clerk's message indicated, from the Senate, did not indicate that these bills had passed Third Reading in the Senate. Is that the case, if they in fact have passed Third Reading in the Senate?"

The Chair replied:

"That is correct."

It is my understanding, from the Chairman of the Committee on Finance, that all bills will lay on the Clerk's desk today, tomorrow and Friday; passage on Third Reading on Friday."

The motion was put by the Chair and carried and Senate Bill Nos. 1 to 5 passed First Reading and was placed on the Clerk's desk, with Representative Sutton voting no on Senate Bill No. 4.

At this time, Representative Carroll introduced a "good friend and fellow Hawaiian Airlines pilot, Captain Jerry Williams."

ORDER OF THE DAY

SUSPENSION OF RULES

On motion by Representative Yuen, seconded by Representative Kamalii and carried, the rules were suspended for the purpose of taking up bills on Third Reading on the basis of a modified consent calendar.

THIRD READING

The following bills, which were on the calendar for Third Reading, were read throughout and the following actions taken:

H.B. No. 1:

On motion by Representative Suwa, seconded by Representative Peters, H.B. No. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET", passed Third Reading by a vote of 46 ayes to 1 no, with Representative Abercrombie voting no, and Representatives Garcia, Larsen, Stanley and Ushijima being excused.

At 10: 19 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 10:20 o'clock a.m.

H.B. No. 2:

On motion by Representative Suwa, seconded by Representative Peters, H.B. No. 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR JUDICIARY PROGRAM EXPENDITURES AND FOR IMPROVEMENTS FOR THE FISCAL BIENNIUM JULY 1, 1977 TO JUNE 30, 1979, AND AUTHORIZING THE ISSUANCE OF BONDS", passed Third Reading by a vote of 47 ayes, with Representatives Garcia, Larsen, Stanley and Ushijima being excused.

H.B. No. 3:

On motion by Representative K. Yamada, seconded by Representative Peters, H.B. No. 3, entitled: "A BILL FOR AN ACT RELATING TO A CONSTITUTIONAL CONVENTION", passed Third Reading by a vote

of 47 ayes, with Representatives Garcia, Larsen, Stanley and Ushijima being excused.

H.B. No. 4:

On motion by Representative Takamine, seconded by Representative Peters, H.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO UNEMPLOYMENT", passed Third Reading by a vote of 47 ayes, with Representatives Garcia, Larsen, Stanley and Ushijima being excused.

H.B. No. 5:

On motion by Representative Takamine, seconded by Representative Peters, H.B. No. 5, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS AND FOR SALARY ADJUSTMENTS OF EMPLOYEES EXCLUDED FROM CERTAIN BARGAINING UNITS", passed Third Reading by a vote of 47 ayes, with Representatives Garcia, Larsen, Stanley and Ushijima being excused.

H.B. No. 6:

On motion by Representative Uechi, seconded by Representative Peters, H.B. No. 6, entitled: "A BILL FOR AN ACT RELATING TO FARM LOANS", passed Third Reading by a vote of 47 ayes, with Representatives Garcia, Larsen, Stanley and Ushijima being excused.

H.B. No. 7:

On motion by Representative Kawakami, seconded by Representative Peters, H.B. No. 7, entitled: "A BILL FOR AN ACT RELATING TO AQUACULTURE DEVELOPMENT IN HAWAII AND MAKING AN APPROPRIATION THEREFOR", passed Third Reading by a vote of 47 ayes, with Representatives Garcia, Larsen, Stanley and Ushijima being excused.

H.B. No. 8:

On motion by Representative Segawa, seconded by Representative Peters, H.B. No. 8, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND", passed Third Reading by a vote of 47 ayes, with Representatives Garcia, Larsen, Stanley and Ushijima being excused.

H.B. No. 9:

On motion by Representative Naito, seconded by Representative Peters, H.B. No. 9, entitled: "A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENTS", passed Third Reading by a vote of 47 ayes, with Representatives Garcia, Larsen, Stanley and Ushijima being excused.

H.B. No. 10:

On motion by Representative Peters, seconded by Representative Suwa, H.B. No. 10, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR", passed Third Reading by a vote of 47 ayes, with Representatives Garcia, Larsen, Stanley and Ushijima being excused.

H.B. No. 11:

On motion by Representative K. Yamada, seconded by Representative Peters, H.B. No. 11, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF CERTAIN PERSONS UNDER THE CRIMINAL INJURIES COMPENSATION ACT AND PROVIDING APPROPRIATIONS THEREFOR", passed Third Reading by a vote of 47 ayes, with Representatives Garcia, Larsen, Stanley and Ushijima being excused.

H.B. No. 12:

On motion by Representative Suwa, seconded by Representative Peters, H.B. No. 12, entitled: "A BILL FOR AN ACT RELATING TO THE LAPSING OF CERTAIN FUNDS", passed Third Reading by a vote of 47 ayes, with Representatives Garcia, Larsen, Stanley and Ushijima being excused.

H.B. No. 13:

On motion by Representative Cayetano, seconded by Representative Peters, H.B. No. 13, entitled: "A BILL FOR AN ACT RELATING TO MOTOR CARRIERS, MOTOR CARRIER VEHICLES, AND MOTOR VEHICLES", passed Third Reading by a vote of 47 ayes, with Representatives Garcia, Larsen, Stanley and Ushijima being excused.

H.B. No. 14:

On motion by Representative K. Yamada, seconded by Representative Peters, H.B. No. 14, entitled: "A BILL FOR AN ACT RELATING TO WITNESS EXPENSES IN CRIMINAL PROCEEDINGS", passed Third Reading by a vote of 47 ayes, with Representatives Garcia, Larsen, Stanley and Ushijima being excused.

H.B. No. 15:

On motion by Representative Kunimura, seconded by Representative Peters, H.B. No. 15, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF THE REVISOR OF STATUTES", passed Third Reading by a vote of 47 ayes, with Representatives Garcia, Larsen, Stanley and Ushijima being excused.

H.B. No. 16:

On motion by Representative Kiyabu, seconded by Representative Peters, H.B. No. 16, entitled: "A BILL FOR AN ACT RELATING TO REGIONAL DESIGN PLANS", passed Third Reading by a vote of 47 ayes, with Representatives Garcia, Larsen, Stanley and Ushijima being excused.

The Chair directed the Clerk to note that H.B. Nos. 1, 2 and 3 had passed Third Reading at 10: 20 o'clock a.m.; 4 and 5 at 10: 21 o'clock a.m.; 6 and 7 at 10: 22 o'clock a.m.; 8, 9 and 10 at 10: 23 o'clock a.m.; 11, 12, 13 and 14 at 10: 24 o'clock a.m.; and 15 and 16 at 10: 25 o'clock a.m.

At 10: 25 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

Upon reconvening at 10:29 o'clock a.m., birthday greetings were extended to Representative Faith Evans.

ADJOURNMENT

At 10:32 o'clock a.m., on motion by Representative Yuen, seconded by Representative Kamalii and carried, the House of Representatives adjourned until 10:00 o'clock a.m. tomorrow, May 12, 1977.

FOURTH DAY

Thursday, May 12, 1977

The House of Representatives of the Ninth Legislature of the State of Hawaii, First Special Session of 1977, convened at 10:00 o'clock a.m., with the Speaker presiding.

The Divine Blessing was invoked by the Reverend Philip Mark of the Makiki Christian Church, after which the Roll was called showing all members present with the exception of Representatives Abercrombie and Kunimura, who were excused.

The Clerk proceeded to read the Journal of the House of Representatives of the Third Day.

On motion by Representative Yuen, seconded by Representative Kamalii and carried, reading of the Journal was dispensed with and the Journal of the Second Day was approved.

At this time, Representative Sutton introduced Mr. and Mrs. Gregg Aldridge of Indianapolis, Indiana.

ORDER OF THE DAY

DISPOSITION OF MATTERS PLACED ON THE CLERK'S DESK

By unanimous consent, S.B. No. 1 was taken from the Clerk's desk.

On motion by Representative Suwa, seconded by Representative Peters and carried, S.B. No. 1, entitled: "A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENT PROJECTS AND AUTHORIZING THE ISSUANCE OF BONDS", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 13. 1977.

By unanimous consent, S.B. No. 2 was taken from the Clerk's desk.

On motion by Representative Suwa, seconded by Representative Peters and carried, S.B. No. 2, entitled: "A BILL FOR AN ACT RELATING TO THE STATE POST-SECONDARY EDUCATION COMMISSION", passed Second Reading and was placed on the calendar for Third Reading

tomorrow, May 13, 1977.

At 10:07 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 10:09 o'clock a.m.

By unanimous consent, S.B. No. 3 was taken from the Clerk's desk.

On motion by Representative Suwa, seconded by Representative Peters and carried, S.B. No. 3, entitled:
"A BILL FOR AN ACT RELATING TO A RENTER'S INCOME TAX CREDIT", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 13, 1977.

By unanimous consent, S.B. No. 4 was taken from the Clerk's desk.

On motion by Representative Suwa, seconded by Representative Peters and carried, S.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO A CRIME COMMISSION", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 13, 1977.

By unanimous consent, S.B. No. 5 was taken from the Clerk's desk.

On motion by Representative Suwa, seconded by Representative Peters and carried, S.B. No. 5, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL QUALITY AND LITTER CONTROL", passed Second Reading and was placed on the calendar for Third Reading tomorrow, May 13, 1977.

The Chair directed the Clerk to note that printed copies of S.B. Nos. 1 to 5 were made available to the members of the House at 10:00 o'clock a.m.

ADJOURNMENT

At 10:10 o'clock a.m., on motion by Representative Yuen, seconded by Representative Kamalii and carried, the House of Representatives adjourned until 10:00 o'clock a.m. tomorrow, May 13, 1977.

FIFTH DAY

Friday, May 13, 1977

The House of Representatives of the Ninth Legislature of the State of Hawaii, First Special Session of 1977, convened at 10:00 o'clock a.m., with the Speaker presiding.

The Divine Blessing was invoked by the Reverend Thomas F. Nolan, M.M., Assistant Chancellor of the Roman Catholic Diocese, after which the Roll was called showing all members present.

The Clerk proceeded to read the Journal of the House of Representatives of the Fourth Day.

On motion by Representative Yuen, seconded by Representative Kamalii and carried, reading of the Journal was dispensed with and the Journal of the Fourth Day was approved.

On motion by Representative Yuen, seconded by Representative Kamalii and carried, the Speaker is authorized to approve the Journal of the Fifth Day of the First Special Session, with Representative Abercrombie voting no.

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 6 to 22) were read by the Clerk and were disposed of as follows:

A communication from the Senate (Sen. Com. No. 6) returning House Bill No. 1, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 7) returning House Bill No. 2, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 8) returning House Bill No. 3, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 9) returning House Bill No. 4, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate

(Sen. Com. No. 10) returning House Bill No. 5, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 11) returning House Bill No. 6, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 12) returning House Bill No. 7, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 13) returning House Bill No. 8, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 14) returning House Bill No. 9, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 15) returning House Bill No. 10, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 16) returning House Bill No. 11, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 17) returning House Bill No. 12, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 18) returning House Bill No. 13, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 19) returning House Bill No. 14, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 20) returning House Bill No. 15, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate

(Sen. Com. No. 21) returning House Bill No. 16, which passed Third Reading in the Senate on May 13, 1977, was placed on file.

A communication from the Senate (Sen. Com. No. 22) informing the House that the Senate has completed its business and has adjourned sine die on May 13, 1977, was placed on file.

ORDER OF THE DAY

SUSPENSION OF RULES

On motion by Representative Yuen, seconded by Representative Kamalii and carried, the rules were suspended for the purpose of taking up bills on Third Reading on the basis of a modified consent calendar.

THIRD READING

The following bills, which were on the calendar for Third Reading, were read throughout and the following actions taken:

S.B. No. 1:

Representative Suwa moved that S.B. No. 1, having been read throughout, pass Third Reading, seconded by Representative Peters.

Representative Suwa then rose and stated:

"Mr. Speaker, I rise to speak in favor of S.B. No. 1.

This bill is substantially the same as S.B. No. 3, SD 1, HD 1, CD 1, duly considered by the Ninth Legislature, Regular Session, 1977.

The bill appropriates \$44,250,000 for various capital improvement projects. The projects will contribute to the educational, health, transportation, and economic development goals of the State. The project authorizations will also be utilized to partially counteract private construction fluctuations.

Therefore, I urge all of you to support this bill. Thank you. $^{\mbox{\tiny II}}$

Representative Carroll, upon being recognized, stated:

"Mr. Speaker, I rise to speak in favor of S.B. No. 1 with reservations.

If there is anything that this Special

Session points out, it is the fact that there is a need for a need for new procedures in finalizing the budget bills. I think we all agree that we should not subject the people of the State of Hawaii to another spectacle such as the one that surrounded the conclusion of the recent session.

Though there has been no 'hang up', so to speak, with the CIP measures in the past, I submit that it could also stand scrutiny and reform in its formulation. As it exists in its entirety, it is a joke. We know that all monies authorized in this document will never be released. It is sound and fury, often signifying practically nothing. Now, it is within the purview on the Governor alone to pick and choose. That the Governor alone has this power is not all bad. He is accountable for the public works spending. And he had better distribute it more or less equitably or pay the piper at election time.

What is bad is that this bill allows legislators to return session after session claiming we brought home the 'pork'. The Governor lets them. We take the glory, so to speak, and he retains the power unto himself. Many items are never, never released. For instance, Waikiki has had tennis courts money authorized for a number of years. We have yet to see a stone turned or a shovel of dirt turned over to put those tennis courts in.

The Legislature itself should determine first which projects are most needed before this measure ever gets to the desk of the Chief Executive. As it stands now, the Legislature does not designate any priorities for spending CIP funds. We should do better. Once this bill is passed and is in the lap of the Governor, special interests are knocking his door down, seeking an audience to lobby for the release of the money for his or her pet projects.

Two years ago I introduced a measure here calling for a study of a zero based budgeting for the executive departments. This year the administration has announced its intent to study the implementation of this procedure. This could, hopefully, help delineate priority in budgeting.

A technique philosophically similar to zero based budgeting should also be utilized to put together the CIP and those projects which the Legislature considers most essential to the State should be mandated by priority rather than be left to the whim of the administration.

Clarification is necessary with respect to certain controversial items as well. Introduction of items for construction outside of one's district needs to be more clearly defined.

As an example, I use the Waikiki Natatorium, which is located, as you may recall, in the 11th Representative and the 6th Senatorial Districts; \$323,000 is in Senate Bill No. 1 before us, appropriated for the demolition of the natatorium.

The legislators within the Districts, both House and Senate, did not agree to expend any of their allocated monies for this project. I understand it was submitted by a Senator from the 5th Senatorial, more specifically, the Chairman of the Senate Ways and Means Committee.

As a CIP item, it was 'heard' as a part of the massive CIP bill. Once in there, Mr. Speaker, a single item is often as difficult to find as a buried bone. And some that I have dug up in the past are politically as rancid. To vote against that one item is to vote against the entire public works package and not a good position for any of us.

To be or not to be. The existence of the natatorium has been controversial. Most of us do not oppose CIP measures. We are pleased with new highways and bridges, schools and parks, or at least the idea of them. So hearings on these separate and diverse matters are traditionally not required. But when it comes to demolition of an historic city landmark, the opportunity, at least for public input, is a moral requirement, and it should be legal, especially so when the respective representatives and senators concerned have only the most meager constructive notice for the presence of that particular

Now, hopefully, Mr. Speaker, we understand this problem and we can work with tighter rules in formulating the CIP from 1978 on. If we don't do it, perhaps the constitutional convention delegates will do it for us. It is vital that requests from a district outside the one we represent be formally introduced as a bill if the affected elected officials are not notified of such action. In cases where controversy has existed, a separate public hearing is a necessity.

And, finally, we must establish priorities for the Governor in releasing project funds. Then and only then will we be truly responsible legislators.

Then we will be passing effective legislation and not words that often, unless they concern the neighbor islands, do more than live in print.

In spite of those remarks, I urge that we vote 'aye' on this measure."

Upon being recognized, Representative Abercrombie stated:

"Mr. Speaker, I would like to speak in favor of the bill, incorporating the same reservations as Representative Carroll has just so clearly stated, with one exception; that is, the remarks about zero base budgeting. I believe that zero base budgeting is a fad, a fashion or illusion. It will not work; it cannot work; and is actually against the interest of a proper budgeting.

But save for that particular reference which was philosophical as opposed to specific, I think that the remarks that were just made were entirely pertinent and should be taken into account as we proceed in years to come.

Thank you."

Representative Cobb then rose and, upon being recognized, stated:

"Mr. Speaker, the same reference of incorporation relative to the remarks of the representative of the 11th District.

However, I think that procedure is sufficient to justify voting against the entire package and, therefore, I will do so."

The motion to pass S.B. No. 1, entitled: "A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENT PROJECTS AND AUTHORIZING THE ISSUANCE OF BONDS", on Third Reading was put by the Chair and carried by a vote of 50 ayes to 1 no, with Representative Cobb voting no.

S.B. No. 2:

Representative Ushijima moved that S.B. No. 2, having been read throughout, pass Third Reading, seconded by Representative Mizuguchi.

Representative Suwa requested that the following be inserted into the Journal:

"Mr. Speaker, I rise to speak in favor of S.B. No. 2.

The bill is identical to S.B. No.

47, SD 2, HD 2, duly considered by the Ninth Legislature, Regular Session, 1977.

The bill authorizes the State Postsecondary Education Commission to promulgate rules necessary for the receipt and disbursement of funds; restricts the use of State funds to aid only persons attending State-owned and or State-controlled institutions; and prohibits the payment of staff work used in the distribution of federal or private funds to students attending non-public institutions.

I urge all of you to support this bill. Thank you."

The motion to pass S.B. No. 2, entitled: "A BILL FOR AN ACT RELATING TO THE STATE POST-SECONDARY EDUCATION COMMISSION", on Third Reading was put by the Chair and carried by a vote of 51 ayes.

S.B. No. 3:

Representative Suwa moved that S.B. No. 3, having been read throughout, pass Third Reading, seconded by Representative Peters.

At this time, Representative Uwaine requested that the following be inserted into the Journal:

"Mr. Speaker, I rise to speak in favor of Senate Bill No. 3.

Mr. Speaker, as a renter myself, I am familiar with the burden placed on individuals by rental payments.

Mr. Speaker, in 1974, the Legislature repealed the system of tax credits for renters which had previously been established in 1970. Now, in 1977, we have the opportunity to correct this gross inequity and be of service to the people of this State.

Mr. Speaker, 55% of our housing units are occupied by renters, many of whom are in the medium to low income brackets. These renters do not have the privilege of claiming home exemptions and are in fact being over-taxed in relation to owner-occupants. With the enactment of this bill, we will be moving towards a more equitable system in terms of taxing the renters. This tax credit will compensate for the rising costs of housing, make homes more affordable, and allow renters to budget more of their earnings for other necessities.

Mr. Speaker, I feel this is a good bill and I urge my colleagues to vote 'yes' on this measure."

Upon the request of Representative Suwa, the following is inserted into the Journal:

"Mr. Speaker, I rise to speak in favor of S.B. No. 3.

This bill is substantially the same as S.B. No. 1305, SD 1, duly considered by the Ninth Legislature, Regular Session, 1977, except that an effective date section has been included. The tax credit provided in the bill will help to offset the spiraling cost of housing for many of the more than 120,000 renters in the State. It reinforces and advances our commitment to adequate and affordable shelter for our people.

I urge all of you to support this bill. Thank you."

The motion to pass S.B. No. 3, entitled: "A BILL FOR AN ACT RELATING TO A RENTER'S INCOME TAX CREDIT", on Third Reading was put by the Chair and carried by a vote of 51 ayes.

S.B. No. 4:

Representative Garcia moved that S.B. No. 4, having been read throughout, pass Third Reading, seconded by Representative K. Yamada.

Representative Suwa requested that the following be inserted into the Journal:

"Mr. Speaker, I rise to speak in favor of S.B. No. 4.

This bill is identical to S.B. No. 1308, SD 2, HD 1, CD 1, duly considered by the Ninth Legislature, Regular Session, 1977.

The bill provides a mechanism for citizen input into governmental activities with regard to crime, through systematic and thoughtful development of new programs and review of ongoing programs, investigation, and public education.

I urge all of you to support this bill. Thank you."

Representative Sutton then rose to speak against the bill, stating:

"Mr. Speaker, the well-being of the residents of this State, the 50th State of the union, depends, Mr. Speaker, upon maintaining a level of security of the people in their communities - read a newspaper, walk down Alakea Street, go out to Waikiki, go out to Hotel Street; see what we have. The community is in fear, Mr. Speaker. We sit here as a body to do a job to represent, Mr. Speaker, the people of the State of Hawaii, and we have a job to do and we haven't done it on this bill.

What we need, Mr. Speaker, is a mechanism for citizen input into governmental activities with regard to crime, through systematic and thoughtful development of new programs and to have an investigation into this.

Mr. Speaker, the city of New York had a position comparable to what we have and the former mayor, John Lindsay, established what is the KNAPP Commission. Mr. Speaker, this was composed of very, very well known law enforcement people - Frank Hogan, Howard Leary, Lee Rankin, Burton Roberts and Robert Ruskin.

Mr. Speaker, I had the good fortune of speaking in Chicago on this same subject with James Thompson. He was then the U.S. District Attorney; he's today governor, governor of that state. I have a letter from him which says that the bill that you people are passing is inadequate.

Now, let me look at this KNAPP report for a minute. What does the KNAPP report say? It says that as a result of allegations of corruption in the city of New York you, Mayor Lindsay, appointed this KNAPP Commission and charged it with a three-fold responsibility to evaluate the procedures presently employed by the Police Department to investigate charges of corruption, and this was a failure; to recommend improvements in these procedures, and this we must do; and to investigate the charges of corruption - the charges of the invasion of organized crime in the community of New York.

This assignment involves the integrity of the entire principal of law enforcement. We, in our brief period of existence, have found that the following recommendations must be made: (1) At the Committee's request, Police Commissioner Howard Leary was to furnish a complete report of all procedures in the Policy Department for the investigation of charges of corruption therein. (2) The public has been requested, and the public is encouraged and the public is given immunity, to supply the Committee with any and all information it has concerning acts of police corruption

or any type of crime evasion. As of this date, 375 complaints have been received. This is inadequate. We want more citizen input. (3) The Committee has requested the five District Attorneys in boroughs of the city of New York to provide summaries of prosecutions of police officers for acts of corruption over the past five years in order that we might ascertain to the extent to which existing law enforcement agencies have failed to delve into the problem. (4) Under present law, a city employee of the State of New York, is required to give 30 days notice before his retirement. In the procedure for retirement, the Police Department has found that in many instances this time period does not permit a proper investigation and disposition of charges of corruption against into as much as possible of whether or not this individual, before retirement, has committed any crime. But considerations must be given to changes in the law which would permit the divesting of pension of rights in those instances where employees, after their retirement, have been convicted of a crime which relate back to their performance when they worked for the city of New York.

These steps represent only the beginning of the work which must be done in order for the people of this city of New York to feel confident that its Police Department, that its law enforcement agency, that every person in charge of law enforcement, is free of corruption. A thorough evaluation by a crime commission is a must. But the crime commission should be composed of people who have never been in law enforcement; people who have not in any way, shape or manner be in any law enforcement. If I may repeat that, Mr. Speaker.

And look at the commission we have in front of us: ten people - excuse me, eleven people to be appointed by the governor - no standards at all of who we are going to put in there; no standards that there be conflict of interest; no standard that there be prior bias. I've been a law enforcement officer, Mr. Speaker, and I have had bias. I tell you further, I know I have made deals. We don't want any of those fellas on this commission. We want a commission composed of people who are representative. I put in a bill on this same subject and I wanted 40 members, not 11; and I wanted it geographically separated; economically and ethnically represented.

Now, Mr. Speaker, we are coming

to a very serious problem in this community - the well-being of the residents of this State depends upon maintaining, Mr. Speaker, eye-level security of the people in their communities; sufficiently high to encourage confidence. What we need, Mr. Speaker, is to re-examine this proposition.

My ten minutes are up. Will anybody give me another ten minutes? $^{\shortparallel}$

Representative Abercrombie then offered his time, stating:

"Mr. Speaker, I'll yield my ten minutes, or a sufficient portion thereof."

Representative Sutton continued, stating:

"Thank you, Mr. Abercrombie. The last shall come least."

The Chair interrupted and said:

"Or the least shall come last."

Representative Sutton then stated:

"Mr. Speaker, you know your Bible better than me.

Mr. Speaker, we are saying that there will be an 18-month period and they gotta drop dead. They've finished their work; they can't do it. And yet the KNAPP Commission report, which I just read to you, they said it should be a minimum of four years. Just to get tunedup takes nine or ten months, and this is not something that can be hurried. I'm talking to a man that was nearly seating on a bench and would have been if I were governor.

Now, Mr. Speaker, I feel that we should have a specific exclusion of any law enforcement persons so that the commission's one of first impression is without any kind of bias and it should be representative of the State of Hawaii, of all the islands; even Kauai.

Now, Mr. Speaker, we need to have a commission that works by itself. Just look at this clause that's in here. It says that there should be an executive committee of the commission which should consist of two persons who shall be elected from the commission by its members. It shall include, in addition, the chairman of the commission and it shall identify all the areas for commission study and review and it shall direct the work and activities

to the commission. This is the same old story - establish an executive committee to do the job of the commission and then all of a sudeen there's no commission that has any effectiveness. This is a very bad procedure, Mr. Speaker.

Now, how much money do we give this? Look at section 4, if you will, Mr. Speaker. There is appropriated, out of the general revenues of the State of Hawaii, the sum of \$100,000. You know what that will do? That will hire them two attorneys. We spend a million dollars to bring Grant Cooper down here and we give this crime commission, in a State where every other day has a headline of some killing, a \$100,000 and we tell them to drop dead after 18 months.

Now, Mr. Blair is a brilliant boy and he's going to be studying in a very wonderful school and he put in the proposition of a subpoena power in this bill. Wonderful. Well, Mr. Speaker, you and I know you're not going to exercise subpoena power unless you have immunity. And there's no immunity stuck in here for the prosecutorial people. Do they want to go out and get sued as a civil liability subsequently? This bill is deficient. Look at it. No immunity to the prosecutorial people.

Now, Mr. Speaker, crime adversely affects every person in the State and all steps are necessary to prevent crime. We must take them and take them now. All we have to do is not hold a public hearing on the subject, just read a paper.

We know the need - the establishment of a crime commission is absolutely necessary, but an appropriate crime commission with powers, with longevity, with adequate funds, with this power of immunity going along with the subpoena powers.

Now, Mr. Speaker, crime, in its various manifestations, affects every person in this State, every child, every woman and every man. The far-reaching consequences of crime in this community are unbelieveable there's unease and there's fear among the residents; there is fear among some businessmen of this State; and there's distrust among citizens from the private and the public sectors; and there is a fear of isolation, Mr. Speaker, and helplessness in meeting the very real responsibility of being a victim of a crime, and frustration in dealing with the system which is

not meeting the crises of crime.

Yesterday, Mr. Speaker, we passed a bill giving retribution and giving back funds to people who had been hurt by crime. Aren't we attacking the problem wrong? Let's attack the problem by putting the horse in front of the cart, not the cart in front of the horse. Let us achieve a basic sense that we the representatives some coming from Waianae, some coming from the other islands, some of you coming from areas that are adjacent from mine - we know what our people want. They want a crime commission that will do a job; but not with a \$100,000, not with 18 months, not with limited powers and not with a proposition that we don't define for the governor when he appoints these people exactly where they should come from.

Now, Mr. Speaker, I will be brief. I'm running out of my next ten minutes. I don't have another friend in here that's gonna give me ten minutes except Mr. Abercrombie and he's run out. I should like to tell you, Mr. Speaker "

At this time, Representative Carroll interrupted and stated:

"Mr. Speaker, I'll yield my time."

Representative Sutton thanked Representative Carroll and continued, stating:

"Now, Mr. Speaker, the present governor of the State of Illinois examined this very document and he said it is inadequate. We look at the KNAPP Commission; the Cornell School of Organized Crime has set up standards and we haven't filed them. We have been penny wise and pound foolish, Mr. Speaker. Let us hereby vote 'no' on this, come back, not in a special session, no, but let's come back first part of January next year and do a real job and discharge our duties as representatives of the people of Hawaii who have an enormously critical problem on crime in this State.

Thank you."

Speaking in favor of the bill, Representative Garcia stated:

"I would like to make only several comments because I feel that most of the questions that were raised by the previous speaker have been answered in the bill itself.

One thing that I would like to point out, though, that is very crucial in

the development of this bill, is that we thoroughly worked at the various procedures, the various departments that would be affected by the investigation of this commission. And, one of the things that I would like to remind this particular body, especially that representative, is that the LEA has been conducting this study over the past four years on procedures not only within the courts and the police department or the Legislature, but in other departments, and the results of that study has been the development of what we call criminal justice standards and goals. It is composed of three documents that talks about the various procedures, the standards, the goals that each of these departments should be working at.

I would hope that when the commission is appointed by the governor, that they will not duplicate the efforts of LEA in this area. We feel that they have done an adequate job of this area and it is something that should be digested by this session.

Another thing that I would like to bring out is that the representative said that perhaps the appointment by the governor may not be representative of the public itself. I would like to point out that on page 3 of the bill, it typically says that the members of the commission shall be representative of the population of the State.

Now, I have enough good faith judgment in the governor to try and appoint a balanced commission that will be representative not only of the various islands of the State but also of the various segments of the community whoever they may be. If we should put in specific standards about who they should appoint for this particular commission, then why not write these requriements in the other commissions that we've set up and also make sure that island representation is made specifically written into the statute, We haven't done this in the past and I don't think we are going to do this in the future. We've relied on recommendations by legislators and community people to the governor, to a steering committee, to work out who should be appointed to the commission.

Another point that was brought up by the representative is perhaps that 18-month period is too short a period of time to work out some recommendations to complete the investigation. What I would like to point out to the representative is that this Legislature meets every year - sometimes twice

a year - and what we want to do is to provide the commission with the opportunity to develop a program, to come up with some recommendations and then come back and justify to us why they need more time, if they need more time and why they need more money, if they need more money.

I would like to point out to the representative that many times in the past when we have requested studies and recommendations from various community organizations, we have failed to follow up on many of these recommendations. What I would like to do in this area is to be sure that the Legislature is kept up to date as to what is happening within the commission itself. If the commission feels that they don't have enough money and they don't have enough time, they can always come back to the Legislature, which is the proper police-making body, to determine whether or not more money or more time should be given to the commission to fulfill its requirements mandated by us.

The last point that I want to bring out relates to the executive committee within the commission. The members will not be paid on a daily basis or a monthly basis for their attendance on the commission and their work on the commission. So, what we felt was required then was an executive committee within the commission, elected by the commission members themselves and chaired by the Lt. Governor who can work up an agenda as to what should be done by the commission itself. That agenda should be voted on by the rest of the commission. They are the ones who will determine the priorities, what should be done in the area of investigation, what kind of recommendations should be pursued by the commission itself. That's the reason for the executive committee.

This has been the procedure that has been used by many community organizations, and the Legislature itself; that's what you have leadership for; that's what you have chairmen of committees for - to work up agendas to develop a program and to follow through on it.

For these reasons, I would like to encourage this body to vote 'aye' on the bill."

Representative Kamalii then rose to speak in favor of the bill, stating:

"So that none of my colleagues mistake

this as a frivilous bill, Mr. Speaker, let me remind you that the core of this bill originated in my office during the Eighth Legislative Session. We passed that bill over to the Senate, and for two years we have waited for a citizen's crime commission.

Let me say that I am delighted at this time that we have taken the initiative because the Governor said to us that he wants a mandate from this Legislature and not a request to form the crime commission.

Let me also point out to this body that the purpose of the citizen's crime commission is not to just go out and catch the heads of organized crime and the head of the syndicate in the State of Hawaii, which in my opinion and in the opinion of many of you here is running rampant, but let me say that the importance of this crime commission is to prevent crime and this is what this bill's intention was, though we need the subpoena power and the investigational powers, the main objective is to prevent crime, to help those children, those teenagers, the agencies that are floundering out there present under one umbrella so that we can find where we are making the mistakes in the agencies of crime in the school violence education. If my colleague had read the bill, he would see that this bill does and requests just that.

It is not, as I said, solely to catch the head of the syndicated crime or the so-called Godfather. As you all know, and in the recent days, I was not too happy to read in the paper the remarks made by Chief Guy Paul. But he did not surprise me, and I'm sure it didn't surprise anyone of you seated here today, that this is happening in our State.

And, I also agree with Chief Paul that naming the head of the organized crime or the head of this so-called syndicate is going to stop organized crime in this State. We need tougher laws. We need the wire-tapping. We need all kinds of tools that we can muster up as far as this Legislature is concerned. There is no point in dwelling on this as far as how deeply I feel regarding the crime situation in Hawaii. It has also been said that if this person is named, that it would be a help. It would be easier for the FBI, for the Police Department, but who has the guts to do it. It's also said that it took one of us to do it because we have immunity. I'll tell you something, I don't have it, not after what has happened in the

last couple of days, but I do have the confidence in our Police Department and the Federal Strike Force that is here, and I have the confidence and my colleagues here at the Legislature, to look and to take this bill as a start.

And in order to address ourselves to crime, and most particularly in crime prevention, we need to support this this year and next year. I also hope that the Governor, the Lieutenant Governor, the State Attorney General will get together with all of the law enforcement agencies immediately so that we can feel a little more secure in our homes and hear some kind of, and see some kind of light down the road, as far as this crime situation is concerned.

Mr. Speaker, I urge all my colleagues to vote 'aye'. $^{\text{II}}$

Representative Carroll then rose and stated:

"Mr. Speaker, I rise to speak in favor of the bill and simply ask that the reservations that has been expressed by the senior representative from Nuuanu be reflected as my own and I would also like the remarks of my colleague from Waikiki be reflective of my own and be incorporated into the Journal."

The Chair then stated:

"If there's no objection, so ordered."

The motion to pass S.B. No. 4, entitled: "A BILL FOR AN ACT RELATING TO A CRIME COMMISSION", on Third Reading was put by the Chair and carried by a vote of 49 ayes to 2 noes, with Representatives Abercrombie and Sutton voting no.

S.B. No. 5:

Representative Blair moved that S.B. No. 5, having been read throughout, pass Third Reading, seconded by Representative Larsen.

Representative Suwa requested that the following remarks be inserted into the Journal:

"Mr. Speaker, I rise to speak in favor of S.B. No. 5.

The bill is identical to S.B. No. 1464, SD 2, HD 2, CD 1, duly considered by the Ninth Legislature, Regular Session of 1977.

It appropriates \$300,000 for the purpose of instituting a litter prevention and control program for the State.

I urge all of you to support the bill. Thank you."

The motion to pass S.B. No. 5, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL QUALITY AND LITTER CONTROL", on Third Reading was put by the Chair and carried by a vote of 51 ayes.

The Chair directed the Clerk to note that S.B. Nos. 1 and 2 had passed Third Reading at 10:21 o'clock a.m.; 3 at 10:22 o'clock a.m.; 4 at 10:45 o'clock a.m.; and 5 at 10:46 o'clock

At 10:46 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 10:51 o'clock a.m.

At this time, the following introductions were made to the members of the House:

Representative Sutton introduced Mr. and Mrs. Walter Dods, parents of Representative Dods.

Representative Cobb introduced Mrs. Aileen Anderson, Director of Budget and Finance of the State of Hawaii.

Representative Kamalii introduced Mrs. Ike Sutton and her daughter, who were seated in the gallery.

The Chair then made the following remarks:

"The Chair is very grateful and appreciative of all your patience, understanding and cooperation throughout the Regular Session and the Special Session.

I am extremely pleased and proud of the accomplishments of this body and the Legislature as a whole.

I realize that we went through an unusual Regular Session, which resulted in this Special Session. But I think, in my personal opinion, it has been very helpful, meaningful and, as a result, we have achieved, in my opinion, what we started out to accomplish - we have a CIP budget, the operating budget and the many farreaching pieces of legislation that

we can all be very proud of.

Again, the Chair commends all of you for a job very well done."

Representative Ajifu then rose and stated:

"Mr. Speaker, I too would like to make a few closing remarks.

Mr. Speaker, on this last day of the Special Session, I would like to offer a few words of commendation for all of you, my colleagues in the House as well as for the members of the Senate.

The Regular Session ended in an atmosphere of angry words and lost tempers, not to mention a lost budget. We should not, however, let the anger and disagreement cloud our perspectives and our thoughts in the future.

There is much to be done in our great State and every issue brings about a new crisis for our Legislature to contend with. This past week has shown that members of the State Legislature can behave in a rational and fair manner despite the intensity of emotions that have erupted in the past.

Since I expect next year's Regular Session to be a lot more conflict-ridden and controversial than this year's, I hope we can continue to act responsibly on behalf of our constituents.

As for today, I have nothing but heartiest congratulations and aloha to you all.

Thank you."

At the request of Representative Kamalii, the following closing remarks are inserted into the Journal:

"Mr. Speaker, I rise now not to speak for or against anything. Rather, what I want to say, on behalf of all minority members of this House, is very simple - Mahalo. I address this one, perhaps over-used, but sincere word to you, Mr. Speaker, and to the other majority members of this House.

I know there were many times, Mr. Speaker, when we were quick to scold and slow to praise. And, I'm sure there were many times when we appeared to be super nit-pickers, jumping up to object to majority actions which we felt to be wrong and not in tune with our thoughts on what this House and its members should do for the people of this State.

There have been also many times when you have heard us complain that no Republican bills or amendments ever have been allowed to pass, merely because of their origin.

But, Mr. Speaker, I now want to thank the majority for at least incorporating into Democrat bills the many ideas and innovations which we Republicans have in fact introduced into this House. Because of your cooperation in this area, we feel all of Hawaii has benefited. Although we have been denied the pride of authorship, you have indeed accepted many of our ideas, and for this, we congratulate you and thank you."

The Chair, at this time, announced the sudden passing of Representative Takamine's father, Tozo Takamine.

ADJOURNMENT

Representative Yuen moved that the House of Representatives of the Ninth Legislature of the State of Hawaii, Special Session of 1977, adjourn Sine Die, seconded by Representative Kamalii and carried by a rising vote in memory of Tozo Takamine.

At 10:58 o'clock a.m., the Speaker rapped his gavel and declared the House of Representatives of the Ninth Legislature of the State of Hawaii, Special Session of 1977, adjourned Sine Die.

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

Gov. Msg. No. 2 informing the House that on June 1, 1977, he signed the following bill into law:

House Bill No. 5 as Act 1, entitled:
"MAKING APPROPRIATIONS FOR
COLLECTIVE BARGAINING COST
ITEMS AND FOR SALARY ADJUSTMENTS OF EMPLOYEES EXCLUDED
FROM CERTAIN BARGAINING UNITS".

Gov. Msg. No. 3 informing the House that on June 16, 1977, he signed the following bills into law:

Senate Bill No. 5 as Act 2, entitled: "RELATING TO ENVIRONMENTAL QUALITY AND LITTER CONTROL";

House Bill No. 4 as Act 3, entitled: "RELATING TO UNEMPLOYMENT";

House Bill No. 10 as Act 4, entitled: "RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR";

House Bill No. 11 as Act 5, entitled:
"RELATING TO THE COMPENSATION
OF CERTAIN PERSONS UNDER THE
CRIMINAL INJURIES COMPENSATION
ACT AND PROVIDING APPROPRIATIONS THEREFOR";

House Bill No. 12 as Act 6, entitled: "RELATING TO THE LAPSING OF CERTAIN FUNDS";

House Bill No. 14 as Act 7, entitled: "RELATING TO WITNESS EXPENSES IN CRIMINAL PROCEEDINGS";

House Bill No. 15 as Act 8, entitled: "RELATING TO THE OFFICE OF REVISOR OF STATUTES".

Gov. Msg. No. 4 informing the House that on June 23, 1977, he signed the following bills into law:

Senate Bill No. 1 as Act 9, entitled: "RELATING TO CAPITAL IMPROVE-MENT PROJECTS AND AUTHORIZING THE ISSUANCE OF BONDS";

House Bill No. 1 as Act 10, entitled: "RELATING TO THE STATE BUDGET";

House Bill No. 2 as Act 11, entitled: "MAKING APPROPRIATIONS FOR JUDICIARY PROGRAM EXPENDITURES AND FOR IMPROVEMENTS FOR THE FISCAL BIENNIUM JULY 1, 1977 TO JUNE 30, 1979, AND AUTHORIZING

THE ISSUANCE OF BONDS";

House Bill No. 7 as Act 12, entitled: "RELATING TO AQUACULTURE DEVELOPMENT IN HAWAII AND MAKING AN APPROPRIATION THEREFOR":

House Bill No. 9 as Act 13, entitled: "RELATING TO CAPITAL IMPROVE-MENTS".

Gov. Msg. No. 5 informing the House that on June 27, 1977, he signed the following bills into law:

Senate Bill No. 2 as Act 14, entitled: "RELATING TO THE STATE POST-SECONDARY EDUCATION COMMISSION";

Senate Bill No. 3 as Act 15, entitled: "RELATING TO A RENTER'S INCOME TAX CREDIT";

Senate Bill No. 4 as Act 16, entitled: "RELATING TO A CRIME COMMISSION";

House Bill No. 3 as Act 17, entitled: "RELATING TO A CONSTITUTIONAL CONVENTION":

House Bill No. 8 as Act 18, entitled: "RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND".

Gov. Msg. No. 6 informing the House that on July 5, 1977, he signed the following bills into law:

House Bill No. 6 as Act 19, entitled: "RELATING TO FARM LOANS":

House Bill No. 13 as Act 20, entitled: "RELATING TO MOTOR CARRIERS, MOTOR CARRIER VEHICLES, AND MOTOR VEHICLES";

House Bill No. 16 as Act 21, entitled: "RELATING TO REGIONAL DESIGN PLANS".

Gov. Msg. No. 7 transmitting his statement of objections to Senate Bill No. 1 which he has returned to the Senate without his approval and which reads as follows:

"STATE OF HAWAII EXECUTIVE CHAMBERS

June 23, 1977

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 1 FIRST SPECIAL SESSION 1977 Honorable Members Ninth Legislature State of Hawaii

Pursuant to Section 17 of Article III of the Constitution of the State of Hawaii, I am returning herewith Senate Bill No. 1, First Special of 1977, entitled, 'A Bill for an Act Relating to Capital Improvements Projects and Authorizing the Issuance of Bonds.'

The purposes of this bill are to make appropriations for certain capital improvement projects and to authorize the issuance of bonds to fund those projects.

While the purpose and intent of the bill as a whole have merit, I find two of the items in Senate Bill No. 1 to be objectionable. These are:

1. Item III. E. 52., at page 30 of the bill, which appropriates \$125,000 for 'Plans and construction to provide musical instruments for the band' at Jarrett Intermediate School, Oahu.

The subject matter of this bill is capital improvement projects. As this item is not germane to the subject of the bill, its inclusion in the bill violates the subject—title requirement of Article III, Section 15 of the State Constitution.

2. Item III. E. 94., at page 35 of the bill, which appropriates \$190,000 for:

'Kalaheo High School, Oahu --- 'Supplementary funds for gymnasium.'

This item duplicates the appropriation of \$190,000 made by the preceding item (Item III. E. 93, at page 35 of the bill) for the same purpose.

For the foregoing reasons, I am returning Senate Bill No. 1, First Special Session 1977, with my objections to those two items.

Respectfully,

/s/ George R. Ariyoshi

GEORGE R. ARIYOSHI Governor of Hawaii"

"PROCLAMATION

WHEREAS, under Section 17 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice by a proclamation of his plan to return with his objections any bill presented to him less than ten days before adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 1, First Special Session 1977, entitled, 'A Bill for an Act Relating to Capital Improvement Projects and Authorizing the Issuance of Bonds,' passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, under Section 17 of Article III the Governor may veto or reduce any specific item or items in any bill appropriates money for specific purposes; and

WHEREAS, Senate Bill No. 1, First Special Session 1977, appropriates money for specific purposes; and

WHEREAS, certain items in Senate Bill No. 1, First Special Session 1977, are unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, GEORGE R. ARIYOSHI, Governor of the State of Hawaii, hereby issue this proclamation pursuant to the provisions of Section 17 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 1, First Special Session 1977, with my objections to certain items therein to the Legislature as provided by said Section 17 of Article III of the Constitution.

DONE at Hawaii State Capitol, Honolulu, State of Hawaii, this 23rd day of June, 1977.

/s/ George R. Ariyoshi

GEORGE R. ARIYOSHI Governor of Hawaii"

STANDING COMMITTEE REPORTS

SCRep. 1 Finance on H.B. No. 1

The purpose of this bill is to provide appropriations for the fiscal biennium July 1, 1977 to June 30, 1979 and authorize the issuance of bonds.

APPROACH TAKEN AND AGREEMENTS REACHED

In the interest of efficiency in legislative procedure, H.B. No. 892, H.D. 1, S.D. 1, C.D. 1, of the 1977 Regular Session was used as the basis for formulating this bill. The differences of the Senate and the House of Representatives with respect to the conference draft of H.B. No. 892 have been thoroughly examined and discussed, and agreements have been reached as follows:

Transportation

The State's contribution to the Oahu Metropolitan Planning Organization has been reduced by \$5,000.

Public Assistance and Medical Services

With respect to the Health Care Payments Program, payments for tonsillectomies will continue to be allowed. Payments for sterilizations will also continue to be allowed, but with the specific provision that at least 14 days elapse (from the time a person consents to the procedure) before the procedure is performed. Payments for cosemtic surgery for women who have had mastectomy will be allowed but not immunotherapy or chiropractic treatments.

With respect to the fiscal intermediary contract with the Hawaii Medical Service Association (HMSA), the program provision now provides that HMSA will have the capability to retain on a weekly basis and to store on a weekly bases certain demographic data, and, beginning October 1977, will provide the department of social services and housing with monthly summaries of the data required.

Rather than immediate development and installation of an inter-island and intra-island microwave communication system for the transmission of electronic data processing information to support program administration only in the department of social services and housing, the department of accounting and general services is authorized to expend up to \$10,000 to conduct a feasibility study of implementing such a system statewide with the study to be financed from internal departmental savings.

Formal Education

An appropriation of \$2 million for fiscal year 1978-79 has been included in the bill for the purpose of acquiring the St. Francis High School property for higher education use.

Technical changes have been made to the school-by-school budgeting format and to the related program provisions to express legislative intent that the amounts shown for individual schools are intended to be provided without disturbing normal appropriation accounting and allotment control procedures.

BACKGROUND TO THE BUDGET

Deliberations and decisions on the State's budget have come at a time when the economic mood is mixed. While there is increased optimism nationally as a result of the economic stimulus measures initiated by the national administration and enacted by the 95th Congress, there is continued uncertainty in the Hawaiian economy as a result of high unemployment, a lagging construction industry, and a depressed sugar industry which may eventually be helped by the new federal program of price supports but whose plight remains severe.

The prospect of a recovering national economy is a welcome one, because the major factor in Hawaii's economic health is an expanding national economy. Moreover, the expectation that the Federal government will move quickly to implement the newly enacted programs for employment, public works, and counter-cyclical spending in high unemploy-

ment areas bodes well for state and local economies. State government lacks the fiscal and monetary powers to stimulate the economy in the manner in which the Federal government can, but its efforts should in some measure be complementary and supportive. In the face of continuing and distressingly high jobless rolls, the overriding priority which your Committee has assigned to the State's expenditure plans is in the emphasis on those programs which, over the immediate term, hold some promise of creating jobs and which, over the longer term, are designed to have a healthy effect on the Hawaiian economy.

Since the beginning of the current fiscal year, the performance of the State's tax revenue system has been erratic, although it is not at all certain whether this is a reflection of fluctuations in the economy or administrative practices in revenue collections and reporting. Because of these uncertainties, prudence dictates that state expenditures over the next two years be approached cautiously with respect to expenditures from the general fund as well as with respect to bond issuance and debt service which have an impact on the general fund. This bill incorporates for the most part the substantial effort made in the 1977 Regular Session by both the Senate and the House of Representatives to prune the executive budget recommendations, particularly in those programs where program expansion or other increases would appear to be ill-advised in a period of economic austerity and uncertainty. The one major departure from reductions is the decision to appropriate \$6.1 million in grants-in-aid to the counties, to help maintain the financial health of local governments.

Finally, it should be emphasized that decisions on the budget and related measures requiring appropriations have been made under the legislative policy that state expenditures authorized in this session should be made without any general fund tax increases and that the expenditures provided for in this budget and other measures should fall within the current tax revenue projections of the State. These objectives have been achieved.

DIRECTION TO AGENCIES OF THE EXECUTIVE BRANCH

In implementing the budget, the agencies of the executive branch are directed to review Standing Committee Report No. 740 of the House of Representatives and Standing Committee Report No. 780 of the Senate, 1977 Regular Session, as well as this report. To the extent that the expressions in the committee reports of the Regular Session are consistent with the appropriation decisions and provisions of this bill, the expressions in those reports shall be regarded as expressions of your Committee and, upon enactment of this bill, they shall constitute guidelines and direction for executive agencies.

The highlights of the general appropriations bill and related measures, and expressions of legislative intent and concerns, are as follows:

JOBS AND THE ECONOMY

Your Committee finds that the overriding concern of the people of Hawaii centers around the need to stimulate and strengthen the State's economy and to create jobs for our people. Accordingly, we have set this as our top priority. Through a separate measure recommended for enactment by your Committee, the State Program for the Unemployed, established in 1975 and amended in 1976, will be strengthened and continued through fiscal year 1977-78. A total of \$13 million in new appropriations have been provided for a more comprehensive program to combat unemployment.

Among the significant appropriations made by your Committee to strengthen the Hawaiian economy are \$500,000 to the Hawaiian Sugar Planters Association for sugar research, \$1,500,000 in a separate measure for the purpose of making farm loans to independent sugar growers, \$500,000 to support the production and marketing of Hawaiian agricultural commodities, \$115,000 for the development and implementation of a statewide master plan for diversified agriculture, and \$672,000 for operating costs and \$138,000 for capital investment in a separate measure for aquaculture development. Other appropriations which are intended to benefit various sectors and components of the Hawaiian economy are specified in Part V of this bill.

LOWER EDUCATION

The Importance of the Individual School

An educational system is composed of individual schools whose importance can emerge only if a new perspective is adopted in viewing the school system. If changes and improvements are to take place, there must be a recognition that schools are different, each with its own special strengths and weaknesses. This perspective requires a fundamental change in focus from that of seeking improvements and applying resources to the department of education as a whole to that of encouraging improvements and providing resources to the individual public school.

This focus on the individual school is in line with the department of education's current effort to give schools greater authority and responsibility. Through the decisions made on the department of education budget, greater authority will be accorded the individual schools to plan, budget, administer, and be held accountable for programs to meet the basic needs and special needs of their students.

School-by-School Funds for Regular Instruction

A change in format has been made to focus attention upon the individual school and to display funding on a school-by-school basis within the regular instruction program, which comprises nearly half the budget for lower education. Only the regular instruction program is affected by the school-by-school funding display. The manner of appropriating funds for all other school programs, such as counseling, school administration, compensatory education, and special education, remains unchanged.

Your Committee established two categories of funding for operating expenditures:

1) for basic needs, and 2) for special needs. The basic needs category provides for the basic instructional needs of regular students, for their teachers, and for classroom supplies and equipment. The amounts in this category where based on school-by-school budgets for regular instruction which were submitted by the department of education. School funds for the special needs category are additional funds which each school may expend for additional supplies, equipment, and services to augment regular instruction, and for such other purposes as will benefit students and improve the instruction program of the school. The amounts intended to be provided to each school in FY 1977-78 are based on a formula which provides each school with an initial \$2,000 amount and, additionally, \$7 per pupil. The formula assures that smaller schools will receive meaningful amounts to meet their special needs and also acknowledges the needs of schools with larger enrollments. Using regular instruction enrollment data provided by the department of education, the formula has been strictly applied without deviation to all regular schools.

Recognizing that the school-by-school display constitutes a change in the funding structure, provisos have been included to allow the department of education some flexibility to meet contingencies and to minimize paperwork. Among the special provisions in the bill which complement the school-by-school approach to funding are provisions which 1) allow the department to transfer personnel positions and funds from one school to another in response to increases or decreases in enrollment; 2) establish contingency funds at the district level to pay for personnel costs at any school if, for example, the salaries of new hires exceed the amounts originally budgeted; 3) establish a statewide reserve fund to supplement amounts to schools to meet contingencies for personnel positions, supplies, and equipment; 4) permit school salaries to continue to be paid from a central salary account; and 5) permit school-by-school amounts for basic needs and special needs to be considered as one single appropriation for the purpose of the variance report, allotment controls by the department of budget and finance, and appropriation accounting by the department of accounting and general services.

Future Directions

As the legislature and the department of education proceed to implement the focus of seeking improvements and provding support to individual schools, it is your Committee's expectation that the college of education of the University of Hawaii will provide support to this effort and that it will work closely with the department of education in pursuit of the goal of excellence in public education. In addition to its major mission of training teachers, the college of education can be a valuable resource in assisting individual schools and, in working with teachers and administrators, to plan and implement inservice programs which meet the practical needs of those in the field.

In summary, the education budget highlights the importance of individual schools and, through other appropriations, the importance of students acquiring competency in the basic skills. Since it is in the elementary school that the foundations of reading,

writing, and computational skills are laid, the initial emphasis has been at the elementary level. However, even though the current focus has been on the early years of schooling, it is expected that improvements in secondary education—in strengthening intermediate schools and high schools—will soon be receiving increased legislative attention. And, finally, it should be noted that, while additional amounts have been provided to strengthen the regular instruction program of individual schools, the total appropriations for lower education are within the program ceiling recommended by the governor in the executive budget.

HIGHER EDUCATION

The philosophy guiding the development of the budget for higher education recognizes and assumes several facts of economic life. First, the rapid growth experienced in the 1960's is over and that budgets for higher education as well as for other programs will have to develop more moderately in the future. Second, the costs of effectively operating and managing a university system with the breadth and scope of the University of Hawaii have placed increasing pressures on the resources of the State. Finally, your Committee wishes to reaffirm its recognition of the very positive value of having quality institutions of higher learning in the communities of the State.

The realities of the State's finite and limited resources require that programs be evaluated to maximize the benefits that might accrue to both students and to the State at large. For a number of years the university has pursued a policy of "selected excellence." These times now make it necessary to amend that policy with a statement and implementation program of what must be sacrificed to achieve and maintain those areas of selected excellence.

Testimony by the President of the University of Hawaii indicates that he is aware of these fiscal realities but that he and the University need time to adjust and reprioritize resources. Abrupt budget curtailments may result in serious program dislocations and injury. We are also mindful of the concerns expressed so eloquently by so many students and faculty members that budget curtailments may fall disproportionately on student services and instructional programs—the very heart of the university system. Therefore, the higher education budget is being funded at a level which seeks to continue current services.

During periods of fiscal austerity, the University administration generally gives first priority to maintaining instructional positions over equipment, supplies, and other operational expenses. Your Committee finds that, because this has been the case over the past five years, budget reductions in the University's operational expenditures have been met through savings in personnel costs.

Your Committee feels that the University should begin its search for personnel cost savings at the administrative level. The University presently has a large number of top-level administrative personnel, and your Committee believes that there is a need for streamlining in this area. The University is therefore directed to review all administrative service requirements and to make necessary workload adjustments. Further, the University is requested to refrain from acquiring additional top-level administrative personnel and to reduce the number of administrative personnel through attrition.

The 1973 Audit of the University of Hawaii's Faculty Workload conducted by the office of the legislative auditor revealed that there were no clear and explicit policies governing University faculty and that faculty members were not being utilized efficiently. Your Committee finds that the estimated average faculty workload for the University of Hawaii at Manoa is 8.3 hours and for the community colleges 13.3 hours for the 1976 fall semester. Your Committee also finds that, to date, there still are no system-wide policies relating to faculty workload. To deal with its budgetary shortcomings, your Committee recommends that the University administration consider personnel cost savings by increasing faculty workload and possibly class size before proposing the elimination of class courses. Your Committee also recommends that the University administration monitor faculty workload at the four- and two-year campuses to determine effective utilization of faculty resources and make proper adjustments wherever needed.

TRANSPORTATION

Highway Special Fund

This fund was expected to fall into a deficit position by fiscal year 1977-78 and the

years to follow. This critical situation is expected to be avoided with the passage of specific legislation in the 1977 Regular Session to assure the continued viability of the highway fund.

Concomitantly, your Committee strongly feels that the department of transportation should reassess the high level of spending of the highway capital improvements program in light of the resultant soaring debt service costs.

Harbors and Airport Special Funds

Your Committee feels that programs and activities under the harbor special fund should remain at the status quo level. After evaluating the airport special fund, your Committee also feels that these programs and activities should remain status quo until the airline contracts have been negotiated.

In the meanwhile, the visitor information program should be implemented at the levels authorized by the legislature. It is a program which is vital to visitor satisfaction and, to the extent that it strengthens tourism, it is a vital part of the State's economic development program.

SOCIAL PROBLEMS

Public Assistance

The cost of public assistance has grown rapidly in recent years. This is an issue in more than the conventional sense; the rapid increase in applicants has overloaded the administrative capacity of the department of social services and housing. Case workers struggling with over 200 cases each make erros which subsequently result in the imposition of penalties by the Federal government, underpayments and overpayments to recipients, garbling of statistics, and miscalculation of future caseload. Crash recertification programs undertaken to meet Federal deadlines produce confusion and upset the proper functioning of the data processing system.

In addressing these concerns, your Committee recommends and has provided for the following:

- DSSH's applications and recertifications unit staff has been expanded on a temporary basis to clear up the backlog of recertifications in all programs, catching underpayments and overpayments in the process and, further, to clear up past caseload files to 1968 for computer use in analyzing historic caseload trends. The positions allocated for this purpose should be subject to a first quarter lapse clause to assure that the legislative intent is achieved. Funding for this temporary staff is for one year only.
- DSSH's request for an additional 19 positions for pursuit of child support payments has been approved. The positions will be transferred to recertification activities if Federal action results in the termination of this Title IV-D program.
- 3. Additional funds have been added to the department's request for the biennium to cover additional payment costs expected in SOC 203 (Payments to Assist in Child Welfare Foster Care). The department has pointed out that its estimated expenditure for FY 1976-77 for the program was understated by \$234,254.
- Additional funds have been added for the purchase of seven calculators. The calculators are to be installed at major applications units to speed calculation of grants and check issuance, reduce errors, and render data processing more efficient.

In addition, your Committee has identified additional program deficiencies and recommends the following:

 Staffing needs have been based on caseload standards formulated in 1974 which no longer accurately reflect the situation. This is due to additional workload requirements placed on eligibility workers. A current caseload standard should be arrived at and justified for future staffing need assessment, and updated as required by changing circumstances affecting casework.

- The department should provide the fiscal committees and appropriate subject matter committees of the legislature with estimates of caseload and cost for each month of the initial fiscal year of the biennium and report monthly on the correspondence between actual caseload and cost and the estimates, and the reasons for any variations. DSSH should develop staffing patterns which allow food stamp units to handle seasonal peaking of applications expeditiously.
- 3. The department should forego plans to concentrate main applications units at Bethel Street offices in favor of decentralized offices able to carry out concurrent certification and recertification activities in money, medical, and food assistance in high incidence areas, linked to the DSSH main office via teleprocessing units. DSSH shall locate social services personnel in these decentralized offices, and coordinate with the Community Services Administration and other human services agencies to house suitable elements of their respective programs in the same locations. DSSH and the department of labor should jointly develop an on-line job referrals data processing system. Phase-in of this integrated public assistance, social services, and employment system should be consonant with timetables established for implementation of the social services, and employment system should be consonant with timetables established for implementation of the social services information system, caseload recertifications and data processing system changes, and should include the installation of a mini-computer to be provided by EDP and placed on-line within the existing system. DSSH should immediately prepare a timetable and plan for these administrative changes and report quarterly to the appropriate subject matter and fiscal committees of the legislature regarding its implementation.
- DSSH should conduct a vigorous food stamp outreach program to expand participation among those eligible and to forestall litigation relating to home visit requirements.

To further facilitate better fraud detection, your Committee has provided funds for improving the Medical Prior Authorization process. Investigations have found that the department's medical care administration is occupied for an unreasonable length of time due to manual processing and filing of Medical Prior Authorization forms, often precluding other tasks. This improvements should cut down time costs, allowing the medical consultants more opportunity for field investigative work. The funds are for temporary positions, equipment, and one permanent position. Your Committee expects that improvements in the prior authorization process shall be implemented by January 1978.

The department shall continuously monitor national welfare reform proposals from the Congress and Administration, especially with regard to the food stamp program, and keep the appropriate legislative committees apprised of any changes and their impact on local programs.

Corrections and Rehabilitation

As the State proceeds with the large program of implementing the Correctional Master Plan, other supportive and complementary programs also deserve attention. Appropriations have been provided for a vocational training program for juvenile offenders committed to the Hawaii Youth Correctional Facility, the continuation and expansion of alternative diversionary correctional programs in the community, increased security at the Hawaii Youth Correctional Facility, the continuance of the Mutual Agreement Program, and support for People Synergistically Involved Program.

RECOMMENDATION

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

Signed by all members of the Committee.

The purpose of this bill is to appropirate funds to the Judiciary for the fiscal biennium July 1, 1977 to June 30, 1979.

The bill represents the proposed budget of the Judiciary adjusted for salary turnover savings, deletion of nonessential positions, and other minor adjustments. This bill adequately provides for the necessary judiciary programs and level of services for the ensuing biennium.

Some of the more significant items funded include the following: positions to maintain the Hawaii Judicial Information System on an on-going basis; funds to provide microfilming services to resolve storage space problems; and additional social workers for the Family Court.

This bill is substantially the same as H.B. No. 2, H.D. 1, S.D. 1, C.D. 1, duly considered by the Ninth Legislature, Regular Session, 1977, except that section 7 of this bill includes reference to Unit 13 in addition to Units 1, 3, 4, and 10. This section authorizes the Judiciary to use amounts budgeted for incremental and longevity salary increases to fund collective bargaining cost items. Language changes in section 12 conforms this bill to reporting procedure.

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

Signed by all members of the Committee.

SCRep. 3 Finance on H.B. No. 3

The purpose of this bill is to provide for:

- 1. The time of holding a constitutional convention;
- 2. The districts and the number of convention delegates to be elected from such districts;
 - 3. The place at which the convention will meet;
 - The powers of the convention;
 - 5. The immunities of the convention delegates;
 - 6. The salaries and allowances for the delegates;
 - 7. The staffing of the convention;
- 8. The moneys necessary to hold the elections for convention delegates, for any preparation for the convention, and for staffing and other expenses of the convention; and
 - 9. Any other provisions necessary to have a constitutional convention.

This bill further provides that:

- 1. The election day for the election of delegates to the convention shall not be a holiday, notwithstanding the provisions of section 8-1, Hawaii Revised Statutes, as amended, which provides that all election days, other than for the primary election, are to be designated as holidays.
- 2. Voters shall be entitled to take time off from work in order to vote, as provided in section 11-95, Hawaii Revised Statutes, as amended.
- 3. In single representative districts, there will be two delegates selected at large.
- 4. In multi-member districts, the district will be subdivided by precincts, and there will be two delegates elected in each of the subdivided districts.
- 5. The legislative offices in the State Capitol Building are not to be used for the purpose of the convention. However, the auditorium and conference rooms in

the State Capitol Building may be used if the governor so designates.

- 6. Salaries to the delegates shall be \$1,000 a month, but not to exceed \$4,000, payable at the rate of \$500 semi-monthly, beginning May 21, 1978. In addition, Oahu delegates will receive an allowance of \$10 per diem, while neighbor island delegates will receive \$30 per diem.
- 7. State and county employees who are elected to serve as delegates must take leave without pay from their employment beginning the day after the election and continuing until the convention adjourns.

This bill appropriates \$1,500,000, for the purposes of defraying the presession, session and postsession expenses of the convention, including the salaries of the delegates and for any other expenses or purposes as may be necessary. \$485,599 is appropriated for purposes of conducting the election of delegates. \$8,500 is appropriated for purposes of supervising campaign contributions and expenditures. \$72,000 is appropriated for updating the Hawaii Constitutional Convention studies.

This bill is identical to H.B. No. 28, H.D. 2, S.D. 1, C.D. 1, duly considered by the Ninth Legislature, Regular Session, 1977.

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

Signed by all members of the Committee.

SCRep. 4 Finance on H.B. No. 4

The purpose of this bill is to amend Act 151, Session Laws of Hawaii 1975, which established the State Program for the Unemployed (SPU), as amended by Act 134, Session Laws of Hawaii 1976, by extending the program through fiscal year 1977-78. It also expands SPU by authorizing the Director of Labor to provide all forms of job training under State Comprehensive Employment and Training (SCET); specifying that the director may subsidize all forms of job training conducted by both public and private agencies under State Assistance for Certain Employment; eliminating the "economically disadvantaged" certification requirement under State Assistance for Certain Employment; and allowing for the employment of civil service exempted staff necessary for the program"s administration. Further, inherent sex discrimination references under the definitions and program priorities used in the implementation of Act 151 were deleted.

Act 151, Session Laws of Hawaii 1975, established the State Program for the Unemployed (SPU) which was designed as a one-year program to mitigate the effects of the State's high unemployment rate through three components. Part II, State Comprehensive Employment and Training (SCET), provides public service jobs; Part III, State Assistance for Certain Employment, subsidizes employers agreeing to train and hire unemployed persons for permanent employment; and Part IV, State Loans for Certain Employment, provides low interest loans to employers willing to hire and train unemplohed persons. Continued high unemployment in 1976 encouraged the legislature to extend and fund SPU for an additional year through Act 134.

Continued unfaborable economic conditions and accompanying high unemployment in the State necessitates the continuance of SPU for an additional year. However, after two years of program implementation experience, certain program provisions have been found to require amendments in order to strengthen and improve the delivery of services to Hawaii's unemployed. This bill lapses all prior appropriations unencumbered on June 30, 1977, and appropriates \$12,000,000 for the extension of the program an additional year.

This bill is identical to H.B. No. 137, H.D. 2, S.D. 2, C.D. 1, duly considered by the Ninth Legislature, Regular Session, 1977.

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

Signed by all members of the Committee.

SCRep. 5 Finance on H.B. No. 5

The purpose of this bill is to provide appropriations to fund for the fiscal year 1976-77, collective bargaining cost items negotiated with the exclusive bargaining representative of Unit 1, blue collar non-supervisory employees, as well as salary increases and other adjustments for employees excluded from Unit 1. This bill also provides appropriations to maintain for the fiscal biennium 1977-79, the level of increases approved for fiscal year 1976-77.

This bill is identical to H.B. No. 5, H.D. 2, S.D. 1, C.D. 1, which was duly considered by the Ninth Legislature, Regular Session, 1977.

This bill also provides appropriations for the fiscal biennium 1977-79 to fund collective bargaining cost items in the new agreements negotiated with the exclusive bargaining representatives. Part II provides appropriations for cost items in the agreements negotiated for bargaining units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 13. Provision is made for salary increases and other adjustments for officers and employees excluded from the foregoing bargaining units, as well as authorization for the Director of Finance to allot the funds.

Part III provides appropriations for the fiscal biennium 1977-79 to fund collective bargaining cost items in the agreements negotiated with exclusive representatives of the bargaining units within the Judiciary. Provision is made for the Chief Justice to utilize funds appropriated for salary increases and other adjustments for officers and employees excluded from collective bargaining. Funds appropriated are to be allotted by the Administrative Director of the Courts.

Part IV contains general provisions relating to the appropriations provided in the bill. It provides for salary increases which are funded in whole or in part by funds other than general funds, to be paid, wholly or proportionately, from the respective funds. It further provides for lapsing of appropriated or authorized funds not expended or encumbered by June 30 of the respective fiscal period for which such funds were authorized or appropriated, with the exception that for funds appropriated for the fiscal year 1976-77, the lapsing date shall be September 30, 1977.

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

Signed by all members of the Committee.

SCRep. 6 Finance on H.B. No. 6

The purpose of this bill is firs t to amend section 155-8, Hawaii Revised Statutes, to allow the department of agriculture flexibility in setting interest rates for all direct farm loans by setting the maximum interest rate to the going prime rate; secondly to require the department of agriculture to make loans to independent sugar growers within the provisions of section 2 of this bill exclusive of section 155-9, Hawaii Revised Statutes, at an interest rate not to exceed two per cent per year, and for which no collateral shall be required; and finally to make an appropriation of \$1,500,000 for the loans to independent sugar growers.

The ceiling of six percent charged by the State on direct farm loans has remained unchanged since 1968. Since then the prime rate has generally fluctuated well above six per cent with wide gaps between the State's rate and private lenders rates. This wide difference in rates has placed heavy stress on State funds, especially during periods of "tight money". Closing the gap in rates between the State and private lenders should encourage more participation loans and lessen the stress for State funds; thus, enabling more funds to be available to those farmers who cannot otherwise secure financing from other sources.

The purpose of loans to independent sugar growers is to cover deficits in financing of future ceop plantings and deficits of revenues covering crop production loan advances of the sugar crop harvest. Any breakdown in financing will cause hardship and discourage further plantings. It is the intent that all independent sugar growers, both small and large, be assisted. Every acre kept in sugar production is crucial to the industry at this stage. Limit on loans and loan amounts should be governed by the 3,000 tons per year production provision which should accommodate all of the independent growers. In promulgating rules under Chapter 91, Hawaii Revised

Statutes, the department of agriculture should consider loans based on deficits, since there are variations in yields and production and processing costs planting since settlement of the 1977 crop harvest will not be made until 1978. Should there be a shortage of funds to cover deficits for the 1977 crop harvest, loans should be made on a predetermined ratio based on available funds over deficitl In the adoption of rules, the department of agriculture should also consult all affected parties, including independent sugar growers, commercial lending institutions and processors.

This bill is identical to H.B. No. 180, S.D. 1, C.D. 1, duly considered by the Ninth Legislature, Regular Session 1977.

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

Signed by all members of the Committee.

SCRep. 7 Finance on H.B. No. 7

The purpose of this bill is to sustain the momentum generated by the aquaculture planning program by insuring that immediate actions will be initiated to encourage and promote commercial development of aquaculture in Hawaii and to undertake the culture of species with potential for Hawaii.

It is also the purpose of this bill to qualify Hawaii for participation in federally assisted programs and projects in aquaculture by providing funds and in-kind services to match such federal funds as may become available.

Act 226, Session Laws of Hawaii 1976, appropriated to the Department of Planning and Economic Development funds to develop a statewide plan for aquaculture, including economic assessments and site surveys. The aquaculture plan is scheduled for completion by June 30, 1977. This bill ensures the continuation of actions vital to the promoting and sustaining of aquaculture development, and avoids the problem of inaction due to lack of legislative authorization during the interval of time between the completion of the aquaculture plan and the reconvening of the Legislature in 1978. A report to the Legislature by the department on action taken under this bill will be required.

The bill appropriates the sum of \$672,228 for operating costs and \$138,300 for capital investment costs.

This bill is identical to H.B. No. 1713, H.D. 2, duly considered by the Ninth Legislature, Regular Session, 1977.

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

Signed by all members of the Committee.

SCRep. 8 Finance on H.B. No. 8

The purpose of this bill is to increase the public employer's monthly contribution to the Health Fund's Dental Plan from \$3.26 to \$3.74 for each child under age 19, in order to maintain the current level of benefits for the children of State and county employee-beneficiaries enrolled for dental benefits. An appropriation of \$354,000 is necessary to fund the State's share of the anticipated 15% increase in dental insurance premiums for the 1977-1979 biennium.

Current Dental Plan benefits consist of a 100% payment for diagnostic services which include annual exams, semi-annual teeth cleaning, x-rays as required, and emergency care, and a 60/40% co-payment for other dental services excluding orthodontics.

Without additional funding, employee beneficiaries will be required to pay a higher portion of their family's dentist bills because benefits will be reduced to a 100% payment for diagnostic services and a 50/50% co-payment for other dental services.

Based upon the intent of past Legislative sessions, the Health Fund has neither diminished nor impaired the level of employee benefits originally funded by the Legisla-

ture. Through its Board of Trustees, it has continuously maintained a uniform level of benefits over the years as well as improved the scope of such benefits only after evaluating and determining the medical, dental and group life insurance needs of all employee-beneficiaries.

This bill is identical to H.B. No. 1175, duly considered by the Ninth Legislature, Regular Session, 1977.

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

Signed by all members of the Committee.

SCRep. 9 Finance on H.B. No. 9

The purpose of this bill is to authorize changes in the funding designation of certain capaital improvement project authorizations contained in Acts 195 and 197, Session Laws of Hawaii 1975, as amended, from general revenue fund source to general obligation bond fund source. The funding changes recommended in this bill will make available \$28,362,000 in general revenue fund.

The allowable general obligation bond fund margin at July 1, 1977 is \$349.5 million. General obligation bond fund authorizations of the Executive and Judiciary CIP budgets for the next fiscal biennium amount to \$190 million. The additional general obligation bond fund authorization of \$28,362,000 proposed in this bill is well within the limits of the available debt margin.

This bill is identical to H.B. No. 1292, H.D. 1, duly considered by the Ninth Legislature, Regular Session, 1977.

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

Signed by all members of the Committee.

SCRep. 10 Finance on H.B. No. 10

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

This bill appropriates the total sum of \$282,503.80 representing 35 individual claims for legislative relief pursuant to Section 37-77 and Chapter 662, Hawaii Revised Statutes. Your Committee recommends the payment of these individual claims be authorized by the Legislature.

The claims under this bill are identical to the claims included in H.B. 10, H.D. 1, S.D. 2, duly considered by the Ninth Legislature, Regular Session, 1977. In addition, this bill authorizes payment of the claim to Paul B. and Maethylle Bailey for a total of \$2,611.94, based upon a transmittal from the Department of Budget and Finance, dated May 2, 1977. The authorization of payment of this claim will minimize the interest due.

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

Signed by all members of the Committee.

SCRep. 11 Finance on H.B. No. 11

The purpose of this bill is to appropriate moneys out of the general revenues of the State and to compensate persons pursuant to chapter 351, Hawaii Revised Statutes, the Criminal Injuries Compensation Law.

This bill will compensate 162 victims, 33 attorneys, 37 doctors, hospitals and a funeral home and the total amount required is \$223,847.13.

Your Committee approves the list of claims submitted by the criminal injuries compensation commission as reviewed by the Ninth Legislature, Regular Session, 1977, in the due consideration of H.B. No. 11, H.D. 2.

This bill provides that the sums appropriated shall be deposited into the criminal injuries compensation fund for making payments as authorized by the criminal injuries compensation commission, and all unexpended and unencumbered balances as of the close of business on June 30, 1978, shall lapse into the general fund of the State.

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

Signed by all members of the Committee.

SCRep. 12 Finance on H.B. No. 12

The purpose of this bill is to lapse prior years appropriations which are no longer needed.

Your Committee finds that from such prior appropriations, there remain appropriations and appropriation balances which are unencumbered. The existence of these pending appropriations obscures the true fund balance of the State general fund, especially in those instances where the purposes of the acts have been accomplished.

This bill is identical to H.B. No. 12, H.D. 2, S.D. 1, C.D. 1, duly considered by the Ninth Legislature, Regular Session, 1977.

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

Signed by all members of the Committee.

SCRep. 13 Finance on H.B. No. 13

The purpose of this bill is to transfer the responsibility for administering motor carrier safety functions and activities from the Public Utilities Commission to the Department of Transportation.

This proposed transfer of motor carrier safety regulation resulted from the recommendation of the Legislative Auditor in Audit Report No. 75-6, entitled "Management Audit of the Public Utilities Program", Vol. III, December, 1975. The Legislative Auditor found that the current organization and administration of motor carrier safety regulation under the Public Utilities Commission was ineffective, inefficient and in "a state of shambles." (Vol. III, p. 91)

The purpose of this bill is also in concert with the findings of the Report to the Ninth State Legislature, State of Hawaii, of the Commission on Organization of Government, dated February, 1977.

This bill appropriates \$271,276 for fiscal year 1977-78 and \$261,988 for fiscal year 1978-79 for the purposes of this bill to be expended by the director of transportation with the approval of the governor.

This bill is identical to H.B. No. 1685, H.D. 2, S.D. 2, C.D. 1, duly considered by the Ninth Legislature, Regular Session, 1977.

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

Signed by all members of the Committee.

SCRep. 14 Finance on H.B. No. 14

The purpose of this bill is to establish the means of financing witness expenses re-required by county prosecutors and the public defender.

This bill amends existing law by providing that duly certified witness certificates for witnesses subpoenaed on behalf of the State by the public prosecutor, and on behalf of a defendant by the public defender shall be paid upon vouchers approved by the state director of finance and warrants drawn by the state conptroller.

This bill also provides that each public prosecutor or county attorney and the public defender shall submit to the department of budget and finance of the State for inclusion in the department's budget request for each fiscal biennium the amount required for each fiscal year for expenses for witnesses subpoenaed by him.

This bill is identical to H.B. No. 1693 duly considered by the Ninth Legislature, Regular Session, 1977.

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

Signed by all members of the Committee.

SCRep. 15 Finance on H.B. No. 15

The purpose of this bill is to reorganize the Hawaii statute revision program. This bill is identical to H.B. No. 15, H.D. 1, S.D. 1, C.D. 1, which was duly considered by the Ninth Legislature, Regular Session, 1977.

Statutory revision is the function of organizing the ever-growing bulk of laws into an orderly system so that the laws can be more easily found, understood, applied, and changed. It involves the harmonizing of the language of the entire body of statute law and the elimination of duplications and contradictions, and other obsolete provisions. It involves adjusting the acts and parts of acts judicially declared invalid and the provisions of law impliedly amended or repealed. It means executing these functions without changing the substance or effect of the existing law. Thus, it involves the exercise of judgment on legal accuracy of reference. These functions call for a person with legal qualifications or training—a person with good general competence in the law, with skill in statutory interpretation, in drafting, and in exacting editorial work.

The reorganization proposal made by this bill will transfer the statute revision and publications of laws program from the office of the revisor of statutes to the legislative reference bureau. The intent is to clarify matters of the administration of the office of the revisor of statutes and to place the entire program under the legislative branch. At the present time, staff appointments for the office are made by the Supreme Court, but the office functions are under the legislative reference bureau for administrative purposes. This organization scheme is not conducive toward the maximum use and efficiency of the revisor, and the full advantage of the office to the State is not realized. A meaningful improvement in the legislative process will result from the full transition of the revisor into the legislative branch.

A further intent of this bill is to increase the efficiency of the legislative service agencies. It proposes to reorganize the statute revision and publication program by combining it with related legislative services that are rendered by the office of the legislative reference bureau. The office of the revisor of statutes as a separate agency is to be abolished and all of its functions are to be transferred to the bureau. The appointing and approving power of the supreme court over the revisor will be terminated.

The director of the bureau or a person delegated by him will become the "revisor of statutes" (or "revisor"), thus preserving the designation recognized among the various states for the official charged with the statute revision program.

The bureau will be responsible for:

- The publication of the session laws;
- (2) The publication of supplements to the revised statutes;

- (3) The publication of replacement volumes of the revised statutes;
- (4) The review of annotations to the revised statutes; and
- (5) The continuous revision of the Statutes of Hawaii.

In carrying out this program, the bureau will have the same authority given to the present revisor to enter into contracts with or without regard to the laws governing public contracts or public printing. Distribution and sale of the laws will remain under the lieutenant governor.

Noncivil service employees (the revisor and two assistant revisors) will be transferred to the bureau as legislative researchers. Given the current salary range of positions in the bureau, the revisor and his assistants should receive substantial salary increases upon being transferred to the bureau. The present revisor can retain his title and position. Civil service employees (two clerks) will be given the option of remaining in civil service by shifting to positions in the judiciary or transferring to positions in the bureau exempted from civil service. No loss of any other right of public employment will result from this reorganization of the office of the revisor.

Chapter 2, Hawaii Revised Statutes, is to be repealed, but similar provisions will be added as a new part to the chapter which governs the bureau (chapter 23G).

This bill appropriates \$20,000 to the bureau to carry out the purposes of this bill.

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

Signed by all members of the Committee.

SCRep. 16 Finance on H.B. No. 16

The purpose of this bill is to designate geographic areas within the State for the development of regional design plans and the appropriation of funds towards this end.

This bill provides for an appropriation of \$125,000 for fiscal year 1977-78.

This bill is identical to H.B. No. 154, H.D. 2, S.D. 2, C.D. 1, duly considered by the Ninth Legislature, Regular Session, 1977.

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

Signed by all members of the Committee.

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Vetoed						
Act No.	10	11	17	m	H	19
Further Action						
Action of Governor	20	20	50	50	20	20
Final Action						
Conference Committee						
Action of Senate	40	40	40	40	40	40
Third Reading	37	37	37	37	37	37
Second Reading	, 9	26	26	28	29	30
First Reading	23	N	2	7	0	2
Introduced Referred	73	2	~	~	73	~
NUMBER AND TITLE	HB 1. A Bill for an Act relating to the State Budget.	HB 2. A Bill for an Act making appropriations for Judiciary program expenditures and for improvements for the fiscal biennium July 1, 1977 to June 30, 1979, and authorizing the issuance of bonds.	HB 3. A Bill for an Act relating to a Constitutional Convention.	HB 4. A Bill for an Act relating to unemployment.	HB 5. A Bill for an Act making appropriations for collective bargaining cost items and for salary adjustments of employees excluded from certain bargaining units.	HB 6. A Bill for an Act relating to farm loans.

Second Third Reading Reading
30
30
31
31
31
32

Vetoed					
Act No.	20	2	80	21	
Further Action					
Final Action of Action Governor	50	20	50	50	
Final Action					
Conference Committee					
Action of Senate	40	40	40	41	
Third Reading	38	38	38	38	
Second Reading	32	33	33	34	
First Reading	2	2	72	2	
Introduced Referred	2	2	8	2	
NUMBER AND TITLE	HB 13. A Bill for an Act relating to motor carriers, motor carrier vehicles, and motor vehicles.	HB 14. A Bill for an Act relating to witness expenses in criminal proceedings.	HB 15. A Bill for an Act relating to the Office of Revisor of Statutes.	HB 16. A Bill for an Act relating to regional design plans.	

NUMBER AND TITLE	Received Referred	First	Second	Third	Third Action of Conference Reading Senate Committee	Committee Action	Action of Further Governor Action	Further Action	Act No.	Vetoed
SB 1. A Bill for an Act relating to capital improvement projects and authorizing the issuance of bonds.	36	36	39	41			20		6	51
SB 2. A Bill for an Act relating to the State Post-Secondary Education Commission.	. 36	36	39	42			20		14	
SB 3. A Bill for an Act relating to a renter's income tax credit.	36	36	39	43			20		15	
SB 4. A Bill for an Act relating to a crime commission.	36	36	39	43			20		16	
SB 5. A Bill for an Act relating to environmental quality and litter control.	36	36	39	48			20		2	