

## STANDING COMMITTEE REPORTS

SCRep. 1                    Legislative Management

Informing the House that House Bill Nos. 1 to 397, House Resolution Nos. 4 and 7 to 225, and House Concurrent Resolution Nos. 2 to 23, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 2                    Finance on H.B. No. 11 (Majority)

The purpose of this bill is to appropriate funds for defraying the expenses of the Tenth Legislature up to June 30, 1980, and for the legislative support agencies during the fiscal year 1979-80.

Upon consideration of the bill, your Committee recommends that the specific amounts for the required appropriations be added to the bill.

SENATE AND HOUSE OF REPRESENTATIVES

\$1,660,740 is appropriated for the Senate and \$2,148,293 is appropriated for the House of Representatives, and these amounts represent a seven percent increase over the prior year's appropriations. Your Committee finds the increase necessary to meet existing costs for the fundamental needs of the Legislature for such items as equipment, supplies, staff services and other expenses.

LEGISLATIVE AUDITOR

The appropriation for the Office of the Legislative Auditor to meet the basic operating budget of that office is \$980,270. Also appropriated to the office is \$150,000 for special studies and other purposes to be jointly determined by the President of the Senate and the Speaker of the House of Representatives, which may be used for salary adjustments not included in the amounts budgeted for the agencies.

STATE ETHICS COMMISSION

The budget request of \$99,380 is approved and appropriated for the purposes of the State Ethics Commission.

LEGISLATIVE REFERENCE BUREAU

Your Committee approves the appropriation of \$1,215,201 for the Legislative Reference Bureau which includes funds for the improvements to the computerized system for the status, index and legislative information programs.

OMBUDSMAN

The budget request for the Office of the Ombudsman for the fiscal year 1979-80 is \$286,460.

LAPSING OF FUNDS

Appropriations under this bill are subject to lapse as of June 30, 1980.

Your Committee finds that the appropriations recommended in this bill will provide for the most fundamental of legislative needs.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 11, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 11, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
(Representative Sutton did not concur.)

SCRep. 3                    Legislative Management

Informing the House that House Bill Nos. 398 to 466, House Resolution Nos. 196 and

and 227 to 238, and House Concurrent Resolution Nos. 24 to 27, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 4                    Legislative Management

Informing the House that House Bill Nos. 467 to 477 and House Resolution Nos. 226 and 239 to 241, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 5                    Legislative Management

Informing the House that House Bill Nos. 478 to 539, House Resolution Nos. 242 to 251, and House Concurrent Resolution No. 28, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 6                    Legislative Management

Informing the House that House Bill Nos. 540 to 636, House Resolution Nos. 252 to 258, and House Concurrent Resolution Nos. 29 to 31, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 7                    Legislative Management

Informing the House that House Bill Nos. 637 to 663, House Resolution Nos. 259 to 270, and House Concurrent Resolution Nos. 32 to 36, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 8                    Legislative Management

Informing the House that House Bill Nos. 664 to 711, House Resolution Nos. 271 to 278, and House Concurrent Resolution No. 37, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 9                    Legislative Management

Informing the House that House Bill Nos. 712 to 781, House Resolution Nos. 279 to 303, House Concurrent Resolution Nos. 38 to 45, and Standing Committee Report No. 10, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 10                  Finance on H.C.R. No. 5

The purpose of this concurrent resolution is to request the Congress of the United States to prepare and submit an amendment to the Constitution of the United States which will require, in the absence of national emergencies, that the total of all federal appropriations made by Congress for any fiscal year shall not exceed the total of all estimated federal revenue for that fiscal year.

A balanced budget was common practice prior to 1961, and the Congress and the executive branch generally adhered to this practice except during times of war. However, since 1961, deficit spending became the rule resulting in a cumulative federal deficit of over \$700 billion.

The present federal administration has expressed a commitment to balance the budget. This objective is in keeping with the practice of most of the states of the Union, including

Hawaii, for it is a fiscally responsible policy which reduces unnecessary expenditures and eliminates waste. It is a policy with which your Committee agrees.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 5 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 11                      Legislative Management

Informing the House that House Bill Nos. 782 to 884, House Resolution Nos. 304 to 312, and House Concurrent Resolution No. 46 to 49, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 12                      Legislative Management

Informing the House that House Bill Nos. 885 to 1121, House Resolution No. 313, House Concurrent Resolution No. 50, and Standing Committee Report Nos. 13 to 16, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 13                      Judiciary on H.B. No. 4

The purpose of this bill is to appropriate sums of money out of the general revenues of the State to compensate specific persons pursuant to the Criminal Injuries Compensation Act.

Your Committee finds that these appropriations are to be made to victims of crimes and providers of services to such victims and feels that such appropriations are warranted in order to realize the goals and objectives of the Criminal Injuries Compensation Act.

Your Committee on Judiciary is on accord with the intent and purpose of H.B. No. 4 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 14                      Judiciary on H.B. No. 99

The purpose of this bill is to empower the Supreme Court to discipline, retire or remove from office any justice or judge for misconduct or disability, require the court to create a commission on judicial discipline to investigate allegations of misconduct or disability and make recommendations thereto, and appropriate funds to establish and operate such a commission.

Your Committee finds that such a commission would provide the essential impartiality and objectivity in such disciplinary matters and would greatly assist the court in making such sensitive decisions. However, your Committee wishes to make clear that monies should be expended on an "as needed" basis, i.e., if and when the commission is required to act, and that unexpended appropriated sums should lapse into the general fund.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 99 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 15                      Water, Land Use, Development and Hawaiian Affairs on  
H.B. No. 146

The purpose of this bill is to provide a centralized service to facilitate the location, acquisition, interpretation, and the utilization of public land use and natural resources information and data.

There is no single agency responsible for maintaining an inventory of available information and data relating to land use and natural resources; that such information is gathered and maintained in piecemeal fashion by various agencies throughout state and county government; that many of Hawaii's citizens as well as public officials are not aware of the availability of such information and data nor their location; and thus this situation results in frustration and confusion for the general public as well as for public officials.

Your Committee has amended the bill by inserting the sum of \$164,000 to fund a centralized information center regarding available land use and natural resources information and data. This center will be at the Department of Planning and Economic Development.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 146, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 146, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 16                      Water, Land Use, Development and Hawaiian Affairs on  
H.B. No. 145

The purpose of this bill is to provide for the inventorying and mapping of all state lands.

At present, no definitive and comprehensive map or inventory of all state owned lands exists. This lack of a comprehensive and ongoing mapping and inventorying of state lands leads to the inefficient use of state lands and a lack of coordination between state agencies in the administration of lands under their control. This lack of comprehensive information regarding the location and amounts of state lands may not only prevent the effective and smooth operation of government functions but may lead to the inefficient and inappropriate use of land by the public as well.

Your Committee has amended the bill by inserting the amount of \$100,000 to begin funding of an inventory and mapping system.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 145, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 145, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 17                      Judiciary on H.B. No. 100

The purpose of this bill is to delete the legislature's authority to change the State Motto.

Your Committee finds that this bill effectively accomplishes its purported purpose and, being of the opinion that a change in the State Motto, inasmuch as it is a part of our State Constitution and should be effectuated only by a Constitutional amendment, recommends its passage.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 100 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 18                      Judiciary on H.B. No. 93

The purpose of this bill is to increase the jurisdictional limitation of the Small Claims Court from \$300.00 to \$1,000.00.

Your Committee received testimony that the \$300.00 limit on the jurisdiction of the Small Claims Court, established many years ago, is no longer a realistic jurisdictional limitation given the inflationary trend affecting Hawaii as well as the nation. Most disputes which the Small Claims Court was designed to resolve, for example those involving

retail installment sales, are now beyond the jurisdiction of the Court because inflation has driven the sales prices of the items involved beyond the Court's jurisdiction. Your Committee is of the opinion that the \$1,000.00 limit would solve the problem by once again bringing these disputes within the Court's jurisdiction.

Accordingly, your Committee feels that an increase in the jurisdictional amount of the Small Claims Court from \$300.00 to \$1,000.00 is not only desirable, but essential to ensure the proper functioning of the Court.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 93 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 19                      Legislative Management

Informing the House that House Bill Nos. 1122 to 1405, House Resolution Nos. 314 and 315, and Standing Committee Report Nos. 17 and 18, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 20                      Agriculture on H.R. No. 298

The purpose of this concurrent resolution is to request the President of the United States and the Special Representative for Trade Negotiations not to reduce the tariff on fresh and processed pineapple products.

The Tokyo Round of Multilateral Trade Negotiations is now being held in Geneva and Hawaii's congressional delegation has been informed that Ambassador Robert S. Strauss, the United States Special Representative for Trade Negotiations is considering the reduction of the import duty on fresh and processed pineapple products from three per cent to one per cent.

Since the world market for pineapple is approaching an oversupply situation, such a tariff reduction would give a competitive advantage to foreign pineapple in the American market and Hawaii's pineapple industry would suffer. The industry is barely at a break-even point and any set back would be disastrous. There is no question that there would also be a substantial impact on the State's economic base as well.

Your committee on Agriculture concurs with the intent and purpose of H.R. No 298 and recommends its adoption.

Signed by all members of the Committee except Representative Garcia.

SCRep. 21                      Agriculture on S.C.R. No. 8

The purpose of this concurrent resolution is to request the President of the United States and the Special Representative for Trade Negotiations not to reduce the tariff on fresh and processed pineapple products.

The Tokyo Round of Multilateral Trade Negotiations is now being held in Geneva and Hawaii's congressional delegation has been informed that Ambassador Robert S. Strauss, the United States Special Representative for Trade Negotiations, is considering the reduction of the import duty on fresh and processed pineapple products from three per cent to one per cent.

Since the world market for pineapple is approaching an oversupply situation, such a tariff reduction would give a competitive advantage to foreign pineapple in the American market and Hawaii's pineapple industry would suffer. The industry is barely at a break-even point and any set back would be disastrous. There is no question that there would also be a substantial impact on the State's economic base.

Your committee on Agriculture concurs with the intent and purpose of S.C.R. No. 8 and recommends its adoption.

Signed by all members of the Committee except Representative Garcia.

## SCRep. 22 Legislative Management

Informing the House that House Bill Nos. 1406 to 1621, House Resolution Nos. 316 and 317, and Standing Committee Report Nos. 20 and 21, have been printed and distributed.

Signed by all members of the Committee.

## SCRep. 23 Housing on H.B. No. 57

The purpose of this bill is to permit the Hawaii Community Development Authority to provide housing for persons of all income groups, rather than only for those in the low income group, by amending Section 206E-2 and Section 206E-15, Hawaii Revised Statutes.

An apparent drafting error was made which defines a residential project as intended for "persons or families of low income. . ." Your Committee finds that by deleting all reference to persons or families of low income in Section 206E-2 and Section 206E-15, consistency is maintained with the development guidance policy concerning residential development enumerated in Section 206E-33 (8), Hawaii Revised Statutes.

Your Committee also finds that the development of all residential projects should not be subject to the rules of the Hawaii Housing Authority, as originally stated in Section 2 of the bill. Rules for residential projects should be provided by the Hawaii Community Development Authority, with a provision allowing the Hawaii Housing Authority to enter into cooperative agreements with the Hawaii Community Development Authority for the development of housing projects.

Your Committee has amended the bill by adding to Section 2, the following:

The authority may enter into cooperative agreements with the Hawaii Housing Authority for the financing, development, construction, sale, lease or rental of dwelling units and projects.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 57, as amended herein, and recommends that it be referred to the Committee on State General Planning in the form attached hereto as H.B. No. 57, H.D. 1.

Signed by all members of the Committee.

## SCRep. 24 Finance on H.B. No. 3

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.

Claims for refunds, reimbursements, or other payments shall, as a condition to their being considered by the legislature, be filed with the director of finance. The director then refers claims to the agency concerned for investigation and recommendation. All claims and supporting data are then transmitted to the legislature.

Your Committee has reviewed the claims set forth in the transmittals, including those which were disallowed by the executive departments. Those claims which your Committee recommends for relief are incorporated into this bill.

The bill as amended by your Committee appropriates the total sum of \$673,501.29 representing 39 claims under Section 37-77 and Chapter 662, Hawaii Revised Statutes. Your Committee recommends that payment of these individual claims be authorized by the legislature.

Your Committee is concerned about the growing number of miscellaneous claims forwarded to the legislature by the various departments. Through the public hearing process, your Committee found that some of the departments have no policy to guide them in the processing of such claims. Your Committee therefor proposes that the departments establish guidelines and policies to assure that claims be handled justly and fairly.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 25                    Housing on H.R. No. 109

The purpose of this resolution is to direct your Committee on Housing to review HHA's efforts in providing greater public housing assistance opportunities.

Your Committee finds that special attention should be focused on HHA's effort to (1) minimize rising public housing maintenance and operation costs; (2) explore ways to minimize opposition from communities where public housing rental units are to be located; and (3) develop greater public housing opportunities through incentives for increasing private sector participation in the development and maintenance of public housing developments and through other appropriate mechanisms. It is further recommended that HHA undertake close coordination with Federal and County housing agencies to avoid duplication of housing programs and projects.

Your Committee has amended the resolution to require the Housing Committee to report its findings and recommendations twenty days prior to the opening of the 1980 Regular Session, rather than prior to the adjournment of the 1979 Regular Session. This amendment allows the Committee time during the interim period to conduct a more thorough review.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 109, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 109, H.D. 1.

Signed by all members of the Committee.

## SCRep. 26                    Finance on H.B. No. 21

The purpose of this bill is to conform statutory language concerning the auditor to clarifying language contained in a 1978 constitutional amendment.

Article VII, Section 10 of the State Constitution now reads in part: "It shall be the duty of the auditor to conduct post-audits of the transactions, accounts, programs and performance of all departments, offices and agencies . . ." As explained in the report of Con Con's Taxation and Finance Committee, the inclusion of the language concerning "programs and performance" is "basically a clarification, rather than an expansion, of the auditor's function," and "the new language, in effect, modernizes the definition in the Constitution."

The language of this bill, which amends Section 23-4, Hawaii Revised Statutes, is virtually identical. However, your Committee has amended the bill to make a small technical or grammatical change. On line 5 of page 1, the phrase "programs, and performance for all departments . . ." is amended to read ", programs and performance of all departments . . ."

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 21, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 21, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

## SCRep. 27                    Legislative Management

Informing the House that House Bill Nos. 1622 to 1759, House Resolution Nos. 318 to 372, House Concurrent Resolution Nos. 51 to 66, and Standing Committee Report Nos. 23 to 26, have been printed and distributed.

Signed by all members of the Committee.

## SCRep. 28                    Employment Opportunities and Labor Relations on H.B. No. 46

The purpose of this bill is to provide an appropriation for the implementation of the corps of civilian workers during periods of high unemployment.

Presently there are no provisions for such an appropriation and funding must be made from in-house savings. This necessitates cutbacks in planned program areas within the department. When such cutbacks are imposed the departments functional role is seriously hampered.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 46 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 29                    Employment Opportunities and Labor Relations on H.B. No. 45

The purpose of this bill is to amend Section 193-1 of the Hawaii Revised Statutes by broadening the scope of the activities performed by the corps of civilian workers.

The corps of civilian workers is a special program of forestry conservation utilized whenever the level of unemployment in an island of the State of Hawaii reaches six percent of the total labor force of the island and remains at that level or higher for a period of three continuous months.

The range of permissible work activity during periods of high unemployment will be increased by broadening the activity scope of the corps of civilian workers to include recreational site work and highway clean-up.

Your Committee has amended the bill to further increase activities by including general conservation which would allow other agencies such as State Parks, Fish and Game, etc. to participate especially on an island with minimal forest areas.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 45, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 45, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 30                    Employment Opportunities and Labor Relations on H.B. No. 544

The purpose of this bill is to amend Section 386-82 of the Hawaii Revised Statutes to provide that the time limitations on the filing of claims for workers' compensation benefits shall not apply to claims for injury or disease resulting from exposure to asbestos and other minerals or substances with carcinogenic properties.

The first paragraph of Section 386-82 presently provides that claims for compensation must be filed within two years after the effects of an injury have become manifest, but in no event later than five years from the date of the accident or occurrence that caused the injury. The second paragraph thereof, however, provides that the foregoing limitations are inapplicable where claims are based on occupational exposure to certain minerals and substances or to radiation. Such claims may be filed within two years of the discovery of injury even though more than five years have elapsed since exposure. It does not, however, expressly cover exposure to asbestos and some other minerals or substances. This bill proposes to cure this defect by making the limitations of the first paragraph inapplicable to all claims premised on harmful exposure to asbestos or other minerals and substances.

The harmful effects of exposure to asbestos and other minerals or substances in industrial use can cause cancer or other injuries or diseases may not become manifest for many years. In some cases definitive diagnoses of actual harm may not be possible until more than a decade has elapsed. In other situations there are no simple means for identifying and measuring dangerous exposure levels. The common use of asbestos and other minerals or substances with carcinogenic properties in industry has subjected and will continue to subject many workers to possible injury or disease. Should they become victims of cancer or other injuries and diseases due to such exposure, their rights, as well as the rights of their dependents, to workers' compensation benefits must be protected.

Your committee agrees that Section 386-82 of the Hawaii Revised Statutes should be amended to provide that all claims premised on occupational exposure to harmful substances may be filed within two years after discovery of the injurious effects, even though more than five years may have elapsed since the exposure.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 544 and recommends that it pass Second Reading

and be placed on the calender for Third Reading .

Signed by all members of the Committee.

SCRep. 31 Finance on H.B. No. 738

The purpose of this bill is to transfer the valuation function for inheritance and estate tax purposes from the Insurance Commissioner to the Director of Taxation and to update the valuation method .

Section 236-26, HRS, presently provides that the value of every future or contingent or limited estate, income or interest shall, for the purpose of this chapter, be determined by the Insurance Commissioner, by the rule, method, and the standards of mortality and of value that are set forth in the American Experience Tables of Mortality for ascertaining the value of policies of life insurance and annuities and for the determination of the liabilities of life insurance companies .

This bill transfers to the Director of Taxation the responsibility for determining the valuation of every future or contingent or limited estate, income or interest. It also deletes reference to the usage of American Experience Tables of Mortality for ascertaining the value of policies of life insurance and annuities and provides in lieu thereof that actuarial tables used by the Internal Revenue Service at the date of death for federal estate tax purposes shall be relied upon .

Your Committee is in accord with the intent and purpose of H.B. No. 738 and recommends that it pass Second Reading and be placed on the calendar for Third Reading .

Signed by all members of the Committee.

SCRep. 32 Legislative Management

Informing the House that House Resolution Nos. 373 to 413, House Concurrent Resolution Nos. 67 to 83, and Standing Committee Report Nos. 28 and 29, and 31 to 76, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 33 Finance on H.B. No. 99

The purpose of this bill is to empower the Supreme Court to discipline, retire or remove from office any justice or judge for misconduct or disability, require the court to create a commission on judicial discipline to investigate allegations of misconduct or disability and make recommendations thereto.

Your Committee finds that such a commission would provide the essential impartiality and objectivity in such disciplinary matters and would greatly assist the court in making such sensitive decisions.

Your Committee has amended the bill to delete the section appropriating funds for the operation of the commission as an amount of \$15,000 for this purpose is included in a separate bill which provides for the expenses of the Judiciary .

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 99 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 99, H.D. 1, and be placed on the calendar for Third Reading .

Signed by all members of the Committee.

SCRep. 34 Finance on H.B. No. 4

The purpose of this bill is to appropriate moneys for the purpose of compensating persons pursuant to Chapter 351, Hawaii Revised Statutes, the Criminal Injuries Compensation Act.

The compensation to be paid pursuant to this bill totals \$245,802.36 for 217 victims, 32 attorneys, 31 doctors, 24 hospitals, and 2 mortuaries .

These 306 awards were duly considered by the Criminal Injuries Compensation Commission, covering the period December 16, 1977 through December 15, 1978. Your Committee approves these awards in recognition of State responsibility to protect its citizens and, upon its failure to so protect crime victims, to compensate them for their injuries.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 4, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 35                      Energy; and Water, Land Use, Development and Hawaiian Affairs on H.B. No. 393

The purpose of this bill is to encourage the development of geothermal energy resources by waiving royalties paid to the State for an unspecified period.

During the initial years of production, one of the significant costs that a geothermal developer must face is royalty payments (ranging from 10-20%). The first years of production will essentially be conducted as a trial period--testing the economics of providing geothermal as well as other possible industrial uses of heat. Your Committees believe that the relief of the royalty costs during this trial period would attract risk capital needed for the development of geothermal energy.

Your Committees are in agreement with the testimony presented by the Department of Planning and Economic Development, and recommend that Section 1 of this bill be changed to state that royalty payments shall not be required for five years after commercial production begins on each geothermal lease. Section 1 is therefore amended by inserting the word "five" after the word "first" in line 12, page 2 of this bill and by adding the following phrase "after commercial production begins on each lease" in lieu of the phrase "of each lease" contained in Section 1, line 12, page 2 of this bill.

Your Committees on Energy and Water, Land Use, Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 393, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 393, H.D. 1.

Signed by all members of the Committees.

SCRep. 36                      Transportation and Energy on H.B. No. 130

The purpose of this bill is to make an appropriation for the vehicle emissions inspection program of the Department of Transportation.

In order to assess both the energy efficiency of automobiles and the level of noxious, environmentally harmful emissions, the Department of Transportation and the Department of Health jointly sponsored a three-year voluntary infrared emission testing pilot program as a diagnostic procedure to measure vehicle carbon monoxide (CO) and hydrocarbon (HC) pollutant levels starting in 1975. Seven thousand vehicles were tested under this program.

According to a Department of Transportation report on this project, the benefits of such a permanent program would include reduced fuel consumption, reduced air pollution, mass participation in energy conservation, and the stimulation of the automobile repair and parts industry.

Your Committees feel that there is a need to provide funding for a more comprehensive study of the Department of Transportation's infrared vehicle emissions inspection program.

Your Committees are in agreement with Department of Transportation testimony and recommend to amend Section 1 of the bill to appropriate \$35,000 for this program.

Section 2 of the bill provides for an unspecified lapsing date for this appropriation. Your Committees have amended this section to state that June 30, 1981 shall be the lapsing date for this appropriation.

Your Committees have also amended this bill by deleting "general revenues" in Sections 1 and 2, and replacing it with "highway special funds". Such amendments would be as follows:

"Section 1. There is appropriated out of the highway special funds of the State of Hawaii the sum of \$35,000, or so much thereof as may be necessary, for the vehicle emissions inspection program of the Department of Transportation.

Section 2. The sum appropriated shall be expended by the Department of Transportation for the purposes of this Act. Any unexpended or unencumbered balance of any appropriation made by this Act as of the close of business on June 30, 1981 shall lapse into the highway special fund."

Your Committees on Transportation and Energy are in accord with the intent and purpose of H.B. No. 130, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 130, H.D. 1.

Signed by all members of the Committees.

SCRep. 37                      Public Employment and Government Operations on H.B. No. 1620

The purpose of this Act is to increase the benefits for ordinary disability retirement by bringing this benefit into line with the liberalized benefits provided in 1965 for regular service retirement.

At the time that regular service retirement benefits were liberalized, the ordinary disability benefit was left unchanged. Thus under current statutes, the benefit for ordinary disability retirement (disability from non-service connected causes) is presently limited to 25% of average final compensation for 10-15 years of service, plus an additional 1% for each full year of credited service over 15. Your Committee recognizes the need to increase this amount and has done so in this measure. House Bill No. 1620 therefore grants a benefit of 1-3/4% for each year of credited service, provided the allowance shall not be less than 30% of the member's average final compensation.

The Actuary for the retirement system estimates the annual cost to be approximately one million, of which the state's share is \$730,000 and the counties' share \$270,000.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B.No. 1620 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 38                      Public Employment and Government Operations on H.B. No. 365  
(Majority)

The purpose of this Act is to allow the Director of Personnel Services to place regular employees above the minimum step provided such employees are selected through an open competitive recruitment process which permits "hiring above the minimum step."

Under present law, the appointing authority initially determines whether open competitive recruitment is necessary to fill a vacancy. If the Director of Personnel Services finds that it is difficult to attract qualified candidates, "hiring above the minimum step" will be permitted to attract more individuals. The problem arises when a regular employee is selected from among all the eligibles, for pursuant to the existing statutes on promotion, his salary would not be adjusted to the step at which recruitment is conducted, but instead would be limited to either a five percent increase or the lowest step in the advertised salary range. An individual hired from outside the civil service system would therefore receive more pay than a regular employee would if he were selected for the same job.

Your Committee is in agreement that such a situation has a detrimental effect on employee morale and believes that legislation of this type is needed to correct the inequity which currently exists.

To guard against possible abuse, however, your Committee wishes to emphasize that 1) the appointing authority must begin recruitment at the lowest step of the salary range unless it can justify why it is difficult to hire a qualified individual, and 2) the regular employee must be within the list of top five eligibles.

Your Committee on Public Employment is in accord with the intent and purpose of H.B. No. 365 and recommends that it pass Second Reading and be referred to the

Committee on Finance.

Signed by all members of the Committee.  
(Representative Nakamura did not concur.)

SCRep. 39                      Public Employment and Government Operations on H.B. No. 366

The purpose of this bill is to remove the restriction that limits "hiring above the minimum step" to only classes SR-18 and above.

Your Committee finds that normally all initial appointments are made at the first step of the salary range. However, in the event that the recruitment of an employee in classes SR-18 and above is not practicable at the first step, the Director of Personnel Services, after appropriate notice and advertising, may recruit at any step within the applicable salary range at which a suitable employee can be found.

The "hiring above the minimum step" provision is intended to provide the Director with some flexibility to respond to specific recruitment needs in consideration of the community's labor market condition. This flexibility is currently limited, however, since under existing law the Director is precluded from utilizing this provision for classes below SR-18. Testimony indicated that the state is currently experiencing recruitment difficulties with classes such as: Respiratory Technician II (SR-16) and X-Ray Technician (SR-16) on the neighbor islands and Licensed Practical Nurse I (SR-10) statewide.

Therefore, to alleviate the situation, your Committee is in agreement that the present statute should be liberalized. Removal of the current SR-18 ceiling would enable the Director to better respond to recruitment needs in a more timely manner.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 366 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 40                      Public Employment and Government Operations on H.B. No. 1311  
(Majority)

The purpose of H.B. No. 1311 is to amend Section 76-16, Hawaii Revised Statutes, dealing with exemptions from the civil service, by providing in sub-section (16) that the Department of Planning and Economic Development would be authorized an additional Deputy Director position.

The Hawaii State Government Reorganization Act of 1959 created a Department of Economic Development and Department of Planning and Research. Act 2, S.L.H. 1963, merged these two principal departments into a single entity, the present Department of Planning and Economic Development.

Since 1963, DPED has undergone substantial change due to the many additional programs and functions assigned to it. These include, but are not limited to, such functions as: serving as the lead agency for the Hawaii State Plan and the Hawaii Coastal Zone Management Program, serving as the State's advocate in proceedings before the Land Use Commission, administering fishing vessel loan programs, serving as tourism coordinator, administering statewide energy conservation and management programs, and serving as the Energy Resources Coordinator.

The Department administers eight programs, seven in the major program area of Economic Development and one in Government-wide Support. Appropriations allotted to DPED this year total \$9.7 million, of which \$6.3 million is from the General Fund. (These figures do not include CIP costs for which DPED is the expending agency.) The range and variety of DPED assignments are also reflected in the fact that the Director serves on 12 boards, commissions, and other public bodies as required by statutes. By executive appointment or other administrative action, he heads or serves on 17 committees, councils and other government groups.

Despite the extremely high workload which presently exists, the Department is currently authorized only one Deputy Director position.

Your Committee is in agreement that an additional Deputy Director is needed. The Department should emphasize economic development programs and activities and a second deputy should be assigned duties in this area. The second deputy should provide needed administrative expertise in the area of economic development and serve as a contact point for the Department's many and various client groups.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1311 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.  
(Representatives Hagino, Nakamura and Say did not concur.)

SCRep. 41                      Public Employment and Government Operations on H.B. No. 281

The purpose of this Act is to amend Section 103-32, Hawaii Revised Statutes, relating to the bidding and awarding of public contracts by adding a new provision whereby the contracting officer may, in the case of only one bidder, negotiate with the lowest responsible bidder to reduce the price and award the contract at such reduced price.

Under existing law, the Department of Accounting and General Services is prohibited from negotiating with contractors if their bids exceed the appropriated amount and/or the scope of work or the goods being purchased. Rather than resubmit the contract for further bidding, this Act permits the contracting officer to negotiate the price downward with the lowest bidder.

Your Committee is in agreement that both time and money would be saved by instituting such a procedure. However, concern exists that the Act as presently worded grants to the Department wider authority than is required to alleviate the current problem.

Therefore, for the purpose of clarifying specifically under what circumstances a contracting officer may enter into negotiations, your Committee recommends that lines 3-7 on page 2 of this Act be amended to reflect that in a case where only one bid was received, the officer may in his discretion negotiate with such bidder to reduce the price and award the contract at the reduced price.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 281 as amended herein, and recommends that it pass Second Reading in the form attached hereto, as H.B. No. 281, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 42                      Public Employment and Government Operations on H.B. No. 361

The purpose of this Act is to allow public employees who have rendered military service prior to entering government employment to purchase credits in the State Retirement System. Presently only the following types of military service are creditable: (1) service rendered when an employee is inducted into the Armed Forces while a member of the System, in which case the employer government contributes to the account of the member during his leave of absence; and (2) service rendered during the period 1941-1949 if the person, although an employee of the state or county government, was not a member of the System at the time of his induction in the Armed Services. Such service must be purchased by the member and is restricted to four years.

An inequity therefore exists because employees who enter military service during their employment are currently provided retirement credits for such time served, whereas a person who had rendered military service prior to his employment with the state or county is not similarly eligible for such credit.

To alleviate this problem, your Committee believes that those who serve their country in the Armed Forces should be afforded the opportunity to purchase credit in the State Retirement System regardless of when they enter government employment. This Act therefore permits the purchase of two years of service if the member has at least 15 years of credited public service at the time of purchase; three years if he has 20 years of credited public service, and up to four years if he has at least 25 years of credited public service. Your Committee feels that legislation of this type will provide much needed recognition to those employees who have rendered prior military service and

have since made a career of government service.

A study made in 1967 in response to S.R. No. 263, S.L.H. 1967, indicated that there were 4,479 employees with military service rendered prior to their membership in the System. Cost of providing the service involved was estimated at that time to be about \$185,000 per year in additional employer contributions. If the number of employees remains the same, it is estimated that based on today's salaries the additional employer annual contribution requirements would be \$750,000, of which the State's share will be approximately \$547,500 and the counties' share \$202,500.

Your Committee further believes that no individual should be eligible for pensions from both the military and the State Retirement System for the same years of service, and therefore H.B. No. 361 has been amended to prohibit any member who has rendered military service for which he is receiving a military pension from also being able to purchase retirement credit. In addition, Section 2 of the Act dealing with the amount to be appropriated has also been deleted, as such amount can be included in the executive budget.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 361, as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. No. 361, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 43

Public Employment and Government Operations on H.B. No. 357

The purpose of this Act is to permit regular civil service employees to be non-competitively promoted to a vacant position which is in a class related to the class the employee is currently occupying. The concept of related class simply means that one class requires substantially the same kind of knowledge, skill and ability as another class.

Your Committee finds that the existing law is too restrictive in that it permits non-competitive movement from a position in one class to a position in another class only if it is in the same related series as that of the first position.

The proposed change seeks to liberalize the promotion practices by allowing non-competitive promotions on the basis of related classes even if the series is non-related.

H.B. No. 357 therefore increases the opportunity for regular employees to be non-competitively promoted thereby assuring them greater career development opportunities. When employees are provided with upward mobility, greater incentive exists to perform at a higher level. In addition, a more positive work environment is created thereby aiding the state in its continuous effort to attract, develop and retain a capable and competent work force.

Concern does exist, however, over the fact that some employees from a related class who seek promotion through this new process may not be as well trained or prepared to handle their new duties and responsibilities as those who are already in that class. To alleviate that concern, your Committee wishes to emphasize that before an appointing authority fills a vacant position in his department by promoting any regular employee without examination, the following criteria must first be met:

- 1) The employee must meet the minimum class qualifications of the position to which he is to be promoted;
- 2) The position must be in the same or related series or related class as the position held by the employee; and
- 3) If no material difference exists between the qualifications of the employees concerned, then the employee with the longest continuous civil service employment within the state or county granting the promotion shall receive first consideration for the promotion.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 357 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 44                      Public Employment and Government Operations on H.B. No. 49

The purpose of this Act is to establish an executive incentive pilot project within the Hawaii Institute for Management and Analysis for Government and to provide for scholarships under that project.

Your Committee finds that there exists a need for this type of program for state executives in order that they can cope with the increasingly complex nature of modern society and the additional demands placed upon them by the general public for more efficient and effective program management by the government. Not only must the cost of bureaucratic red tape be reduced, but also good public administrators are needed to renew a sense of optimism and dedication among government workers.

The federal government has already recognized the need for competent public administrators by establishing four management training centers. In addition, both academic institutions and private centers have offered special training in this area by sponsoring seminars and workshops to increase the analytic and administrative skills of government managers.

Your Committee has amended the purpose of this Act to specifically provide for scholarships under an executive management incentive program to be administered by the Hawaii Institute for Management and Analysis for Government. Your Committee further recommends that the following additional amendments be made to clarify the scope and intent of this Act:

a) Deletion of the term "pilot project" whenever used.

b) Secondly, to carry out the purposes of the bill your Committee recommends that six scholarships be awarded and the sum of \$9000 be appropriated. The Institute will develop appropriate criteria for the awarding of such scholarships to qualified applicants, and any unexpended or unencumbered balance of the \$9000 will lapse into the general fund June 30, 1980.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 49 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 49, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 45                      Public Employment and Government Operations on H.B. No. 257

The purpose of this Act is to eliminate unnecessary paperwork in state government.

Your Committee finds that burgeoning paperwork at the federal, state and local government levels has become a major national issue. The problems stemming from excessive paperwork generated sufficient concern at the federal level in 1974 to prompt the establishment of the commission on federal paperwork, whose end goals were to minimize the paperwork burden on others, reduce duplication of information-gathering by federal, state and local governments, and reduce the costs of federal paperwork.

Your Committee is in agreement that excessive paperwork unessential to the purposes of state government should likewise be eliminated. Such reform would result in lower government costs and alleviation of the paperwork burden which the public must now bear. Existing state law, however, does not presently provide for such a program.

Testimony received supported the proposed measure. The Department of Budget and Finance in its testimony suggested that the overall responsibility for administering any program to improve paperwork management be centralized in an existing agency of the executive branch of the state government, and a consolidated report rather than individual department reports be submitted to the legislature regarding the progress of the paperwork management program.

Your Committee therefore recommends that the following amendments to this Act be made:

a) Amending lines 15-23 on page 2 to designate the Department of Budget and Finance as the agency to assume overall responsibility for the administration of the state's paperwork management program. The Department would plan, coordinate, monitor,

direct, promulgate appropriate guidelines and generally oversee the overall program while each individual department or agency would be responsible for accomplishing specific paperwork management projects and implementing improvements to their own paperwork management.

b) Amending lines 1-6 on page 3 to require each individual agency to first submit a report to the Department of Budget and Finance, who shall then in turn submit a biennial consolidated report to the Legislature regarding the overall progress of the state's paperwork management program.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 257 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 257, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 46

Public Employment and Government Operations on H.R. No. 54

The purpose of the resolution is to request a review of the completed study on the feasibility of continued participation by members of the Employees' Retirement System in the Social Security System. It is requested that such review be done jointly by your Committees on Public Employment and Government Operations and Finance during the interim.

The study was done by the certified public accounting firm of Alexander Grant and Co. and dealt with the relationship between the Employees' Retirement System and Social Security. The results indicated that total retirement benefits to a career employee can exceed the amount required to maintain his pre-retirement standard of living and that an adequate income at retirement should be 75% of final salary. In light of this finding, certain specific recommendations were made, one of which was that the state should adopt an "integrated" benefit formula to explicitly recognize Social Security as part of the total employee compensation package. Testimony received indicated that adoption of such a proposal would result in the substantial reduction of employer contribution requirements to the Employees' Retirement System over the years, thereby saving the state millions of dollars annually. On the basis of these observations, your Committee is in agreement that further review of the study's findings and recommendations is needed so as to allow the state to make independent conclusions on the matter.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 54 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 47

Public Employment and Government Operations on H.B. No. 51  
(Majority)

The purpose of this Act is to amend the Uniform Act on Status of Convicted Persons, chapter 831, Hawaii Revised Statutes, by providing that any person convicted of an act, attempt or conspiracy to forcefully or violently overthrow the state or federal government shall be disqualified from public office or employment.

Your Committee finds that the 1978 constitutional amendment relating to the disqualification of persons from public office or employment required the disqualification of any public official or employee who is convicted of an act or an attempt to overthrow or conspire with others to overthrow the state or United States governments by force or violence. Its intent was to require conviction of the crime and to eliminate any administrative determination of whether or not an act or attempt to overthrow the government had been committed.

This Act was therefore introduced to conform the appropriate sections of the Hawaii Revised Statutes to the aforesaid constitutional amendment. Testimony received from the State Attorney General's office indicated that there were no legal objections to the proposed measure.

For purposes of clarifying that the person convicted is also disqualified from public office as well as employment, however, your Committee recommends that Section 2

of the Act referring to Hawaii Revised Statute 831-3.1(a) should be further amended in the following manner:

- a) Adding the phrase "public office or" after the word "from" on page 2, line 15, and
- b) Correcting the typographical error on page 2, line 17 to read "except under section 831-2(c)" rather than "except under section 381-2(c)."

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 51 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 51, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.  
(Representative Hagino did not concur.)

SCRep. 48                      Higher Education on H.B. No. 333

The purpose of this bill is to provide for an executive secretary within the State Postsecondary Education Commission who shall act as certifying officer for the Western Interstate Commission for Higher Education.

H.B. No. 333 was introduced as a short form or "vehicle" bill containing a general idea as to its purpose and means.

Your Committee has amended the bill to provide the substantive contents in a long form so that a public hearing may be held on its provisions.

H.B. No. 333, as amended, would provide more detailed information to the public in advance of the hearing, as it pertains to the specific purpose and means by which it intends to achieve the desired result.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 333, as amended herein, and recommends that it be recommitted to the Committee on Higher Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 333, H.D. 1.

Signed by all members of the Committee except Representatives Takamine and Toguchi.

SCRep. 49                      Transportation and Energy on H.R. No. 161

The purpose of this resolution is to review the Department of Transportation's infrared vehicle emission control pilot program.

In order to assess the energy efficiency of automobiles and the level of noxious, environmentally harmful emissions, the Department of Transportation and the Department of Health had jointly sponsored a three-year voluntary infrared emission testing pilot program as a diagnostic procedure to measure vehicle carbon monoxide (CO) and hydrocarbon (HC) pollutant levels starting in 1975. Seven thousand vehicles were tested under this program. According to a Department of Transportation report on this project, the benefits of such a permanent program would include reduced fuel consumption, reduced air pollution, mass participation in energy conservation, and the stimulation of the automobile repair and parts industry.

Since the Department of Transportation's testimony indicated that they have requested to the Legislature a sum of \$35,000 to be used for a more comprehensive study of their vehicle emissions control program, your Committees have recommended to amend this resolution by deleting that section requesting a review of the Department of Transportation's three-year infrared vehicle emissions inspection pilot program; with special attention to whether a more comprehensive study is warranted.

Your Committees have decided to amend the first RESOLVED clause for the purpose of requesting the appropriate House standing committees to report to the 1980 Legislature on the status of the newly funded vehicle emissions control program study, and future funding requests for this program. Such amendment would be as follows:

"BE IT RESOLVED by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that the appropriate House standing committees are requested to review the Department of Transportation's infrared emissions inspection program during the 1979-80 fiscal year, and future funding requests for this program; and"

Your Committees have also decided to amend the second RESOLVED clause by changing the date from 1979 to 1980. This will enable your Committees to review the progress of the newly funded emissions program. Such amendment would be as follows:

"BE IT FURTHER RESOLVED that the Committees report their findings to the Legislature prior to the adjournment of the 1980 Regular Session; and"

Your Committees on Transportation and Energy and concur with the intent and purpose of H.R. No. 161, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 161, H.D. 1.

Signed by all members of the Committees.

SCRep. 50 Higher Education on H.B. No. 665

The purpose of this bill is to create within the College of Tropical Agriculture an appropriate position of authority which will be able to organize and direct a multidisciplinary team of experts working specifically to develop the information required to expand the papaya industry.

Papaya is Hawaii's third largest agricultural crop. In order for this industry to reach its maximum potential, the establishment of a pomology chair at the University of Hawaii would provide the necessary research, development, marketing and production towards this endeavor.

Your Committee is in agreement that the selection of the appointee is to be done by a three-member committee comprised of the executive authority of the following branches of government and industry: the University of Hawaii, the Papaya Administrative Committee, and the State Agricultural Coordinating Committee.

Your Committee recommends an amendment to the sum appropriated to read:

(a) Section 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 for the purpose of establishing a pomology chair at the College of Tropical Agriculture, University of Hawaii, for a period of two years. The funds are to be expended at the rate of \$50,000 per year commencing in the fall of 1979 and extending through the second academic year, ending in June 1981. They would cover primarily the salary required to fund the chair, as well as some monies for staff and graduate assistant positions within the jurisdiction of the chair.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 665, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 665, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 51 Higher Education on H.B. No. 1060

The purpose of this bill is to provide tuition waivers to members of the Hawaii National Guard and military reserve units.

Testimonies before your Committee strongly indicated that this bill is of vital importance to the Hawaii National Guard and military reserve units. The national guard and reserve units add millions of federal dollars to the State's economy in terms of full-time employees' salaries and drill status pay. There is the danger of losing much-needed units and positions authorized because of the insufficient number of personnel to adequately man the reserve component units. Consequently, the State's economy could suffer the loss of federal dollars.

At present, the federal government has an Educational Assistance Program. However, this program is not available to all members or potential members of our guard units. Individuals enlisting with prior service or those with more than nine years of service

are ineligible to receive the Federal Educational Assistance Program. In view of this limitation, H.B. No. 1060 will provide a significant incentive for our young people with college potential to join and remain in the national guard and other reserve units. The University of Hawaii is able and willing to accomplish the administrative activities as so stated in the bill.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1060 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 52 Higher Education on H.B. No. 557

The purpose of this bill is to provide general funds for administrative support and to authorize credit program personnel positions for the College of Continuing Education and Community Service, University of Hawaii.

Your Committee finds that the College of Continuing Education and Community Service provides educational opportunities for the State's citizens who might otherwise not be able to pursue higher education needs. CCECS serves students who are several years beyond the usual age of college or university attendance; students who, because of other responsibilities and obligations, require part-time attendance and attendance at times and places other than the traditional on-campus locations; and students whose education occurs in variable schedules and on an incremental basis.

While CCECS has attempted to meet these continuing education needs over the years under a self-supporting basis as authorized by Section 36-30 of the Hawaii Revised Statutes, it has become increasingly difficult to maintain this requirement with the continual increase in costs for staff salaries and institutional support services.

For example, faculty, administrative, and civil service salaries alone have increased over the years on an average of 3.8% per year. The increase in direct costs for instructors is shown on the table on the top of page two.

	1970-75 Salary Level	1975-76 Salary Level/ % Increase	1978-79 Salary Level/ % Increase
Lecturer	\$280	\$320 (14%)	\$352 (10%)
Asst. Prof.	350	390 (11%)	429 (10%)
Assoc. Prof.	420	460 (10%)	483 ( 5%)
Professor	490	539 ( 8%)	557 ( 5%)

Currently, the resident tuition is \$23.00 per credit hour and \$34.50 per credit hour for non-residents. A tuition increase would adversely affect educational opportunities for many evening students.

Students' graduation dates are oftentimes delayed as upper division courses are not always available. By providing more moneys, less students would be needed to justify more courses on a self-supporting basis. Moreover, CCECS would once again be able to offer courses on the neighbor islands such as Lanai and Molokai where higher education opportunities are limited.

Your Committee believes that the special funds provided by tuition revenues could more effectively be utilized to finance direct-delivery instructional programs for evening students.

Your Committee has amended Sections 1 and 2 of the bill to provide \$165,204 and 13.00 positions.

The section below describes the related program areas and functions of each of the 13.00 positions requested.

**THE CREDIT PROGRAM (5.0):** The Credit Program designs and schedules University level credit courses for offering to those segments of Hawaii's population who cannot take advantage of the UH Manoa-based regular day program. These populations include skilled and unskilled laborers, economically/culturally, geographically disadvantaged

groups, housewives, retirees, and State/Federal/County government employees.

1. Assistant Specialist: designs and implements credit programs in special courses such as teachers, military, and remote areas.

2. Secretary II: provides secretarial support to the Director, Extended Programs (credit).

3. Secretary II: provides secretarial support to the Director, Professional and Special Programs.

4. Clerk Stenographer II: provides clerical and secretarial support to Assistant Specialist.

5. Typist II: provides typing support to the Extended Programs (credit).

ADMINISTRATIVE SUPPORT (8.0): There are three areas of administrative support: Dean's Office, Office of Student Affairs, and Business Office.

The Dean's Office supports the program objectives of the College through the effective implementation of administrative and fiscal procedures and directives.

1. Secretary II: provides secretarial support to the Assistant Dean for Administrative Affairs.

The Office of Student Affairs provides the student services support which includes handling of student registration; insuring grades are posted, recorded and sent out to the students; and answering student inquires as to academic policies and procedures.

1. Secretary II: provides secretarial support to the Assistant Dean for Student Affairs.

2. Clerk Typist II: under the supervision of the Assistant Dean, provides all clerical requirements as to student registration, records, grades and changes in program.

3. Clerk Typist II: under the supervision of the Assistant Dean, provides all clerical requirements as to student registration, records, grades and changes in program.

The Business Office provides the necessary accounting and fiscal controls by reviewing and controlling all disbursements and by collecting and accounting for income receipts.

1. Fiscal Accounting Specialist: functions as the Fiscal Officer of the College and provides financial support to the College programs.

2. Account Clerk IV: under the supervision of the Fiscal Officer, responsible for a variety of fiscal and property management processing functions.

3. Account Clerk IV: under the supervision of the Fiscal Officer, responsible for a variety of fiscal and property management processing functions.

4. Purchasing Clerk: under the supervision of the Fiscal Officer, responsible for the purchasing functions of the College as well as the processing of instructors' pay.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 557, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 53

Higher Education on H.B. No. 39

The purpose of this bill is to establish a research dissemination pilot project to determine the potential benefits of the research and technical expertise of the University of Hawaii in public policy-making.

Over the years, the University has conducted research in social, environmental, agricultural, medical, and other areas pertinent to public issues facing the State. Such research findings, however, have not been readily available to public officials during the policy-making process. At the same time, when questions are posed to the University, the highly technical answers received generally do not lend themselves

to the thoughtful responses needed in public policy-making.

A research dissemination pilot project would seek to determine the appropriate ways in which to better utilize the expertise and capabilities of the University in public policy-making.

Upon consideration of testimony and discussion on the bill, your Committee has determined that a three-year period would be a sufficient amount of time to conduct the project. The bill has been amended to appropriately reflect this determination.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 39, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 39, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 54                      Consumer Protection and Commerce on H.B. No. 596

The purpose of this bill is to clarify the liability insurance requirements for persons who rent or lease mopeds.

Under present law, every person who rents or leases mopeds is required to carry insurance in the amount of not less than \$10,000 per person and \$20,000 per accident as coverage for third party bodily injury and property damage resulting from accidents.

This bill would clarify the nature of the policy limits and would set the minimum liability coverage at \$25,000 per occurrence bodily injury and \$5,000 per occurrence property damage. In addition, your Committee finds from the testimony presented that not all moped renters or lessors required by statute to carry insurance are able to purchase a policy. Your Committee feels that the risk-sharing pool concept in this bill will alleviate this problem of availability.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 596 and recommends that it be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 55                      Consumer Protection and Commerce on H.B. No. 170

The purpose of this bill is to delete from the motor vehicle accident reparations law the drivers' education fund underwriters' fee.

Present law provides for a fee of one dollar per year, assessed on each motor vehicle insured, to be deposited into a special drivers' education fund account and allocated to the Judiciary and the Department of Education.

Your Committee feels that the one dollar assessment does not bear a direct relationship to the furnishing of insurance services or benefits but in effect operates as a tax. While in agreement with the intent and purpose of the bill, your Committee also feels the use to which the assessment is put is a valid and important one. Your Committee, therefore, has amended the bill to delay its enactment until July 1, 1981, in order that alternate funding be provided for the driver education program from the next biennial budget.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 170, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 170, H.D. 1.

Signed by all members of the Committee except Representative Dods.

SCRep. 56                      Health on H.B. No. 477

The purpose of this bill is to provide a grant-in-aid of \$167,000 for the biennium 1979-1981 to the Hawaii Medical Library Inc. for books, journals, and associated operating costs.

Your Committee finds that the Hawaii Medical Library is a valuable community asset serving the needs of health professionals and the general public for relevant health and medical information.

Your Committee further finds that the cooperative use of the Hawaii Medical Library by the medical profession, the University of Hawaii, the Department of Health, hospitals, and the general public makes the most effective and economic use of library materials and staff.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 477 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 57                      Health on H.B. No. 524

The purpose of this Act is to make an appropriation of \$60,000 for the biennium 1979-1981 to the Variety Club School to continue the treatment and educational program for children with suspected learning disabilities, ages two to five, residing in Hawaii; and for in-service training to parents on techniques for helping the child with learning disabilities.

Your Committee finds that early intervention for handicapped children is crucial if the incidence and effects of handicapping conditions among children under six is to be reduced. This program in conjunction with early diagnosis provides for habilitation without labeling the young child.

Your Committee further finds that this program provides the opportunity for learning disabled children to be integrated early in regular nursery, preschool and school programs.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 524 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 58                      Health on H.B. No. 525

The purpose of this Act is to create a comprehensive diagnostic clinic and educational assessment center for children under age six who are suspected of having one or more learning disabilities.

Such a center would provide evaluative services not presently available to youngsters of severe learning disorders. The center would be comprised of a trans-disciplined diagnostic team made up of a pediatric neurologist, psychologist, special education teacher, educational assistant, speech/language pathologist, occupational therapist, educational strategist, and the child's parents or guardians. The center would assess the child's disorder(s) and consult the classroom teacher as to a plan for treatment upon return to school.

Your Committee has heard testimony that, based on national incidence estimates, three percent of Hawaii's target age group have learning disabilities. That would mean a possible 350 children having a learning disability. Of that 350, it is estimated that 135 children would require the services of the center.

Your Committee agrees that there is a need in the community for such a center, and further recognizes that such services would help in the placement of the learning disabled in special or regular classrooms.

There is appropriated from the General Fund \$30,000 for the program. Additional funds for the center's operation would come from the Variety Club School and third party payments.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 525 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 59

Health on H.B. No. 522

The purpose of this Bill is to appropriate \$45,000 from the State general revenues to the Pacific Health Research Institute to permit it to continue its screening of women for breast cancer and to develop systematic detection practices and training of personnel.

Testimony presented indicates that breast cancer is the leading cause of cancer deaths in women, and that breast cancer can be detected at an early stage. Of 10,027 women screened through this project, 167 cases of breast cancer have been detected. With the use of new diagnostic equipment and specially trained personnel, breast cancer can be detected in its asymptomatic stage, and a cure may be facilitated at an earlier stage.

Your Committee has amended Section 1 of the bill by deleting the provision relating to the time when the appropriation is to be utilized.

Your Committee on Health is in agreement with the intent and purpose of H.B. No. 522 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 522, H.D. 1.

Signed by all members of the Committee.

SCRep. 60

Finance on H.B. No. 22

The purpose of this bill is to conform the county bonding statutes to the 1978 constitutional amendments, by updating provisions of chapters 47, 47C and 49 of the Hawaii Revised Statutes.

The extensive amendments to Article VII of the State Constitution, added new provisions relating to "rates, rentals and charges", "reimbursable general obligation bonds" and "special purpose revenue bonds" and these changes are reflected in the conforming language of this proposal, as well as other changes to incorporate revised provisions governing the term of bonds and exclusions from the funded debt of the counties.

Your Committee finds that the counties are generally in agreement with the amendments proposed by this bill to implement the constitutional changes affecting county bonding procedure, indebtedness of the counties, and revenue bond provisions. Your Committee agrees with the recommendations submitted by the counties to further improve the bonding procedure and your Committee has amended the bill as follows:

1. On Page 5 beginning on line 3, the proviso in HRS 47-7 reading "provided that in any county with a population in excess of 100,000 the rate or rates shall not exceed seven percentum per annum;" is deleted.
2. On Page 11 on lines 12 and 15 the word "first" is changed to "last" in HRS 47C-2 and thereby the determination of funded debt will be made within ninety days after the last day of each fiscal year making it more consistent with county accounting practices.
3. Section 9 has been renumbered section 10 and a new section has been added on page 24 to indicate the effect of the bracketing and underlining in the bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 22, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 22, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 61

Finance on H.B. No. 19

The purpose of this bill is to conform provisions of the Hawaii Revised Statutes to amendments to the State Constitution, Article VII, Section 8.

HRS 37-65 is amended to provide that the proposed general fund expenditure in the plan of proposed expenditure, including the estimates of the aggregate expenditures of the judicial and legislative branches, submitted by the governor shall not exceed

the general fund expenditure ceiling established by the legislature.

Also incorporated in HRS 37-65 is a provision which allows the governor to exceed the expenditure ceiling by making a public disclosure in the executive budget document setting forth the amount and rate by which the proposed budget will exceed the expenditure ceiling.

HRS 37-71 and 37-72 and HRS 601-2(c) relating to the judiciary are also amended to additionally require that the biennial budget and supplementary budgets of the executive and the judicial branches be submitted to the legislature in bill form.

HRS 37-71 is further amended to require a summary financial statement reflecting the general fund expenditure ceiling and the aggregate general fund expenditures estimated for the judicial and legislative branches along with the general fund expenditures proposed for the executive branch.

Section 5 of the bill has been renumbered section 6 and a new section 5 has been added to indicate the effect of the bracketing and underlining in the bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 19, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 19, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 62

Finance on H.B. No. 982

The purpose of this bill is to amend Section 37-75, Hawaii Revised Statutes, relating to the Variance Report for the Executive Budget system by requiring a narrative explanation of "significant", rather than "major" differences for the last completed fiscal year.

The American Heritage Dictionary defines "significant" as important; "major" is defined as requiring great attention or concern. The differences between the two terms is that "significant" may also include small changes which could have a sizeable impact upon the program. Your Committee believes this information is important in evaluating the performance of programs.

Additionally, in accordance with the style rules for the division or designation of sections of the Hawaii Revised Statutes, the paragraphs identified by lower case letters are changed to capital letter designations. Unnecessary commas are also deleted.

Your Committee on Finance is in accord with the intent and purpose of HB 982, and recommends that it pass Second Reading, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 63

Water, Land Use, Development and Hawaiian Affairs on  
H.B. No. 147

The purpose of this bill is to amend Section 183-41, Hawaii Revised Statutes, regarding the use of land in conservation districts.

The bill in its present form prohibits certain land uses within the conservation district. In managing forest lands, however, helistops and heliports may be necessary. Also, the prohibition of single-family dwellings within the conservation district may create undue hardship to property owners therein. Your Committee has amended the bill by (i) deleting from the prohibited uses enumerated in the bill the phrases involving heliports, helistops, and single-family dwellings to make it clear that these are not prohibited uses and (ii) excluding helistops and heliports from the definition of airports, the use for airports being a prohibited use under the bill.

The last sentence of paragraph (3) of subsection 183-41(c), relating to definitions of "land", "owner of land", and "landowner", which was inadvertently omitted from the bill, has been reinstated by your Committee to correctly set forth the amended subsection pursuant to the Ramseyer method.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 147, as amended herein, and recommends that

it pass Second Reading in the form attached hereto as H.B. No. 147, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 64                      Public Employment and Government Operations on H.B. No. 44

The purpose of this bill is to give preferential treatment to participants in the State Comprehensive Employment and Training Act (SCET) and the Comprehensive Employment and Training Act (CETA) public service employment programs in obtaining permanent civil service positions. It mandates the Director of Personnel Services to promulgate rules to implement the objective of the bill.

The basic intent of the SCET and CETA public service employment programs is to provide unemployed and under-employed individuals with transitional employment which would assist these persons in obtaining unsubsidized, full-time jobs. Your Committee finds, however, that despite satisfactory on-the-job performance, some program participants have difficulty obtaining permanent civil service positions because they are unable to compete with other applicants on written examinations.

Under the present recruitment system, all applicants on an open competitive examination are ranked according to their scores and the top five applicants are referred to the appointing authority for an interview. The granting of preference, e.g., five points added to the exam score, may enable more SCET and CETA participants to rank among the top five applicants, giving them a better chance of being selected for a position.

In granting such preference to these applicants, the intent of your Committee is not to violate the spirit of the merit principle, but rather to recognize the experience and training gained through public service employment.

H.B. No. 44 establishes the minimum requirements for preference eligibility as being: 1) one year satisfactory performance in either SCET or CETA public service employment programs, and 2) achievement of a passing grade on an open competitive examination in those classifications related to the participant's public service employment experience.

However, as presently worded it fails to state the extent to which such preference shall be granted. Your Committee is in agreement that the same procedure mandated by section 76-103, Hawaii Revised Statutes, regarding veteran's preference should also be applicable to CETA and SCET participants, and therefore recommends that the following amendment be made to further clarify the intent and purpose of this Act:

Adding a new subsection (3) to page 2 stating that "The extent to which preference is granted to public service employment participants shall be identical to that granted to veterans under section 76-103."

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 44 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 44, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 65                      Consumer Protection and Commerce on H.B. No. 603

The purpose of this bill is to increase the pharmacist examination fee.

Your Committee finds from the testimony presented that the increase in examination fees is necessary to defray the cost of the examination and grading services of the National Association of Boards of Pharmacy as well as the administrative costs of the Department of Regulatory Agencies.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 603 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Dods.

SCRep. 66                      Agriculture and Higher Education on H.B. No. 117

The purpose of this bill is to appropriate funds for facilities and equipment to support agricultural education programs.

Your Committees find that both the research and extension programs continue to experience difficulty in funding because of continued administration fiscal constraints. Prolonged budget constraints, and at the same time the state has placed increasing priority on research and diversification of agriculture, has imposed severe strains on facilities and equipments which requires replacement. Your Committees appropriation will be expended to acquire new equipment or to replace obsolete or inoperable equipment.

Your Committees have amended this bill by providing an appropriation of \$50,000 to the University of Hawaii (UOH 101) as the expending agency and that any unexpended or unencumbered balance made by this Act as of the close of business on June 30, 1981 shall lapse into the general fund.

Your Committees on Agriculture and Higher Education are in accord with the intent and purpose of H.B. No. 117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 117, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Garcia, Kiyabu, Sakamoto, Segawa and Anderson.

SCRep. 67                      Agriculture and Higher Education on H.B. No. 121

The purpose of this bill is to provide an appropriation to enhance the instructional programs and activities for tropical agriculture at the University of Hawaii at Hilo.

Act 191 of the Session Laws of Hawaii 1974 mandated the establishment of a baccalaureate degree program in tropical agriculture at the University of Hawaii at Hilo.

Your Committees believe that the fulfillment of the objectives of Act 191, S.L.H. 1974, requires additional resource support to strengthen instructional programs and activities.

Your Committees have amended this bill by providing an appropriation of \$50,000 which appropriation shall lapse if not expended or encumbered by June 30, 1981.

Your Committees on Agriculture and Higher Education are in accord with the intent and purpose of H.B. No. 121 as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 121, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Garcia, Kiyabu, Sakamoto, Segawa and Anderson.

SCRep. 68                      Agriculture and Water, Land Use, Development and Hawaiian Affairs on H.B. No. 113

The purpose of this bill is to provide an appropriation to conduct research and identify and establish alternative crops to utilize sugarcane and pineapple lands of demised plantations.

Your Committees believe that alternative crop research is important since the State has the responsibility for the development, promotion and expansion of the various agricommodities, and to keep the agriculture industry a viable.

Your Committees are very concerned because the various government agencies and the College of Tropical Agriculture have been periodically conducting studies on alternative crops for many years, but to date alternative crops which can be successfully grown on sugarcane lands have not been found.

Your Committees have heard testimony from representatives of the Governor's Agriculture Coordinating Committee, the State Department of Agriculture and the private sector in support of this bill.

Your Committees have amended this bill by providing an appropriation of \$40,000 to

be expended by June 30, 1980.

Your Committees have further amended the bill by adding a sentence to read as follows: "The Governor's Agriculture Coordinating Committee is authorized to promote the diversified agriculture industry by contract or contracts with other State or County agencies or with private industry when it deems it more advantageous to do so".

Your Committees on Agriculture and Water, Land Use Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 113, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 113, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Garcia, Sakamoto and Anderson.

SCRep. 69                      Agriculture on H.B. No. 110

The purpose of this bill is to make an appropriation to support agricultural cooperative associations.

It is a known fact that there exists a vast potential for the growth and development of diversified agriculture in Hawaii, especially as it relates to the export markets for Hawaiian commodities through the world.

Your Committee finds that the concept of a continuing research and extension program for agricultural cooperatives has emerged as one of the ways of strengthening the operating effectiveness and efficiency of Hawaii's agricultural cooperatives. Currently, there are approximately 30 active cooperative associations with approximately 4,100 member patrons.

The International Pan-Pacific Conference held early in July 1977, the Hawaii State Agricultural Cooperative Association Workshops held in January 1978, and a follow-up workshop scheduled for June 1979 reinforce the importance of this concept in providing more cohesive leadership and support to the cooperative association movement in Hawaii.

Your Committee has amended the bill by providing an appropriation of \$100,000 which appropriation shall lapse if not expended or encumbered by June 30, 1981.

Your Committee also amended the bill by designating the Governor's Agriculture Coordinating Committee as the expending agency. Your Committee also added the following sentence to provide that the designated expending agency is authorized to delegate to other State or County agencies or to private industry the expenditure of funds when it deems it more advantageous to do so.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 110 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 110, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Sakamoto and Anderson.

SCRep. 70                      Agriculture on H.B. No. 114

The purpose of this bill is to provide State support for a joint Federal and State program to eradicate fruit flies in Hawaii by establishing a large mass rearing laboratory.

It is a well known and established fact that an effective control of fruit flies is crucial to the viability, stability, and growth of local diversified agriculture production.

Your Committee has heard testimony from the College of Tropical Agriculture and Human Resources, the State Department of Agriculture, the Hawaii Farm Bureau Federation, and the United States Department of Agriculture, Animal and Plant Health Inspection Service in support of this bill.

During a public hearing held on February 13, 1979, your Committee learned that the old Hilo Airport was the most desirable site for a mass rearing laboratory. In addition, your Committee learned that technical methodology has been resolved and that scientists are now ready to move on the eradication program. Notwithstanding these facts, there

are serious concerns with the use of pesticides and a survey is required to study the distribution of native, non-target insects and to tailor a program around the survey.

Your Committee has amended this bill by:

(a) Section 1. Deleting the words "general revenues of the State of Hawaii" and inserting "state general obligation bond fund". Your Committee further amended Section 1 by appropriating the sum of \$500,000.

(b) Section 2. Deleting the words "college of tropical agriculture of the University of Hawaii" and substituting "department of accounting and general services". Your Committee further amended Section 2 by adding "80" on line to read "1980".

(c) Section 3. Providing that the director of finance is authorized to issue general obligation bonds of the State to yield the amount of \$500,000.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 114 as amended herein, and that it pass Second Reading in the form attached hereto as H.B. No. 114, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 71                      Agriculture on H.B. No. 112

The purpose of this bill is to make an appropriation for purposes related to diversified agriculture.

The Governor's Agriculture Coordinating Committee has recently completed the industry analysis of agricultural commodities of economic importance (either present or potential) showing the bottlenecks, the agencies responsible for the area, the amount of resource being applied, the deficiency and allocating, where needed, partial funding from the limited resources of the committee to give a maximum return to the industry and thus to the economy of the State.

Your Committee finds that the commodity groups identified by the industry analysis should be given high priority as needing assistance in order to realize their potential.

Your Committee has amended the bill by providing an appropriation of \$100,000 to be expended by June 30, 1981. Your Committee also added the following sentence to provide that the designated expending agency is authorized to delegate to other State or County agencies or with private industry the expenditure of funds when it deems it more advantageous to do so.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 112 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 112, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Sakamoto and Anderson.

SCRep. 72                      Higher Education on H.B. No. 1211

The purpose of this bill is to implement Article X, Section 6, of the Constitution of the State of Hawaii, as amended by the Hawaii Constitutional Convention of 1978.

H.B. No. 1211 was introduced as a short form or "vehicle" bill containing a general idea as to its purpose and means.

Your Committee has amended the bill to provide the substantive contents in a long form so that a public hearing may be held on its provisions.

H.B. No. 1211 as amended, would provide more detailed information to the public, in advance of the hearing, as it pertains to the specific purpose and means by which it intends to achieve the desired result.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1211, as amended herein, and recommends that it be recommitted to the Committee on Higher Education, for the purpose of holding a public hearing thereon, in the form

attached hereto as H.B. No. 1211, H.D. 1.

Signed by all members of the Committee.

SCRep. 73                      Water, Land Use, Development and Hawaiian Affairs; and  
Energy on H.R. No. 247

The purpose of this resolution is to stimulate cooperation among public and private agencies towards efforts aimed at the reforestation of lands in the Kohala area of the Big Island.

Reforestation programs would expand the economic base in Kohala, create employment opportunities and, in the larger term, establish a reliable economic and energy reserve. Trees are considered to be among the most promising species of biomass for use in Hawaii, especially on lands that are marginal for growing sugar cane.

Your Committees concur with the testimonies presented, that the goal of the State to be self-sufficient in energy requires the efforts of both government and the private sector to work towards maximum attainment of that goal.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Energy are in accord with the intent and purpose of H.R. No. 247 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 74                      Energy on H.R. No. 162

The purpose of this resolution is to request that the United States Department of Energy increase Hawaii's Strategic Petroleum Reserve to a ten million barrel capacity.

Your Committee heard testimony from the AFL-CIO, the Department of Planning and Economic Development, the Chamber of Commerce of Hawaii, the Honolulu Airlines Committee, and the Hawaiian Electric Company. These five witnesses support the adoption of H.R. No. 162 for the following reasons:

1. Hawaii's minimal reserve requirement is no less than ten million barrels.
2. Hawaii is totally dependent on imported petroleum for its energy needs.
3. Hawaii is geographically isolated from the continental United States.
4. Hawaii is a primary refueling point for aircraft transiting the State in east-west directions.
5. Any emergency shipment from the Louisiana salt domes would take approximately sixty-three days to reach Hawaii.
6. Hawaii's oil needs cannot be properly served by Alaskan crude because of its high sulfur content.

The Department of Planning and Economic Development also advised your Committee of further developments in Hawaii's continuing effort to seek a Petroleum Reserve Storage. Most recently, the U.S. Department of Energy is preparing a Distribution Plan for Hawaii to identify how our State can be supplied in a shortage emergency situation. A feasibility study was also conducted to determine whether it is more costly to store petroleum here in Hawaii. This study confirmed the Department of Planning and Economic Development's contention that the cost difference is insignificant. Despite the results of the Study and the enabling legislation for the Strategic Petroleum Reserve which infers that non-contiguous areas are to have a component share of the Strategic Petroleum Reserve, the President of the United States has not included funding for a Strategic Petroleum Reserve for Hawaii in his Executive Budget.

Your Committee on Energy concurs with the intent and purpose of H.R. No. 162 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 75

Energy on H.C.R. No. 9

The purpose of this concurrent resolution is to request that the United States Department of Energy increase Hawaii's Strategic Petroleum Reserve to a ten million barrel capacity.

Your Committee heard testimony from the AFL-CIO, the Department of Planning and Economic Development, the Chamber of Commerce of Hawaii, the Honolulu Airlines Committee, and the Hawaiian Electric Company. These five witnesses support the adoption of H.C.R. No. 9 for the following reasons:

1. Hawaii's minimal reserve requirement is no less than ten million barrels.
2. Hawaii is totally dependent on imported petroleum for its energy needs.
3. Hawaii is geographically isolated from the continental United States.
4. Hawaii is a primary refueling point for aircraft transiting the State in east-west directions.
5. Any emergency shipment from the Louisiana salt domes would take approximately sixty-three days to reach Hawaii.
6. Hawaii's oil needs cannot be properly served by Alaskan crude because of its high sulfur content.

The Department of Planning and Economic Development also advised your Committee of further developments in Hawaii's continuing effort to seek a Petroleum Reserve Storage. Most recently, the U.S. Department of Energy is preparing a Distribution Plan for Hawaii to identify how our State can be supplied in a shortage emergency situation. A feasibility study was also conducted to determine whether it is more costly to store petroleum here in Hawaii. This Study confirmed the Department of Planning and Economic Development's contention that the cost difference is insignificant. Despite the results of the Study and the enabling legislation for the Strategic Petroleum Reserve which infers that non contiguous areas are to have a component share of the Strategic Petroleum Reserve, the President of the United States has not included funding for a Strategic Petroleum Reserve for Hawaii in his Executive Budget.

Your Committee on Energy concurs with the intent and purpose of H.C.R. No. 9 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 76

Finance on H.C.R. No. 35

The purpose of this concurrent resolution is to request the presiding officers of the legislature to establish a joint interim committee for the purpose of formulating or reformulating standards and procedures, as required by the State Constitution, under which grants of public money or property can be made.

Your Committee agrees that standards and procedures governing grants of public money or property must be carefully formulated and reviewed in order to ensure that the public interest is protected, that private organizations are treated fairly, and that there be orderly transition to the standards and procedures when they are formulated.

Your Committee on Finance concurs with the intent and purpose of H.C.R. 35 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 77

Judiciary on H.B. No. 95

The purpose of this bill is to provide for an independent counsel to be appointed for each grand jury impaneled whose responsibility shall be to provide legal counsel to the jury on matters brought before it as provided for in the constitutional amendment to Article I of the State Constitution.

Present law does not provide for any counsel for the grand jury. This bill requires the Supreme Court to appoint a licensed attorney who is not employed by the State as

an officer or employee to provide legal counsel for the grand jury and to serve for the term of the jury to which he is appointed.

Your Committee received testimony that because the concept of an independent counsel for the grand jury is completely new and that the Constitutional Convention did not specify most of the parameters of such counsel's role, there is much uncertainty as to what the independent counsel can or cannot and should or should not be able to do.

Your Committee feels that utilizing the rule making power of the Supreme Court will effectively resolve such uncertainty. Accordingly, your Committee has amended the bill to require the Supreme Court to promulgate rules to implement the bill's provisions.

In addition, your Committee has further amended the bill by modifying the term of the appointment of the independent counsel from the fixed term coinciding with the term of the grand jury to which he is appointed, to a more flexible one calculated to effectuate the stated preference of the Constitutional Convention that the term be long enough for the independent counsel to establish good rapport with the grand jury but not so long so that through excessive familiarity he dominates the proceedings.

Finally, your Committee has deleted section 3 of the bill relating to the appropriation of general revenues to effectuate its purposes, inasmuch as funding for the independent counsel is already included in the judiciary budget.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 95, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 95, H.D. 1.

Signed by all members of the Committee.

SCRep. 78

Judiciary on H.B. No. 98

The purpose of this bill is to implement the constitutional amendment relating to the Judicial Salary Commission, which provides that there shall be a salary commission to review and recommend salaries for justices and judges of all State courts.

Under present law salaries for justices and judges are set solely by statute, i.e., by the Legislature, without any provision for a review or study of such salaries by any commission or body. This bill would provide for such a review by a commission specifically created for that purpose.

Your Committee has amended the bill by providing that the commission (1) be composed of nine members, five to be appointed by the Governor, and two each to be appointed by the President of the Senate and the Speaker of the House, (2) be appointed on or before September 30, 1979 and every eight years thereafter, (3) complete its work within ninety days of its appointments, (4) be placed in the office of the Chief Justice for administrative purposes, and (5) receive no compensation for its service.

Your Committee finds that, as amended, this bill provides for a Judicial Salary Commission which has the time and flexibility to effectively and efficiently produce meaningful recommendations for salaries for justices and judges of the State courts.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 98, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 98, H.D. 1.

Signed by all members of the Committee.

SCRep. 79

Judiciary on H.B. No. 282

The purpose of this bill is to establish a Hawaii criminal justice information data center to be responsible for the collection, storage, dissemination, and analysis of all pertinent criminal history record information from all criminal justice agencies and to provide for the collection, storage, and dissemination of criminal history record information by criminal justice agencies in such a manner as to balance the right of the public and press to be informed, the right of privacy of individual citizens, and the necessity for law enforcement agencies to utilize the tools needed to prevent crimes and detect criminals in support of the right of the public to be free from crime and the fear of crime.

Your Committee received testimony that the instant legislation is required to ensure the State's compliance with Department of Justice Law Enforcement Assistance Administration (LEAA) regulations dealing with criminal history information by virtue of the fact that all State and local agencies involved with the collection and dissemination of such information receive LEAA funding.

Your Committee finds that by (1) establishing a Hawaii criminal justice data center; (2) controlling and coordinating criminal offender recordkeeping within the State; (3) establish more efficient and uniform systems of criminal offender recordkeeping; (4) assuring periodic audits of such recordkeeping in order to determine compliance with this bill; and (5) establishing a more effective administrative structure for the protection of individual privacy in connection with such recordkeeping, this bill would bring the State into compliance with the applicable federal laws and regulations.

Your Committee further finds that the federal requirements notwithstanding, the provisions of this bill are meritorious in that they will provide another essential tool for law enforcement agencies to more effectively and efficiently combat crime and criminals while at the same time safeguarding the individual's right to privacy and accordingly recommends its passage.

However, your Committee feels and wishes to emphasize that all efforts should be made to set priorities for access to the information and use of the information data center to ensure its coordinated and efficient use among the various State and local agencies.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 282 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 80

Judiciary on H.B. No. 697

The purpose of this bill is to require the various counties to contract for and absorb all costs related to the collection of evidence and medical examinations for alleged sex offenses to the extent that such services are available within each county.

Your Committee heard testimony that the purpose of collecting such evidence, which includes tests for the presence of sperm or semen, photographs of injuries and preservation of physical specimens, is to assist the county's police department and prosecuting attorney's office in their investigations. Further, the costs incurred by reason of this service is presently absorbed by State funded Sex Abuse Treatment Centers which along with the above program, renders other support services at no cost to the victim.

Your Committee feels that the State may not always be in the financial position to fund all the services rendered by these centers. Therefore, your Committee finds that requiring the counties to assume the cost of at least the evidence collection and medical examination portion of the centers' services will enable the State to ensure continuous funding, thus allowing these centers to continue to offer current services to the individual at no cost.

Your Committee has amended this bill by changing its effective date to July 1, 1980 to allow the various counties sufficient time in which to adjust their budgets to bear the additional costs involved. Inasmuch as this is the equivalent of appropriating the sums needed to fund the program for one year, Section 2 of the bill has been deleted.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 697 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 697, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 81

Agriculture on H.B. No. 1252

H.B. No. 1252, referred to your Committee, was in short form.

The purpose of this bill is to strengthen the State's agricultural loan program by amending Chapter 155, HRS. Included are clarification of the purpose and intent of the program, addition of the farm credit banks and private lenders from whom loans must be rejected before State loans are authorized, establishment of \$10,000,000 as

the aggregate ceiling for the State's contingent liability for insurance of private lenders' loans, raising of interest rates, raising of the loan limit for operating loans, and providing funds for consultative services from the agricultural loan reserve fund. . Additionally, to strengthen the agricultural loan program, this bill appropriates \$25,000 for consultative services and \$1,500,000 to the agricultural loan revolving fund of which \$750,000 will be expended for the new farmer program.

Your Committee has added language that will clarify the purpose and intent of the program.

The agricultural loan program was established by legislative action on April 30, 1919, to encourage the establishment of a rural population by providing loans to assist agricultural development. It was not until 1959 that today's unique and innovative State sponsored loan program was established through Act 278. Major changes were made in 1959, based on a study made by the Stanford Research Institute. Its purpose was changed to promote agricultural development instead of encouraging the establishment of a rural population. Over \$34,000,000 in loans have been approved since 1959, and there have been significant changes in overall agricultural financing and the State's role over the past 20 years.

Initially, in the 1960s, the emphasis was on meeting the shortage of credit to farmers. With the establishment of the three banks of the Farm Credit System in Hawaii comprised of the Federal Land Bank of Sacramento, the Sacramento Bank for Cooperatives and the Federal Intermediate Credit Bank (operating as the Production Credit Association of Hawaii), much of the farmers' credit needs are being met by these banks. The Department of Agriculture had pursued, encouraged and facilitated these banks to establish themselves in Hawaii since the early 1960s.

While much of agriculture's credit needs are now being met by these farm credit banks along with some of the commercial banks that have placed new emphasis on agricultural loans, the demand for the kind of loans and services provided by the department remains high. Since the early 1970s, there has been a trend towards developmental projects such as new farmers and export commodities where standard sources of credit are reluctant to participate due to the high risk.

Underlining the department's efforts to develop agriculture through its loan activities is the legislative mandate to assume credit risk beyond that of private lenders. Loans are made only when the Farmers Home Administration or private lenders are unwilling. Statutory requirements for loans are much more liberal than that of private lenders. The department's criteria for loans must also accommodate higher risk borrowers within the context of statutory requirements to meet the purpose of the loan program.

In view of the changes that have taken place since modifying and redirecting the program in 1959, especially the role of the farm credit banks in meeting much of the viable, established farmers' credit needs, the State's role in agricultural credit requires reassessment and reevaluation. While the accompanying amendments attempt to conserve State funds, it should be noted that the State's role in credit and development may be unclear at this time. Your Committee believes that the credit gap that was clearly evident in 1959 no longer exists.

Your Committee recognizes that any meaningful assessment of the program requires: (1) an understanding of agricultural financing, and (2) proper recognition of the purpose and intent of the program which involves unique standards and criteria not comparable with that of private lenders.

Your Committee has amended section 155-3 to add the farm credit banks and other private lenders for loan turn downs. Your Committee believes this will lessen the stress for State funds from those viable, established farmers by compelling these farmers to explore every possible source of credit before coming to the State.

Your Committee has amended section 155-4 by deleting paragraph (11), because the amendment to 155-8 pegs the interest rate to those used by the farm credit banks.

Your Committee has amended section 155-5 to establish an aggregate ceiling of \$10,000,000 upon the liability of the State in insuring loans from private lenders. While insured loans offer an important alternative to expand the use of private lenders' funds toward agricultural development, a ceiling would lessen the negative effects of contingent liabilities for future funding of general obligation bonds and other funded indebtedness. The department does not expect to reach \$10,000,000 in the foreseeable future.

Your Committee has amended section 155-8 to adjust interest rates for loans under classes "A," "B," "C," "E" and "F". Interest rates have been pegged to the rates of the farm credit banks for similar type loans along with the requirement as noted in section 155-3 that applicants must apply to the appropriate farm credit bank for loans. New farmers under class "F" and cooperatives under class "E" will pay a lesser interest rate since applicants for these loans, generally, are being encouraged by the State. These adjustments of rates are intended to move agricultural loan borrowers to conventional credit sources as they become viable with minimum problems.

Your Committee expects that the department will continue to assist qualified higher risk borrowers in promoting the development of agriculture. Your Committee also expects that there will be a further concentration of higher risk borrowers through improved screening of applicants and graduation of successful borrowers to conventional sources. Your Committee recognizes that higher delinquencies can be expected with high risk loans.

Your Committee has also raised the limit on class "C" loans from \$75,000 to \$100,000. Loan ceilings were last adjusted in 1969. With the great increase in production costs subsequently, we find that the existing ceiling of \$75,000 may be inadequate to meet the needs of many qualified loan applicants.

Your Committee has amended section 155-14 to allow payments for consultative services from the agricultural loan reserve fund. Timely consultative services that could strengthen the program include specialized legal services, accounting help and assistance in assessing and recommending policies and procedures to streamline services or to provide new direction.

Your Committee estimates that \$1,500,000 will be required to bolster the revolving fund, \$750,000 of which would be earmarked for new farmers.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1252, as amended herein, and recommends that it be recommitted to the Committee on Agriculture, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1252, H.D. 1.

Signed by all members of the Committee except Representatives  
Crozier, Holt, Kawakami, Larsen, Sakamoto, Toguchi and Narvaes.

SCRep. 82                      Education on H.B. No. 820

The purpose of this bill is to provide for adequate basic skills programs in the State of Hawaii.

House Bill No. 820 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used for convenience to introduce a bill containing only a general idea as to its purpose and means without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may properly be held on its substantive provisions. Without the amendment providing the substantive contents, members of the public cannot be duly apprised, in advance of the hearing, as to what the bill specifically purports to do and the specific means by which it intends to achieve the desired results. Thus, a hearing on a short-form bill may not be helpful, and a notice thereof could be less than meaningful.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 820, as amended herein, and recommends that it be recommitted to the Committee on Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 820, H.D. 1.

Signed by all members of the Committee.

SCRep. 83                      Agriculture and Transportation on H.B. No. 116

The purpose of this bill is to appropriate funds to study agricultural commodities transportation services and systems, to be expended by the department of transportation.

Your Committees find that inadequate intrastate and overseas transportation services and systems have become a major obstacle to the orderly growth of diversified agriculture.

Currently, as far as your Committees can determine, there is no organized, coordinated effort to improve the less than satisfactory surface and air transportation and handling of perishable agricultural products to the Honolulu market or to overseas destinations.

Specifically, your Committees find that the unloading of perishable agricultural commodities from barges arriving from neighbor islands are often delayed; that the number of container vans available are inadequate and at times the vans are not properly functioning; that scheduling of flight and lift capacity at Hilo airport is often inadequate; that marshalling and proper storage facilities at strategic shipping points for the Honolulu and overseas markets are lacking; that centralized farmers markets for all locally produced commodities including fruits and vegetable, livestock and nursery products in the Honolulu area and key locations on the neighbor islands are lacking; and that additional feed storage facilities on the waterfront for all major islands with supplemental storage on farm sites are also lacking. The proposed study should investigate and analyze all of the foregoing problems and obstacles and relate them to the planned growth of marketing of diversified agriculture commodities.

Your Committees further find that all unused state lands and facilities adjacent to or near the water front and airport should be considered for possible use for the marshalling, grading and packing, storage, consolidation and wholesaling of fresh and processed Hawaiian produced agricultural products. High priority should be given for this use on such lands. Your Committees believe that the Governor's Agriculture Coordinating Committee should provide further direction and support for the study. The results of the proposed study should provide the necessary planning and management tools to coordinate needed upgrading of our intrastate and overseas transportation services and systems and support the planned growth and marketing of diversified agriculture.

Your Committees have amended Section 1 of this bill to appropriate the sum of \$50,000 or so much thereof as maybe necessary for a comprehensive study of agricultural commodities transportation services and systems. Your Committees have amended Section 2 of this bill to provide that any unexpended or unencumbered balance of any appropriation made by this bill as of the close of business on June 30, 1981 shall lapse into the general fund.

Your Committees on Agriculture and Transportation are in accord with the intent and purpose of H.B. No. 116, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 116, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives de Heer, Garcia, Hashimoto, Kiyabu, Nakamura, Sakamoto and Anderson.

SCRep. 84

Agriculture on H.B. No. 763

The purpose of this bill is to promote funds for research and development to improve testing methods for the detection of burrowing nematodes in potted nursery products.

Your Committee heard testimony from the State Department of Agriculture and the Hawaii Farm Bureau Federation in support of this bill.

During a public hearing held on February 17, 1979, your Committee learned that in 1977, the value of potted foliage plants exported amounted to \$1,375,000. In addition, your Committee learned in order for the potted foliage plants to be exported, these plants need to be certified free from infestation of the burrowing nematode. The present method of testing for burrowing nematodes involves cutting off samples of roots from potted plants and this process causes marketable tested plants to encounter set-backs and, as a result, economic losses are encountered by the plant exporters. Therefore, if the floriculture industry is to continue to grow and remain viable, an alternate testing and certification process related to burrowing nematodes needs to be developed through further research.

Your Committee has amended this bill by providing an appropriation of \$30,000 to the department of agriculture as the expending agency and that any unexpended or unencumbered balance made by this Act as of the close of business on June 30, 1981 shall lapse into the general fund.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No.

763 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 763, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 85                    Agriculture on H.B. No. 768

The purpose of this bill is to appropriate funds to enhance the continuing growth, viability, and stability of Hawaii's floral products industries.

The Department of Planning and Economic Development in a 1978 publication entitled "Agriculture Issue Paper, State Plan Issue Paper No. 2" found that flowers, foliage and nursery products were among the five sub-industries in diversified agriculture to possess the most substantial growth potential.

Your Committee finds that the nursery and ornamental foliage industries are among the most promising industries of Hawaii and deserve the fullest measure of public support.

Your Committee has heard testimony from the Hawaii Farm Bureau Federation and the Governor's Agriculture Coordinating Committee in support of this bill.

Your Committee has amended this bill by providing an appropriation of \$200,000 to be expended by June 30, 1981. Your Committee also added the following sentence to provide that the designated expending agency, the Governor's Agriculture Coordinating Committee, is authorized to delegate to other State or County agencies or with private industry the expenditure of funds when it deems it more advantageous to do so.

Your Committee is in accord with the intent and purpose of H.B. No. 768 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 768, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Sakamoto and Anderson.

SCRep. 86                    Agriculture on H.B. No. 771

The purpose of this bill is to appropriate funds to purchase equipment needed to assure proper cleaning and disinfecting of livestock and poultry facilities.

Your Committee finds that the existing equipment, a 1950 model fire truck which was discarded by the Honolulu Fire Department and donated to the State four years ago has become inoperable, and the cost of a new fire truck is prohibitive. A mobile, high pressure sprayer would serve the need and can be purchased for about \$8,500.

Your Committee further finds that one of the fundamentals for animal disease control, whether for suppression of severe infectious diseases or prevention of such maladies, is the proper disinfection of facilities and premises, especially in highly concentrated farm areas.

Your Committee has heard testimony from the State Department of Agriculture and the Hawaii Farm Bureau Federation in support of this bill.

Your Committee amended this bill by providing an appropriation of \$8,500 which appropriation shall lapse if not expended or encumbered by June 30, 1980.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 771 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 771, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Sakamoto and Anderson.

SCRep. 87                    Agriculture on H.B. No. 775

The purpose of this bill is to provide an appropriation of \$80,000 for the 1979-1981 fiscal biennium for promotional and allied purposes related to the annual state farm fair.

It is a well known and established fact that the Hawaii Farm Bureau Federation's annual farm fair promotion has been effective in promoting diversified agriculture in Hawaii. Through the fair the local consumer is made more aware of agricultural enterprises in Hawaii. The fair also encourages young people to enter the field of agriculture by exposing them to the various aspects of agriculture through animal raising contests, recipe contests, produce displays, etc.

Your Committee has heard testimony from the Department of Planning and Economic Development and the Hawaii Farm Bureau Federation in support of this bill.

Your Committee finds that support in the past years has involved promotional funds of \$30,000 a year. In addition, your Committee learned that inflationary factors prompt the need for a modest increase in the financial support to enable the continuing operation of the annual state farm fair.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 775 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 88                      Agriculture on H.B. No. 774

The purpose of this bill is to provide funds to be used in establishing an additional slaughterhouse on Oahu.

Your Committee has heard testimony from the State Department of Agriculture, the College of Tropical Agriculture and Human Resources, the Hawaii Farm Bureau Federation, and the private sector in support of this bill.

Your Committee finds that there is only one commercial hog slaughterhouse on Oahu, where approximately 65 percent of the state's swine industry is located. This facility is inadequate in that it cannot handle large animals (over 450 lbs.), and of concern at this time to the producers is the possibility that the facility may cease operations in the foreseeable future.

Your Committee also finds that adequate slaughterhouse facilities must be provided to assure the stability and viability of this important industry.

Your Committee has amended the bill as follows:

(a) Amended Section 2, to read: "The Department of Agriculture shall make loans to a cooperative association of qualified farmers in accordance with provisions of Chapter 155, for the purpose of establishing and operating hog slaughterhouses on Oahu. There shall be no limit as to amount specified under Section 155-9(5)(A) for facility, including land, building and equipment except as limited by the amount appropriated under Section 3."

(b) Amended Section 3, to read: "There is appropriated out of the general revenues of the State of Hawaii the sum of \$500,000, or so much thereof as may be necessary, for the purpose of this Act."

(c) Amended Section 4, to read: "The sum appropriated shall be deposited into the Farm Loan Revolving Fund to effectuate the purpose of this Act."

(d) Added new Section 5, to read: "This Act shall take effect upon its approval."

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 774 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 774, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 89                      Agriculture on H.B. No. 1069

The purpose of this bill is to appropriate \$100,000 to the Department of Agriculture for the continuing operation of a state-wide young farmers' program for the biennium 1979-81.

This program was developed and implemented in 1976, as a joint effort of the Young Farmers Association, the College of Tropical Agriculture and Human Resources, the community colleges and various other organizations and individuals.

Your Committee finds that the primary goals of this program are to encourage young people to consider farming as a career, to help them make a commitment to the farming industry and to develop their expertise in new techniques and methodologies of farming. This was accomplished by conducting short courses in a variety of farm-related subjects, by arranging field trips, field demonstrations, tours of existing farming operations and utilization of other organized group teaching methods.

Your Committee also learned that the Young Farmers Program was able to reach 1,200 farmers, or about 40 percent of the targeted population. The College of Tropical Agriculture and Human Resources and the Department of Agriculture intend to improve and expand the program.

Your Committee has heard testimony from the State Department of Agriculture, the Hawaii Farm Bureau Federation, and the College of Tropical Agriculture and Human Resources in support of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1069 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 90                      Education on H.B. No. 824

The purpose of this bill is to ensure the provision of adequate education programs and services in the State of Hawaii.

House Bill No. 824 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used for convenience to introduce a bill containing only a general idea as to its purpose and means without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may properly be held on its substantive provisions. Without the amendment providing the substantive contents, members of the public cannot be duly apprised, in advance of the hearing, as to what the bill specifically purports to do and the specific means by which it intends to achieve the desired results. Thus, a hearing on a short-form bill may not be helpful, and a notice thereof could be less than meaningful.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 824, as amended herein, and recommends that it be recommitted to the Committee on Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 824, H.D. 1.

Signed by all members of the Committee.

SCRep. 91                      Tourism on H.B. No. 60

The purpose of this bill is to strengthen and enhance the capacity of the Department of Planning and Economic Development in carrying out its responsibilities in the area of tourism by establishing a pilot project of tourism education and training.

Your Committee fully supports the objectives of this bill as it would establish a five-year tourism education and training pilot project to be conducted by the Department of Planning and Economic Development and further establish a steering committee from the public and private sectors for tourism education and training to carry out the project.

Your Committee finds that it is a matter of the highest policy concern that this major industry be protected and provided with the fullest measure of public resource support to enhance its growth and development. Your Committee further recognizes that the future of our visitor industry will depend heavily upon the availability of skilled personnel to meet the diverse and changing labor demands of the industry.

Your Committee has provided the steering committee with general and specific responsibilities to be implemented in carrying out the purpose of this project. General respon-

sibilities shall include an ongoing review and assessment of the overall status of public and private training activities, identification of the strength and weaknesses of these activities, and whenever possible, initiate direct corrective action or making recommendations as appropriate; designing and implementing innovative demonstration projects designed to upgrade or modify education and training programs for purposes directly related to the needs of the visitor industry; and submitting an annual program report prior to the convening of each regular session of the legislature.

Specific responsibilities of the steering committee shall include: (1) review and assess the overall status of public and private training activities, identify the strength and weaknesses of these activities, and include findings and recommendations including funding requirements for specific programs and activities in need of support; (2) examine the feasibility of developing and utilizing mobile laboratories in lieu of permanent training facilities and recommend funding as required; (3) develop a system whereby labor unions and the state commission on manpower and full employment shall work cooperatively with the Hawaii Hotel Association and other trade groups in the visitor industry to establish a career ladder for employees in the industry; (4) prepare a pilot project design utilizing a major local hotel which will test various methods of making service occupations more attractive to local residents through such means as the combining of various attractive and unattractive occupations into one occupation; and (5) examine the feasibility of utilizing the Aloha Tower Complex hotel facilities for tourism training programs with recommendations as to the funding requirements.

Your Committee has amended Section 2 of the bill to have the steering committee consist of not less than fifteen persons, including the chairperson. Your Committee strongly feels that representatives from the Department of Labor, the Commission on Manpower and Full Employment, community colleges, School for Vocational Education, the School of Travel Industry Management, and labor unions with related programs should be represented on the Committee along with other committee membership.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 60 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 60, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives de Heer and Dods.

SCRep. 92

Tourism on H.B. No. 1603

The purpose of this bill is to provide funds for needed improvements in Waikiki.

Your Committee finds that Waikiki is the focal point of Hawaii's visitor industry. Your Committee is fully aware that the visitor plant in Waikiki (9/10th of 1 square mile) generates the highest revenues for the State and County through the 4% excise tax and real-property tax compared to any other comparable parcel of land throughout the State. However, as a mature visitor destination area, Waikiki has special needs for improvements and public facilities. Rapid growth over the past decade has placed tremendous demands upon the existing infrastructure in Waikiki.

Your Committee recognizes and concurs that Waikiki must be upgraded and continuously maintained if it is to compete successfully against foreign and domestic areas. The upgrading and maintenance of Waikiki is important to resident attitudes toward tourism in Hawaii as well as the quality of life experienced by those who live in the area.

Your Committee is cognizant of the many varying residential attitudes towards the visitor industry. However, your Committee seriously believes that should maintenance and upgrading be stopped, detrimental social and economic factors such as those seen in Atlantic City and Miami Beach will result. Furthermore, should the State wait until upgrading becomes necessary, funds needed for such projects will be exorbitantly high and recovery time for the area will be extremely slow.

Your Committee has amended the bill by omitting the 20% matching fund provision with the City and County of Honolulu. Your Committee strongly objects to the position and treatment concerning Waikiki by the City and County of Honolulu. Although the City and County concurs with the importance of Waikiki, they are neglecting this major responsibility due to their stated fiscal difficulties. Your Committee further abhors the City and County use of this project as a bargaining tool for a hotel-room tax. Your Committee therefore agrees that it would be better to remove the matching provision clause in the bill so as to expedite the necessary improvements in Waikiki.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 1603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1603, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives de Heer, Dods and Medeiros.

SCRep. 93                    Transportation on H.B. No. 69 (Majority)

The purpose of this bill is to prevent any state appropriations for a county mass transit system from being used for the construction or operation of a fixed guideway system.

Your Committee finds that the City and County of Honolulu has yet to provide information needed to support retention of a \$6 million appropriation by the 1975 State Legislature for a Honolulu fixed guideway system. Your Committee believes that the City has had sufficient time to complete studies needed to support the proposed fixed guideway system, which has been identified by the City as a priority project.

Your Committee is concerned that the federal government will consider retention of this appropriation as unequivocal state support for the proposed fixed guideway when major questions of ridership, operations and maintenance costs and means of financing remain unanswered.

Your Committee believes that unless this appropriation is repealed, the federal government is justified in believing that the State fully supports this project, particularly since the \$6 million has remained untouched in the four years since it was appropriated. Your Committee is extremely concerned that not repealing this appropriation will result in federal action which commits the State and the County to fund what may become Hawaii's most expensive public project and which will seriously affect the State's ability to borrow funds for other projects under the newly established constitutional State debt limit.

Your Committee has amended Section 1 of this bill to repeal the \$6 million dollar appropriation contained in item IV. N. 1 of Part VI, section 91 of Act 195, Session Laws of Hawaii 1975. Your Committee has amended Section 2 of this bill by inserting a Ramseyer clause needed to repeal this appropriation.

Your Committee on Transportation is in accord with the intent and purpose of H.B. NO. 69, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 69, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.  
(Representative Marumoto did not concur.)

SCRep. 94                    Transportation on H.B. No. 66

The purpose of this bill is to appropriate funds for emergency road repair to public highways, with services to outlying areas to receive priority. Your Committee has received testimony supporting this bill and H.B. No. 62, relating to emergency bridge repairs. Your Committee believes that funds for bridge and road repairs should be appropriated and has amended Section 1 of this bill to appropriate \$1,000,000 for both bridge and road repairs. Your Committee has also amended Section 2 of this bill to provide for a lapsing date of June 30, 1981 for unexpended or unencumbered balances of any appropriation made by this bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 66, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 66, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 95                    Judiciary on H.B. No. 650

The purpose of this bill is to appropriate \$110,482.12 to provide a grant-in-aid for an organized crime-selected offender unit within the County of Hawaii.

Your Committee received testimony that at present an organized crime-selected offender unit is in the process of being established in the County of Hawaii. However, because

funding was received for only one year, the county is experiencing great difficulty in recruiting experienced attorneys to head this unit inasmuch as such attorneys find the abbreviated length of ensured funding most unappealing. This bill, with the moneys appropriated therein, would provide for an additional year of funding, allowing at least a two year trial period for this organized crime-selected offender unit.

Your Committee is of the opinion that by receiving the funding for the additional year, the county will be able to recruit the necessary expertise and manpower to successfully get the unit established and functioning. Accordingly, your Committee recommends favorable consideration of this bill inasmuch as it provides the necessary funding to the county.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 650 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 96

Housing on H.B. No. 77

The purpose of this Act is to remedy the problems which presently result from unfair features of current residential condominium lease rent negotiation practices. The Act alleviates these problems by properly and fairly establishing the values inhering to the lessor and lessee.

Your Committee has found that a significant portion of the population of this State has found it necessary to satisfy their housing needs by resorting to leasehold condominium residences. The critical shortage of residential lands and the rapid appreciation in the value of such land, have caused the lease rents charged the lessee of leasehold condominiums to increase tremendously in recent years, and all indications suggest even greater increases in the future. These uncontrolled rent increases, unrelated to raw land value, are further due to the unequal bargaining power between the owners and individual lessees. Rental renegotiations have unduly favored the lessor, leaving the lessee with little option but to consent to the rental determined by the lessor or to give up the leasehold, although the lease may yet have twenty-five or more years to run.

Your Committee believes that the modifications to the current leasehold condominium renegotiation structure set forth in this Act is in accordance with the policy of the State that the lessee of a residential condominium shall have the right to enjoy lease rentals set at reasonable rates and under reasonable leasehold terms.

Testimony received by your Committee by various organizations, including the Hawaii Council of Associations of Apartment Owners, Aaron M. Chaney Inc., and the Waikiki Residents Association, indicated broad support for the purposes of this bill.

H.B. 77 has been amended by your Committee by adding a new section to chapter 519 of the Hawaii Revised Statutes which establishes guidelines and procedures for condominium renegotiation and imposes specific restrictions on the amount by which lease rent may increase.

More particularly, your Committee has determined that all renegotiations of leases involving a residential apartment as defined in chapter 514A which run for a period of at least twenty years, shall not be scheduled more often than once every fifteen years. Any renegotiation shall occur only after the fifteenth year of the initial term of the lease.

The maximum lease rent upon renegotiation shall not exceed an amount which is equal to the common interest of the residential apartment multiplied by the owner's basis times four percent. Your Committee agrees that this formula is necessary because it takes into account the multiple ownership of the common areas of residential apartments.

Your Committee further notes that the intent of the bill is to provide protection for owner-occupants of the leasehold residential apartments. The bill specifies that a "residential apartment" is "an apartment which is occupied, leased, and used as a principal place of residence."

The amended form of the bill also provides for arbitration to occur in case the parties are unable to agree on rental renegotiation. A requirement that the lessor must notify the association of apartment owners upon commencing of renegotiation is specified. Provisions for staggered renegotiations are also included.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 77, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.B. No. 77, H.D. 1.

Signed by all members of the Committee.

SCRep. 97                    Housing on H.B. No. 668

The purpose of this bill is to make an appropriation out of the State general revenues for the development and construction of four demonstration "cost-buster" houses.

Your Committee finds that housing costs may be substantially reduced through the "cost buster" concept by constructing demonstration houses which utilize conventional, easy-to-obtain material, employ more efficient construction methods, and follow a well designed plan. These prototype structures can then be used to set standards for future construction of houses for the middle income purchaser.

Your Committee finds that the sum of \$180,000 is necessary for the development and construction of four demonstration houses; one on each of the following islands: Oahu, Kauai, Maui, and Hawaii.

Your Committee has amended this bill by inserting the figure of \$180,000 in Section 1.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 668, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 668, H.D. 1.

Signed by all members of the Committee.

SCRep. 98                    Agriculture; and Water, Land Use, Development and Hawaiian Affairs on H.B. No. 512

The purpose of this bill is to acquire 900 acres of land in the Hanalei Valley, Kauai, to be used for wet-land culture.

Your Committees on Agriculture, and Water, Land Use, Development and Hawaiian Affairs find that Hanalei Valley has been, and continues to be, an important area for taro production on Kauai. Your Committees also find that the State's responsibility for the promotion and expansion of various local products, including agricultural commodities, extends to strengthening the growth and development of the taro industry.

Your Committees have amended this bill by providing an appropriation of \$2,000,000 out of the state general obligation bond fund, rather than the general revenues of the state, for the purpose of acquiring approximately 900 acres of land in the Hanalei Valley to be used for wet-land culture, rather than as part of the center for tropical agriculture.

Your Committees have also amended the bill by providing that the director of finance is authorized to issue general obligation bonds of the State to yield the amount of \$2,000,000 appropriated for the land purchase.

Your Committees have further amended the bill by providing that the department of land and natural resources, instead of the college of tropical agriculture of the University of Hawaii, is to be the expending agency, and that any unexpended or unencumbered balance of any appropriation made by the Act as of the close of business on June 30, 1982, shall lapse into the state general obligation bond fund.

Your Committees on Agriculture, and Water, Land Use, Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 512, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 512, H.D. 1.

Signed by all members of the Committees.

SCRep. 99                    Agriculture and Higher Education on H.B. No. 767

The purpose of this bill is to provide an appropriation to establish a greenhouse

vegetable culture facility at the Kona Experiment Station.

Your Committees find that farmers in the Kona District have been actively experimenting with greenhouse vegetable and indoor plant production as a means of developing new cash crops and opportunities for furthering agriculture in the district.

Your Committees also find that the construction of a greenhouse facility at the Kona experiment station of the college of tropical agriculture of the University of Hawaii would provide a means of conducting controlled experiments and demonstrations which would significantly contribute to the growth and development of diversified agriculture.

Your Committees on Agriculture, and Higher Education are in accord with the intent and purpose of H.B. No. 767 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Segawa.

SCRep. 100                    Agriculture and Higher Education on H.B. No. 773

The purpose of this bill is to provide an appropriation for one additional plant crop agent to strengthen the operation of the Kona experiment station.

Your Committees finds that Kona is an important agricultural production center of long standing and has shown impressive new agricultural potential in recent years. Attesting to the importance of the Kona area as an important location for diversified agricultural development is the establishment of the Keahole agriculture park. Your Committees also find that the Kona experiment station has been unable to adequately serve the needs of the various agricultural producers in the Kona area.

Your Committees have amended this bill by providing an appropriation of \$48,600 to the College of Tropical Agriculture and Human Resources as the expending agency to hire an additional plant crop agent for the fiscal biennium 1979-81. Your Committees have further amended this bill, in that any unexpended or unencumbered balance of the appropriation made by this Act as of the close of business on June 30, 1981 shall lapse into the general fund.

Your Committees on Agriculture and Higher Education are in accord with the intent and purpose of H.B. No. 773, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 773, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Segawa.

SCRep. 101                    Agriculture and Higher Education on H.R. No. 291

The purpose of this resolution is to request appropriate officials of the University of Hawaii to authorize the establishment of an advisory committee with broad representation to include farmers and others directly engaged in agricultural production to assess the adequacy of agricultural curriculum offerings in tropical agriculture at the Manoa and Hilo campuses.

It has been alleged that generally the existing advisory committees upon appointment are nonfunctional. To overcome this situation, selection of appropriate members must be carefully screened to assure that members will actively participate at meetings to enhance the agriculture industry and agriculture educational programs.

From testimony presented by the Vice-President for Academic Affairs of the University of Hawaii, your Committees have learned: (a) at Hilo campus there is an active committee working closely with Dean Tom, his faculty and students and Chancellor Dobson, as the instructional program is developed; and (b) at Manoa campus there is a considerable number of advisory committees that involve small farmers, agri-business commodities, marketing and others. Notwithstanding with these facts, your Committees express great concern with the non-functional advisory committees, and recommend that a critical assessment should be made to determine the usefulness and effectiveness of each existing advisory committee in meeting with the current agricultural problems.

In summary, your Committees expressed desire to have a single state-wide advisory committee composed of representatives from faculty members of Hilo and Manoa campuses,

affected community colleges, the Hawaii Farm Bureau Federation, the Department of Agriculture, agri-business, farmers, students in agriculture, the U.S. Department of Agriculture Soil Conservation Service and related agencies with particular attention to the adequacy of agriculture curriculum as it relates to current needs, anticipated future curriculum needs and the adequacy of curriculum offerings in tropical agriculture.

Your Committees have amended this resolution by inserting an additional "Be It Further Resolved" clause requesting the College of Tropical Agriculture and Human Resources, Manoa Campus to submit its finding and recommendation to the House of Representatives 20 days prior to the convening of the Regular Session of 1980.

Your Committees on Agriculture, and Higher Education concur with the intent and purpose of H.R. No. 291, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 291, H.D. 1.

Signed by all members of the Committees except Representative Segawa.

SCRep. 102                      Employment Opportunities and Labor Relations on H.B. No. 42

The purpose of this bill is to provide an appropriation for additional investigative positions for the fair employment practices program of the Department of Labor and Industrial Relations.

The department is required by Section 378-3, HRS, to make prompt investigations of complaints alleging employment discrimination. Investigations are conducted by the department's Enforcement Division which is responsible for administering the fair employment practices program.

Since the early 1970's, the department has been unable to meet the statutory requirements for prompt investigations. The major cause of the department's failure to meet the requirement has been the lack of staff. Additionally, new discriminatory factors, greater public concern about protection of civil rights, and the department's designation as a deferral agency for the Equal Employment Opportunity Commission in the private sector have contributed significantly to the increase in complaint filings and workload backlog.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 42 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Dods.

SCRep. 103                      Employment Opportunities and Labor Relations; and Public Assistance and Human Services on H.B. No. 47

The purpose of this bill is to make an appropriation for vocational rehabilitation.

Your Committees have amended this bill to provide that the appropriation shall be made for the operating costs of rehabilitation workshops. Your Committees have further amended this bill by filling in the appropriation amount of \$412,187.

Your Committees on Employment Opportunities and Labor Relations and Public Assistance and Human Services are in accord with the intent and purpose of H.B. No. 47, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 47, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Dods.

SCRep. 104                      Youth and Elderly Affairs on H.B. No. 1100

The purpose of this bill is to provide an appropriation of \$280,000 for the establishment of a multipurpose senior center in Kapahulu, Oahu.

Your Committee finds that the Kapahulu Senior Center is currently a Department of Labor SCET funded program administered by the Office of Manpower Training. The Center currently utilizes the basement facilities of the Kapahulu Japanese Language School to provide a wide range of educational and recreational programs to 600 plus

senior citizens in the area.

Since its creation in December 1975, the Center has operated as a demonstration project funded for 3 month periods. This has had a detrimental impact on the Center especially in regards to the development of long range projects. Nevertheless, your Committee finds that under these conditions the Center has performed admirably and should be afforded a more permanent status. The Department of Labor is in agreement.

Your Committee recommends, however, that the Center be placed in the Executive Office on Aging which will also serve as the expending agency. Accordingly, your Committee has amended this bill to reflect the recommended change.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1100, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 105                      Youth and Elderly Affairs on H.B. No. 626

The purpose of this bill is to provide an appropriation for the Immigrant Youth Program of the Kalihi-Palama Immigrant Service Center, a program designed to provide counseling, interpreting and related services to immigrant and Samoan students in Honolulu's public schools.

Your Committee has amended the bill to provide for an appropriation of \$55,000 to be expended by the Department of Education.

Your Committee is in accord with the intent and purpose of H.B. No. 626, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 626, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 106                      Youth and Elderly Affairs and Health on H.B. No. 520 (Majority)

The purposes of this bill are to: 1) add family planning services to the medical care and services for which a minor may validly consent; 2) remove reference to abortion in the definition of medical care and services; and 3) require consultation with a minor prior to the release of information to a spouse or parent.

Your Committees find that in 1977, the Supreme Court of the United States gave to minors the constitutional right to prevent pregnancy without parental consent. Your Committees further find that twenty-six states and the District of Columbia have already enacted laws similar to those presently being proposed for adoption in Hawaii. In light of these developments, your Committees believe that Hawaii law should be amended to provide minors with the right to make responsible decisions regarding their reproductive lives.

Your Committees on Youth and Elderly Affairs and Health are in accord with the intent and purpose of H.B. No. 520 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committees.  
(Representative Sutton did not concur.)

SCRep. 107                      Culture and the Arts on H.B. No. 335

The purpose of this bill is to provide a grant-in-aid to the Bishop Museum for operating expenses.

The Bishop Museum, founded in 1889 by Charles Reed Bishop, is one of the oldest museums in the United States. The Museum was designated as the depository for specimens and objects of natural, botanical, ethnological, architectural, historical or archeological value or interest.

In addition to its role as a depository, the Bishop Museum serves the people of Hawaii above all as a cultural and research resource whose activities cover four major areas: collections, research, publications, and exhibits. The Museum Library also has one of the three major Pacific historical collections and is the only one that is located in the United States.

Some new projects to be undertaken by the Museum include the Hall of Discovery, to be planned within the Museum, where people, particularly the young, can come in and become personally involved with the exhibits; the Atherton Halau, an open-air, Polynesian type structure; an exhibit of the aboriginal art of northern Australia; and construction of a 62-foot koa canoe. Cultural institutions such as the Museum cannot stand still, they either press forward to develop their programs and services or they deteriorate.

Your Committee finds that the Museum faces a deficit this year of \$570,000, and it is anticipated there will be another substantial deficit next year and possibly the following year. The Museum derives its income from three major sources: limited trust income, private and federal grants, and self-generated income. Although these funds have grown in total over the years, they have not been able to keep pace with inflation. Also, the Museum receives no funds from the Bishop Estate.

Your Committee has amended H.B. No. 335 to provide \$100,000 as a grant-in-aid to the Bishop Museum for operating expenses. The amendment would read as follows:

SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary, to provide a grant-in-aid to the Bishop Museum for operating expenses.

Your Committee has also amended Section 2 of the bill to identify, by code, the appropriate expending agency.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 335, as herein amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 335, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 108

Culture and the Arts on H.B. No. 916

The purpose of this bill is to provide a grant-in-aid of \$60,000 for fiscal year 1979-80 to the Fetu Ao Organization.

The Fetu Ao Organization is an incorporated association composed of able professional people with an interest in developing and integrating the residents of Samoan ancestry into the mainstream of Hawaii's society. Its non-profit status is pending approval from the Internal Revenue Service. Its members include students and graduates in the field of Social Work, Education, Law, Communications and Business.

The Project for which funding is being requested will be conducted in the areas with the highest concentration of Samoans. Since the primary emphasis will be on the children of Samoan ancestry, the project will involve the Kalihi and Palolo Elementary Schools. These schools have indicated a willingness to promote the project as an "after-school" event.

Your Committee has amended Section 2 of the bill to identify, by code, the appropriate expending agency. Section 2 is also amended to provide June 30, 1980, as the lapsing date for any unexpended or unencumbered balance of the appropriation made by this Act.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 916, as herein amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 916, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 109                    Culture and the Arts on H.B. No. 862

The purpose of this bill is to provide a grant-in-aid of \$30,000 for fiscal year 1979-80 to the Kalihi-Palama Culture and Arts Society.

The Kalihi-Palama Culture and Arts Society develops and implements programs and activities to meet the cultural needs and to enrich the cultural climate of the community neighborhood areas.

Programs under the Society consists of comprehensive and coordinated activities which provide opportunities for education and training not only in culture and the arts, but in program services, publicity and resources. The Society also currently coordinates the culture and arts program at the Hawaii State Prison, and provides technical advisory and support services for the Hawaii Council on Portuguese Heritage.

Your Committee has amended Section 2 of the bill to identify, by code, the appropriate expending agency. Section 2 is also amended to provide June 30, 1980, as the lapsing date for any unexpended or unencumbered balance of the appropriation made by this Act.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 862, as herein amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 862, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 110                    Culture and the Arts on H.B. No. 37

The purpose of this bill is to make an appropriation for the planning and construction of a Hawaii Sports Hall of Fame to provide the public with an opportunity to become familiar with and appreciate the athletic achievements of Hawaii's people.

The Hawaii Sports Hall of Fame will capture and enshrine the exciting historic moments of Hawaii's great athletes. It would be an educational process for the future generations that have never been exposed to these great local athletes of national and international fame. They will be able to relate through films and photos, life background, precious medals and trophies, plus outstanding records and accomplishments.

Your Committee believes that the Hawaii Sports Hall of Fame should be constructed to preserve this precious portion of our heritage. It will instill a sense of value and pride and also serve as a source of inspiration for the youth of Hawaii.

Your Committee has amended H.B. No. 37 to provide \$1,000,000 as a capital appropriation for the planning and construction of the Hawaii Sports Hall of Fame.

Your Committee has also amended Section 2 of the bill to provide June 30, 1982 as the lapsing date for any unexpended or unencumbered balance of the appropriation made by this Act.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 37, as herein amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 37, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 111                    Culture and the Arts on H.B. No. 621

The purpose of this bill is to provide \$100,000 for a grant-in-aid to the Honolulu Symphony Society for services to the neighbor islands and a balanced educational program on Oahu for fiscal year 1979-80.

At the hearing held on Thursday, February 15, 1979, a request was made by the Honolulu Symphony Society to increase the proposed appropriation by \$50,000 in order to maintain the program at the present level. Your Committee concurred with the request and amended the bill to provide for an appropriation of \$150,000 for fiscal year 1979-80.

Your Committee has also amended Section 2 of the bill to identify, by code, the appropriate expending agency.

Your Committee has amended the bill further, by adding four new sections pertaining to the standards that must be provided by law for grants of public money or property. Such amendments would be as follows:

SECTION 3. General Conditions of appropriation. No payment of moneys under this Act shall be made unless the provider:

(1) Agrees to comply with all applicable federal and state laws prohibiting discrimination against any person, on the grounds of race, color, national origin, religion, creed, sex, or age, in employment and any condition of employment with a provider or in participation in the benefits of any program or activity funded by the moneys appropriated by this Act.

(2) Complies with all applicable licensing requirements of the state and federal governments, and all applicable accreditation and other standards of quality generally accepted in the field of the provider's activities.

SECTION 4. Allotment. The appropriations made by this Act shall be subject to the allotment system provided in chapter 37, part II, Hawaii Revised Statutes.

SECTION 5. Monitoring and evaluation. The appropriation under this Act shall be monitored by the department of budget and finance to ensure compliance with this Act.

SECTION 6. The provisions of this Act shall control the appropriations made herein until such time as the legislature enacts an act establishing the standards required by Article VII, section 4, of the state constitution which has general application at which time the provisions of such act shall control.

For the purposes of consistency, your Committee also recommends that this bill be further amended by renumbering the original Section 3 to Section 7.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 621, as herein amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 621, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 112                      Culture and the Arts on H.B. No. 624

The purpose of this bill is to provide a grant-in-aid to the Hawaii Council on Portuguese Heritage (HCPH).

The HCPH is a non-profit organization representing seven groups in Hawaii. Formed in December of 1977, the Council's purpose is to preserve, perpetuate and further the culture of Portuguese people in Hawaii by encouraging, supporting and coordinating activities which promote the culture, and by sharing these cultural resources with the general public.

Your Committee has amended Section 2 of the bill to identify, by code, the appropriate expending agency.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 624, as herein amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 624, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 113                      Culture and the Arts on H.B. No. 778

The purpose of this bill is to provide \$75,000 for a grant-in-aid to the Honolulu Theatre for Youth.

The Honolulu Theatre for Youth will be using these funds for neighbor island tours to provide children in these communities an opportunity to participate in workshops.

Your Committee has amended Section 2 of the bill to identify, by code, the appropriate expending agency.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 778, as herein amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 778, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 114                      Culture and the Arts on H.B. No. 36

The purpose of this bill is to make an appropriation for the planning of the conversion of the downtown library facility into a Hawaii Historic Hall and for the relocation of the downtown Hawaii State Library to an appropriate downtown Honolulu location.

There exists today, no single place where citizens and visitors can experience the symbols of civic leadership in Hawaii. Hawaii's unique history of government from the period before the creation of a unified monarchy, during the monarchy, in the Republic of Hawaii, the Territory of Hawaii, and the State of Hawaii should be displayed for all people to see.

The present downtown library facility would be an ideal location for this Historic Hall since it is on both the State and National Registers for Historic Sites as part of the Capitol Historic District. Also, the present downtown library facility is no longer capable of housing the expanding Hawaii State Library.

Your Committee has amended H.B. No. 36 to provide \$500,000 for the planning of the conversion of the downtown library facility into a Hawaii Historic Hall and for the relocation of the downtown Hawaii State Library to an appropriate downtown Honolulu location.

Your Committee has also amended Section 2 of the bill to provide June 30, 1982 as the lapsing date for any unexpended or unencumbered balance of the appropriation made by this Act.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 36, as herein amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 36, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 115                      Culture and the Arts on H.B. No. 638

The purpose of this bill is to provide for the celebration of the eightieth anniversary of the Okinawan people in Hawaii by creating a commission to be appointed by the Governor. There shall be an appropriation to facilitate the celebration.

Your Committee believes that the eightieth anniversary of Okinawans in Hawaii deserves state-wide recognition and should get funds from the State. The State sponsored celebration would also be a golden opportunity for the Okinawan community to finally honor some of the surviving immigrants who came to Hawaii at the turn of the century.

Your Committee has amended H.B. No. 638 to provide \$80,000 to facilitate the celebration and commemoration of the eightieth anniversary of the Okinawan people in the State of Hawaii.

Your Committee has also amended Section 3 of the bill to provide June 30, 1981 as the lapsing date for any unexpended or unencumbered balance of the appropriation made by this Act.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 638, as herein amended, and recommends that it pass Second Reading in

the form attached hereto as H.B. No. 638, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 116            Water, Land Use, Development and Hawaiian Affairs; and  
Agriculture on H.B. No. 727

The purpose of this bill is to permit agricultural cooperative associations to qualify for leases of State lands in an agricultural park.

Currently, the agricultural park law provides for the eligibility of individuals as applicants and is silent on whether agricultural cooperatives would be eligible.

Your Committees believe that the formulation of agricultural cooperative associations will greatly assist Hawaii's diversified agriculture produces, particularly in the marketing of their products. By providing for the eligibility of cooperatives in agricultural parks, an excellent tool to promote the formation of cooperatives will exist. In the case of an agricultural park where all the tenants would be members of a cooperative, not only would these be collective marketing advantages, but also reduced production cost advantages to the farmers in purchasing supplies, equipment, processing and transportation.

Your Committees on Water, Land Use, Development and Hawaiian Affairs, and Agriculture are in accord with the intent and purpose of H.B. No. 727 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Sakamoto.

SCRep. 117            Energy on H.B. No. 129

The purpose of this bill is to appropriate funds for a State Office Building Energy Conservation Program.

Your Committee concurs with the Department of Planning and Economic Development's recommendation that \$100,000 be appropriated for the implementation of energy saving measures in State buildings. Your Committee has amended Section 1 of this bill to provide these funds and to insert a lapsing date of June 30, 1981.

Your Committee on Energy is in accord with the intent and purpose of H.B. No. 129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 129, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sakamoto.

SCRep. 118            Health on H.B. No. 900

The purpose of this Act is to appropriate the sum of \$300,000 for plans and construction of a rehabilitation facility at Kaunakakai, Molokai.

Your Committee finds that this is the only such facility on Molokai which serves the handicapped and provides services such as: work evaluation and training, social rehabilitation, and sheltered employment.

Your Committee further finds that the facility has been housed in an old converted wooden storage shed since 1965 and is on land currently belonging to Maui County located within the Molokai Civic Center currently under construction, and eviction is imminent.

Inasmuch as the County provides facilities for youth programs and programs for the elderly, the Committee feels it is appropriate that the County should also provide the land for the rehabilitation facility.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 900 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 119 Health on H.B. No. 1515

The purpose of this Act is to appropriate the sum of \$25,000 for the operation and evaluation of the physician-nurse midwifery services demonstration project of the Department of Health and the School of Public Health of the University of Hawaii.

Your Committee received testimony from the Department of Health and the School of Public Health of the University of Hawaii. The services of a nurse-midwife in association with the physician to provide family-centered maternity care are appropriate for rural areas. The Department of Health will set up a demonstration project in Kahuku and collect and evaluate data in cooperation with the School of Public Health of the University of Hawaii.

It is understood that \$20,000 will be for services of a duly licensed midwife and that \$5,000 will be for the evaluation and its subsequent dissemination. The evaluation will emphasize aspects of the program which will extend the popular usage of midwifery in the State.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1515 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 120 Health on H.B. No. 287

The purpose of this Act is to increase the statutory amount that may be charged for certified copies of certificates and for file searches by the Department of Health.

This Act would increase from \$2.00 to \$3.00 the fee for issuing a certified copy of a vital record (birth, death, marriage and divorce certificates) and from \$3.00 to \$5.00 the hourly fee for searching files for records which do not involve issuance of certified copies. Section 338-14 of the Hawaii Revised Statutes is amended to reflect these fee changes.

Testimony from the Department of Health included a commitment to use the additional revenue to offset costs of modernizing what is now an entirely manual system for retrieval of documents which has had no significant modification since 1949.

Your Committee is also cognizant of rising costs incurred over the years from the need for expanded service to the public, and inflationary pressures. Your Committee feels that an increase in fees would be warranted to offset the increased operational expenses.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 287 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 121 Health on H.B. No. 1595

The purpose of this Act is to make an appropriation for capital improvements at Kalaupapa Settlement, Molokai.

Your Committee finds that the existing water storage facilities at the Settlement consist of a redwood tank and two concrete tanks with an effective total capacity of about 310,000 gallons which is sufficient to last about six days in the event of a break in the water main by exercising strict conservation measures. The redwood tank is in poor condition. Also of great concern is the need to repair, upgrade and improve the entire Kalaupapa water system.

Your Committee further finds that there is a need for major repairs and restorations of the Father Damien Memorial Chapel, its furnishings and related premises.

Your Committee has amended the bill to accept the recommendations of the department of health: (1) substitute "Improvements to Water System" in line 6 for "New Water Tank"; and (2) substitute "Restoration of Father Damien Memorial Chapel, the Furnishings Therein and Related Premises Including the Gravesite and Memorial Marker - \$25,000" in lines 7 and 8 for "Restoration of Father Damien's Grave" and "Restoration of Damien

Church Organ".

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1595, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 122                    Health on H.B. No. 1126

The purpose of this bill is to appropriate funds for the biennium 1979-1981 to the Department of Health to contract for mental health services.

Testimony was presented by the Mental Health Coalition, a representative body of various mental health services organizations which provide a system of services to the emotionally upset, mentally ill and suicidal persons that range from intervention to rehabilitation into the community.

The programs represented by the Mental Health Coalition provide services and appropriate interventions to troubled persons, children and adults at various stages in their lives. The system attempts to provide mental health services without hospitalization or institutionalization, but if the individual who needs mental health services is already in a hospital or institution, the system attempts to provide the individual with an alternate choice that is less costly and restrictive.

Your Committee has amended the appropriation from \$632,884 to \$596,709 for the biennium 1979-1981. Specifically \$291,760 is appropriated for fiscal year 1979-1980 and \$304,949 for fiscal year 1980-1981.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1126, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 123                    Health on H.B. No. 1122

The purpose of this Act is to appropriate funds for a grant-in-aid to the Hawaii Poison Center for the continuation of poison information services, including a public health education component.

Poison Information Centers are an integral part of every comprehensive emergency medical services system. The Hawaii Poison Center provides poison information 24 hours a day all year round for the entire State of Hawaii.

Your Committee finds that poisoning is the most common pediatric medical emergency. The availability of services of the Hawaii Poison Center is vital to the well-being of the residents of the State.

Your Committee has amended the grant-in-aid from \$90,000 to \$85,000.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1122, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 124                    Health on H.B. No. 1129

The purpose of this bill is to appropriate funds for substance abuse services, programs and treatment.

Your Committee finds that among the variety of non-governmental health organizations there are voluntary, non-profit services and agencies dealing with specific diseases and problems, which focus on prevention, treatment and rehabilitation.

Your Committee further finds that the requested funds would: (1) maintain current

levels of services; (2) maximize Federal funds available for substance abuse services as anticipated from the National Institute on Drug Abuse and the National Institute on Alcohol Abuse, and Title XX funds allocated to the State; and (3) maintain and provide for minimal services to neighbor island counties. The level of funding requested by programs for statewide substance abuse services is based on current services to approximately 4,750 clients.

Your Committee on Health amends the bill to include an appropriation of \$1,784,906 for the biennium 1979-1981 to be expended as follows: for FY 79-80 \$842,981 and for FY 80-81 \$941,925. The sum appropriated shall be expended by the department of health for the purposes of this Act.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1129, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 125                      Judiciary on H.B. No. 577

The purpose of this bill is to eliminate the superfluous requirement that the public defender's office pay for court filing costs for indigent criminal defendants.

Your Committee heard testimony that under present law, the public defender's office is required to pay the filing costs, appeal bonds, and other payments for indigent criminal defendants; yet, this office has never received funds nor budgeted for the payment of such costs. Moreover, pursuant to chapter 607, Hawaii Revised Statutes, all of the courts in the State, except one, have been waiving the payment of such costs and fees if, upon an examination of the defendant's financial circumstances, they find that the defendant is indigent.

Your Committee further heard testimony that this requirement, in essence, provides for the State to pay itself at considerable expense in terms of the administrative time required to budget and process payments for such costs, thereby imposing an unnecessary administrative burden on the State.

Your Committee finds that there appears to be no basis for the expense which is incurred by this procedure inasmuch as any rights which an indigent criminal defendant may have to judicial relief are not contingent upon whether the public defender's office pays or does not pay such costs and fees, such rights being conferred upon an indigent criminal defendant by a judicial determination of indigency and not by the payment of court costs and fees by the public defender's office.

Your Committee, therefore, finds that the statutory requirement in question which mandates the public defender's office to pay for court costs and fees on behalf of indigent criminal defendants is indeed superfluous because it has no appreciable impact upon the criminal justice system, and undesirable in that it imposes an unnecessary administrative burden upon the State. Accordingly, inasmuch as this bill effectively deletes this requirement, your Committee recommends its favorable consideration.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 577 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Dods.

SCRep. 126                      Judiciary on H.B. No. 922

The purpose of this bill is to improve the laws, rules, policies, and procedures relating to guardianship, civil commitment and protective services. This bill would fund a study to review and evaluate the laws, rules, policies and procedures related thereto.

Your Committee heard testimony that many of our citizens are disabled to such an extent that they are unable to make basic personal choices about, or to look after themselves because of the ravages of numerous conditions, e.g. mental illness, alcoholism, mental retardation, and disabling old age. Some of them are in need of intense long-term help, others need immediate attention in a severe crisis.

Present law provides two basic responses, namely, the appointment of a guardian

of the person or his property, and the commitment of the person to an institution. Your Committee heard testimony that these two alternatives have proven wholly inadequate both in terms of comprehensiveness and in terms of flexibility.

Your Committee agrees with the testimony received and finds that the study for which funding is being sought is necessary in order to evaluate present laws, rules, procedures, and policies before any further action is taken or even recommended in this area. Accordingly, your Committee recommends that this bill be given favorable consideration inasmuch as it provides the necessary funding to conduct a formal study of the issues and problems in this area.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 922 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 127                      Judiciary on H.B. No. 917

The purpose of this bill is to provide operating funds for the Justice for Victims program in Hawaii County.

The Justice for Victims program, in its third year of existence in Hawaii County, is a federally sponsored program designed to provide assistance to victims/witnesses of crimes as they are required to interact with the criminal justice system by making available to them the services of a counselor who acts as a liaison between the victim/witness and the police, prosecutor, court and probation and corrections offices.

Your Committee finds that such a program provides a sorely needed service in the area of the criminal justice system, concentrating on the needs of the victim, not the perpetrator, of crime. Accordingly, your Committee recommends its favorable consideration.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 917 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 128                      Water, Land Use, Development and Hawaiian Affairs; and  
Agriculture on H.B. No. 1643

The purpose of this Act is to provide for the establishment, organization and operation of a state facility to be known as the "Tropical Aquaculture Center of Hawaii."

Hawaii is an ideal location for the development of aquaculture as a major economic activity. Its warm, mild climate, and abundant natural resources provide a great potential for commercial culture of tropical and temperate-zone aquatic animals and plants. Moreover, its geographic placement near the developing nations of the Asian/Pacific Basin gives Hawaii the opportunity to function as a conduit for the transfer of aquaculture technology to and from other countries.

Your Committees have amended the bill by deleting in its entirety Section 2 and by inserting an appropriation for \$100,000 with the Department of Land and Natural Resources as the expending agency. Your Committees have also made nonsubstantive technical corrections for typographical errors.

Your Committees on Water, Land Use, Development and Hawaiian Affairs, and Agriculture are in accord with the intent and purpose of H.B. No. 1643, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1643, H. D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Sakamoto.

SCRep. 129                      Water, Land Use, Development and Hawaiian Affairs; and  
Agriculture on H.B. No. 1328

The purpose of this bill is for the development of a recreational agriculture program, including the leasing of public lands for recreational agriculture use.

Your Committees on Water, Land Use, Development and Hawaiian Affairs, and Agriculture are in accord with the intent and purpose of H.B. No. 1328, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Sakamoto.

SCRep. 130            Water, Land Use, Development and Hawaiian Affairs; and  
Agriculture on H.B. No. 1654

The purpose of this bill is to clarify the application of payments under Chapter 219, FRS, Aquaculture Loan Program, by amending Sections 219-4 and 219-5.

The law is contradictory in that Section 219-5(7) requires that all moneys collected are deposited in the Aquaculture Loan Revolving Fund, while Section 219-4 requires that interest and fees are deposited into the reserve fund and payments received on account of principal be deposited into the revolving fund.

The proposed changes will provide for the depositing of fees and interest into the reserve fund and of principal into the revolving fund.

Your Committees on Water, Land Use, Development and Hawaiian Affairs, and Agriculture are in accord with the intent and purpose of H.B. No. 1654 and recommend that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Sakamoto and Narvaes.

SCRep. 131            Water, Land Use, Development and Hawaiian Affairs; and  
Agriculture on H.B. No. 1652

The purpose of this bill is to provide funds for the Aquaculture Loan Program.

There is appropriated out of the general revenues of the State of Hawaii the sum of \$500,000 for fiscal year 1979-80 and the sum of \$500,000 for fiscal year 1980-81 to the Hawaii Aquaculture Loan Revolving Fund. The sum appropriated shall be expended by the Department of Agriculture for the purposes of this Act.

The additional appropriations are required in order to meet the expanded needs resulting from the recent increase in loan applications. Expansion of present funding levels will also encourage the participation of the State's private lenders in the development of aquaculture and will provide needed additional support to the increasing numbers of aquaculturists in the State.

Your Committees on Water, Land Use, Development and Hawaiian Affairs, and Agriculture are in accord with the intent and purpose of H.B. No. 1652 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Sakamoto and Narvaes.

SCRep. 132            Housing on H.B. No. 637

The purpose of this bill is to make an appropriation out of the State general revenues for the operation of the Council of Housing and Construction Industry.

The Council of Housing and Construction Industry has effectively carried out its role of bringing together the many segments of the construction industry and the various government agencies relating to housing. Since its establishment seventeen months ago, the Council has also served to initiate many changes aimed at the creation of decent and affordable shelters for those in need.

Your Committee finds that an additional appropriation of \$10,044 is needed to correct an inadvertent deleting of a \$3,500 printing item from the amount requested by the Office of Budget and Finance, and to provide for a contingency fund to be available for the Council's use if needed.

Your Committee further finds that the sum appropriated should properly be expended by the Office of the Governor rather than by the Department of Planning and Economic Development.

Your Committee has amended this bill by inserting the figure of \$10,044 in Section 1. Section 2 has also been amended by deleting reference to the Department of Planning and Economic Development and inserting "office of the governor" in its place.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 637, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 637, H.D. 1.

Signed by all members of the Committee.

SCRep. 133                      Ocean and Marine Resources on H.B. No. 137

The purpose of this Act is to stimulate Hawaii's Fishing Industry by expanding the Fishing Vessel Loan Program established by section 188-22, Hawaii Revised Statutes.

Your Committee finds the future of Hawaii's Commercial Fishing Industry lies in the development of the vast fishing resources in the Northwest Hawaiian chain as well as the Western and Central Pacific areas through the use of long range Fishing Vessels whose average cost is estimated at \$500,000 per vessel.

Testimony given before your Committee by the Department of Land and Natural Resources reveals that one of the major problems on the establishment of a modern long range fishing fleet in Hawaii has been the lack of capital.

Your Committee further finds that, although there is a Hawaiian Fisheries Development Master Plan underway, it should be noted that without immediate financial assistance, Hawaii's commercial fishing industry will not be able to develop its share of the ocean's resources and compete with west coast and foreign vessels whose operations are also cognizant of the same potential fishing resources.

Your Committee amended this bill by providing an appropriation of \$2,500,000 to be expended by June 30, 1981.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 137 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 137, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 134                      Ocean and Marine Resources on H.B. No. 136

The purpose of this Act is to make an appropriation to foster the development of Hawaii's vast Marine Resource potential by supporting a fishery resource program.

Your Committee finds that the Department of Land and Natural Resources is presently formulating the "Master Plan on Hawaiian Fisheries Development" which, among other things, proposes:

1. To conduct surveys of the Leeward Islands Commercial Fishery Potential.
2. The usage of Midway Dockside Facilities (secured through an agreement with the U.S. Navy in 1978) as a fishery base for fishing the rich albacore grounds discovered off Midway Islands in 1977 and 1978.

Testimony before your Committee by the Department of Land and Natural Resources places strong emphasis on the importance of these two fishery development programs and that funds appropriated through this Act are essential for their implementation.

Your Committee has amended this bill by providing an appropriation of \$169,000 to be expended by June 30, 1980. This amount is subdivided to include \$164,000 for the survey of the Leeward Islands and \$5,000 for administrative services at the Midway fishery base.

Your Committee further amends this bill to include a fisheries biologist assigned as project leader and a biological technician, both to be hired exempt from the provisions of chapter 76 and 77 of the Hawaii Revised Statutes and on a temporary basis.

Your Committee on Ocean and Marine Resources is in accord with the intent of and purpose of H.B. No. 136 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 136, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 135                    Ocean and Marine Resources on H.B. No. 466

The purpose of this Act is to provide for the continuation of a fish aggregation buoy placement program in water accessible to recreational and commercial fishermen by making an appropriation to be expended by the Department of Land and Natural Resources for implementation of the buoy placement program by the State.

Your Committee finds Hawaii's fishing industry, after a long dormant period of time, appears to be moving into a new era of growth. Although the magnitude of the fisheries resource is still unknown, it is certain that catches, both commercial and recreational, can be substantially increased.

Testimony before your Committee reveals that the experimental buoy placement program of the National Marine Fisheries Service has experienced tremendous success in aggregating schools of fishes in the waters of the state and that the program is enthusiastically supported by the Department of Land and Natural Resources, the Marine Affairs Coordinators office, the fishing industry and spokesmen for various recreational fishing organizations.

Your Committee amended this bill by providing an appropriation of \$88,000 to be expended by June 30, 1980.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 466 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 466, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 136                    Ecology and Environmental Protection on H.B. No. 125.

The purpose of this Act is to mandate the department of health in cooperation with the University of Hawaii to study the feasibility of recycling gray water and report their findings to the legislature.

An increasing population and growing water consumption are causing growing concern for judicious use of Hawaii's water resources. Hawaii has already experienced water shortages resulting in moratoriums on new subdivision developments, requests for voluntary cutback in water use, and plans for mandatory water use regulations in case of emergency.

Gray water, the residual water from such domestic activities as laundry, bathing, and dishwashing, could be recycled and used for yard and garden irrigation. Your Committee feels that a study of the utilization of gray water, including measures to protect the health and safety of the public, would be of significant value to the State in future water management.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of H. B. No. 125, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H. B. No.125, H. D. 1.

Signed by all members of the Committee except Representative Sakamoto.

SCRep. 137                    Higher Education on H.B. No. 1071

The purpose of this bill is to provide \$80,000 for the 1979-81 biennium for the Pacific

and Asian Affairs Council (PAAC).

PAAC is a non-profit, educational, statewide, world affairs program for Hawaii's youth designed to increase their knowledge and understanding of Asian and Pacific peoples, cultures and issues.

The yearly program organized by PAAC is designed to complement, supplement and enrich curricula in Hawaii's public and private secondary schools through workshops, conferences, interschool activities, educational tours, magazine publications, audio-visual presentations and guest resource speakers.

Your Committee received numerous testimonies in support of the program which also serves as a valuable link to organizations such as the East-West Center, the Hawaii Commission on the Year 2000, the University of Hawaii and other higher education institutions, the United Nations Association, the Hawaii International Services Agency and other internationally-oriented groups and organizations.

Legislative support of this program has been ongoing since 1967. As a supplement, PAAC receives approximately \$15,000 in extramural and non-state funds from private contributors and eleemosynary foundations and corporations serving Hawaii. A federal grant for youth programs was awarded to PAAC this year from the National Endowment for the Humanities.

The proposed budget for the 1979-81 biennium is reflected below:

	<u>STATE</u>	<u>*FEDERAL GRANT</u>	<u>PRIVATE SECTOR</u>
	\$80,000	\$ 37,922	\$ 60,000
*Dependent upon approval of Federal grant to Pacific Islands Studies Program, UHM.			
<u>PROGRAM COSTS:</u>		\$ 34,082	
Printing and Publications			
Reproduction of Materials			
Books, Subscriptions, Membership Fees			
Travel - Air, ground, per diem			
Conference Costs			
<u>OTHER CURRENT COSTS:</u>		\$ 26,296	
Rent			
Office Supplies			
Postage			
Utilities			
Repair/Maintenance			
Insurance			
<u>SALARIES AND FRINGE BENEFITS</u>		<u>\$117,544</u>	
		\$177,922	

The salaries, including fringe benefits, are for the Director, Program Coordinator, and Administrative Assistant.

The amendments made by your Committee are to correct grammatical and technical errors in Section 1 of the bill.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. 1071, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1071, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Machida and Segawa.

SCRep. 138

Higher Education on H.B. No. 339

The purpose of this bill is to raise the maximum limit for the University of Hawaii research and training revolving fund to 50 percent of all income up to a maximum of \$1,500,000 annually from all university held federal and other research and training contracts and grants.

Section 304-8.1, Hawaii Revised Statutes, establishes a research and training revolving fund into which is deposited ten percent of all income up to a maximum of \$200,000 annually from all university held federal and other research and training contracts and grants. The application of these moneys is restricted by section 304-8.1 only for use as seed grants to stimulate further research.

In the fiscal years 1977-78, extramural funds awarded to the University of Hawaii amounted to \$32.4 million dollars. (This figure represents only new awards or new moneys granted for continuation during the fiscal year. Moneys from on-going projects funded in earlier years are not included.) Of this sum, approximately 60% went to salaries and wages used to compensate some 240 full-time equivalent researchers, 340 research associates (APT), 275 graduate (research) assistants, 115 F.T.E. civil service employees, and 3.3 F.T.E. executive/managerial positions. In addition, a sizable proportion of the 2,700 undergraduate and graduate students employed for "student help" were supported from federal funds.

Counting all extramural funds received from outside the State, the total expenditure in 1978 at the University of Hawaii was \$48.6 million dollars. For every dollar of State support to the various research units at the University, 2.5 dollars were generated from extramural funding.

Research at the University of Hawaii is a business operation which must be managed at the best possible level of efficiency. The moneys which are channeled into this business operation must be reflected in the services which it offers. Research overhead is a mechanism which ensures the return to the State of a portion of the actual funds expended in conducting research.

Funding for research contracts and grants is divided into two parts. The first is for direct expenses which include the salaries and fringe benefits of technicians involved in the project; supplies and equipment necessary to carry on the research project; publication and travel costs and other related expenses. Funds to support these activities are provided directly by the grants and contracts. The second part is for indirect expenses which include the numerous administrative and overhead expenses such as payroll and accounting; clerical support services; facilities and equipment maintenance and repairs; utilities and janitorial services; library facilities and services; and general office equipment and supplies.

Federal policy and guidelines require that indirect expenses be recovered by the University through the indirect overhead reimbursements made by the federal government. Stated another way, only moneys actually spent for indirect costs are recoverable by the State. The University's inability to recover a larger amount for indirect overhead expenses from the federal government is the result of the University's inability to advance such funds in the first place.

Your Committee recommends, therefore, that this bill be amended to broaden the purposes for which expenditures from the research and training revolving fund may be made by deleting the period after the term "contracts" on line 15 and by adding the following:

"and for purposes of paying certain costs in connection with said contracts and grants which granting agencies by policy expect the University to first pay for and recover from such indirect overhead sources, including but not limited to costs of personnel and equipment maintenance, and provided further that the governor may authorize such additional non-permanent positions as may be required by the purposes of this section."

Your Committee finds that enactment of this bill will allow the University to more adequately support and increase their research and training effort by: first, providing the flexibility required to pay for and recover from the federal government the costs of providing overhead support for research including unforeseen emergency needs such as the accidental loss of scientific equipment; and, second, by increasing the seed moneys available for research and training contracts and grants.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 339, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 139                      Employment Opportunities and Labor Relations on H.B. No. 43

The purpose of this bill is to appropriate funds for a study on the specific manpower skill requirements and job demand change for emerging industries.

Adequate information is not available to determine the kind of occupations needed in the new and emerging industries. Industries like manganese nodules, alternate energy sources and aquaculture are now being researched and developed. A major consideration for these industries is the question of whether or not our labor force will be adequately trained to meet the future labor requirements of these industries. An in-depth study is necessary now to explore the occupational needs and work force requirements of these industries so that proper manpower training can be conducted and in a timely manner.

In conducting the study the Department of Labor and Industrial Relations should give careful consideration to the needs of the users of the information, primarily vocational education planners and employment and training planners, who will be called upon to develop the necessary training programs. The study should also be closely coordinated with the State's economic projections as developed by the Department of Planning and Economic Development.

Your Committee amended the bill by inserting \$65,000 for the study to be conducted by the Department of Labor and Industrial Relations.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 43 as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 43, H.D. 1.

Signed by all members of the Committee except Representative Dods.

SCRep. 140                      Water, Land Use, Development and Hawaiian Affairs on  
H.B. No. 455

The purpose of this bill is to amend the definition of "native Hawaiian" in Section 201, of the Hawaiian Homes Commission Act.

After a public hearing on the bill, your Committee has found and determined that there is no need to amend the definition of "native Hawaiian" at this time. Your Committee finds, however, that the Hawaiian Homes Commission Act should be amended to increase the amount the Department of Hawaiian Homes is authorized to guarantee on loans from \$18 million to \$21 million to provide for projected requirements for the housing and agricultural programs.

Your Committee has amended the bill to provide for such increase and is desirous of conducting a public hearing on the substance of the amendment.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 455, as amended herein, and recommends that it be recommitted to the Committee on Water, Land Use, Development and Hawaiian Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 455, H.D. 1.

Signed by all members of the Committee except Representative Sakamoto.

SCRep. 141                      Water, Land Use, Development and Hawaiian Affairs on  
H.B. No. 1512

The purpose of this bill is to provide funds for the development of the electronics industry in Hawaii.

Currently over 90 percent of the graduates from the University of Hawaii's Electrical Engineering Department are forced to seek out-of-state jobs in that field due to a lack of local employment opportunities. If the electronics industry is cultivated, it will provide skilled employment opportunities for Hawaii's people and provide the type of clean industry that will have minimal impact on Hawaii's environment. The development of this industry will also increase Hawaii's role as the leader in scientific research and technological development in the Pacific.

Your Committee believes that an expansion of the electronics industry, one of the nation's fastest growing industries, would be of great benefit to Hawaii. The funds would be used by the Department of Planning and Economic Development to finance an electronics industry development program, particularly in the area of high technology equipment systems, and assist the first two years operation of the Hawaii Institute of Electronics. The Hawaii Institute of Electronics is a private, non-profit corporation which is intended to incorporate the efforts of the University of Hawaii, private industry, and state government in providing jobs for Hawaii's engineers and technicians.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1512 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sakamoto.

SCRep. 142                      Water, Land Use, Development and Hawaiian Affairs on  
H.B. No. 1213

The purpose of this bill is to establish an entrepreneurship training program in Hawaii.

The program would serve to create new jobs and expand economic development in the State by providing individuals the opportunity to acquire skills essential to the establishment and operation of their own businesses.

Your Committee finds that the entrepreneurship training program would create employment and promote business expansion in Hawaii and therefore feels that this program is necessary to Hawaii's economic well-being. Your Committee further finds that the program should include procedures to monitor its effectiveness including but not limited to the monitoring of the success of individuals who have completed the program. This program component would be necessary to determine the need for any modifications and improvements to the program in the future.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1213 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sakamoto.

SCRep. 143                      Water, Land Use, Development and Hawaiian Affairs on  
H.B. No. 732

The purpose of this bill is to increase the maximum loan limit allowed to be granted to individual applicants under the Hawaii Capital Loan Program from \$50,000 to \$100,000.

Established in 1963, the primary purpose of the Hawaii Capital Loan Program is to provide financial assistance to new, potential or expanding businesses which cannot qualify for such assistance from other sources. In past years, the success of this program has resulted in the provision of diverse job opportunities for Hawaii as well as the generation of added tax revenues for the State.

Since the inception of the program in 1963, however, the maximum loan amounts allowed to be granted under the program have remained unchanged. Due to this limitation and the current inflationary trends and rising costs, the effectiveness of the Hawaii Capital Loan Program has been hampered. In order to restore the effectiveness of this program, your Committee finds that the maximum ceiling for small business loans presently set at \$50,000 should be raised to \$100,000.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 732 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sakamoto.



The PIDC has engaged in cooperative efforts for the development of the large latent fisheries resources and has organized the Pacific Tuna Development Foundation to carry out work. The PDIC also undertakes planning and research for the development of other industries that show opportunity for economic development in the Pacific Islands.

There is appropriated out of the general revenues of the State the sum of \$50,000 for FY 1979-80 and \$50,000 for FY 1980-81 or so much thereof as may be necessary for the purposes of this bill; provided that the appropriation be expended by the Department of Planning and Economic Development only after being matched by the other members of the Pacific Islands Development Commission.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1514 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sakamoto.

SCRep. 149                      Water, Land Use, Development and Hawaiian Affairs on  
H.B. No. 1513

The purpose of this bill is to provide funds to insure the viability and expansion of Hawaii's garment manufacturing industry.

A comprehensive study done by Kurt Salmons and Associates on the garment industry emphasized that the future training needs of the industry will be of utmost concern for growth and viability. In 19779 the industry will require 730 new power machine operators. This number would gradually increase of 1,240 by the year 1988. Another point made by the study is the lack of modern industrial engineering in most factories which results in the local garment worker being less productive than its mainland counterpart. Improvements in industrial engineering techniques will permit greater efficiency enabling the firms to become more competitive in the overseas markets and be able to pay higher wages to attract workers into the industry. The industry is not able to finance the total cost of training power machine operators and employ industrial engineering required to achieve the improvements.

The viability and expansion of the garment industry are vital to the economy of the State. Your Committee feels that with State help, the garment industry can grow, adding employment opportunities and contributing to the expansion of our economic base.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1513 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sakamoto.

SCRep. 150                      Water, Land Use, Development and Hawaiian Affairs on  
H.B. No. 1531

The purpose of this bill is to provide Alu Like, Inc, with \$100,000 in appropriations pursuant to the State matching fund requirement of the Native American Act of 1978.

Alu Like, Inc. is a private, non-profit organization that has for the past three years, received federal funds to address some of the identified needs of Native Hawaiians in the State of Hawaii. In order to receive the federal funds, at least \$200,000 per year in FY 1977 and FY 1978 has been needed in matching funds. Of that amount, Alu Like obtained \$100,000 or more in cash and in-kind from private sources and received \$100,000 or less from the State each year. It is estimated that the State's appropriation of \$100,000 for FY 1978 has brought a return of approximately \$4 million in new money for the economy.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1531, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sakamoto and Narvaes.

SCRep. 151 Water, Land Use, Development and Hawaiian Affairs on  
H.B. No. 1023

The purpose of this bill is to appropriate \$600,000 for land acquisition, plans and construction including equipment for an urban recreational facility in the 14th Representative District on the Fort Armstrong-Kewalo Peninsula.

Your Committee has amended the bill by correcting an error in the title, CAPITAL instead of CAPITOL.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1023, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1023, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sakamoto.

SCRep. 152 Water, Land Use, Development and Hawaiian Affairs on  
H.B. Nos. 198, 270, 634, 677, 791, 957, 1056, 1205, 1447  
and 1534

H.B. No. 198 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR RECREATIONAL FACILITIES AND SERVICES FOR THE SEVENTH REPRESENTATIVE DISTRICT."

The purpose of this bill is to improve recreational facilities and services in the Seventh Representative District.

H.B. No. 270 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR RECREATIONAL FACILITIES AND SERVICES IN THE 19TH REPRESENTATIVE DISTRICT."

The purpose of this bill is for recreational facilities and services in the 19th Representative District.

H.B. No. 634 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR RECREATIONAL FACILITIES AND SERVICES IN THE 16TH REPRESENTATIVE DISTRICT."

The purpose of this bill is for recreational facilities and services in the 16th Representative District.

H.B. No. 677 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR RECREATIONAL FACILITIES AND SERVICES IN THE 24TH REPRESENTATIVE DISTRICT."

The purpose of this bill is for recreational facilities and services in the 24th Representative District.

H.B. No. 791 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE ACQUISITION OF RIGHTS-OF-WAY TO CERTAIN HUNTING AREAS, OAHU."

The purpose of this bill is for the acquisition of rights-of-way to certain hunting areas, Oahu.

H.B. No. 957 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR IMPROVING ROAD DRAINAGE FRONTING CASTLE HIGH SCHOOL, OAHU."

The purpose of this bill is for improving road drainage fronting Castle High School.

H.B. No. 1056 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A SKATEBOARD FACILITY IN PEARL CITY, OAHU."

The purpose of this bill is for the construction of a skateboard facility in Pearl City, Oahu.

H.B. No. 1205 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR MAKIKI DITCH, OAHU."

The purpose of this bill is for the planning and engineering, construction and inspection to rehabilitate Makiki Ditch.

H.B. No. 1447 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR LAPAKAHI

NORTH KOHALA STATE PARK COMPLEX, HAWAII."

The purpose of this bill is for land acquisition, planning, research and incremental development of the North Kohala archaeological and historic sites and operating expenses for personnel and other expenses.

H.B. No. 1534 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE IMPROVEMENT OF DECORTE PARK, OAHU."

The purpose of this bill is for the landscpaing and general maintenance of DeCorte Park.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purposes of H.B. No.'s 198, 270, 634, 677, 791, 957, 1056, 1205, 1447 and 1534 and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sakamoto.

SCRep. 153                      Water, Land Use, Development and Hawaiian Affairs on  
H.B. Nos. 258, 259, 464, 658, 699, 700, 878, 879, 898, 908,  
964, 1029, 1030, 1076, 1078, 1081, 1092, 1098, 1158, 1239,  
1251, 1362, 1464, 1474, 1475, 1481, 1483, 1484, 1490, 1503,  
1504, 1523, 1533, 1570 and 1705

H.B. No. 258 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR IMPROVEMENTS OF LANDS TRANSFERRED FROM THE UNIVERSITY OF HAWAII TO THE CITY AND COUNTY OF HONOLULU FOR PARK PURPOSES, AT KANEWAI, HONOLULU, OAHU."

The purpose of this bill is for general improvements of lands transferred from the University of Hawaii to the city and county of Honolulu for park purposes, at Kanewai, Honolulu, Oahu.

H.B. No. 259 entitled: "A BILL FOR AN ACT MAKING A SUPPLEMENTAL APPROPRIATION FOR PLANNING AND CONSTRUCTION OF TENNIS COURTS AT PALOLO NEIGHBORHOOD PLAYGROUND, HONOLULU, OAHU."

The purpose of this bill is for the planning and construction of tennis courts at Palolo Neighborhood Playground, Honolulu, Oahu.

H.B. No. 464 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR WATER SYSTEM PROJECTS, COUNTY OF HAWAII."

The purpose of this bill is to fund various water system projects for the County of Hawaii.

H.B. No. 658 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PLANS AND CONSTRUCTION OF A RETAINING WALL TO PREVENT EROSION ALONG PUKELE STREAM FROM KEANU STREET TO ST. LOUIS DRIVE, HONOLULU, OAHU."

The purpose of this bill is for plans and construction of a retaining wall to prevent further damage to property along Pukele Stream from Keanu Street to St. Louis Drive, Honolulu, Oahu.

H.B. No. 699 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PLANNING AND CONSTRUCTION OF A CARETAKER'S COTTAGE AT WAAHILA RIDGE STATE PARK, HONOLULU, OAHU."

The purpose of this bill is for plans and construction of a caretaker's cottage at Waahila Ridge State Park, Honolulu, Oahu.

H.B. No. 700 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PLANS AND CONSTRUCTION OF A CHAIN-LINK FENCE AND GENERAL IMPROVEMENTS AT PUKELE PLAYGROUND, HONOLULU, OAHU."

The purpose of this bill is for plans and construction of a chain-link fence and general improvements at Pukele Playground, Honolulu, Oahu.

H.B. No. 878 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE

OLD KONA AIRPORT PARK, HAWAII."

The purpose of this bill is for plans and construction for development of the Old Kona Airport Park, Hawaii.

H.B. No. 879 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE OLD KONA AIRPORT PARK, HAWAII."

The purpose of this bill is to provide funds for the design and construction of improvements at the Old Kona Airport Park in North Kona, Hawaii.

H.B. No. 898 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A MASTER PLAN TO DEVELOP HONOMUNI BEACH AS A STATE BEACH PARK, MOLOKAI."

The purpose of this bill is to provide funds for a Master Plan to develop Honomuni Beach as a State Beach Park at Molokai, County of Maui.

The purpose of this bill is for a Master Plan to develop Honomuni Beach as a State Beach Park at Molokai, County of Maui.

H.B. No. 908 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR IMPROVEMENTS TO NUU WAILUA WATER SYSTEM AT KEANAE, COUNTY OF MAUI."

The purpose of this bill is for improvements to the Nuu Wailua water system at Keanae, County of Maui.

H.B. No. 964 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE DESIGN AND INSTALLATION OF NEW FIELD LIGHTS AT HOOLULU PARK, HAWAII COUNTY."

The purpose of this bill is to provide funds for the design and installation of new field lights at Hoolulu Park, Hawaii County.

H.B. No. 1029 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A WATER MAIN AT KOLEKOLE DRIVE, WAHIAWA, OAHU."

The purpose of this bill is for the installation of 1,100 linear feet of 8-inch water main and appurtenances along Kolekole Drive between Glen and Kaala Avenues, Wahiawa, Oahu.

H.B. No. 1030 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A WATER MAIN AT DOLE ROAD, WAHIAWA, OAHU."

The purpose of this bill is for the installation of 700 linear feet of 8-inch water main and appurtenances along Dole Road from Hoi Place to Kiekie Place, Wahiawa, Oahu.

H.B. No. 1076 entitled: "A BILL FOR AN ACT MAKING SUPPLEMENTAL APPROPRIATION FOR PLANS AND CONSTRUCTION OF A COMMUNITY CENTER AT KULA, COUNTY OF MAUI."

The purpose of this bill is for plans and construction of a community center at Kula, County of Maui to supplement prior appropriation.

H.B. No. 1078 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PLANS AND CONSTRUCTION OF WATER PROJECTS, COUNTY OF MAUI."

The purpose of this bill is for plans and construction of the Upper and Lower Kula Water Project, Hana Water Project, Kahului Airport - Paia - Kuau Water Project, Haiku - Makawao Water Project, and Kaunakakai - Pukoo Water Project, County of Maui.

H.B. No. 1081 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PLANS AND CONSTRUCTION OF KAHOMA STREAM FLOOD CONTROL PROJECT, LAHAINA, COUNTY OF MAUI."

The purpose of this bill is for participation in plans and construction of Kahoma Stream Flood Control Project, County of Maui.

H.B. No. 1092 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A WATER DEVELOPMENT PROJECT AT KEANAE, MAUI."

The purpose of this bill is for plans and construction for the Keanae Water Development

Project.

H.B. No. 1098 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR HONOLUA WATERSHED PROJECT, WEST MAUI SOIL CONSERVATION DISTRICT."

The purpose of this bill is for the Honolua Watershed Project, West Maui Soil Conservation District.

H.B. No. 1158 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR ADDITIONAL PERMANENT PERSONNEL AND EQUIPMENT AT KAIKA STATE RECREATION AREA AND WAHIAWA STATE FRESHWATER PARK, OAHU."

The purpose of this bill is for additional permanent personnel and equipment for biennium 1979-1980, 1980-1981 for Kaiaka State Recreation Area, and Wahiawa State Freshwater Park, Oahu.

H.B. No. 1239 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PLANS AND CONSTRUCTION OF MAKAPUU INTERCEPTOR SEWER, WAIMANALO, OAHU."

The purpose of this bill is for plans and construction of Makapuu Interceptor Sewer, sections 1 and 2, Waimanalo, Oahu.

H.B. No. 1251 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CAPITAL IMPROVEMENT PROJECTS IN THE EIGHTEENTH REPRESENTATIVE DISTRICT, OAHU."

The purpose of this bill is for the planning and construction of baseball dugouts and other facilities at field No. C at the Halawa district park, Oahu, and for expansion and relocation of the ballfield.

H.B. No. 1362 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A WATER LINE TO MOKAUEA ISLAND, HONOLULU."

The purpose of this bill is for the construction of a water line to Mokauea Island, Honolulu.

H.B. No. 1464 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO EXPAND THE OUTDOOR EDUCATION AND ENVIRONMENTAL EDUCATION PROGRAMS AT CAMP KEANAE, MAUI."

The purpose of this bill is for planning and constructing cabin facilities, improving existing facilities, and landscaping, in order to expand the Outdoor and Environmental Education Programs at Camp Keanae, Maui.

H.B. No. 1474 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID TO THE CITY AND COUNTY OF HONOLULU FOR CAPITAL IMPROVEMENT PROJECTS IN THE 21ST REPRESENTATIVE DISTRICT, OAHU."

The purpose of this bill is for plans and installation of night lights at the Ewa Beach Community Park, Oahu, Hawaii.

H.B. No. 1475 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID TO THE CITY AND COUNTY OF HONOLULU FOR CAPITAL IMPROVEMENT PROJECTS IN THE 21ST REPRESENTATIVE DISTRICT, OAHU."

The purpose of this bill is for plans and renovation of existing structures on the former Voice of America property, Maile, Oahu, for use as a Senior Citizens Center.

H.B. No. 1481 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CAPITAL IMPROVEMENT PROJECTS IN THE 21ST REPRESENTATIVE DISTRICT, OAHU."

The purpose of this bill is for the caretaking and maintenance of the Nanakuli Homestead cemetery fronting Haleakala Avenue, Nanakuli, Oahu.

H.B. No. 1483 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID TO THE CITY AND COUNTY OF HONOLULU FOR CAPITAL IMPROVEMENT PROJECTS IN THE 21ST REPRESENTATIVE DISTRICT, OAHU."

The purpose of this bill is for planning and engineering, inspection, construction, and installation of 1,900 linear feet of 12-inch water main and appurtenances along Farrington Highway from Maililili Road to Kaukamana Street.

H.B. No. 1484 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID TO THE CITY AND COUNTY OF HONOLULU FOR CAPITAL IMPROVEMENT PROJECTS IN THE 21ST REPRESENTATIVE DISTRICT, OAHU."

The purpose of this bill is for planning and engineering, inspection, construction, and installation of 800 linear feet of 8-inch water main and appurtenances along Alta Street from Glenmonger Street to Pokai Bay Street.

H.B. No. 1490 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID TO THE DEPARTMENT OF LAND AND NATURAL RESOURCES FOR CAPITAL IMPROVEMENT PROJECTS IN THE 21ST REPRESENTATIVE DISTRICT, OAHU."

The purpose of this bill is for plans and restoration of Kuilioloa Heiau, Waianae, Oahu.

H.B. No. 1503 entitled: "A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENT PROJECTS IN THE TWELFTH DISTRICT."

The purpose of this bill is for the design and construction for Phase I of the Manoa Stream Park, Oahu.

H.B. No. 1504 entitled: "A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENT PROJECTS IN THE TWELFTH DISTRICT."

The purpose of this bill is for the planning, design and construction for a meeting and general purpose room at McCully Recreation Center; and planning, construction and installation of recreational facilities in all State and City parks in the 12th District.

H.B. No. 1523 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE DESIGN AND CONSTRUCTION OF A BRIDGE ACROSS WAIMANALO STREAM, WAIMANALO, OAHU."

The purpose of this bill is for the design and construction of a bridge across Waimanalo Stream located approximately 1,700 feet makai of Kalaniana'ole Highway, Oahu.

H.B. No. 1533 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR SWIMMING POOL COMPLEX, LANAKILA PARK, OAHU."

The purpose of this bill is for the planning and design of a swimming pool complex at Lanakila Park, Oahu.

H.B. No. 1570 entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CAPITAL IMPROVEMENT PROJECTS IN THE FIRST REPRESENTATIVE DISTRICT OF HAWAII."

The purpose of this bill is to fund water system projects for the County of Hawaii as follows: Olaa-Mountain View Water System, Keaau-Pahoia Trunk Line, Panaewa Well No. 3, Haihai Reservoir, Waiakea-Uka Trunk Line, Ka'u Water System, Volcano Water system, Panaewa Farm Lots Water Line, and Water Sources Investigation and Development in the Puna District.

H.B. No. 1705 entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS TO PROVIDE GRANT-IN-AID FOR CAPITAL IMPROVEMENT PROJECTS IN THE ELEVENTH REPRESENTATIVE DISTRICT OF OAHU."

The purpose of this bill is to provide grant-in-aid to the city and county of Honolulu for planning, engineering, constructing, installing and inspecting of 1,750 linear feet of 16" water main and appurtenances along Kalakaua Avenue from Uluniu Avenue to Seaside Avenue; planning, engineering and constructing new tennis facilities in Kapiolani Park, including but not limited to a tennis center building, bleachers, and parking area; and planning, engineering, constructing, inspecting, and landscaping the triangle of land, including but not limited to the walkways and foundation, which separates Kalakaua Avenue between Kuamoo and Namahana Streets, Waikiki, Oahu.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purposes of H.B. No.'s 258, 259, 464, 658, 699, 700, 878, 879, 898, 908, 964, 1029, 1030, 1076, 1078, 1081, 1092, 1098, 1158, 1239, 1251, 1362, 1464, 1474, 1475, 1481, 1483, 1484, 1490, 1503, 1504, 1523, 1533, 1570 and 1705 and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sakamoto.

SCRep. 154

Housing on H.B. No. 600

The purpose of this bill is to amend chapter 235, Hawaii Revised Statutes, by adding a new part which imposes a tax on gains from the sale or exchange of real property.

In recent years, Hawaii has been subject to a rapid escalation of land values which has had many undesirable effects on certain sectors of the population. Many prospective homebuyers not eligible for conventional mortgages, but with incomes too high for publicly sponsored housing programs are unable to purchase a suitable residence.

The increase in land value has also resulted in rapidly escalating rental costs, and has generated a favorable climate for landlords to sell rental units to speculators and developers. Evictions preceding the sale and rehabilitation of rental units have been common, and relocation of displaced renters is costly, leading to less preferred dwellings or higher rents.

Your Committee finds that a primary cause of increases in the cost of housing is speculation, that speculation can be deterred by imposing a tax on gains realized from the sale or exchange of real property, and that this is an equitable means of recapturing socially created land values.

Your Committee further finds that rental agreements and options on rental agreements should be subject to a gains tax, as speculation occurring in this sector of the market also contributes to the inflation of land value.

In order to lessen the taxpayers burden in complying with Hawaii's tax laws, and to reduce difficulties in the administration of a gains tax, your Committee finds that the definition of a sale or exchange used in the bill should be made to conform to the federal Internal Revenue Code. However, the definition of a sale or exchange as stated in the Internal Revenue Code does not apply to certain time periods during which speculation is often at its most active level. Therefore, further amendment is needed to define that the date at which a sale or exchange takes place is the date the seller executes an act manifesting an intent to accept an offer to buy or exchange.

Your Committee also finds that a tax on capital gains should not apply to a foreclosure sale or a sale occurring because the taxpayer is forced to leave the State where retaining ownership would result in hardship not self-created. Appropriate amendments should be made to exclude foreclosure sales and forced relocation induced sales from the tax.

Your Committee has amended this bill by adding to Section 1 under "Real Property Defined" the following:

- (2) Rights to an apartment within a horizontal property regime that are created prior to completion of its construction;

and

- (4) Options or rental agreements with options for the sale or exchange of an interest in real property.

Your Committee has made further amendment under "Sale or exchange" by deleting the definition of a sale or exchange, and adding in its place the following:

... "sale or exchange of real property" means any sale or exchange as provided by the federal Internal Revenue Code, as amended, except as otherwise limited or provided by this part.

For the purposes of this part, the date of a sale or exchange shall be the date the seller or exchanger executes a writing or performs any other act manifesting an intent to accept an offer to buy or exchange.

(b) Contracts for the sale or exchange of a principal residence of a taxpayer, as determined by section 1034 of the federal Internal Revenue Code, shall not constitute a sale or exchange where the taxpayer is required to leave the State due to transfer by an employer, reassignment by the military, or other reasons predominantly within the control of another; where retaining ownership of that principal residence would result in an undue hardship to the taxpayer which is not self-created; and where the director determines, in accordance with adopted rules, that exemption from the sale or exchange requirements preserves the intent of this part.

(c) In no case shall a foreclosure sale constitute a sale or exchange.

Your Committee has also amended Section 1 under "Basis, gain, holding period" to conform with Section 235- (b) by inserting the following:

...provided that the date specified in Section 235-(b) shall determine the beginning or ending, as the case may be, of the holding period.

Your Committee has amended section 2 by changing the effective date of the act from the date of its approval, to January 1, 1980.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 660, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 660, H.D. 1.

Signed by all members of the Committee.

SCRep. 155                    Employment Opportunities and Labor Relations on H.B. No. 710  
(Majority)

The purpose of this bill is to eliminate the two-day waiting period to which an injured worker is subject to should he become disabled because of an industrial injury.

Under present law, a worker is entitled to a wage loss replacement benefit for the time he is unable to perform his usual work. This benefit is not payable for the first two days, but if the disability extends beyond five days, compensation is payable from the first day of disability.

Your Committee believes that this bill is conceptually sound. A worker who sustains a disabling injury always incurs wage loss because the law limits his compensation to 66-2/3 percent of his weekly earnings. The waiting period only compounds the worker's economic setback.

Your Committee has corrected a typographical error in this bill.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 710, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 710, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Dods.  
(Representatives Masutani, Ikeda and Marumoto did not concur.)

SCRep. 156                    Employment Opportunities and Labor Relations on H.B. No. 707  
(Majority)

The purpose of this bill is to amend the benefit schedules under the Workers' Compensation Law so that persons who suffer the same type of disabilities would receive identical benefits.

Presently, under the Workers' Compensation Law, the benefits awarded to permanent partial disability are based on the injured worker's average weekly wages. Accordingly, the worker with a lower weekly compensation rate would receive less than a worker who is paid a higher salary for the loss of an arm or any identical injuries.

Your Committee believes that the worker compensated at a lower weekly rate than another should not be discriminated against in any awards for permanent partial disability. Your Committee supports this bill which establishes a more equitable indemnity schedule under the law.

Your Committee opposes increasing the base for compensating non-schedule injuries from 312 times, the maximum weekly benefit amount, to 400 times, the maximum weekly benefit amount, and has therefore amended this bill by restoring the base for measuring a whole person disability to 312 times the weekly maximum.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 707, as amended herein and recommend that it pass Second Reading in the form attached hereto as H.B. No. 707, H.D. 1 and be referred

to the Committee on Finance.

Signed by all members of the Committee except Representative Dods.  
(Representative Ikeda did not concur.)

SCRep. 157                      Employment Opportunities and Labor Relations on H.B. No. 705  
(Majority)

The purpose of this bill is to provide benefit rate adjustments to employees who are deemed to be permanently totally disabled and to dependents receiving survivor benefits. These adjustments will apply only to awards entered on or after January 1, 1979 and will take effect on January 1, 1980 and on January 1 of each year thereafter.

Presently the Workers' Compensation Law contains no provision for adjustment of weekly benefit payments once they are awarded. Benefit payments are based on rates or the time of injury and remain frozen at the same amount.

The Department of Labor and Industrial Relations supports this concept of benefit adjustment since it would be more equitable to the recipients.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 705 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Dods.  
(Representative Marumoto did not concur.)

SCRep. 158                      Higher Education on H.B. No. 1647

The purposes of this bill are to raise the maximum limit for the University of Hawaii research and training fund and to allow expenditures from the fund for indirect costs connected with research and training contracts and grants.

Section 304-8.1, Hawaii Revised Statutes, establishes a research and training revolving fund into which is deposited ten percent of all income up to a maximum of \$200,000 annually from all university held federal and other research and training contracts and grants. The application of these moneys is restricted by Section 304-8.1 only for use as seed grants to stimulate further research.

In the fiscal year 1977-78, extramural funds awarded to the University of Hawaii amounted to \$32.4 million dollars. (This figure represents only new awards or new moneys granted for continuation during the fiscal year. Moneys from on-going projects funded in earlier years are not included.) Of this sum, approximately 60% went to salaries and wages used to compensate some 240 full-time equivalent researchers, 340 research associates (APT), 275 graduate (research) assistants, 115 F.T.E. civil service employees, and 3.3 F.T.E. executive/ managerial positions. In addition, a sizable proportion of the 2,700 undergraduate and graduate students employed for "student help" were supported from federal funds.

Counting all extramural funds received from outside the State, the total expenditure in 1978 at the University of Hawaii was \$48.6 million dollars. For every dollar of State support to the various research units at the University, \$2.5 million dollars were generated from extramural funding.

Research at the University of Hawaii is a business operation which must be managed at the best possible level of efficiency. The moneys which are channeled into this business operation must be reflected in the services which it offers. Research overhead is a mechanism which ensures the return to the State of a portion of the actual funds expended in conducting research.

Funding for research contracts and grants is divided into two parts. The first is for direct expenses which include the salaries and fringe benefits of technicians involved in the project; supplies and equipment necessary to carry on the research project; publication and travel costs and other related expenses. Funds to support these activities are provided directly by the grants and contracts. The second part is for indirect expenses which include the numerous administrative and overhead expenses such as payroll and accounting; clerical support services; facilities and equipment maintenance and repairs; utilities and janitorial services; library facilities and services; and general

office equipment and supplies.

Federal policy and guidelines require that indirect expenses be recovered by the University through the indirect overhead reimbursements made by the federal government. Stated another way, only moneys actually spent for indirect costs are recoverable by the State. The University's inability to recover a larger amount for indirect overhead expenses from the federal government is the result of the University's inability to advance such funds in the first place.

Your Committee finds that enactment of this bill will allow the University to more adequately support and increase their research and training effort by: first, providing the flexibility required to pay for and recover from the federal government the costs of providing overhead support for research including unforeseen emergency needs such as the accidental loss of scientific equipment; and, second, by increasing the seed moneys available for research and training contracts and grants.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1647, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1647, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 159                      Legislative Management

Informing the House that House Resolution Nos. 414 to 422, House Concurrent Resolution No. 84, and Standing Committee Report Nos. 77 to 158, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 160                      Consumer Protection and Commerce on H.B. No. 158

The purpose of this bill is to modify the qualifications required for the licensing of barbers and the certification of apprentice barbers.

This bill would delete qualifications which are not reasonably related to the practice of barbering. While in agreement with the intent and purpose of the bill, your Committee feels that the apprenticeship requirement for barbers eighteen years or older does serve a useful purpose.

Accordingly, your Committee has amended H.B. No. 158 for the purpose of retaining the apprenticeship requirement but shortening it to six months from the present eighteen months for apprentices eighteen years or older. Apprentices younger than eighteen years cannot become licensed for six months or until his or her eighteenth birthday, whichever period is longer.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 158, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Dods.

SCRep. 161                      Consumer Protection and Commerce on H.B. No. 600

The purpose of this bill is to increase the fees charged for the registration of general and limited partnerships and for the filing of annual partnership statements.

At present, the fees charged by the Department of Regulatory Agencies for registering general and limited partnerships and for filing annual partnership statements fail to generate enough revenue to meet the cost of these services. Your Committee feels that the increased fees contained in this bill more accurately reflect the actual administrative cost of providing these services.

While in accord with the intent of this bill, your Committee feels that the language which would amend section 425-12, Hawaii Revised Statutes, should be clarified to clearly denote who is liable for fees. Your Committee has therefore modified H.B. No. 600 to specify under what filing circumstances a fee will be assessed to a partner

in section 425-12(1) and (2).

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 600, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 600, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Dods.

SCRep. 162                    Consumer Protection and Commerce on H.B. No. 177

The purpose of this bill is to provide the Office of Consumer Protection with the power to enjoin unlicensed activities within the meaning of Section 487-13(a), Hawaii Revised Statutes.

Under present law the Office of Consumer Protection must allege a violation of Section 480-2, Hawaii Revised Statutes, which prohibits unfair and deceptive business practices, and utilize the injunctive power of Section 480-15, in order to enjoin any violation of Section 487-13(a).

Your Committee feels that there is a need to provide the Office of Consumer Protection with this direct injunctive power and prevent the present necessity of alleging and proving two separate violations in order to enjoin unlicensed activities. In addition, your Committee finds that unlicensed activity is a major problem of the regulated industries and adoption of this bill will aid in its curtailment.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 177 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 163                    Ecology and Environmental Protection on H.R. No. 156

The purpose of this resolution is to request the appropriate House standing committees to meet with the Department of Health and the Honolulu Police Department to review the noise abatement program and report their findings to the House.

Your Committee recognizes the growing need to protect citizens from objectionable noise. Your Committee feels that in order to provide an effective noise abatement program the Honolulu Police Department and the Department of Health must work cooperatively to evaluate present regulations, identify enforcement problems, and study possible solutions.

In order to allow time for comprehensive review, your Committee suggests that the meeting take place after the closing of the 1979 Regular Session and that paragraph 6 of the Resolution be amended to read:

"and report to the House of Representatives within twenty days after the convening of the 1980 Regular Session"

Your Committee on Ecology and Environmental Protection concurs with the intent and purpose of H. R. No. 156 as amended herein and recommends that it be referred to the Committee on Health in the form attached hereto as H. R. No. 156, H. D. 1.

Signed by all members of the Committee.

SCRep. 164                    Agriculture on H.C.R. No. 44

The purpose of this resolution is to request Hawaii's delegation to the Congress of the United States to sponsor and support the enactment of legislation which will enable Hawaii's farmers engaged in agricultural production on lease hold lands in Hawaii to qualify for loans under the "Farm Ownership Plan" of the federal Farmers Home Administration.

Your Committee finds that in Hawaii and throughout the nation, the Farmers Home Administration offers a wide range of credit programs for rural people. These programs help make it possible for farm families, rural communities, families in need of better

housing, and rural free enterprises to help themselves. In addition, your Committee learned that Congress has passed and President Carter has signed a new law, the Agricultural Credit Act of 1978, containing improvements in the farm, community, and business-industrial credit programs available through Farmers Home Administration. Notwithstanding these facts, your Committee expressed grave concern because Hawaii farmers on leasehold lands are unable to obtain Farmers Home Administration loans under the Farm Ownership Plan, and are being discriminated against because of Hawaii's unique land tenure situation.

Testimony presented by the Hawaii Farm Bureau Federation respectfully urges that a bill be enacted in Congress directing the Agriculture Department of the Farmers Home Administration to permit farmers on leasehold lands in Hawaii to be able to obtain Farmers Home Administration loans under the Farm Ownership Plan.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 44 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 165                      Agriculture and Education on H.C.R. No. 40

The purpose of this resolution is to designate the McKinley High School "Fairgrounds" as the permanent site of the annual state farm fair and commending McKinley High School for supporting the State Farm Fair.

The Hawaii Farm Bureau Federation has been using the McKinley High School grounds for its annual state farm fair for the past four years because of its central location.

Your Committees find that McKinley High School has proven to be an exceptionally suitable site given its central location and the excellent cooperation and assistance rendered by the staff and students of McKinley High School.

Your Committees also find that the facilities at McKinley High School were constructed primarily for the OIA athletic program and the restoration of the field and facilities have been inadequate after the state farm fair.

Your Committees heard testimony from the Hawaii Farm Bureau Federation and the McKinley High School in support of this resolution.

Your Committees have amended this resolution by inserting an additional "BE IT FURTHER RESOLVED" clause requesting the Hawaii Farm Bureau Federation or any other user to return these fields and other facilities to their original state after use.

Your Committees on Agriculture, and Education concur with the intent and purpose of H.C.R. No. 40, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 40, H.D. 1.

Signed by all members of the Committees except Representative Segawa.

SCRep. 166                      Agriculture and Higher Education on H.R. No. 283

The purpose of this resolution is to request the University of Hawaii to accord the highest possible priority to provide resources for expansion of the program of tropical agriculture of the College of Agriculture of the University of Hawaii at Hilo.

Your Committees find that agriculture continues to be one of the State's three major industries and diversified agriculture has the potential to make an increased contribution to Hawaii's economy.

Peter Dobson, Acting Chancellor, of the University of Hawaii at Hilo, testified that much of the intent of the resolution has already been implemented and provided some background regarding the development of the College:

(a) The U.H.-Hilo College of Agriculture has been identified as having very high priority.

(b) There was an inclusion of a new faculty position for a Plant Pathologist in the operating funds.

(c) Capital improvement funds for the development of the College farm were accorded the highest priority of all new projects for the campus.

(d) The November, 1978 draft of an Academic Development Plan to guide the development of the University of Hawaii at Hilo stated that: "The continued development of the College of Agriculture and will receive the highest institutional priority".

Your Committees find that despite its present problems, U.H.-Hilo College of Agriculture is on its way to achieving the goals and objectives intended by the Legislature when it passed Act 191 in 1974. Notwithstanding these facts, there is serious concern that U.H.-Hilo College of Agriculture should accelerate instruction and research programs relevant to the needs of the state in order to strengthen its diversified agriculture industry.

Your Committees on Agriculture, and Higher Education concur with the intent and purpose of H.R. No. 283 and recommend its adoption.

Signed by all members of the Committees except Representative Segawa.

SCRep. 167                      Corrections and Rehabilitation on H.B. No. 1155

The purpose of this bill is to appropriate \$161,425 to fund the Liliha House II Program for the fiscal biennium 1979-1981.

The program is a co-educational residential facility located in the community and operated by the John Howard Association. It serves selected adult felons from both the Hawaii State Prison and the Federal Bureau of Prisons. Liliha House II functions primarily as a pre-release type halfway house designed to provide a stable environment in which the resident lives for 3-12 month during which he or she, while preparing for parole, can adjust to the outside community by seeking and securing some of the skills and resources necessary for independent living. The Liliha House II program is an extension of the Hawaii Correctional System.

Although funded in the past by the Department of Social Services and Housing and the Federal Bureau of Prisons, the necessary funds were omitted from the Executive Budget for the coming biennium. Unless funded by the State of Hawaii, the Liliha House II program may have to be terminated and the residents returned to the Hawaii Correctional Facilities. The relatively low rate of recidivism of persons participating in the program strongly indicate that the program should be continued.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 1155 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Dods.

SCRep. 168                      Corrections and Rehabilitation on H.B. No. 1154

The purpose of this bill is to appropriate \$25,000 for the renovation of the Girls' Ward at the Detention Facility on Alder Street, operated by the Family Court of the First Circuit.

Upon inspection of the detention facilities, your Committee on Corrections and Rehabilitation noted the need for improving the physical facilities.

Your Committee finds that the Girls' Ward at the Detention Facility is in immediate need of improvements, including the replacement of open bars with windows for the comfort of the wards.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 1154 and recommends it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Dods.

SCRep. 169                      Agriculture on H.B. No. 1173

The purpose of this bill is to appropriate \$8,267 for expenses incurred in the sponsorship of the first annual Pan-Pacific conference.

Your Committee finds that the Hawaii Farm Bureau Federation, in cooperation with the University of Hawaii's college of tropical agriculture and human resources, the department of agriculture, the department of planning and economic development, the Governor's agriculture coordinating committee, the senate president, and the speaker of the house of representatives, sponsored the first annual Pan-Pacific Conference in July of 1977. Your Committee further finds that the legislature, in its special 1977 session, appropriated \$30,000 for the expenses of the Pan-Pacific Conference.

Your Committee learned that through an attorney general opinion dated December 26, 1978, the Hawaii Farm Bureau Federation requested the Governor's agriculture coordinating committee to reimburse the sum of \$14,407.22 for expenses it had incurred for the conference. The Governor's agriculture coordinating committee approved payment of \$6,140.91 representing expenses incurred after the adoption of the motion at its March 16, 1977 meeting. However, the balance, or \$8,266.31, representing expenses incurred in 1976, many months prior to the adoption of the motion by the Governor's agriculture coordinating committee, was not approved for payment on the ground that the Governor's agriculture coordinating committee could not legally give retrospective approval of any expenditure.

Your Committee also learned that the Hawaii Farm Bureau Federation advanced its own funds of \$14,407.22 in good faith, in providing leadership for the holding of the first annual Pan-Pacific Conference in Hawaii. The Hawaii Farm Bureau Federation contends that the 1976 expenses were for required planning and that without such planning the Conference could not have taken place.

Your Committee finds that the legislature has a moral obligation to honor the commitment made to the Hawaii Farm Bureau Federation, who in good faith, entered into this "Pan-Pacific Conference compact" with the legislature and the administration.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1173 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sakamoto.

SCRep. 170                      Agriculture and Public Employment and Government Efficiency  
on H.B. No. 1172

The purpose of this bill is to amend section 164-1, Hawaii Revised Statutes, to modify the composition of the governor's agriculture coordinating committee.

The specific modification deletes the administrative director to the governor as a member; includes the special assistant for agriculture, office of the governor, to a position analogous to the governor's present special assistant for housing, as a member who shall also be chairperson; increases the number of farmer members from two to three with the provision that farmer members shall be appointed subject to the advice and consent of the senate; and further enlarges the committee by providing that a representative of each county, who is a public officer or employee and who shall be named by each mayor, shall serve on the committee in an ex officio nonvoting capacity.

Your Committees find that the proposed modification of the governor's agriculture coordinating committee would strengthen the effectiveness of the committee in several important ways. For one thing, the inclusion of the special assistant for agriculture, office of the governor, a new position, would be able to devote full time to the many demands and functions of the committee. The addition of one more farmer member would give due representation to the agricultural industry, not to mention the value of the additional farmer member as a source of important resource information on matters requiring the attention and action of the committee. The granting of one seat on the committee to each county would be a giant step forward in giving the counties greater direct voice in the affairs of agriculture affecting the counties.

Your Committees further find that the proposed recomposition of the governor's agriculture coordinating committee should markedly enhance coordination of agricultural planning, and program development and implementation on a statewide basis.

Your Committees find that the Constitution of Hawaii at Article XI clearly mandates the conservation, protection, and development of agriculture in the State. The proposed modified committee should be a viable and effective force to enhance fulfillment of this significant constitutional mandate.

Your Committees have heard testimony from several sources including the chairperson of the governor's agriculture coordinating committee, the Hawaii Farm Bureau Federation, and the department of research and development of the county of Hawaii. All testimony received strongly supports or expresses general accord with the intent and purposes of this bill.

Finally, your Committees have amended this bill to provide an appropriation for purposes related to the position of special assistant for agriculture, office of the governor, and for additional travel-related requirements.

Your Committees on Agriculture and Public Employment and Government Efficiency are in accord with the intent and purpose of H.B. No. 1172, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1172, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Dods/ and Sakamoto.

SCRep. 171 Higher Education and Agriculture on H.B. No. 776

The purpose of this bill is to provide an appropriation of \$100,000 to the College of Tropical Agriculture of the University of Hawaii for the establishment of research, development and demonstration programs at the Keahole Agricultural Park in North Kona, Hawaii.

The Keahole Agricultural Park, now under construction, is intended to meet the land and water needs of the rapidly growing flower and foliage industry. In discussions with University of Hawaii horticultural specialists during the agricultural park planning stage, it became evident that the industry could benefit greatly from production research in the growing area. Such being the case, an experimental lot was provided to the University in the Keahole Agricultural Park.

Your Committees find that such facilities and research would involve testing cultivars for adaptability to the climatic conditions of the area and testing the reproduction capability of cultivars to determine their suitability for commercial production, and that developing new cultivars would further enhance the indoor plant production capability in the Kona area.

Your Committees have amended the bill by providing that the Governor's Agriculture Coordinating Committee, rather than the College of Tropical Agriculture of the University of Hawaii, is to be the expending agency. Your Committees have further amended the bill in that any unexpended or unencumbered balance of any appropriation made by this Act as of the close of business on June 30, 1981 shall lapse into the general fund.

Your Committees have further amended the bill by adding a sentence to provide that the Governor's Agriculture Coordinating Committee is authorized to promote the diversified agriculture industry by contract or contracts with other State or County agencies or with private industries when it deems it more advantageous to do so.

Your Committees on Higher Education and Agriculture are in accord with the intent and purpose of H.B. No. 776, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 776, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Sakamoto.

SCRep. 172 Higher Education and Agriculture on H.B. No. 1170

The purpose of this bill is to provide an appropriation of \$18,000 to the College of Tropical Agriculture, University of Hawaii for pineapple ant and mealy bug control project.

The 1978 Legislature passed a similar bill providing money to continue research to find means to control ants which means, in turn is vital to the control of mealy bug wilt in pineapple. At that time, the only two chemicals registered for use for ant control, Mirex and Heptachlor, were under cancellation proceedings by the Environmental Protection Agency. Since then the registered uses of these chemicals have been cancelled.

Your Committees find that the joint research effort between the State and the pineapple industry for both laboratory testing of new chemicals and for field testing of those chemicals showing promise by laboratory tests, is vital to accomplish the goals of this research.

Your Committees further find that a tentative agreement has been reached between the Environmental Protection Agency and the pineapple industry for the phase-out of Heptachlor over the next four years, and therefore, that it is imperative that research for an alternate pesticide be stepped up.

Your Committees has heard testimony from the College of Tropical Agriculture and Human Resources, the Department of Agriculture, the Hawaii Sugar Planters Association, the Hawaii Farm Bureau Federation, and the Pineapple Growers Association of Hawaii in support of this bill.

Your Committees have expressed grave concern about temporarily hiring an out-of-state entomologist on sabbatical leave from Tel-Aviv University, as the present project leader of the College of Tropical Agriculture and Human Resources will be absent for a six-month sabbatical leave beginning September 1, 1979. Your Committees believe that every reasonable effort should be made to hire temporarily a local entomologist to take care of the project while the resident project leader is on sabbatical leave.

Your Committees have amended the bill by providing that the Governor's Agriculture Coordinating Committee, rather than the College of Tropical Agriculture and Human Resources, is to be the expending agency, and that any unexpended or unencumbered balance of any appropriation made by this Act as of the close of business on June 30, 1981, shall lapse into the state general fund.

Your Committees further amended the bill by adding a sentence to provide that the Governor's Agriculture Coordinating Committee is authorized to promote the diversified agriculture industry by contract or contracts with other State or County agencies or with private industry when it deems it more advantageous to do so.

Your Committees on Higher Education and Agriculture are in accord with the intent and purpose of H.B. No. 1170, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1170, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Sakamoto.

SCRep. 173

Higher Education and Agriculture on H.B. No. 772

The purpose of this bill is to provide an appropriation of \$35,000 to enable modest expansion of the IR-4 program in Hawaii.

It is a known fact that all new chemicals must be registered to replace existing registered chemicals that have been or may be banned by the U.S. Environmental Protection Agency. Also, almost every crop grown in Hawaii, including pineapple and sugar cane, is considered a minor crop, and the Hawaii farmers are heavily dependent on Interregional Research Project No. 4 Program (IR-4).

Your Committees find that many Environmental Protection Agency registered pesticides are available on the market which have been cleared for use on the continental United States for certain crops, but which have not been registered or cleared for use on Hawaii's minor crops. Your Committees also learned that there is a reluctance on the part of pesticide manufacturers to expend considerable sums of monies to obtain full EPA registration on a pesticide for a minor crop when the use is comparatively small.

Your Committees find that the IR-4 program has been a very important source of assistance to our agricultural industry. It provides assistance to secure registration of pesticides for minor crops grown in Hawaii and other U.S. areas, thereby enabling the agriculture industry to be more viable in its production.

Your Committees have amended the bill by providing that the Governor's Agriculture Coordinating Committee, rather than the College of Tropical Agriculture of the University of Hawaii, is to be the expending agency. Your Committees have also amended the bill in that any unexpended or unencumbered balance of any appropriation made by this Act as of the close of business on June 30, 1981 shall lapse into the general fund.

Your Committees further amended the bill by adding a sentence to provide that the

Governor's Agriculture Coordinating Committee is authorized to promote the diversified agriculture industry by contract or contracts with other State or County agencies or with private industry when it deems it more advantageous to do so.

Your Committees on Higher Education and Agriculture are in accord with the intent and purpose of H.B. No. 772, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 772, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Sakamoto.

SCRep. 174 Higher Education, Education and Agriculture on H.R. No. 296

The purpose of this resolution is to request the Department of Education and the community colleges of the University of Hawaii system to proceed without delay to develop an integrated and comprehensive agricultural education program for interested students contemplating careers in agriculture to earn a degree or certificate as a "Certified Agricultural Technician".

Your Committees find that Hawaii's agriculture is, at its present value, worth \$373 million and there was a 14 percent increase from the previous year, and that it is anticipated that this trend will so continue in the foreseeable future. In addition, your Committees believe that in order to sustain and accelerate the growth of the agriculture industry it will require a greater number of highly trained agriculture technicians.

Your Committees heard testimony from the Hawaii Farm Bureau Federation, the Department of Education and the Chancellor for Community Colleges of the University of Hawaii in support of this resolution.

Your Committees on Higher Education, Education, and Agriculture concur with the intent and purpose of H.R. No. 296 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kawakami, Sakamoto and Anderson.

SCRep. 175 Water, Land Use, Development and Hawaiian Affairs; and Culture and the Arts on H.B. No. 1450

The purpose of this bill is for the restoration, preservation and maintenance of buildings in the Third Representative District.

The bill has been amended by referring to the Hawaii Register of Historic Buildings.

Your Committees on Water, Land Use, Development and Hawaiian Affairs, and Culture and Arts are in accord with the intent and purpose of H.B. No. 1450, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1450, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Sakamoto.

SCRep. 176 Water, Land Use, Development and Hawaiian Affairs; and Culture and the Arts on H.B. No. 904

The purpose of this bill is appropriate funds for the restoration of Hale Pa'i (Printing House) at Lahaina, Maui.

Your Committees on Water, Land Use, Development and Hawaiian Affairs, and Culture and Arts are in accord with the intent and purpose of H.B. No. 904, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Sakamoto.

SCRep. 177 Water, Land Use, Development and Hawaiian Affairs; Agriculture; and Public Employment and Government Operations on H.B. No. 1637

The purpose of this bill is to designate the Department of Land and Natural Resources as the lead agency for the development and coordination of aquaculture programs in the State.

The Department of Planning and Economic Development report, Aquaculture Development for Hawaii, thoroughly examined the aquaculture lead agency issue. It found that, ideally, the lead agency should fulfill the following requirements: 1) it is involved in economic development; 2) its functions are compatible with aquaculture, and involve fisheries, natural resource management and/or food production; and 3) it has adequate facilities and support services. The conclusion based on these criteria indicated that the two most suitable candidates for lead agency were the Department of Agriculture and the Department of Land and Natural Resources.

In addition, in order to promote efficient management of aquaculture, the Governor may transfer existing aquaculture funds, records, property, personnel and programs of the State government to the Department of Land and Natural Resources.

Your Committees on Water, Land Use, Development and Hawaiian Affairs, and Agriculture, and Public Employment and Government Operations are in accord with the intent and purpose of H.B. No. 1637 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Dods and Sakamoto.

SCRep. 178

Employment Opportunities and Labor Relations on H.B. No. 48

The purpose of this bill is to extend the State Comprehensive Employment and Training and State Loans for employment components of the State program for the unemployed.

By extending the State Comprehensive Employment and Training component, continued employment can be offered at gradually reduced levels through fiscal year 1979 and 1980, thus enabling this program to phase out and release program participants onto an improving job market.

Your Committee has amended this bill by providing the appropriation amount of \$4,700,000 to implement the program. Your Committee stresses that of this \$4,700,000 appropriation, \$1,500,000 shall be used to continue the School Security Aide program. Your Committee has also amended this bill to provide \$300,000 to implement the program set forth in Part IV of the chapter created in section 1 of Act 151, SLH 1975.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 48, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 48, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Dods and Nakamura.

SCRep. 179

Employment Opportunities and Labor Relations on H.B. No. 750

The purpose of this bill is to provide workers' compensation benefits from the state insurance fund to handicapped persons who are in private sheltered workshops.

In a brief survey taken by the Department of Social Services and Housing, it was learned that there are wide variations in workers' compensation coverage among workshops. Some cover both sheltered workers and trainees, while others cover only sheltered workers. There are also wide variations in costs. One workshop has experienced a steep rise in costs while another's costs has declined. This bill would correct this situation.

Your Committee has amended this bill for clarity by providing that workers' compensation benefits of a private, non-profit vocational rehabilitation workshop which is approved to provide services to the department for its clients who are eligible handicapped individuals shall be borne by the state insurance fund.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 750, as amended herein, and recommends that it

pass Second Reading in the form attached hereto as H.B. No. 750, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Dods and Nakamura.

SCRep. 180                      Judiciary on H.B. No. 461

The purpose of this bill is to require the Revisor of Statutes to retain the Ramseyer format in printing the session laws.

Under present law the Revisor of Statutes need not retain the underscoring and brackets used in the Ramseyer format contained in Acts when he prints the session laws. Primarily for reasons of cost, the Revisor currently does not retain the Ramseyer format. This bill would require him to do so.

Your Committee heard testimony that the process of locating minute, specific amendments to statutes contained in Acts is a tedious and cumbersome chore due to the fact that absent the Ramseyer format, there are no means of locating such amendments short of a line by line, word by word comparison of the old and new law. Your Committee finds that this situation would be remedied by requiring the Revisor of Statutes to retain the Ramseyer format.

However, your Committee's investigation into the matter revealed that the retention of the Ramseyer format in printing the session laws will greatly increase the number of pages therein contained, thus, concomitantly increasing the printing costs thereof. Your Committee further found that these increases can be minimized by eliminating that part of the Ramseyer format which requires the reproduction of whole sections or subsections which have been repealed. The present practice of simply specifying by number the repealed section or subsection your Committee finds sufficient in this regard.

Accordingly, your Committee has amended this bill by requiring the Revisor of Statutes to retain only that part of the Ramseyer format providing for the underscoring of new material and the bracketing of deleted material.

In addition, your Committee, for obvious reasons, has amended this bill by repealing section 23G-16.5, Hawaii Revised Statutes, which allows the Revisor of Statutes to eliminate the Ramseyer format.

Finally, your Committee has amended this bill by adding an appropriations clause to provide \$5,000.00, the estimated increase in printing costs, to effectuate its purpose.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 461, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 461, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 181                      Ocean and Marine Resources; and Education on H.B. No. 1182

The purpose of this Act is to facilitate the Development of Marine Education programs in our schools by making an appropriation for a Marine Education Specialist in the Department of Education.

Testimony before your Committees by the Department of Education places emphasis on the need for the establishment of formal Marine Education programs and other related activities. To date, some of the developmental efforts to promote Marine Education have been the following activities: Hawaii Marine Science Study, Blue Water Marine Laboratory, Hawaii Nature Study, Makahiki Kai and the Secondary Symposium on Marine Affairs.

Your Committees find that the establishment of a position for a Marine Education Specialist will contribute the necessary coherence for consolidating the education efforts of the many community agencies, organizations and persons involved in instilling Marine Education and appreciation in our youth. Since Hawaii's history, culture, life style and economic well-being are so closely linked to the sea, it is imperative that the people of Hawaii, especially our youth, be informed and educated in matters relating to the sea.

Your Committees amended this bill by providing an appropriation of \$20,000 to be expended by June 30, 1980.

Your Committee on Ocean and Marine Resources and the Committee on Education are in accord with the intent and purpose of H.B. 1182 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1182, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 182                      Ocean and Marine Resources; and Water, Land Use, Development  
and Hawaiian Affairs on H.B. No. 352

The purpose of this Act is to make an appropriation for public rights-of-ways to the sea and game preserves.

Testimony before your committees by the Department of Land and Natural Resources indicated Act 244 of the 1974 session provided for the various counties to purchase land for public rights-of-ways to the shoreline and the sea and for public transit corridors where topography is such that safe transit does not exist along the shoreline. The Act further stipulates that the Department of Land and Natural Resources shall enter into agreements with the Council of any County providing for the acquisition of such rights-of-way if the county matches funds appropriated by the Legislature.

Your Committees find that Act 244 did not appropriate any money to the Department of Land and Natural Resources for implementation of the Act. Act 195 of the 1975 session, however, appropriated \$1,000,000 for this purpose and to date, none of these appropriations have been used. This appropriation will lapse on June 30, 1979.

Your Committees have amended this bill to provide for an appropriation of \$1,500,000 to be expended by June 30, 1981.

Your Committee on Ocean and Marine Resources and the Committee on Water, Land Use, Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. 352 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 352, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 183                      Energy on H.B. No. 1167 (Majority)

The purpose of this bill is to conserve energy by restricting the sale of liquid fuel on Sundays.

Your Committee feels that fuel conservation measures must be implemented before there is an energy crisis. This bill will promote energy conservation, while limiting consumer inconvenience to a minimum.

Your Committee is in agreement with the Hawaii Automotive and Retail Gasoline Dealers Association testimony that restricting the sale of liquid fuel on Sundays is a prudent step in conserving allocated retail motor gasoline supplies, and would create immediate citizen awareness of the liquid fuel shortages facing our State. Your Committee believes that driver inconvenience would be minimized as consumers would still be able to purchase gas during the rest of the week. The psychological effect of this bill will be to increase public awareness that weekend trips should be planned around the gas tank, and unnecessary trips would be eliminated.

Upon consideration of this matter, your Committee recommends the following amendments to Section 2 of this bill:

(1) Section 486H, Hawaii Revised Statutes is amended by adding a provision which exempts emergency vehicles, as designated, by the Energy Resource Coordinator from the provisions of this Section. Your Committee is aware of the need to minimize the interruption of fuel supply services that are vital to the public safety and welfare of our State.

(2) Section 486H, Hawaii Revised Statutes has been further amended by adding a provision which states that the Energy Resource Coordinator shall promulgate rules

and regulations necessary to carry out the purposes of this bill. Your Committee believes that because it is the Energy Resource Coordinator's responsibility to formulate plans, programs, and financial requirements for Hawaii's energy resources, this program should be under the jurisdiction of his office.

Your Committee would like to note that although this bill restricts the sale of liquid fuel on Sunday, it does not limit the other services that a service station may provide, such as mechanical repairs, towing services, etc.

Your Committee on Energy is in accord with the intent and purpose of H.B. No. 1167, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1167, H.D. 1 and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.  
(Representative Larsen did not concur.)

SCRep. 184                      Energy on H.B. No. 275

The purpose of this bill is to increase the solar tax credit from 10% to 20%.

Act 189-76 establishes a state income tax credit for a solar device in an amount not to exceed 10% of the total cost of the device provided that the device is erected and placed in service after December 31, 1974 but before December 31, 1981.

Your Committee feels that Hawaii's near total dependence on imported petroleum to supply our energy needs makes this state vulnerable to any disruption of petroleum supplies. Since oil reserves are finite and the cost of oil will increase at a rate of 5 to 10% a year, it is imperative that Hawaii develops its indigenous energy sources in the near future.

Your Committee is in agreement with the Department of Planning and Economic Development's testimony and recommends the following amendments to this Act:

1) Subsection (a), Section 235-12, Hawaii Revised Statutes has been amended to extend the expiration date of December 31, 1981 to December 31, 1985. This would then coincide with the expiration date of the Federal solar tax incentive statutes.

2) Your Committee has decided to amend Section 1 of this Act by including subsection (c) of Section 235-12, Hawaii Revised Statutes. Subsection (c) is amended to state that the definition of a "solar energy device" be extended to include wind energy devices. Federal solar tax incentives within the National Energy Act of 1977 already provide for this.

Your Committee on Energy is in accord with the intent and purpose of H.B. No. 275, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 275, H.D. 1.

Signed by all members of the Committee.

SCRep. 185                      Legislative Management

Informing the House that House Resolution Nos. 423 to 446, House Concurrent Resolution Nos. 85 to 91, and Standing Committee Report Nos. 160 to 184, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 186                      Education on H.B. No. 38

The purpose of this Act is to implement the provisions of Article X, Section 2, of the Hawaii State Constitution as that Section was amended by the Constitutional Convention of 1978 and that amendment ratified by the electorate on November 7, 1978, by conforming the Hawaii Revised Statutes to those provisions.

As amended, Article X, Section 2, which relates to the Board of Education, provides in pertinent part as follows:

1. There shall be a Board of Education composed of members who shall be elected in a nonpartisan manner by qualified voters as provided by law from two at-large school districts: the first school board district comprised of the island of Oahu and the second district comprised of the islands of Hawaii, Maui, Lanai, Molokai, Kahoolawe, Kauai, and Niihau.

2. Each at-large school board district shall be divided into departmental school districts, as may be provided by law, with at least one board member residing in each departmental school district.

Accordingly, Article X, Section 2, as amended, requires or authorizes the Legislature (1) to fix the number of members on the Board of Education, (2) to provide for the election of board members in a nonpartisan manner, and (3) to establish and designate departmental school districts within the two at-large school districts with at least one board member residing in each departmental school district.

In order to fulfill the three requirements or mandates listed above, the bill makes appropriate amendments to the following chapters of the Hawaii Revised Statutes:

1. Chapter 13, relating to the Board of Education, including the election of board members.
2. Chapter 17, relating to vacancies in certain public offices.
3. Chapter 11, relating to elections, generally.
4. Chapter 12, relating to primary elections, including board of education ballots.
5. Chapter 296, relating to the Department of Education, including district school advisory councils.

The chairperson of the Board of Education testified in general support of the bill. He indicated that the Board recommends that board members be elected at one election, the primary election, and that the Board be comprised of thirteen members, ten members from the first at-large school-board district (Oahu) and three members from the second district (Neighbor Islands).

The Board also indicated support for appropriate statutory amendments to rename or redesignate the district school advisory councils as departmental school district advisory councils in order to comport with the applicable terminology contained in the constitutional amendment.

The Board also supported the provision in the bill, amending section 296-7, Hawaii Revised Statutes, so that gubernatorial appointments to departmental school district advisory councils are made without regard to the appointee's party preference or non-partisanship.

The Hawaii State Teachers Association testified in general support of the bill, indicating that the bill will provide for a "more equitable representation of citizens on the State Board of Education".

Your Committee has amended H.B. No. 38 in the following major respects:

1. The appropriate numbers have been inserted into Section 1 of the bill so that the Board of Education consists of thirteen members, ten to be elected from the first at-large school board district and three from the second district.

Other inserted numbers provide that of the ten members elected from the first at-large school board district, two shall be residents of the third departmental school district (Honolulu), two of the fourth departmental school district (Central Oahu), two of the fifth departmental school district (Leeward Oahu), and two of the sixth departmental school district (Windward Oahu).

Other inserted numbers provide that of the three members elected from the second at-large school board district, one shall be a resident of the first departmental school board district (Hawaii), one of the second departmental school district (Maui), and one of the seventh departmental school district (Kauai).

2. Language to clarify eligibility or qualification requirements for election or appointment to the Board, especially where residency in a particular departmental

school district is a requirement for a particular board seat, has been added to Section 1(2) of the bill which amends section 13-2, Hawaii Revised Statutes.

3. Clarifying language as to the arrangement of the names of candidates on school board ballots has been added to Section 1(3) of the bill which amends section 13-3, Hawaii Revised Statutes.

4. Additional clarifying language, relating to board of education ballots, has also been added to Section 4 of the bill which amends section 12-23, Hawaii Revised Statutes.

5. Minor clarifying amendments or language have been added to Section 5 of the bill which amends the appropriate sections of Chapter 296, Hawaii Revised Statutes, relating to district school advisory councils.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 38, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 38, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Machida and Ushijima.

SCRep. 187                      Employment Opportunities and Labor Relations on H.B. No. 850

The purpose of this bill is to provide benefit rate adjustments for employees who have been totally and continuously disabled for over two years, and for dependents receiving compensation, whenever the statutory maximum weekly compensation rate is changed. This bill would provide economic relief to totally disabled workers and dependents of deceased workers who receive low weekly compensation benefits based on previously legislated maximum benefit rates.

The present workers' compensation law contains no provision for adjustment of weekly benefit payments for totally disabled workers or for dependents of deceased employees. Considering today's economy, a totally disabled worker who was injured many years ago, or a deceased worker's dependents receiving compensation based on benefit rates at the time of the injury or death, would be in need of financial assistance.

The Department of Labor and Industrial Relations believes that injured workers or dependents are entitled to financial relief and is in full support of this bill.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 850 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 188                      Agriculture on H.B. No. 758

The purpose of this bill is to enhance the development and stability of agriculture in Hawaii by supporting the "FFA" program activities for which funding support is not readily available.

Your Committee finds that the Future Farmers of America, or "FFA", as it is commonly known, is a national organization of, by, and for the students of vocational agriculture in the public secondary schools, which operates programs under the provisions of the National Vocational Education Act. A primary goal of the "FFA" program is the development of agricultural leadership, cooperation, and citizenship, with sub-goals which include the strengthening of confidence of "FFA" members in themselves and their work, the encouragement of its members to strengthen their knowledge of skills required in agriculture and agribusiness, and the provision of information and training to enable members to make intelligent choices in the various farming occupations.

Your Committee also finds that in the fiscal biennium 1979-81 the financial requirements of this program were not included in the budget of the state department of education and will be \$47,320.

Your Committee further finds that the "FFA" program is an important element in Hawaii's agricultural growth and development and is deserving of the fullest measure of public

support.

Your Committee heard testimony from students in the Future Farmers of America program and the department of agriculture in support of this bill.

Your Committee has amended the bill by:

(a) Amending Section 1 by stating that farmers are the most precious resource of Hawaiian agriculture, and that as the average age of Hawaii's farmer is fifty-seven years, various legislative measures have been enacted to encourage younger people in agricultural pursuits;

(b) Amending Section 2 to appropriate \$47,320 to support program activities of the Hawaii "FFA" which are not part of the normal curriculum activities of the state department of education; and

(c) Amending Section 3 by naming the department of agriculture as the expending agency and allowing it to contract with the department of education for the purposes of the Act, and by providing for a lapsing of unexpended and unencumbered appropriations on June 30, 1981.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 758, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 758, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Fukunaga.

SCRep. 189                      Transportation and Agriculture on H.B. No. 529

The purpose of this bill is to amend section 279A-4, Hawaii Revised Statutes, to modify the composition of the statewide transportation council.

The specific modification increases the number of members on the statewide transportation council from twelve to thirteen members and makes the new member the chairman of the board of agriculture.

Your Committees heard testimony from Hawaii Farm Bureau Federation and the Department of Agriculture in support of this bill.

Your Committees on Transportation and Agriculture are in accord with the intent and purpose of H.B. No. 529, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Sakamoto.

SCRep. 190                      Health on H.B. No. 526

The purpose of this bill is to appropriate \$425,427 from State general revenues for the Sex Abuse Treatment Center for the next fiscal biennium.

The Sex Abuse Treatment Center is the only program in the State that provides free comprehensive emotional, medical, legal, and other support services to victims of sexual assault, twenty-four hours a day.

Testimony presented states that in two years, over 650 victims have received assistance through the center. Currently, a media campaign is underway to reach the estimated large unreported victim population also.

Also emphasized was the need for services to be comprehensive for sexual assault victims, and that such services should be free in order to assure confidentiality and to reduce further emotional trauma which fees for services might cause.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 526 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 191

Health on H.B. No. 523

The purpose of this bill is to provide a grant-in-aid to the Protection and Advocacy Agency of Hawaii for continuation of a protection and advocacy services system for developmentally disabled persons.

Your Committee on Health finds that the primary purposes of a protection and advocacy system are to provide important linkages between agencies and individuals and to provide training in self-advocacy. These services are particularly important for those individuals with developmental disabilities who are least able to advocate for their own needs and who must increasingly develop such skills as they move into the mainstream of society and community activities. Your Committee further finds that a system of protection and advocacy is intended to work out problems on behalf of developmentally disabled persons when governmental or private services do not function as envisioned.

Your Committee finds there is a need for the agency to evaluate the services thus provided and to encourage the clarification of priorities of services to be provided by the Protection and Advocacy Agency of Hawaii and to report to the Legislature twenty days prior to the convening of the Regular Session, 1980.

Your Committee has amended the bill to provide an appropriation of \$119,176.00 for fiscal year 1979-80 and \$127,176.00 for fiscal year 1980-81.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 523, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 523, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 192

Public Employment and Government Operations on H.B. No. 9

The purpose of this Act is to authorize funds for all collective bargaining cost items and for salary increases and other adjustments for excluded officers and employees.

Your Committee finds that negotiations are currently in progress with all thirteen collective bargaining units, and should result in contracts with an expiration date of June 30, 1981. This measure is therefore a vehicle whereby the legislature may 1) make appropriations from the general fund and 2) authorize the expenditure of federal, special and other funds to meet collective bargaining cost items for both the Executive and Judicial branches. The proposal will later be supplemented by specific messages to the leadership of both houses during the present legislative session if any agreements are reached with the exclusive bargaining representatives.

Although the Legislature may include cost items in the General Appropriations Act, the law also permits the Legislature to review and analyze all collective bargaining cost items for included employees and salary increases and other adjustments for excluded employees separately from program budget requests.

Your Committee is in agreement that authorization of funds for the aforesaid purposes is necessary. However, the Act speaks of appropriations for the Fiscal Year 1979-80 and because the law requires that all contracts must expire on June 30 of odd numbered years, it is recommended that the following amendments be made:

a) deleting the words "fiscal year 1979-80" from Sections 1 and 4 and substituting the phrase "fiscal biennium 1979-81".

b) amending Section 8 to read "Funds appropriated or authorized by this Act not expended or encumbered by June 30, 1980 and June 30, 1981 of the respective fiscal years shall lapse as of that date."

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 9 as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. No. 9, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 193                      Public Employment and Government Operations on H.B. No. 1610

The purpose of this Act is to require public employers to pay one-half of the additional Medical Plan costs attributed to improved pregnancy benefits as mandated by a 1978 amendment to the 1964 Civil Rights Act.

Pursuant to Public Law 95-535 which becomes effective April 29, 1979, employers are required to treat pregnancy and maternity-related disabilities exactly the same as any other conditions for all employment-related purposes. Specifically affected are fringe benefit programs such as sick leave, leave of absence, pensions and health care coverage.

In order to eliminate any possible discrimination, coverage of physician, hospital and other services for maternity conditions must be at least equal to coverage of similar services for nonmaternity conditions by April 30, 1979.

Subsequent to that date, employers must make up any differences that exist between coverage for pregnancy and childbirth and coverage for all other illnesses and disabilities.

To comply with the aforesaid federal mandate, the Health Fund Board of Trustees has modified benefits for FY 1979-80 in the following manner:

HMSA: changed 75% maternity benefits to 80% reimbursement of usual, customary and reasonable charges. (Reimbursement rate now uniform for all disability conditions.)

KAISER: eliminated the \$60 charge for maternity benefits; no charge to enter hospital. (All hospital confinements are without entry charges.)

Public Law 95-535 also states that if the costs of such benefits have been previously apportioned between employers and employees, such contributions may continue to be made in the same proportion. In Hawaii, public employers are currently required to contribute \$11.00 for a Self Only and \$34.50 for a Family Plan.

The Board testified that public employers should be required to pay their one-half share of these benefits as mandated by federal law. By not adjusting the employer contribution rates, public employees would have to shoulder the entire burden of these increases.

The estimated cost to the State of implementing this is \$693,500 for the 1979-81 biennium, \$322,600 for FY 1979-80 and \$370,900 for FY 1980-81. The cost to the counties will be \$108,700 for FY 1979-80 and \$124,900 for FY 1980-81.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1610 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 194                      Public Employment and Government Operations on H.B. No. 1609

The purpose of this Act is to increase the public employers' monthly dental contribution from \$3.74 to \$4.18 in order to maintain the present level of benefits for the children under age 19 of state or county employee-beneficiaries.

Current Dental Plan benefits costs consist of 1) 100% payment for annual exams, semi-annual teeth cleaning, X-rays and emergency care, and 2) 60/40% co-payment for all other dental services excluding orthodontics.

It is estimated that this ratio will have to be reduced to 50/50% if the existing \$3.74 monthly employer contribution is maintained, thereby requiring parents to pay a higher portion of their family's dental bills.

Your Committee finds that the Board of Trustees has maintained a uniform level of benefits over the years in the face of continually rising premiums, and therefore is in agreement with H.B. No. 1609 that additional funding is necessary to offset these inflationary increases.

Total cost of the \$0.44 increase per qualified enrolled dependent (from \$3.74 to \$4.18) for the fiscal biennium 1979-81 will be \$482,100, of which the state's share

will be \$320,300 and the counties' share will be \$161,800.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1609 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 195                      Public Employment and Government Operations on H.B. No. 1607

The purpose of this Act is to allow the Board of Trustees of the Hawaii Public Employees Health Fund to authorize the transmittal of children's dental plan contributions to the dental plan of an employee organization.

Presently all children under age 19 are eligible for dental benefits. Testimony indicated that 44,000 children are actually enrolled in the Health Fund plan now.

House Bill No. 1607 outlines a "portability" concept which is identical to that authorized by Hawaii Revised Statutes 87-23 relating to the life insurance plan. Pursuant to that section, an employee has three choices with his monthly contribution of \$2.25: (1) he may send it to his organization's life insurance plan, and if there are any additional premiums due, the employee pays them directly to his plan; (2) he may leave it with the Health Fund's Life Insurance Plan, which will then purchase the benefits for him; or (3) he may elect not to receive any monthly subsidy of \$2.25 at all.

Your Committee finds that the aforesaid proposal will make available through the unions a family dental plan at a reasonable cost. Since the premium relating to the children's portion will be contributed by the employer, insurance companies will be willing to offer a lower rate, thereby providing employees with a single plan at a much lower cost than would otherwise be possible.

Testimony from the Health Fund indicated that no significant impact in terms of cost or program operations is expected, as the amount of dental contributions is limited by statute.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1607 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 196                      Public Employment and Government Operations on H.B. No. 515

The purpose of this Act is to provide union representation for part-time employees.

Pursuant to HRS 89-6(c) public employee unions may presently represent only those part-time employees who work 20 or more hours per week.

Part-time teachers in Unit 5 are the only public employees currently working half-time or more who are not represented by an employee organization. This is because, unlike the other twelve units, half-time for a teacher is 17.5 hours as opposed to 20 hours.

The Act, therefore, provides that employees may be represented by a union so long as they work one-half of a full-time equivalent of a 40-hour week. Testimony received from the Hawaii State Teachers Association was supportive of the proposed measure.

Your Committee is in agreement that union representation of part-time workers should be expanded and not be limited to only those individuals who work 20 or more hours per week. Therefore for the purpose of additional clarity it is recommended that lines 11 and 12 on page 1 be amended to read "part-time employee working less than one-half of a full-time equivalent of a full-time position." This is because, as in the case of the teachers, a "full-time position" may entail a work week of less than 40 hours.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 515 as amended herein, and recommends

that it pass Second Reading in the form attached hereto as H.B. No. 515, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 197 Ecology and Environmental Protection on H.B. No. 583

The purpose of this Act is to improve the enforcement of the statewide litter control program by re-defining some terms, clarifying violations, and increasing the maximum fine for offenses.

Your Committee recommends that the litter laws be variously amended to provide a more effective framework. The definition of litter would be changed to make it conform to the terms used in nationwide programs. The Director would be given flexibility in determining acceptable types of litter containers. Littering from vehicles would be expressly forbidden, as would littering on private property without the consent of the owner. This prohibition is not intended to bar the owner from such activities as maintaining a compost heap or collecting cans and bottles for recycling. Because agencies responsible for placement, servicing, and maintenance of litter receptacles have experienced problems with theft, vandalism, and deposit of household and commercial refuse, these acts would be expressly forbidden.

Your Committee finds that the present \$10.00 fine for litter violations is inadequate to reflect the serious concern felt by the State over the litter problem. In order to give the courts the flexibility to penalize appropriately according to the seriousness of the violation, the Act would raise the maximum fine to \$250.00. It is the hope of your Committee that the more severe penalty will deter littering.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of H. B. No. 583 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morioka.

SCRep. 198 Ecology and Environmental Protection on H.B. No. 1526

The purpose of this Act is to allow retailers to phase out their shelf stock of beverages in containers with detachable openings after the ban goes into effect on July 1, 1979.

According to testimony from representatives of the food industry, many retail dealers may require an extension of time beyond the present deadline because quantities of stock will still be in some stage of transit between manufacturer and retailer. The extension would allow this merchandise to be sold rather than dumped.

Your Committee finds that the Act as written would prevent local manufacturers from producing such containers for purpose of sale outside of the State. It would also forbid the use of Hawaii as a transshipment point for sale in places which do not ban such containers. Your Committee feels that this was beyond the intent of the Act.

Your Committee further feels that a phasing out period on ninety days would be sufficient to exhaust the inventories of retail stores.

For these reasons, your Committee recommends that the first sentence in paragraph 1, Sec. 339-7 (a), be amended to read as follows:

"No person in this State shall manufacture or import for sale in this State or offer for sale at wholesale in this State after July 1, 1979, or retail in this State after October 1, 1979, any beverage in metal containers so designed and constructed that a part of the container is permanently detached in opening the container."

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of H. B. No. 1526 as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H. B. No. 1526, H. D. 1.

Signed by all members of the Committee except Representative Morioka.

## SCRep. 199 Youth and Elderly Affairs on H.B. No. 683

The purpose of this bill is to appropriate funds to be administered by the Department of Health in continuing support of the Hana Like Home Visitor Project designed to prevent child abuse and neglect through the provision of early preventive services to identified high risk families.

State funds were appropriated to the Department of Health for support of this program during fiscal year 1978-1979. Your Committee believes that services for the prevention of child abuse and neglect are sorely needed and recommends continuing financial support of these services. Therefore, your Committee has amended H.B. No. 683 by inserting an appropriation of \$199,078 for the fiscal biennium 1979-1981.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 683, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 683, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

## SCRep. 200 Youth and Elderly Affairs on H.B. No. 505

The purpose of this bill is to appropriate funds for a grant-in-aid to the Hilo Interim Home in support of its continuing operations during the fiscal biennium 1979-1981. The appropriation shall be administered by the Office of Children and Youth.

Your Committee finds that the Hilo Interim Home provides essential services to youths 12 years old through 17 years old who require a quality shelter care program or individual and family supportive services pending resolution of family difficulties or placement in long term care.

Your Committee has amended H.B. No. 505 by changing the dates for which the appropriation is intended to clarify that the period concerned is the fiscal biennium 1979-1981.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 505, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

## SCRep. 201 Youth and Elderly Affairs and Health on H.B. No. 1136

The purpose of this bill is to appropriate \$180,000 for fiscal year 1979-1980 and \$180,000 for fiscal year 1980-1981 to the Department of Health for the Department of Health to contract through grants-in-aid with private organizations to provide services to developmentally disabled and delayed preschool children.

The Department of Health testified that private organizations provide vitally needed services in areas not now met by departmental programs. The private organizations providing these services include the four county Easter Seal Societies and the Hawaii Association for Retarded Citizens which operates a program in Waianae, Oahu.

Your Committee on Youth and Elderly Affairs and your Committee on Health are in accord with the intent and purpose of H.B. No. 1136 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

## SCRep. 202 Health on H.B. No. 1124

The purpose of this bill is to provide a grant-in-aid to the Kapiolani Children's Medical Center for prenatal genetic laboratory services.

Your Committee received testimony from the Department of Health, the State Planning and Advisory Council on Developmental Disabilities and the Director of Laboratories,

Kapiolani-Children's Medical Center. Your Committee has been apprised that prevention of birth defects is a national and state health priority, and that prevention can begin at the prenatal stage. The prenatal genetic laboratory provides prospective parents with information on the health of the fetus. Such information may result in the reduction of the incidences of children being born with severe birth defects. The reduction in children being born with severe birth defects should in turn reduce future state expenditures for their care.

In addition to the benefit to the State, each prospective parent can be made happier by the reassurance that the baby she is carrying is not afflicted with a serious defect.

The financial support provided by the state should enable the laboratory services to maintain the cost at reasonable levels to make the services more accessible to women over the age of 35 years, or with a previous family history of Down's Syndrome who stand the greatest chance of having children with severe birth defects.

Your Committee has amended the bill in accord with the latest information provided by the department of health indicating that an appropriation covering prenatal genetic diagnostic services has been included in the Governor's budget. An appropriation of \$100,000 is necessary as a one-time grant-in-aid to provide for the construction of the laboratory and the upgrading of the laboratory facility when the Genetics Laboratory moves from its present inadequate location to the new Kapiolani-Children's Medical Center.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1124, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 1124, H.D. 1.

Signed by all members of the Committee.

SCRep. 203                      Finance on H.B. No. 866

The purpose of this bill is to remove the six per cent ceiling on interest paid on revenue bonds of the county.

Your Committee agrees that the deletion of the six per cent statutory limit on the maximum amount of interest of county revenue bonds will serve to put the counties in a better position to sell their bonds.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 866 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 204                      Finance on H.B. No. 1687

The purpose of this bill is to amend HRS 247-2 by reducing the minimum period in which a lease becomes subject to the conveyance tax from an excess of 10 years to 5 or more years.

An intent of the conveyance tax is to provide the department of taxation with additional data for the determination of market value of properties transferred. This information assists the department in establishing real property assessed values. However, marketing data is not readily available on the current trend of leasing properties on renewable short-term basis with renegotiation of future tenancy conditions. This bill will permit the gathering of data necessary for the assessment of those properties.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1687, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 205                      Finance on H.B. No. 1429

The purpose of this bill is to provide that the state director of finance shall consider

the safety and liquidity of the sums to be deposited in the depository and the yield offered by the depository prior to the selection of the depository. The intent of this bill is to grant such a authorization in the management of deposit of public funds. It is in accord with the current fundamental objectives of the State's investment program, which are safety, liquidity, and yield.

An amendment is also proposed to make all types of mortgages, not only those insured or guaranteed by the United States, pledge able for collateral purposes. This provision would enable all types of residential mortgage loans to qualify as acceptable security for public deposits.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1429 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 206                      Health on H.B. No. 288

The purpose of this Act is to simplify the procedure for a person who has had a sex change operation to get a new birth certificate reflecting his or her new gender.

Existing law requires that the physician performing the operation provide the affidavit required of the Department of Health for a new birth certificate. Section 338-17.7 of the Hawaii Revised Statutes is revised so that a physician other than the one performing the operation may examine and confirm that there was a sex change and so provide the Department of Health with the required affidavit for a new certificate.

The Department of Health testified that some individuals who have had such operations have been unable to get affidavits or confirmations from the physicians who performed the operation, as in the case of an individual who had the procedure done in Monaco. This bill would enable the department to issue a new birth certificate upon confirmation of the sex change by an examining doctor.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 288 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 207                      Water, Land Use, Development and Hawaiian Affairs on H.B.  
No. 153

The purpose of this bill is to allow the Department of Hawaiian Home Lands to award smaller pastoral lands than presently allowed.

The department is presently authorized to lease to native Hawaiians the right to the use and occupancy of not less than one hundred nor more than five hundred acres of Hawaiian home lands for first-class pastoral lots, and not less than two hundred and fifty nor more than one thousand acres of Hawaiian home lands for second-class pastoral lots. The one hundred acres minimum for first-class pastoral lots and the two hundred and fifty acres minimum for second-class pastoral lots limits the number of native Hawaiians that can afford to lease such lots. By reducing the minimum requirement, more native Hawaiians would be able to afford leasing the smaller pastoral lots.

Your Committee has amended the bill by inserting a minimum of forty acres for all pastoral lots instead of a complete deletion of any minimum size. The bill has also been amended to include "per each lessee" for each of the lease conditions. Your Committee has further amended this bill by making technical, non-substantive adjustments.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 153, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Sakamoto.

SCRep. 208 Consumer Protection and Commerce on H.B. No. 599

The purpose of this bill is to modify the powers and requirements of the Board of Registration of Professional Engineers, Architects, and Surveyors (Board) in proceedings for the suspension or revocation of a certificate.

Present law provides that the Board must hear and determine within three months charges that have been preferred against any licensee and that a unanimous vote of the Board is necessary to find an accused guilty of the charges preferred.

Your Committee finds that the Board often requires more than three months to fully investigate a charge against a respondent and that the deletion of the unanimous vote requirement conforms this Board with other boards and commissions. Your Committee also finds that the inclusion of the same procedural powers as those of a circuit court will make a hearing of the Board a more effective and equitable proceeding.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 599 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Dods.

SCRep. 209 Consumer Protection and Commerce on H.B. No. 597

The purpose of this bill is to conform the notice requirements of an administrative hearing concerning trade names or trademarks when a registrant cannot be personally served.

Under present law, if a petition for revocation of a trademarked or trade name based on abandonment is filed and the registrant cannot be personally served, notice of the hearing must be published for four weeks. However, the publication of hearing notice requirement for a similar petition based on prior ownership rather than abandonment is only two weeks.

Your Committee feels that the intent of the bill to standardize the length of time required in the publication of notice of hearing and to require the petitioner to bear the cost of publication is both justified and reasonable in the interest of simplicity and allocation of costs.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 597 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Dods.

SCRep. 210 Consumer Protection and Commerce on H.B. No. 602

The purpose of this bill is to increase the various filing, investigation and application fees relating to financial institutions.

Your Committee finds that the fee schedule contained in this bill better reflects the actual administrative costs incurred by the Department of Regulatory Agencies in connection with the investigation and processing of applications for financial institution licenses. Your Committee is also in agreement with the testimony received that said investigations must be as thorough as possible for the protection of the public.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 602 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Dods.

SCRep. 211 Consumer Protection and Commerce on H.B. No. 171

The purpose of this bill is to eliminate the ten per cent discount on the purchase of no-fault insurance policies presently enjoyed only by students.

Your Committee finds from the testimony presented that there is no actuarial justification

for the student discount and that younger drivers, of which students as a group generally belong, in fact experience a disproportionately higher rate of accidents compared to other insureds. It is not the intent of your Committee to place an undue hardship on student drivers but instead to eliminate factors such as age in the setting of no-fault premium rates.

Your Committee has made certain amendments to reflect the 1977 amendments to section 294-13, Hawaii Revised Statutes, which were inadvertently left out of H.B. No. 171.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 171, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Dods.

SCRep. 212                      Consumer Protection and Commerce on H.B. No. 184 (Majority)

The purpose of this bill is to provide the Public Utilities Commission (PUC) with the authority to regulate the financing transactions of water carriers.

At present, there is no provision in the water carrier law, unlike other regulated public utilities, for the regulation of the issuance of securities or the increase of long-term indebtedness of a water carrier. This bill would require the water carrier to obtain PUC approval prior to entering into such transactions.

Your Committee is in accord with the intent of this bill to provide the PUC with regulatory review of financial transactions which commit a water carrier to securities or other forms of indebtedness which in turn affect the rates charged to consumers or ratepayers.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 184 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Dods.  
(Representative Garcia did not concur.)

SCRep. 213                      Consumer Protection and Commerce on H.B. No. 165

The purpose of this bill is to make available to more retail liquor sellers the advantage of purchasing their inventory at quantity discount prices.

Under present law all business must be done on the licensed premises including the storage of inventory. This bill would permit the warehousing of liquor away from the licensed premises with prior approval of the liquor commission.

Your Committee feels that smaller retail liquor establishments will be able to benefit from discount purchasing in a manner similar to that of large businesses and therefore benefit consumers in general.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 165 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Dods.

SCRep. 214                      Consumer Protection and Commerce on H.B. No. 604

The purpose of this bill is to conform the language used in Hawaii's Medical Malpractice Law to that of the annual statement used by insurers.

Present law defines the term "net direct premiums" by referring directly to the annual statement used by insurers and the language therein. Said annual statement has been amended, rendering the definition of net direct premiums inconsistent with the intent of the Medical Malpractice Underwriting Plan.

Your Committee finds that this bill would eliminate this apparent inconsistency in

the law and will conform the definition of net direct premiums to that which was originally intended.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 604 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Dods.

SCRep. 215                      Consumer Protection and Commerce on H.B. No. 598

The purpose of this bill is to allow for biennial rather than annual licensing of securities salesmen and dealers.

Under present law, securities salesmen and dealers are required to renew their licenses on an annual basis by the Department of Regulatory Agencies, Business Registration Division. Your Committee finds from the testimony presented that there is no compelling reason to continue the annual licensing requirement and that biennial licensing will permit the Business Registration Division to provide better service to the public in the other areas of their duties.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 598 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Dods.

SCRep. 216                      Consumer Protection and Commerce on H.B. No. 734

The purpose of this bill is to provide a procedure by which prompt payment of valid claims against an insolvent life or disability insurer can be made.

Presently, there is no provision in the insurance law which deals with consumer claims against an insolvent insurer. This bill creates a fund by assessing all life and disability insurers in the state on the basis of their premium writings to guarantee the contractual obligations of an insolvent insurer. Such assessments and establishment of a fund are to be made only after an insolvency occurs.

Your Committee finds from the testimony presented that although there have not been any insolvencies with respect to life or disability insurers in this state, this bill will fulfill an important and necessary purpose should that event occur.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 734 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Dods.

SCRep. 217                      Consumer Protection and Commerce on H.B. No. 601

The purpose of this bill is to repeal as a prohibited act, the provision which prevents dispensing opticians from advertising prices or credit terms for prescriptive or corrective lenses, frames, complete prescriptive or corrective glasses, or any optical dispensing service.

Your Committee finds that the Federal Trade Commission has adopted a trade regulation which preempts state and local laws that prohibit dispensing opticians, optometrists, and ophthalmologists from advertising their prices or availability of their services. Your Committee is therefore in accord with the intent of this bill to comply with this regulation. Your Committee also finds that this bill will effectively provide consumers with previously undisclosed price information which will be to their benefit.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 601 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Dods.

SCRep. 218 Finance on H.B. No. 1649

The purpose of this bill is to clarify procedure for payments to vendors of the Hawaii State Medicaid Program without accompanying original bills.

This bill authorizes the comptroller "if he is satisfied as to the adequacy of related internal controls and audit trails" to issue warrants without accompanying original bills. This added discretion allows the comptroller to exercise proper control over medical payments and he may accordingly approve or disapprove such payments.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1649 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 219 Finance on H.B. No. 1473

The purpose of this bill is to provide for the allocation of \$3,000 to each civil air patrol unit in the State.

Presently, only units outside of the city and county of Honolulu are assured of a full \$3,000 allocation. There are 10 units in Oahu that do not receive any allocation and the intent of this bill is to provide for \$3,000 to each of these Oahu units, treating all units throughout the State alike.

Your Committee agrees that the funding to all civil air patrol units should be equal. Your Committee has amended this bill to change the continuing appropriation from \$75,000 to \$100,000. The proviso authorizing \$3,000 to each unit is revised by deleting the phrase "in each county of the State." and adding the phrase "that meets minimum requirements established by wing headquarters."

Your Committee is in accord with the intent and purpose of H.B. No. 1473, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1473, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 220 Health on H.R. No. 327

The purpose of this resolution is to request Hawaii's Congressional delegation to pursue the establishment of an Olympic training center and sportsmedicine clinic in Hawaii with the United States Olympic Committee (USOC).

Your Committee finds that Public Law 95-606, the Amateur Athletic Act of 1978, appropriates \$8 million to the USOC for the development of training centers for prospective Olympic athletes. The \$8 million appropriation is to be used according to the discretion of the USOC and has not yet been allocated for training centers around the country. The establishment of an Olympic training center in Hawaii appears to be highly appropriate, in view of widespread community interest in athletics, a tropical climate conducive to year-round athletic participation, and potentially significant benefits to Hawaii's visitor industry. The endorsement of this concept by Hawaii's Congressional delegation would provide much needed support.

Your Committee on Health concurs with the intent and purpose of H.R. No. 327 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 221 Health on H.C.R. No. 52

The purpose of this concurrent resolution is to request Hawaii's Congressional delegation to pursue the establishment of an Olympic training center and sportsmedicine clinic in Hawaii with the United States Olympic Committee (USOC).

Your Committee finds that Public Law 95-606, the Amateur Athletic Act of 1978, appropriates \$8 million to the USOC for the development of training centers for prospective Olympic

athletes. The \$8 million appropriation is to be used according to the discretion of the USOC and has not yet been allocated for training centers around the country. The establishment of an Olympic training center in Hawaii appears to be highly appropriate, in view of widespread community interest in athletics, a tropical climate conducive to year-round athletic participation, and potentially significant benefits to Hawaii's visitor industry. The endorsement of this concept by Hawaii's Congressional delegation would provide much needed support.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 52 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 222                      Public Employment and Government Operations on H.R. No. 48

The purpose of this resolution is to request review of the State's plans and activities for current uses and future development and use of management information and electronic data processing systems.

Hawaii presently maintains an electronic data processing (EDP) program under the Department of Budget and Finance. It serves as the state's central EDP service organization and is responsible for: (1) planning, managing, and coordinating a productive and efficient processing operation; (2) assisting other state agencies in effectively utilizing electronic data processing; and (3) providing certain basic support services to state agencies.

While the program has made a number of significant strides over the past few years, your Committee has focused on the need for improved coordination between the EDP Division and user agencies and further development of a statewide Management Information System (MIS).

With respect to improving coordination, the Commission on Government in its 1977 report to the Legislature recommended that the state EDP division be divided into an MIS development division and an EDP resources division, and that a user agency steering committee be established. Furthermore, the Governor's EDP Advisory Committee was established in 1977 and has since prioritized all user agencies' project requests for systems development services through the fiscal biennium 1979-81.

Concerning the MIS, your Committee finds that the 1978 Legislature appropriated funds to support the Department of Planning and Economic Development's development of an Economic Planning Information System (EPIS) as the first subsystem of the Hawaii State Management Information System (HSMIS). The role of EPIS is to support the economic analysis and planning process in Hawaii, providing users with a wide range of economic planning data. In addition to the EPIS, the DPED has begun work on the second subsystem of the HSMIS, the environmental quality and natural resources component.

Because the Administration has already implemented activities to improve the coordination between EDP and user agencies and to establish management information systems such as the EPIS, your Committee finds that it is important that the legislature be continually apprised of how EDP plans to meet current unfulfilled and anticipated user agencies' needs, with particular attention to efficiencies expected, cost savings and cost impact of expanded EDP application in state government. It is therefore recommended that this resolution be amended to request the Department of Budget and Finance and the EDP Division to review the State's plans and activities for current uses and future development and use of management information and electronic data processing systems, with particular emphasis on developing MIS and EDP capabilities to serve user agencies in a timely and cost-effective manner.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.R. No. 48 as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 48, H.D. 1.

Signed by all members of the Committee.

SCRep. 223                      State General Planning on H.R. No. 61

The purpose of this resolution is to request interim work by various committees to monitor the formulation of the various State functional plans designated by the Hawaii

State Planning Act.

In order to coordinate the various committees progress in the formulation of the State functional plans, the Committee is in agreement that interim work during 1979 is necessary and that the Legislature will be better appraised of the Statewide and County issues and problems confronting each functional area.

In order to facilitate and coordinate the various functional plans, your Committee recommends that the first BE IT RESOLVED CLAUSE be amended to read as follows:

BE IT RESOLVED by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that the Committees of the House of Representatives within whose purview the various functional plans due for submittal in 1979 and 1980 as designated by the Speaker of the House of Representatives are requested to perform appropriate interim work including the monitoring of the progress made in formulating the mandated functional plans; and

Your Committee on State General Planning concurs with the intent and purpose of H.R. 61, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 61, H.D. 1.

Signed by all members of the Committee.

SCRep. 224                      State General Planning on H.R. No. 231

The purpose of this resolution is to request Congress                      to provide financial assistance to the development, implementation and operation of programs by States disproportionately affected by immigration.

Testimonies submitted by Andrew Chang, Director of the Department of Social Services and Housing, and Bienvenido Junasa, Director of the State Immigrant Services Center, supports H.R. 231. According to their testimonies, the 1965 amendments of the U.S. Immigration laws have substantially enabled large numbers of immigrants to make Hawaii their permanent residence. The laws which determine the number of immigrants who enter the United States are set at the federal level, the initiative and cost of providing services to them are borne disproportionately by the local governments. According to the Department of Social Services and Housing testimony, the impact of immigrants on their Department's program has been felt most directly by their public assistance program. Based on their Department's most recent information as of October, 1978, active recipients from foreign countries constituted 8.3% of the financial assistance caseload (AFDC, GA, and the State ABD). This represented 2,228 cases or 5,254 individuals who were provided financial assistance at an annual cost of \$6.8 million.

Your Committee on State General Planning concurs with the intent and purpose of H.R. 231 and recommends it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 225                      State General Planning and Employment Opportunities and Labor Relations on H.B. No. 716

The purpose of this bill is to require the formulation of an "employment" functional plan.

Your Committees are in agreement with the testimony presented that "employment" is an essential component in the overall comprehensive planning system. All State and private agencies and institutions should be involved in the working towards a viable state functional plan and feels that a primary purpose of the plan would be to address manpower needs. The functional plan may also serve as a coordinative mechanism to link together occupational needs with job training and vocational education programs as well as other related concerns.

Your Committee has amended the bill to require the submittal of the employment functional plan in "1981", rather than "1980". Because an employment functional plan must necessarily await completion of other functional plans, the later date for submittal of the plan the Legislature is more appropriate.

Your Committees on State General Planning and Employment Opportunities and Labor

Relations are in accord with the intent and purpose of H.B. No. 716, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 716, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 226                      Legislative Management

Informing the House that House Resolution Nos. 447 to 456, House Concurrent Resolution No. 92, and Standing Committee Report Nos. 186 to 225, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 227                      Public Assistance and Human Services and Public Employment  
and Government Operations on H.B. No. 1293

The purpose of this bill is to establish that the administrator of the public welfare division shall be paid at the SC-3 salary range.

Your Committees feel that the position of public welfare administrator, because of its wide range of concerns, deserves an SC-3 rating. Moreover, because the current administrator has been doing the job in a competent manner, he should immediately enjoy the benefits of the bill. Your Committees have made minor technical amendments and amended the bill to clarify that the salary range would apply to the current administrator. Such amendment would be as follows:

"...provided that notwithstanding chapters 76 and 77, the current public welfare administrator shall be placed within the new salary range."

Your Committees on Public Assistance and Human Services and Public Employment and Government Operations are in accord with the intent and purpose of H.B. No. 1293, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1293, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Machida.

SCRep. 228                      Public Assistance and Human Services and Youth and Elderly  
Affairs on H.B. No. 947

The purpose of this bill is to appropriate moneys to provide for, administer, and evaluate a human services program separate from the Title XX program under the federal Social Security Act and focusing in on individuals whose incomes are between sixty per cent and one hundred fifteen per cent of the state median income.

Your Committees on Public Assistance and Human Services, Youth and Elderly Affairs, and Health are in accord with the intent and purpose of H.B. 947, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 229                      Public Assistance and Human Services and Health on H.B. No. 612  
(Majority)

The purpose of this bill is to delete the requirement that the department of social services and housing establish, maintain, and operate intermediate care facilities and care homes for the medically indigent; contract with nonprofit organizations for such care; and license homes for those not requiring intermediate levels of care.

Your Committees have amended the bill by making minor technical changes, by renumbering section 2 as 3, and adding a new section 2 stating the effect of underscoring and bracketing in the bill.

Your Committees on Public Assistance and Human Services and Health are in accord with the intent and purpose of H.B. No. 612, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 612, H.D. 1, and be

referred to the Committee on Finance.

Signed by all members of the Committees.  
(Representative Sutton did not concur.)

SCRep. 230                    Health on H.R. No. 106

The purpose of this resolution is to request public agencies to employ organizations of handicapped persons whenever possible.

Your Committee finds that a number of organizations owned by or employing a substantial number of handicapped persons are available and willing to undertake a variety of services for monetary compensation. Some private employers are already engaged in employing such groups in various capacities. Your Committee believes that public agencies should emulate and exceed the example set by these private employers.

Your Committee has amended this resolution to emphasize its concern that public agencies also employ handicapped individuals whenever possible.

Your Committee on Health concurs with the intent and purpose of H.R. No. 106, as amended herein, and recommends that it be referred to the Committee on Public Employment and Government Operations in the form attached hereto as H.R. No. 106, H.D. 1.

Signed by all members of the Committee.

SCRep. 231                    Judiciary on H.B. No. 92

The purpose of this bill is to provide for the creation of a new appellate court which shall be referred to as the "Intermediate Court of Appeals", as provided for by the amendment to Article VI of the State Constitution.

Under present law the judicial power of the State is vested in one supreme court and the various circuit and district courts. This bill provides for another court having the same powers and jurisdiction as the supreme court but subject to rules of that court. It also provides for the court to consist of a chief judge and two associate judges, their salaries, the specific powers of the court, filing fees and costs, and an appropriation of revenue to effectuate its provisions.

After due consideration, your Committee has amended the bill by deleting those portions of Section 1, pages 2 and 3, Section 3, pages 12 and 13, and Section 5, page 18, which granted or referred to the original jurisdiction of the Intermediate Court of Appeals, inasmuch as the amendment to the Constitution creating such court requires that a court of appeals, not original jurisdiction, be created.

Your Committee has further amended the bill by adding fifty new sections, basically to conform the rest of the Hawaii Revised Statutes to reflect the creation of the Intermediate Court of Appeals and its role in the judicial process.

Finally, your Committee has amended the bill by deleting Section 7, the appropriation section, inasmuch as the Judiciary budget already contains the necessary funding for the Intermediate Court of Appeals, and by adding a new section to provide that the provision contained in the bill take precedence over any law to the contrary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 92, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 92, H.D. 1.

Signed by all members of the Committee except Representative Garcia.

SCRep. 232                    Judiciary on H.B. No. 1611

The purpose of this bill is to grant the investigators in the Department of the Attorney General the same benefits and privileges enjoyed by investigators appointed by county prosecutors.

Your Committee received testimony that presently investigators of the Attorney General's office do not receive the same benefits and privileges as do investigators of the county

prosecutors, notwithstanding the fact that the former's duties and functions are no less than the latter's. This bill would give them the same benefits and privileges.

Your Committee finds that under the concept of equal compensation and benefits for equal work, the investigators of the Attorney General's office should receive the same benefits and privileges as do investigators of the county prosecutors. Accordingly, your Committee recommends favorable consideration of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1611 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 233                      Judiciary on H.B. No. 1089

The purpose of this bill is to increase the number of judges in the Third Circuit, County of Hawaii, from the present two to three.

Your Committee received testimony that there has been a significant increase in caseload in the Third Circuit in recent years, doubling in the last year alone. Moreover, because cases in both the Hilo and Kona areas have to be presided over, much time and money is spent simply commuting as the towns are two and one-half hours apart by motor vehicle and per diem is required for all essential persons making the trip.

Your Committee finds that a third judge is required for the Third Circuit in order to handle the increased caseload found therein and to mitigate the added burdens distance unique to the Big Island creates. Inasmuch as this bill provides for an additional judge for the Third Circuit, your Committee recommends it be given favorable consideration.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1089 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 234                      Public Employment and Government Operations on H.B. No. 995

The purpose of this Act is to propose a number of amendments to Part II, Chapter 88 of the Hawaii Revised Statutes relating to the Employees' Retirement System. The amendments are the result of a directive from the System's Board of Trustees to review the statutes governing the System, and are intended to clarify the existing law as well as to fill certain gaps. While most of the amendments are merely housecleaning items and reflect current administrative practices, there are also a number of substantive changes which are as follows:

Section 1, subsection (1) amends Section 88-21, HRS, by more clearly defining the term "elective officer" and specifically excluding from such definition persons elected to the Constitutional Convention. Such individuals will be excluded from membership because (1) as elective officers they do not have the option of membership and (2) under rules and regulations adopted by the System, employees of three months or less are excluded.

Section 2, subsection (2) redefines police officers and firefighters as "general employees" for the purpose of making them eligible for election to the Board of Trustees. Pursuant to HRS 88-102, members of the System are presently classified into four groups: general employees of the State; general employees of the counties; teachers; and police officers and firefighters. Under HRS 88-24, members of the System may elect three board members, two of whom must be "general employees" and one of whom must be a "teacher". The amendment therefore removes the current statutory prohibition barring police officers and firefighters from running for election.

Subsection (3) repeals HRS 88-32 relating to the independent medical review board. A recent Hawaii State Supreme Court decision held that appeals of adverse decisions to the board did not provide the member with the type of hearing required by the Administrative Procedures Act. Procedural rules were subsequently adopted by the Trustees to implement that ruling, thereby making the board an obsolete body.

Subsection (8) amends HRS 88-55 dealing with civilian employees of the Hawaii National Guard who had elected membership in the federal retirement system on January 1, 1969

and had later quit such employment to return to State or county employment. Excluded from membership service is the period these persons were under the federal system. It should be noted that many of these individuals were already members of the State Retirement System when they elected to join the federal retirement system.

Subsection (10) creates a new section under Chapter 88 relating to the membership of employees holding more than one position, appointment or office by limiting such individuals' membership to only one. However, where a person has two part-time positions of the same class, membership may be for both, provided that the two do not exceed 100 percent of full-time equivalence.

Subsection (11) amends HRS 88-58 by clarifying the provision dealing with per diem workers. In the early 1950's the retirement law was amended to provide membership to per diem county road workers who were at that time excluded because of the part-time nature of their work. Unfortunately, the law did not make clear that only county road workers were to be covered, so presently anyone who has been paid on a per diem basis may claim prior service. The amendment corrects this situation by restricting such prior service credit to only those per diem employees who had been county road maintenance workers after December 27, 1927.

Subsection (12) amends HRS 88-59 by allowing only those with five or more years of service to purchase their previous service through a lump sum payment. This change will prohibit anyone who has left service after ten years, withdrawn his contributions and subsequently returned to work, from purchasing all of his previous service and retiring after working only a few months. It should be noted that under current law, a member who does this will receive, under Option Five, a substantial monthly pension for life. This proposed amendment will apply only to future new members of the System.

Subsection (13) is a substantive change to HRS 88-62, relating to a former member's return to service. The section currently provides that when a former member returns to work after four years, all of his contributions to the System must be returned if he has not already withdrawn them. It further states that credit for previous service may be regained if he so desires by purchasing it in accordance with HRS 88-59; and that the service requirement must be fulfilled in order for him to qualify for any benefit. The aforesaid policy discriminates against those who have left with five or more years of service, did not withdraw their contributions and are therefore already vested. The amendment would change the law to cover only those with less than five years of service and provides that to be eligible for a retirement benefit after returning to work, the employee must meet the minimum service requirement without including any previous service that may have been purchased in accordance with HRS 88-59.

Subsection (15) amends HRS 88-96 and 88-97. Hawaii Revised Statutes 88-96 presently provides that the contribution of any separated member shall be returned upon request. It further states that no interest shall accrue to his account after four years, and that if he has five or more years of service he may attain "vested status" by filling out the proper forms within four years. "Vested status" makes him eligible for a service retirement at age 55 with benefits based on the formula existing at the time of his separation from service.

Hawaii Revised Statutes 88-97 deals with a separated individual who has attained such status and later returns to active service. The section states that (1) he shall become a member again; (2) he must fulfill the membership requirements in order to be eligible for a service retirement; and (3) his retirement benefit shall consist of his vested benefit plus whatever other benefit had accrued as a result of his new period of membership.

Such a situation creates an inequity when the member finally retires, particularly if his initial vested benefit had been based on a formula which produced an amount less than the current one in use. In the case of an individual who initially withdraws all of his contributions and later returns to service, pursuant to HRS 88-59 he can purchase all of his previous service and retire with all of it computed under the current formula. Moreover, the present law does not prohibit a vested person from attaining a refund of his contribution before he returns to service. For these reasons, members with five or more years of service often do not choose to attain vested status because it could actually be more disadvantageous to them.

The amendment to HRS 88-96 therefore provides that anyone with five or more years of service who had left his contributions in the System shall be deemed to have been vested without the necessity of filling out any forms for such purpose.

In addition, HRS 88-97 has been amended to provide that if a vested member returns to active service, his benefit shall be computed in accordance with the present statutes if he has less than five years of service after his return. However, if he has five or more years of service after his return, then all of his service shall be computed under the existing formula if the benefits so provided are greater than if computed in accordance with the present statutes.

Lastly, subsection (14) amends HRS 88-74 relating to the State's "25 years and out" retirement policy. As presently worded, the section may be misinterpreted to mean that a member with 25 years of any type of service is eligible for retirement without being penalized so long as he serves his last five years as a police officer, firefighter, corrections officer or sewer worker. The amendment seeks to clarify the situation by stating that any police officer, firefighter, corrections officer or sewer worker cannot retire with full benefits unless he has served 25 years in such a capacity, of which the last five must also be in such capacity.

Your Committee is in agreement with such a policy. With reference to the sewer workers, however, for the purpose of additional clarity your Committee has amended lines 3-17 on page 16 to provide that no reduction in retirement benefits shall be made if the member has at least 25 years of credited service in any type of sewer work, of which the last five or more years prior to retirement is credited service as a sewer worker as defined in HRS 88-21. The amendment therefore more clearly specifies that an individual who becomes a sewer worker in his last five years after initially serving 20 years as a general employee incurs a penalty if he retires below age 55.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 995, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 995, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 235                      Public Employment and Government Operations on H.B. No. 1099

The purpose of this Act is to increase the amount of monthly bonus currently payable to state retirees, thereby enabling them to maintain a decent standard of living.

Pensioners' bonus is a benefit originally conceived in 1945 to offset the rising cost of living and consists of two types, a regular bonus and a cost-of-living bonus.

The regular bonus is provided to all individuals who retired prior to July 1 1966 with ten or more years of service and who are not eligible for Social Security benefits. No one retiring after June 30, 1971 is eligible for this benefit. The amount has been increased periodically throughout the years with the most recent increase being in 1976. Monthly payments currently range from \$77.82 to \$108.94, depending on the years of service. There are approximately 1,000 individuals who are presently receiving such an allowance.

House Bill No. 1099 will increase each retiree's allowance by an additional \$50.00 per month. An additional \$81.12 will be granted to those with 21 or more years of service; an additional \$81.12 to those who retired prior to 1945; and if the pension plus the bonus does not total \$252.32 per month, an additional bonus not to exceed \$81.12 will be paid.

The estimated cost is approximately \$1 million per year, of which the state's share will be \$730,000.00 and the counties' share \$270,000.

Your Committee is in agreement that the inflationary trend in today's cost of living mandates an increase in the bonus, particularly since the individuals affected were employed at low salaries to begin with. However, examination of the Act's complicated formula leads your Committee to believe that it would be more equitable and less costly to simply pay each retiree an additional \$50 per month, and therefore it is recommended that the following amendments be made to the proposed measure:

- a)            deletion of all underscored material in Subsections 1 through 4 of Section 2.
- b)            addition of a new Subsection (8) to read as follows, "Any other provision to the contrary notwithstanding, each person who received a bonus under subsection (1), (2), and/or (3), herein, for the period ending June 30; 1979 shall be paid an additional bonus of \$50 per month effective July 1, 1979."

The estimated cost of this amendment is \$600,000, of which the state's share will be \$438,000 and the counties' share \$162,000. This is approximately \$400,000 less than the \$1 million it would cost the state and the counties under the Act as originally proposed.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1099 as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. No. 1099, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 236

Employment Opportunities and Labor Relations on H.B. No. 1102

The purpose of this bill is to implement a program for displaced homemakers, including job training and education and other services needed to facilitate the employability and employment of individuals who are forced to enter the job market after being homemakers for a substantial number of years.

This group has special problems whose employment needs are urgent and unmet. In the past three years, displaced homemaker bills have been passed in 16 states, and preliminary reports of initial programs have shown them to be highly successful. The need for these programs is evidenced by a recent report by the State Commission on the Status of Women which notes that widowed, separated, or divorced women between 35 and 64 years of age had a significantly higher rate of unemployment and a far lower median income than other women, and that this situation is compounded by the fact that displaced homemakers are often ineligible for health, retirement, or unemployment benefits. Members of this group are often without the educational and vocational experience necessary to compete in the job market.

Your Committee amended the bill by inserting \$77,500 for the displaced homemaker program to be expended by the Department of Labor and Industrial Relations.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1102 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1102, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 237

Corrections and Rehabilitation on H.B. No. 1156

The purpose of this bill is to appropriate \$70,000 for a drug/alcohol rehabilitation program at the Hawaii State Prison.

Your Committee finds that, although the Law Enforcement Assistance Administration (LEAA), United States Department of Justice, requires a drug/alcohol program in the Hawaii State Prison, the State of Hawaii has not undertaken this responsibility. Rather, the State has relied upon NARCONON, a non-profit, private organization to provide this program.

Your Committee also finds that a great number of inmates at the Hawaii State Prison have drug related problems and this drug/alcohol program should be continued by some non-profit, private organization, capable of providing this service.

Your Committee believes that the State should not be committed to provide funds to any specific organization such as NARCONON. The implementation of the program should be left to the Department of Social Services and Housing with the express requirement that the LEAA guidelines for drug/alcohol treatment be included in the program.

Accordingly, your Committee has amended this bill to delete any reference to NARCONON.

Your Committee has further amended this bill to state that any unencumbered balance at the close of business on June 30, 1980 shall lapse into the general fund.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 1156 as amended herein, and recommends that it be referred to the Committee on Finance in the form hereto attached as H.B. No. 1156, H.D. 1.

Signed by all members of the Committee except Representative Dods.

SCRep. 238

Consumer Protection and Commerce on H.B. No. 279

The purpose of this bill is to provide further protection to both the public and to those persons who utilize the services of commercial employment agencies.

Your Committee is in accord with the general intent of this bill to protect unemployed persons and employers against financially unqualified employment agencies and finds that it is in the best interests of all parties involved to require financial stability.

While in agreement with the intent of this bill, your Committee feels that amendments are necessary to better effectuate it. Your Committee has therefore added to H.B. No. 279, a change to section 373-5, relating to applications for employment agency licenses, and has deleted changes to sections 373-4, 373-9 and 373-10, Hawaii Revised Statutes.

This amendment will require applicants for licenses to submit, together with their application, a statement evidencing financial stability to the director of labor and industrial relations. Prior to and as a prerequisite to the issuance of a license the director shall, according to standards established by the director, determine whether each applicant is financially qualified to transact business.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 279, as amended herein, and recommends that it be referred to the Committee on Employment Opportunities and Labor Relations in the form attached hereto as H.B. No. 279, H.D. 1.

Signed by all members of the Committee.

SCRep. 239

Youth and Elderly Affairs on H.B. No. 655

The purpose of this bill is to amend Chapter 584-7, Hawaii Revised Statutes, to provide that that portion of the statute of limitations of three years after the effective date of enactment of this Chapter be deleted.

Your Committee finds that this time limitation is no longer applicable since three years have elapsed since enactment of Chapter 584-7 of the Hawaii Revised Statutes in 1976.

Under present law, in cases in which a mother fails to bring action for paternity adjudication within the three-year statute of limitation, the child is forever barred from being able to bring such action himself. Testimony presented state that although accurate figures are lacking, there are countless numbers of dependent children who are forever barred from paternity adjudication and therefore must rely on public assistance for their support during the remainder of their dependent years. In some instances, children have not been able to qualify for social security or veteran's benefits, inheritance rights, etc. because paternity had not been established.

According to testimony further presented, amendment of H.B. No. 655, would make Chapter 584-7, Hawaii Revised Statutes, consistent with federal law in the following respects: 45 CFR 23.90 (b) (3) states that AFDC welfare assistance will be provided to "all children 18 years of age and under 21 who are students regularly attending a school, college or university as a course of vocational or technical training designed to fit them for gainful employment;" 45 CFR 303.5 indicates that for cases referred to the IV-D agency (child support), "the IV-D agency must attempt to establish paternity by court order, . . ." This provision is mandatory for all AFDC cases.

Your Committee agrees that Chapter 584-7 Hawaii Revised Statutes, should be changed and has amended H.B. No. 655 to affirm a child's substantive right to a legal relationship with his father as well as the right to support by his legally responsible parent up to age 21. Your Committee recognizes also that this amendment will give a child or someone acting in his behalf the right to paternity action until age 21. In other words, this bill allows the illegitimate child a chance to protect his rights to establishment of a legal relationship with his parent and to subsequently receive child support from this parent.

To this end, your Committee recommends the passage of H.B. No. 655, as amended, for practical humanitarian and moral reasons. This amendment to the present statute will protect the rights of children to paternity adjudication as well as the right of support from their legally responsible father.

However, your Committee is unclear as to whether the three year limitation specified in Chapter 584-7 represents the appropriate time frame for the statute of limitations in an action of this kind, and respectfully requests the Committee on Judiciary to explore this matter further.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 655, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 655, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 240 Ecology and Environmental Protection on H.B. No. 664

The purpose of this Act is to create two positions within the department of health for retired or off-duty police officers to act as trained noise enforcement officers. This would be a pilot project carried on for a period of two years.

According to testimony from the department of health, over 16,000 complaints of excessive noise were received in fiscal year 1977-1978, of which only a small number could be processed. Courts are reluctant to impose penalties unless violations can be verified by noise measuring devices and techniques. Vigorous enforcement of noise regulations is important to community health and welfare but is hampered by the time, personnel, and priority constraints of enforcement agencies.

Your Committee feels that two officially designated noise officers trained by the department of health and working with the cooperation of the police department would have the technical ability and the authority to contribute significantly to noise abatement.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of H. B. No. 664 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Sakamoto and Uechi.

SCRep. 241 Housing on H.B. No. 494

The purpose of this bill is to amend Section 359G-6, Hawaii Revised Statutes, to delete the non-competitive bidding exemption authorized to the Hawaii Housing Authority.

Testimony presented in public hearing suggests that a competitive bidding requirement would entail an increase in the cost of construction. However, no conclusive evidence was presented to support this opinion. Also, it was generally accepted that cost is not the only objective in competitive bidding.

Your Committee finds that standard practice in the development field in the public and the private sectors precludes the selection of architects, engineers, attorneys, and certain other professionals on a competitive basis. Expertise in these areas is hired because of quality as well as cost to ensure the best possible technical and financial arrangement for the developer. Competitive bidding is generally used in the selection of the construction contract only. Therefore it is recommended that a competitive bidding requirement be restricted to the area of construction contract selection.

Your Committee has amended this bill by adding to subsections (b) and (e) a provision that the selecting of services to be performed by a contractor be subject to competitive bidding requirements.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 494, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 494, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 242 Housing on H.B. No. 1686 (Majority)

The purpose of this bill is to authorize the Hawaii Housing Authority to raise funds

from private investors through the sale of tax-exempt revenue bonds, and to make those funds available at affordable interest rates through mortgage lenders to persons and families of lower and moderate income to enable them to purchase a new or existing home or to convert their residential leasehold property to fee simple. The funds will be used in a housing loan program to provide for:

1. The making of loans to mortgage lenders who will in turn make eligible loans to persons of lower and moderate income;
2. The purchase of existing loans or mortgages from mortgage lenders who will then make eligible loans;
3. The making of advance commitments to purchase eligible loans from mortgage lenders;
4. The funding or committing to fund eligible loans through mortgage lenders or for leasehold conversion loans for the purchase of a fee simple title from a lessor by a lessee.

Your Committee finds that a major cause of the continuing housing crisis in Hawaii is the lack of long term financing at affordable interest rates, available in particular to first time buyers, younger families, persons and families of lower and moderate income, and the elderly.

Your Committee further finds that the concentration of ownership of fee simple title to significant areas of land in the hands of estates, trusts and large private landowners has contributed to the serious shortage of single family residential fee simple property at reasonable prices. The provision of funds provided for in this bill for leasehold conversion loans for the purchase of fee simple title from a lessor by a lessee is consistent with the policy of this State to disperse ownership of fee simple title in single family residential property to as many people in this State as possible.

Testimony was presented to your Committee by the Hawaii Housing Authority and as the major associations representing the majority of the private lending institutions in this State, as well as a broad cross section of the construction industry. Among those who testified were the representatives of the Hawaii League of Savings Associations, the Mortgage Bankers Association, the Hawaii Bankers Association, the Home Builders Association of Hawaii, the Hawaii Building and Construction Trades Council, and the Construction Industry Legislative Organization.

These groups who appeared on behalf of the private lending industry and the construction industry made clear their support of H.B. 1686 and their belief that it is important that mortgage funds be made available to State residents to purchase a home.

According to the Construction Industry Legislative Organization, Inc., a major factor in determining whether a potential homeowner can financially qualify to purchase a home is the amount of monthly mortgage payment. Since the monthly mortgage payment is determined by the loan amount and the interest rate of the loan, it is important that these factors be addressed in offering home mortgage loans that are affordable to potential owner-occupant homeowners.

The Legislative Committee of the Mortgage Bankers Association of Hawaii, an organization whose members are servicing mortgages with a value in excess of one billion dollars, also expressed concern over the increasing critical mortgage loan situation in Hawaii. The Committee was informed that in 1978 the Bank of Hawaii closed 1313 conventional residential loans. The average loan amount was approximately \$60,000.00. The approximate monthly income required to qualify for a \$60,000.00 loan at the present prevailing interest rate of ten and three-quarters per cent would be \$2,400.00. Thus, if this legislation enabled the borrower to be offered a lower interest rate, not only would there be a savings to qualifying residents, but more families would qualify and be able to own their own homes.

The Hawaii League of Savings Association (HLSA) noted that for many years, this State has been a capital-short area and mortgage money, even at high rates, has been in heavy demand. According to the HLSA, these programs set forth in this bill offer a great potential source for new and significant funds. Further, because of the tax-exempt feature, the funds will be available at reasonable rates below the conventional mortgage rates.

According to the Hawaii Housing Authority, a conventional loan of \$70,000.00 for a term of 30 years at an interest rate of ten and three quarters per cent would result in

a monthly payment of \$653.44. The annual household income needed to carry this loan at a four to one income ratio is \$34,000.00, and at a three and a half to one ratio, it is \$30,000.00. The same loan under HHA's program set forth in this bill, requires a monthly loan payment of \$538.24 at a possible eight and a half per cent interest rate. This results in a monthly savings of \$115.20 when compared with the conventional loan. The total interest savings over the full term would be \$41,472.00. At a four to one ratio, the annual household income needed to carry this loan would be \$28,000.00 and at a three to one ratio, \$24,000.00. Thus, dramatic and substantial savings are made possible by this loan program.

The representatives of the private lending community are fully cognizant of the importance of their role in carrying out this loan program, and the necessity for close cooperation between the government sector and the private sector. They expressed their strong desire to work actively with and assist the Hawaii Housing Authority in formulating the significant aspects of the program.

The private sector particularly emphasized that a significant feature of this mortgage loan program is that mortgage lenders already possess and utilize procedures and capabilities to originate, process, and service single family mortgages. Moreover, State of Hawaii will not be legally obligated for the security for the revenue bonds. The investment community will purchase the revenue bonds on the basis of the quality of the mortgages, the insurance provisions, the reserve funds, the participating mortgage lenders and the private trust institution who administers the program. The rating of the bonds will similarly depend on these factors.

In addition, the members of the construction industry who testified have indicated their feeling that implementation of this bill resulting in the availability of low cost mortgage monies will help spur a much needed boost in construction activities in this State. It has further been pointed out that this type of housing loan program is a useful tool that has proven its value in many other states.

The Hawaii Housing Authority has reported that over three fourths of the states in the United States have broad powers to finance multi-family and single family housing. New York established the first housing finance agency in 1960. Since then, numerous other states have created such programs with twelve states having no limit on their bonding capacity.

Your Committee takes note that the 1978 State Constitutional Convention has amended the State Constitution by allowing for the issuance of revenue bonds to create a loan program. Your Committee finds that such issuance of revenue bonds constitutes a valid public purpose and is expressly within the public interest.

Your Committee further finds that it is in the interest of the State to have the bulk of the housing revenue bonds sold to out-of-state investors so as to import much needed capital to Hawaii. The Hawaii Housing Authority has stated that it will submit a report to the Legislature, following each issuance of revenue bonds, indicating the geographical distribution of the bond sales.

After extensively meeting with the Hawaii Housing Authority, representatives of the private sector, and the State's bond counsel, your Committee has made the following amendments to H.B. No. 1686:

1. Rephrased the term "direct eligible loan" when referring to the direct eligible loan program, to: "fund and to commit to fund eligible loans made through mortgage lenders". This clarification more accurately describes the actual process envisioned by the drafters of the bill. In testimony presented to your Committee, representatives of private sector lending institutions desired clarification of the actual operation and implementation of this aspect of the State housing loan program. The Hawaii Housing Authority stated that unlike the other programs provided for in this bill, where the government agency and the mortgage lender are transacting business on a "principal to principal" basis, this program enables the Hawaii Housing Authority to directly fund, through mortgage lenders (acting as its "agent"), eligible borrowers. There is no intent, on the part of the Authority, to establish, create, or duplicate loan servicing entities and processes to fulfill the objectives of this program. Such loan servicing is more efficiently and effectively provided for by the private mortgage lending community.

2. Further clarified the intent of the Legislature to design the State housing loan program to be available, on a non-exclusive basis, to interested mortgage lenders who are active in mortgage lending in the State. It is not the intent of this legislation to create or provide a basis for monopolistic or oligopolistic mortgage lending in the State.

3. Established an income limit in the determination of "eligible borrower" to clearly delineate the income group that this program is to serve. Such income limit is set at 150 per cent of median family income in the State, as defined by the Department of Planning and Economic Development in their annual publication, "State Data Book". Providing a "formula" rather than a specific dollar income limit allows enough flexibility to keep pace with changes in family incomes in the State and with inflation. Your Committee desires to not restrict the benefits to a specific income group, as defined by dollars, but rather to assist "gap group" families whose incomes, are too high to qualify for traditional government housing assistance but too low to qualify for conventional private sector loans. The definition of "gap group" is a relative term in that the group's income characteristics change as prices and costs change for homes available for sale in the market and the cost of money or interest rates fluctuate. The term "gap group" also takes on a different demographic meaning when applied to residential leasehold conversion. The "gap group" who wish to purchase homes are usually young, first-time home buying families (between 24 and 34 years old), while the "gap group" who wishes to convert their leasehold property to fee simple may be those families whose head of household is approaching retirement with a lifetime earning curve in the plateau stage. In this second case, these families may not wish, nor would it be economically advisable, to take on another mortgage loan at prevailing market interest rates.
4. Included as a condition in making and accepting "eligible loans" made under this part, that such loans be made available for the purchase or conversion of owner-occupied residential real property. This amendment will clearly and definitively preclude such loans from being used for investment purposes.
5. Further defined "mortgage lender" as either a financial institution whose accounts are federally insured, or an approved mortgagee of the Federal Housing Administration, or an approved mortgage loan servicer for the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation. This definition will preclude and restrict participating mortgage lenders to those which have nationally recognized and certified loan originating and servicing capabilities.
6. Defined "trustee" to be a national or State bank or trust company within or without the State. This definition allows the flexibility of utilizing an out-of-state trustee if suitable or necessary.
7. Defined "trust indenture" to mean any agreement between the Hawaii Housing Authority and the trustee which specifies the duties of the trustee with respect to the revenue bonds and the security created under this loan program.
8. Required that a trustee be appointed by the Hawaii Housing Authority with the approval of the State Director of Finance. The use and appointment of a trustee is a widely accepted and recommended practice in carrying out government housing financing programs. The Hawaii Housing Authority as well as the representatives of the private lending sector voiced support for the appointment of a trustee. Your Committee feels that the use of a trustee will overcome a major concern of the private sector which is the excessive entanglement by the Hawaii Housing Authority in details and processes that can be best handled by an experienced and qualified trust company. At the same time, appointment of such a trustee will insure that the Authority can remain responsible and effectively oversee the overall loan program. However, section 39-65 imposes restrictions which necessitate that an exemption be stated to designate the trustee as a fiscal agent.
9. Authorized the Hawaii Housing Authority, with respect to the purchase of existing loans, to establish rules placing limitations or restrictions as to the number of family units, locations, or other qualifications of residences to be financed by eligible loans. The Authority is empowered to also establish restrictions as to maturities and interest rates on eligible loans and as to other related matters in the purchase of existing loans. This particular amendment has been inserted for purposes of clarity and conformity as these exact requirements are contained in the "advance commitment" loan program.
10. Required that standards and requirements as to allocations of advance commitments to purchase eligible loans shall be designed to include maximum participation among mortgage lenders. It is intended that interested mortgage lenders be afforded a full and fair opportunity to participate in the program.
11. Authorized the Hawaii Housing Authority to establish, with respect to funding eligible loans made through mortgage lenders, standards and requirements as to participation by mortgage lenders as originators and as processors of eligible loans. This amendment allows the Authority to set necessary guidelines for participation by mortgage

lenders.

12. Corrected page 22, line 13 to state that loans to mortgage lenders shall be "general" obligations, and not "secured" obligations as originally worded. This revision more accurately describes the obligation to be owed by the participating mortgage lenders. The additional security, consisting of the pledging of suitable collateral in the form of mortgages made under this program, required of the mortgage lenders is fully and more properly provided for in (d) on page 23.

13. Required the Hawaii Housing Authority to appoint a six member advisory council consisting of one representative from the Hawaii Housing Authority and one from each of five specified major organizations representing the private lending community. The role of the advisory council is to advise in the establishment and updating of appropriate criteria for eligible borrower qualifications and of rules and regulations for the implementation of the loan program.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1686, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1686, H.D. 1.

Signed by all members of the Committee.  
(Representative Baker did not concur.)

SCRep. 243                      Housing on H.B. No. 440

The purpose of this bill is to amend Section 360-32, Hawaii Revised Statutes, by removing the requirement that free sewage disposal service be provided by each county to the Hawaii Housing Authority and its tenants.

Your Committee finds that the Environmental Protection Agency requires the adoption of an equitable system of user charges for the operation and maintenance of waste treatment works, and that failure to comply with this requirement will jeopardize payment of 75 per cent federal grants-in-aid for eligible facilities. These federal funds will total approximately \$32 million for each fiscal year from 1978 through 1982 for the State of Hawaii.

In compliance with the Environmental Protection Agency requirement, the City and County of Honolulu adopted a sewer ordinance on July 28, 1976 requiring all users of City waste treatment services to pay their proportionate share of operation and maintenance costs. This will amount to an annual user charge of approximately \$200,000 to the Hawaii Housing Authority. The advantages to the fiscal growth of the State and its environmental program provided by the federal grant, however, warrant this expenditure by the Hawaii Housing Authority.

Your Committee has made a technical amendment to conform with style by underscoring in Section 1, the following:

Sec. 360-32 Facilities and services by counties to authority and tenants.

and

Sec. 360-36 Furnishing of free water and sewage disposal service not required.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 440, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 244                      Housing on H.B. Nos. 1536, 1537, 1538, 1539 and 1540

H.B. No. 1536 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CAPITAL IMPROVEMENT AT PUAHALA HOMES."

The purpose of this bill is for capital improvement projects at Puahala Homes, Oahu.

H.B. No. 1537 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR IMPROVEMENTS AND RENOVATIONS FOR KUHIO PARK TERRACE."

The purpose of this bill is for various capital improvement projects at Kuhio Park Terrace, Oahu.

H.B. No. 1538 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CAPITAL IMPROVEMENTS AT KALIHI VALLEY HOMES."

The purpose of this bill is for various capital improvements at Kalihi Valley Homes, Oahu.

H.B. No. 1539 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CAPITAL IMPROVEMENT PROJECTS AT KALIHI VALLEY HOMES."

The purpose of this bill is for various capital improvements at Kalihi Valley Homes, Oahu.

H.B. No. 1540 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR IMPROVEMENTS AND RENOVATIONS FOR HAULI HOUSING."

The purpose of this bill is for various capital improvement projects at Hauili Housing, Oahu.

Your Committee has amended H.B. No's 1536, 1537, 1538, 1539, and 1540 by changing the expending agency from the Department of Accounting and General Services to the Hawaii Housing Authority which is the proper agency.

Your Committee on Housing is in accord with the intent and purposes of H.B. No's 1536, 1537, 1538, 1539, and 1540 as amended herein and recommends that they pass Second Reading in the forms attached hereto as H.B. No's 1536, H.D. 1, 1537, H.D. 1, 1538, H.D. 1, 1539, H.D. 1, and 1540, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 245                    Housing on H.B. Nos. 1501 and 1733

H.B. No. 1501 entitled: "A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENT PROJECTS IN THE TWELFTH DISTRICT."

The purpose of this bill is to fund various housing projects operated by the Hawaii Housing Authority in the Twelfth Representative District, Oahu.

H.B. No. 1733 entitled: "A BILL FOR ACT MAKING AN APPROPRIATION FOR IMPROVEMENTS TO HOUSING PROJECTS, OPERATED BY THE HAWAII HOUSING AUTHORITY, IN THE SEVENTEENTH REPRESENTATIVE DISTRICT, OAHU."

The purpose of this bill is for housing improvements for various housing projects operated by the Hawaii Housing Authority in the Seventeenth Representative District, Oahu.

Your Committee on Housing is in accord with the intent and purposes of H.B. No's 1501 and 1733 and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 246                    Health on H.B. No. 75

The purpose of this bill is to require that every woman taking a marriage license be required to receive serologic testing for rubella.

The department of health strongly supports the passage of this measure designed to provide information to a woman, prior to marriage, regarding her possible susceptibility to rubella. A simple blood test done on the same specimen of blood currently required for syphilis testing can be used to determine if the woman is susceptible or immune to rubella. It was reported to your Committee on Health that a pregnant woman exposed to rubella during the early months of pregnancy has an estimated 50 percent chance of giving birth to a seriously deformed baby.

Your Committee received additional testimony from members of the medical profession, the Hawaii League for Nursing, the State Planning and Advisory Council on Developmental Disabilities, the Hawaii League for Nursing, the State Planning and Advisory Council on Developmental Disabilities, the Waikiki Health Center and numerous individuals indicating that there is an unusually high susceptibility among Hawaii's women of child-bearing age, particularly those between the ages of 20 to 24. It is felt that passage of this bill will provide information to these women to enable them to make an informed decision regarding immunization.

The intent of the Committee is that steps be taken by the Department of Health to follow up on those cases where it is determined that the woman is susceptible to rubella and that immunization services be readily available.

Your Committee has amended the bill to provide for an appropriation of \$100,000 for the biennium for the implementation of this Act.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 75, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 75, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 247                      Health on H.B. No. 999

The purpose of this bill is to provide an appropriation of \$82,623 for the continuation of the Northern Koolau Community Health Education Program.

Your Committee on Health finds that this is a unique and very worthwhile program serving the Windward and North Shore areas of Oahu. The focus of this storefront health education service is on self-help, appropriate utilization of health resources, and self-motivated compliance to medical regimes. In-depth instruction and education is provided to individuals, families and groups on disease conditions such as high blood pressure, diabetes and on disease prevention.

Your Committee had amended the bill to provide the appropriation figure and date of lapsing of funds.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 999, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 248                      Health on H.B. No. 1237

The purpose of this Act is to appropriate out of the general revenues of the State of Hawaii the sum of \$1,000.00 and to utilize unexpended balances from appropriations made in prior years for land acquisition for the planning, design and construction of the Rehabilitation Hospital of the Pacific, Oahu.

The unexpended balances from the appropriations made in 1976 and 1977 for the acquisition of the land resulted from the use of federal funds which became immediately available for immediate use thereby permitting the hospital to acquire the land immediately without using state funds. Testimony presented to the Committee indicates that the unexpended funds appropriated in 1976 and 1977 for land acquisition should be transferred for use in construction of the hospital and as matching funds for the remaining federal grant.

Your Committee has amended the bill to include appropriations made in 1974 and 1975 with unexpended balances for use in the construction of the rehabilitation hospital.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1237, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 249 Health on H.B. No. 1263

The purpose of this Act is to appropriate \$300,000 from the general revenues of the State of Hawaii for a grant-in-aid to Saint Francis Hospital.

Saint Francis Hospital's continuing service improvement program this year includes renovation of existing patient units and related clinical areas. It has been estimated that costs for these projects will total \$1.4 million through fiscal year 1980. Funding is anticipated from hospital operations, community donations and State appropriations.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1263 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 250 Health on H.B. No. 319

The purpose of this Act is to appropriate funds to the Hemophilia Foundation of Hawaii to provide medical assistance and to assist in the payment of hemophilia-related treatments and services.

Your Committee finds that hemophilia is a life-long catastrophic disorder of the blood clotting mechanism. From the physical standpoint, individuals bleed internally, the most dangerous of which would be into vital organs such as the brain or kidney. More commonly, however, they bleed into muscles and joint spaces. Repeated bleeding into joint spaces can cripple an individual without the proper medical intervention. Severe emotional and financial problems are common, resulting in a large measure because of the exorbitant cost of the medicine to help an individual's blood clot.

Your Committee received testimony from the Department of Health which states that medical expenses average \$7,000 per year per hemophilia patient. Also that some individuals have had expenses over \$20,000 per year of which the health insurance covered only a very small portion.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 319 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 251 Health on H.B. No. 1404

The purpose of this Act is to clarify prior appropriations for Children's Hospital by recognizing the change of the facility's name to Kapiolani Children's Medical Center, the relocation of the facility to its new quarters, and the intent to use such funds for planning, construction, and equipment at its present facility.

Your Committee finds that this bill would amend Act 226 of 1978 by correcting references to Children's Hospital to Kapiolani Children's Medical Center. This change is in keeping with the Center's recent facility move and name change.

The bill further amends Act 226 by allowing equipment costs to be included in the appropriation.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1404 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 252 Health on H.B. No. 1424

The purpose of this bill is to provide an appropriation for the administrative and program costs of the Kauai Association for Retarded Citizens.

Your committee received testimony from the Kauai Association for Retarded Citizens that the "driving force of the Kauai Association for Retarded Citizens, in addition to intensive advocacy functions, is the providing of direct services which are non-existent on the island but are necessary to the normalization of the mentally retarded on Kauai."

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1424 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 253                    Health on H.B. No. 1407

The purpose of this Act is to appropriate funds to the Saint Francis Renal Dialysis Center, Hilo Hospital, Hawaii, for the relocation of dialysis equipment including the installation of major electrical and plumbing systems.

Your Committee finds that Saint Francis Hospital has been a pioneer and leader in transplantation and hemodialysis services in Hawaii and has now become the hub of an end stage renal disease program whose services project throughout the Pacific Basin.

However, the present facilities of the Renal Dialysis Center are inadequate to accommodate the necessary equipment and space requirement for the renal dialysis programs.

The Hilo facility now provides treatment to 17 patients. Three additional patients now in Honolulu, at Saint Francis Hospital, wish to return to Hilo as soon as they are medically stable. The addition of these three patients to the Hilo facility would exceed present capacity capability. Patients who receive medical service on the island of their own residence have the psychological support of their family and the security and warmth available to them in their own home. The cost savings in providing this service is also an important component since the cost of care in this facility is markedly less than it would be in a hospital. In addition, the cost of maintaining a second home on Oahu and the costs of inter-island travel for these patients would no longer be necessary.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1407 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 254                    Public Assistance and Human Services on H.B. No. 1631

The purpose of this bill is to clarify that the director of the office of children and youth and the director of the executive office on aging shall be members of the progressive neighborhoods task force and that the governor shall designate the chairman of the task force from among its members.

To avoid any confusion about the chairman and the means of appointment, the gubernatorial designation seems appropriate. Furthermore, because the task force deals directly with progressive neighborhood concerns, it should be clarified that the progressive neighborhood program director should be a member of the task force. Your Committee has raised the amount of compensation for each task force meeting attended from \$20 to \$50. Your Committee has also made certain minor technical amendments and amended the bill stating that the director of the progressive neighborhood program is a member of the task force.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1631, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1631, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 255                    Public Assistance and Human Services on H.B. No. 901

The purpose of this bill is to appropriate \$9,535, or so much thereof as may be necessary, for social rehabilitation programs and projects for the handicapped and disabled at the Molokai Rehabilitation Facility.

Your Committee has amended the bill by clarifying that the appropriation is for fiscal year 1979-80 and added a lapsing provision.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 901, as amended herein, and recommends that it pass Second

Reading in the form attached hereto as H.B. No. 901, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Segawa.

SCRep. 256                    Public Assistance and Human Services on H.B. No. 1101

The purpose of this bill is to appropriate moneys from the general fund to the department of social services and housing to expand existing, and establish new shelters and programs for victims of spouse abuse.

Your Committee finds that existing programs and services for victims of spouse abuse are insufficient and that the moneys appropriated may alleviate this problem.

Your Committee has amended the bill by specifying the amount appropriated as \$67,000 for fiscal year 1979-80 and by providing that unexpended appropriations shall lapse as of June 30, 1980.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1101, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 257                    Public Assistance and Human Services on H.B. No. 1476

The purpose of this bill is to appropriate \$30,000 for plans and construction of a multi-purpose community center in Ewa, Oahu.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1476 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 258                    Public Assistance and Human Services on H.B. No. 1684 (Majority)

The purpose of this bill is to allow the department of social services and housing to make recoveries from the estates of deceased recipients: (1) of social services payments if the recipient was age 65 or older and has no surviving dependent spouse or child who is under age 21 or disabled; (2) of burial cost payments if there is no surviving dependent spouse or child who is under age 21 or disabled; (3) of any payments made under a claim subsequently found to have been fraudulent; and (4) of medical or burial payments from third parties who are found to be liable for the payments.

The department of social services and housing, in requesting passage of this bill states that the existing statute does not conform with federal regulations for such recoveries nor does it include provisions relating to recoveries in the specific situations provided in the bill.

Your Committee has amended the bill by adding burial payments to the claims that the department of social services and housing may file against a deceased recipient's estate and deleted subsection (b), which provided for a claim for burial costs, entirely. Due to this deletion, all subsequent subsections and internal references thereto, were renumbered.

Your Committee has also amended the bill by renumbering section 3 as 4 and adding a new section 3 stating the effect of the bracketing and underscoring in the bill. It has further corrected a portion of the underscoring on page 1 to conform the text to the existing statutory provisions which are to be amended by this bill. Minor nonsubstantive changes are also made in wording and punctuation.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1684, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1684, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.  
(Representatives Baker and Sutton did not concur.)

SCRep. 259                    Public Assistance and Human Services on H.B. No. 1006

The purpose of this bill is to appropriate \$1,500 for the production of a slide show explaining the eligibility requirements for public assistance to be shown to certain applicants for public assistance.

Your Committee has amended the bill to increase the appropriation to \$8,000 and add the words "and needed equipment" after the words "slide show". The bill has also been amended to permit the Department of Social Services and Housing more flexibility in using the slide show equipment at different locations. The blank space in the lapsing date was filled in to read "June 30, 1980".

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1006, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1006, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 260                    Public Assistance and Human Services on H.B. No. 1005

The purpose of this bill is to appropriate \$10,500 for mini computers for the use of the department of social services and housing's major application units for better and more efficient data transmission capabilities with the central processing equipment of the electronic data processing division of the department of budget and finance.

Your Committee has amended the bill to increase the appropriation to \$20,000. The blank space in the lapsing date has been filled in to read "June 20, 1980." and the designation "SOC 903" was inserted after the name of the expending agency.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1005, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1005, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 261                    Public Assistance and Human Services on H.B. No. 945

The purpose of this bill is to appropriate \$100,000 for a grant-in-aid to the Lanakila Rehabilitation Center work activity center, which is designed to help severely disabled adults from Kalihi-Palama achieve economic independence through gainful employment.

Your Committee has amended the bill to indicate that the appropriation is for the biennium 1979-81, and to amend the expending agency to read "department of health (HTH 501)".

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 945, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 945, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 262                    Public Assistance and Human Services on H.B. No. 946

The purpose of this bill is to appropriate moneys for grants-in-aid for the expansion of pre-vocational, day activity training programs for developmentally disabled adults beyond current service levels, a portion of which will be expended in fiscal year 1979-80 and the remainder of which will be expended in fiscal year 1980-81.

Your Committee has amended the bill by inserting \$1,515,827 for the biennium and of this amount, \$662,081 for 1979-80 and \$850,746 for 1980-81 in the appropriate blank

spaces in the bill. The expending agency was amended to read "department of health (HTH 501)".

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 946, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 263                      Public Assistance and Human Services on H.B. No. 944

The purpose of this bill is to appropriate \$430,000 to support the Community Action Agencies of Hawaii County, City and County of Honolulu, Kauai County, and Maui County for the biennium 1979-1981.

Your Committee has amended the bill by inserting the designation "Hawaii Office of Economic Opportunity" after the designation "(GOV 860)".

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 944, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 944, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 264                      Public Assistance and Human Services on H.B. No. 561 (Majority)

The purpose of this bill is to require that determination of financial eligibility for public assistance be made by the Department of Social Services and Housing on the basis of a single application, and to require the Department to provide assistance, translators and interpreters to individuals who would be otherwise unable to complete the application forms.

The Department of Social Services and Housing indicates that it is presently utilizing a single application for all public assistance programs and that it provides the necessary assistance to individuals who, for various reasons, are unable to complete the necessary forms. The Department provides these services without statutory requirement and believes that a statutory requirement is not necessary.

The services which are administratively provided are made requirements of law under the bill.

Your Committee is in accord with the intent and purpose of H.B. No. 561 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.  
(Representative Sutton did not concur.)

SCRep. 265                      Public Assistance and Human Services on H.B. No. 606 (Majority)

The purpose of this bill is to amend the general assistance qualifications provisions by:

- (1) Allowing the department of social services and housing to require certification of the disability of an applicant for general assistance by a licensed physician designated by the department;
- (2) Explicitly stating that a person with children shall be eligible for general assistance if the children are dependent and in the person's home; and
- (3) Allowing a person with dependent children in the home or a person of at least fifty-five years of age to be eligible if the person is employed but without sufficient income and resources as measured by the standards of the general assistance law.

The latter two amendments are primarily for clarification purposes and conform with

existing practice.

Amendment number (1) above, however, addresses a significant problem. Currently, the department of social services and housing requires certification of disability by a licensed physician, but allows the applicant to choose the physician. It is found, however, that some certification forms are not completed fully or provide vague information insufficient to make a determination and that possible collusion between patient and physician exists in the form of certifying nonexistent disability.

The amendment allows the department to require certification by a licensed physician designated by the department. Thus, possible collusion to gain fraudulent benefits and incomplete forms are sought to be avoided in the general assistance program.

The department of social services and housing has reported that it currently arranges for certain applicants to be examined by the licensed physicians of the Queen's Medical Center. It has stated that the arrangement is helpful because the examining physicians complete the certification forms correctly and good working relationships have developed with the examining physicians. Based on this experience, the department feels that this bill will make the certification process more effective.

Your Committee has amended the bill by requiring that the licensed physician designated by the department to make the required determination and certification be also paid by the department.

In addition, your Committee has corrected certain technical errors and amended the bill by renumbering section 4 as section 5 and adding a new section 4 to conform to bill drafting rules.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 606, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 606, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.  
(Representatives Baker and Sutton did not concur.)

SCRep. 266                      Public Assistance and Human Services on H.B. No. 610

The purpose of this bill is to amend the law relating to state benefits for veterans by:

- (1) Amending the definition of "veterans" to which the state benefits apply by deleting the requirement that the veteran has served during wartime and providing, in the case of multiple service, that the veteran be discharged under honorable conditions from the last period of service;
- (2) Providing, for special housing benefits, that the veteran be disabled during a war, instead of merely being disabled; and
- (3) Deleting, for special housing benefits, the provision allowing a veteran to qualify if the veteran was a bona fide resident of the State for five or more consecutive years prior to being declared eligible for similar federal benefits.

The amendment to the definition of "veteran" to eliminate the wartime service requirement conforms to a need already answered by the department of social services and housing, which is responsible for the state veterans benefits program. The department indicates that services are already provided to peacetime veterans without statutory mandate. Services are primarily provided to peacetime veterans who reside on the neighbor islands because of the lack of federal Veterans Administration counselors there.

The amendments to the qualification for special housing benefits narrow the eligible population by providing that the disability must result from wartime service and eliminating the five-year residency qualification while maintaining the qualification of residency before entering active duty.

Your Committee has made minor technical changes and renumbered section 3 as section 4 and inserted a new section 3 indicating the effect of the bracketing and underscoring in the bill.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 610, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 610, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 267                      Public Assistance and Human Services on H.B. No. 614

The purpose of this bill is to replace the office of the legislative reference bureau with the department of social services and housing as the state information agency under the Uniform Reciprocal Enforcement of Support Act.

Currently, the department of social services and housing administers the Federal IV-D Program which includes interstate cooperation in locating persons delinquent in or avoiding payment of child support. The functions of the legislative reference bureau under the Uniform Reciprocal Enforcement of Support Act are similar to the functions of the department of social services and housing under the Federal IV-D Program. Thus, consolidation of functions will result in greater efficiency.

Your Committee has amended the bill by renumbering section 2 as section 3 and inserted a new section 2 indicating the effect of the bracketing and underscoring in the bill.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 614, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 614, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 268                      Public Assistance and Human Services on H.B. No. 560

The purpose of this bill is to require the Department of Social Services and Housing to disregard wages or allowances received under certain federal programs in determining the needs of an applicant or recipient for public assistance.

Testimony presented by the Department of Social Services and Housing indicates that any earnings received under the Federal Youth Employment and Training Program and the Youth Community Conservation Improvement Project are disregarded because of federal regulations.

Your Committee believes that wages and allowances received by a recipient or a family member of the applicant for public assistance for participating in these programs should not be counted in determining the public assistance needs of the applicant or recipient.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 560 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 269                      Public Assistance and Human Services on H.B. No. 496

The purpose of this bill is to appropriate moneys to continue the Lanakila Rehabilitation Center's Wahiawa Day Activity Program for Severely Disabled Adults.

Your Committee has amended the bill to correct the appropriation amount to \$106,427 as follows: \$51,916 for FY 1979-80 and \$54,511 for FY 1980-81. In addition, the expending agency has been changed from the department of social services and housing to the department of health and a lapsing provision has been inserted.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 496, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 496, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 270            Public Assistance and Human Services on H.B. No. 433

The purpose of this Act is to appropriate \$70,000, or so much thereof as may be necessary, for a grant-in-aid to the city and county of Honolulu to provide transportation for certain mobility handicapped clients of the department of social services and housing.

Your Committee has amended the bill by increasing the amount of the appropriation to \$195,000, and by providing that the appropriation is for the fiscal year 1979-1980.

Your Committee on Public Assistance and Human Resources is in accord with the intent and purpose of H.B. No. 433, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 433, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 271            Public Assistance and Human Services on H.B. No. 191

The purpose of this bill is to appropriate \$110,000, or so much thereof as may be necessary, for the Hawaii Kai Human Services Center, Oahu.

Your Committee has amended section 2 of the bill to change the expending agency from the department of social services and housing to the Hawaii office of economic opportunity, office of the governor.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 191, as amended herein, and recommends that it pass Second Reading, in the form attached hereto as H.B. 191, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 272            Culture and the Arts on H.B. No. 1472

The purpose of this bill is to provide \$36,000 for fiscal year 1979-80 to the Waianae Hawaiian Heritage Culture Center.

The Waianae Hawaiian Heritage Culture Center has provided cultural, recreational and educational opportunities to the residents of the Waianae Coast since 1975.

Your Committee believes that there is a continuing need for these opportunities and that it should be funded by the State.

Your Committee has amended Section 2 of the bill to identify, by code, the appropriate expending agency.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1472, as herein amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1472, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 273            Culture and the Arts on H.B. No. 1695

The purpose of this bill is to establish the "Scandinavian Centennial Commission" which shall have charge of all arrangements for the commemoration of the 100th anniversary of the first large group of Scandinavians to Hawaii.

Your Committee supports the establishment of the Scandinavian Centennial Commission for the purposes mentioned in the Act. However, your Committee wants to make it understood that there are no monetary implications on the part of the State to support this Commission in carrying out its purpose.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1695, and recommends that it pass Second Reading and be referred to the

Committee on Finance.

Signed by all members of the Committee.

SCRep. 274                    Culture and the Arts on H.B. No. 1377

The purpose of this bill is to provide \$75,000 out of the Art-in-State-Building Program funds for the commissioning, creation, and installation of the sculpture entitled "Spirit of Lilioukalani" for permanent display at the State Capitol.

Your Committee believes that there is a need to recognize those who have contributed to Hawaii's birth and development. Statues in public places are one way to recognize these great people of Hawaii's past. King Kamehameha I, who stands majestically before the State Court Building was responsible for uniting all the Islands under one central authority to which all people of Hawaii today can identify with.

Your Committee believes that the sculpture entitled "The Spirit of Lilioukalani" would also symbolize the cultural vitality of Hawaii as she sought to boldly defend the ideals which King Kamehameha I fought so long to establish.

Your Committee has amended Section 2 of the bill to provide \$100,000 of the Art-in-State-Buildings Program funds for the purposes of this Act. This amendment was an increase of \$25,000 over the original request of \$75,000 in 1975. Due to increasing costs, your Committee believes this to be an appropriate adjustment.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1377, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1377, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 275                    Culture and the Arts on H.B. No. 1331

The purpose of this bill is to provide a grant-in-aid to the Royal Hawaiian Band for inter-island travel.

Your Committee believes that the Royal Hawaiian Band should make trips to the outer islands to entertain periodically. Although some Committee members felt it should be funded by those counties benefiting, the majority felt \$40,000 should be appropriated by the State for inter-island travel, provided that the State government gets credit for these programs on the outer islands.

The amendment should read as follows:

SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$40,000, or so much thereof as may be necessary, to provide a grant-in-aid for the Royal Hawaiian Band for inter-island travel, provided that in instances where State funds are expended by the City and County of Honolulu for the Royal Hawaiian Band, that the Royal Hawaiian Band should acknowledge in all announcements, publications, promotional literature and advertisements for all Royal Hawaiian Band events that the event is supported in whole or part by funds by the State of Hawaii.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1331, as herein amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1331, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 276                    Culture and the Arts on H.B. No. 1262

The purpose of this bill is to provide \$75,000 for fiscal year 1979-80 to the Honolulu City Ballet.

The Honolulu City Ballet was created in 1975 and supported through the years by

the federal CETA funds. However, new restrictions on CETA funding may result in the ultimate demise of Hawaii's only ballet company.

Your Committee believes that the Honolulu City Ballet should continue to provide the entertainment it has in the past. However, your Committee does not believe that the State should be responsible to provide the entire \$75,000 needed.

Your Committee has amended Section 1 of the bill to have the City and County of Honolulu first provide 60% (\$45,000) of the \$75,000 before the State will match it with 40% (\$30,000). The amendment should read as follows:

SECTION 1. There is appropriated out of the general funds of the State of Hawaii the sum \$30,000 for the fiscal year 1979-80 to the Honolulu City Ballet, provided that the City and County of Honolulu appropriates the initial sum of \$45,000 for the fiscal year 1979-80 to the Honolulu City Ballet.

Your Committee also amended Section 2 of the bill to identify, by code, the appropriate expending agency.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1262, as herein amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1262, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 277                      Culture and the Arts on H.B. No. 800

The purpose of this bill is to provide an appropriation to establish a Washington Place Oversight Commission which shall be responsible for the preservation and restoration of the home of Hawaii's last monarch, Queen Lilioukalani, as a historic resource for the people of Hawaii.

Your Committee agrees with the intent of this bill but has reservations about the way it is to be funded.

Your Committee believes the funds needed should be taken out of the Governor's contingency fund for the upkeep of the house and not the general revenues.

Your Committee has amended Section 3 of the bill to have the funds come out of the Governor's contingency fund. The amendment should read as follows:

SECTION 3. The funds needed shall be provided by the Governor's Contingency fund to carry out the purposes of this Act. The sum provided shall be expended by the department of accounting and general services.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 800, as herein amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 800, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 278                      Culture and the Arts on H.B. No. 472

The purpose of this bill is to provide \$50,000 for each fiscal year in the upcoming biennium to defray the cost of monthly mini-conferences, and the videotaping thereof. Also to have videotaping of social and cultural history as presented by Na Kupuna.

In the hearing, there was a question raised regarding the number and type of participants expected at these conferences. There was also a request to see past videotapes to judge the quality of them before any more appropriations are made for such projects.

There was no definite answer provided for the number and type of participants expected, but a videotape was scheduled for the viewing of the representatives. Although the quality of the videotape was satisfactory, the uncertainty of the participants involved poses a problem.

Your Committee believes that funding of the conferences for fiscal year 1979-80 should be provided for, but the videotaping funds should be withheld.

Your Committee has amended H.B. No. 472 to provide for \$10,000 for fiscal year 1979-80 to hold the conferences only and not provide any funds for videotaping. The amendment should read as follows:

SECTION 1. There is appropriated out of the general revenues of the State of Hawaii, the sum of \$10,000 for fiscal year 1979-80 or so much thereof as may be necessary, to defray the cost of monthly mini-conferences on Hawaiian values and one summary conference to be held in the summer of 1979.

SECTION 2. Materials shall be made available to the public by the Hawaii foundation for history and the humanities.

Your Committee has also amended Section 3 of the bill to provide June 30, 1980 as the lapsing date for any unexpended or unencumbered balance of the appropriation made by this Act.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 472, as herein amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 472, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 279                    Housing on H.B. No. 1562

The purpose of this bill is to amend Section 359G-9.3, Hawaii Revised Statutes, to allow the Hawaii Housing Authority to provide a waiver, under certain conditions, to the owner-occupant requirement.

This provision will give the authority flexibility to respond to unusual cases involving job transfers and other related circumstances where the occupant may be forced to leave his primary residence for a limited time period.

Your Committee finds that in order to conform with existing law, the words "Notwithstanding the provisions of Section 359G-9.4(c)" should be inserted under the proposed subsection (c) of Section 359G-9.3.

Also, to ensure that the Hawaii Housing Authority has flexibility in addressing specific situations, the words "and upon such terms and conditions as may be prescribed by the authority" should be inserted under the proposed subsection (c).

Your Committee further finds that problems due to ambiguity may arise if subsections 2, 3, and 4 are left in the bill, since the intent of the condition of 6 years or less (subsection 2) is unclear, and since the terms "good faith intent" (subsection 3) and "undue hardship" (subsection 4) are too subjective to allow proper administration.

Your Committee has amended this bill by inserting under Section 1 of the bill, subsection (c) of Section 359G-9.3, the following:

Notwithstanding the provisions of Section 359G-9.4(c) and upon such terms and conditions as may be prescribed by the authority...

Your Committee has further amended Section 1 by deleting subsections 2, 3, and 4 of Section 359G-9.3.

Your Committee is in accord with the intent and purpose of H.B. No. 1562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1562, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 280                    Water, Land Use, Development and Hawaiian Affairs on  
H.B. No. 455

The purpose of this bill is to amend Section 214 of the Hawaiian Homes Commission

Act, 1920, as amended, to increase the amount that the Department of Hawaiian Homes is authorized to guarantee on loans, from \$18 million to \$21 million, to provide for projected requirements for its housing and agricultural programs for the biennium 1979-81.

Your Committee feels that the present loan guarantee ceiling of \$18 million is inadequate for the biennium 1979-81 and that the \$3 million increase to the guarantee ceiling will enable the Department of Hawaiian Homes to meet its projected requirements.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 455, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives  
Garcia, Sakamoto, Uechi and Uwaine.

SCRep. 281                      Public Employment and Government Operations; and Higher  
Education on H.B. No. 538

The purpose of this Act is to establish age seventy as the mandatory retirement age for teachers and educational officers in the Department of Education and for University of Hawaii faculty. It also provides that no person may be employed above age seventy except when no qualified person below that age is available.

Your Committees find that the present law is inconsistent with respect to the mandatory retirement age for public employees. While Section 78-3, Hawaii Revised Statutes, establishes seventy as the mandatory retirement age for state and county employees, Section 297-15, Hawaii Revised Statutes, mandates sixty five as the age of retirement for teachers and education officers of the Department of Education. In addition, Chapter 304, Hawaii Revised Statutes, relating to the University of Hawaii, does not prescribe any mandatory retirement age at all for University faculty.

House Bill No. 538 addresses this problem by setting forth a uniform retirement age of seventy for all state and county employees, Department of Education personnel, and University of Hawaii faculty.

The University of Hawaii Professional Assembly testified favorably on the measure and stated that its provisions would bring University personnel in line with other public employees and treat all alike with respect to a common mandatory retirement age.

Testimony from the University of Hawaii indicated that, effective 1982, the Federal Age Discrimination Act will cover all tenured University faculty members and will prohibit the mandatory retirement of such individuals before age seventy. The University further stated that as a result of Hawaii Public Employees Relations Board Decisions No. 83 and No. 91, the existing mandatory retirement age of 65 for state employees has not been enforced and that negotiations on this subject are currently in progress with the University of Hawaii Professional Assembly, the faculty's exclusive bargaining representative.

Your Committees on Public Employment and Government Operations and on Higher Education are in accord with the intent and purpose of H.B. No. 538, and recommend it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 282                      Public Employment and Government Operations; and Higher  
Education on H.B. No. 1648

The purpose of this Act is to provide civil service exemption for nutrition program assistants of the University of Hawaii Expanded Food and Nutrition Education Program (EFNEP). The EFNEP is a federally funded program designed to educate and advise persons in target areas of their families' nutritional needs and economical ways of fulfilling these needs. Field work for this program involves home visitations by Nutrition Program Assistants. There are currently 33 part-time (50%) positions funded by the U.S. Department of Agriculture which are assigned to the Program. Most of these positions were established in 1969 and have been filled on a civil service exempt basis pending the establishment and filling of regular civil service positions.

In 1977 the descriptions for position classification and pricing actions were sent to the Department of Personnel Services (DPS) with instructions to explore further civil service exemptions. In February 1978, such exemptions were denied as the program was not time limited, but a regular and continuing one with annual funds from the U.S. Department of Agriculture, similar to that of other state-administered programs funded by the Federal government.

Although the one year limitation of exemption via HRS 76-16(3), has run out, DPS permitted the exemption of these positions for an additional year and four months (until June, 1979) while civil service positions are established and filled accordingly.

Of the 33 Nutrition Program Assistant positions, 26 are now filled. The earliest employment date is October 1, 1969 and the latest, August 1, 1978. One employee is paid at the SR-11 rate and the others at SR-10. Their current salaries include negotiated salary increases over the years.

Your Committees find that these positions should not be converted to civil service for the following reasons:

1. Federal guidelines require that aides must be indigenous to the area they serve, therefore, in Hawaii, aides must live in the area where they work and be of similar ethnic background as their low-income audience. Civil service recruitment procedures are not designed to recognize these special and unique requirements which are considered necessary for effective program results.
2. Civil service is set up to provide competitive selection whereas EFNEP has no desire for the applicant with the highest examination score. Aides will probably not be college graduates, and studies have shown that being from the same target group they serve is the key to successful visitations.
3. A new civil service classification would need to be established. This would service only a limited number of people, and such positions would be restrictive because there would be no other comparable jobs to transfer or be promoted to.

Therefore, to comply with Federal guidelines, this measure would authorize permanent exemption for all nutrition program assistants.

Your Committees on Public Employment and Government Operations and on Higher Education are in accord with the intent and purpose of H.B. No. 1648, and recommend it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 283

Culture and the Arts on H.B. No. 1164

The purpose of this bill is to provide a grant-in-aid of \$20,000 to the United Okinawan Association of Hawaii to enable the implementation of a socio-cultural project which will result in the production of a documented historical record of the Okinawans in Hawaii.

Your Committee believes that the contributions of the Okinawans in Hawaii should be documented to provide a source of information and inspiration to the Okinawans living in Hawaii today. Presently, there exists no such document that can be considered a historical record of the Okinawans in Hawaii.

Your Committee also believes that this project should be implemented as soon as possible so the older Okinawans will be able to relate their experiences in Hawaii, before they pass away and the information is lost forever.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1164, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 284 Culture and the Arts on H.B. No. 1088

The purpose of this bill is to provide a grant-in-aid of \$75,000 in fiscal year 1979-80 for the Waianae Coast Culture and Arts Society.

The Society has provided classes in traditional craft of various cultures for residents of the Waianae area. These classes have enjoyed the enthusiastic support of the community resulting in consistently large enrollments.

Your Committee has amended Section 2 of the bill to identify, by code, the appropriate expending agency.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1088, as herein amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1088, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 285 Education on H.B. No. 788

The purpose of this Act is to protect as privileged any statement made to outreach counselors, employed by the Department of Education (DOE), in their capacity as outreach counselors.

Under this bill, no DOE-employed outreach counselor, without the consent of his counselee, shall divulge in any action, suit, or proceeding, whether civil or criminal, any statement made to him in his counseling capacity.

Outreach counselors work very closely with and often are the confidantes of troubled youth variously described as alienated, delinquent, culturally, socially, or educationally disadvantaged or deprived, minority isolated, past and/or potential drop-outs, or "hard-core".

Many of these young people have run afoul of the law in the past or are more likely to do so than other youth. A significant number of them have been "adjudicated" in Family Court proceedings, e.g., as persons who are alleged to have committed acts as juveniles or minors which would constitute a violation or attempted violation of law or as minors who are beyond the control of their parents or custodians or whose behavior is injurious to their own or others' welfare.

In order to be effective with these troubled youth, the outreach counselor must gain their trust and confidence. Accordingly, your Committee believes that the granting of "privileged-communication protection", with respect to statements made to such counselors, is necessary and advisable.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 788 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 286 Education on H.B. No. 519

The purpose of this bill is to provide \$85,634 to expand Project Holomua to more secondary schools throughout the Hawaii school district.

Project Holomua is an experienced-based career education program currently being implemented by the Department of Education in Hilo, Hawaii. Students participating in this program are given the opportunity to investigate and observe various career options, learn basic survival skills, and gain an awareness of and engage in community activities. Students are thereby better prepared for future careers and adult life. The project is currently being funded by a federal grant which will expire on August 30, 1979.

The Department of Education testified in general support of the bill. However, they indicated the sum of \$85,634 as being inadequate to fund Project Holomua for fiscal year 1979-1980. Since the sum of \$111,600 is currently being expended for the project for

fiscal year 1978-1979, the department recommended an appropriation of \$111,600 for Project Holomua for school year 1979-1980.

Testimony received from the Holomua Project coordinator also cited support for this program and requested an appropriation of \$113,070 for the fiscal year 1979-1980.

Based on the aforementioned testimonies, your Committee recommends the bill to be amended to increase the amount appropriated from \$85,634 to \$111,600 for fiscal year 1979-1980. The bill is also amended to specify that June 30, 1980 will be the closing date at which any unexpended or unencumbered balance of the appropriation made by this bill will lapse into the general fund.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 519, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 287                      Education on H.B. No. 897

The purpose of this bill is to appropriate an amount of \$18,739 for the continued operation of Maui Hui Malama, Inc. This appropriation is to be expended through the Department of Education.

The Maui Hui Malama, Inc. is an alternative education program providing educational services to the youths of central Maui. Testimony from the Department of Education revealed that although the program does not conform with the department's position in that it is an off campus program and an entity in itself, it is viewed as a viable alternative for meeting the educational needs of a certain segment of Maui's youths. The department also testified that it believes that alternative educational programs should be integral parts of the total school program.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 897 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 288                      Education on H.B. No. 580

The purpose of this bill is to amend Section 301-2, Hawaii Revised Statutes to provide those persons under the age of majority the opportunity of utilizing the adult education program for meeting high school graduation requirements.

According to the Attorney General, present statutes do not permit the enrollment of minors under eighteen years of age in the adult education program.

The Department of Education believes that persons under eighteen years of age who for various reasons are separated from the regular schools, and who need a course or courses to complete their graduation requirements, should be given the opportunity to meet such requirements through the adult schools.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 580 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 289                      Education on H.B. No. 581

The purpose of this bill is to amend Section 312-2.1, Hawaii Revised Statutes, to remove the responsibility of the State Librarian over the operations of the public school libraries.

Presently, state law mandates that the State Librarian, under the direction of the superintendent of education, is responsible for the operation of all State public libraries, including the operation of public school libraries. However, your Committee finds that the public school principal, rather than the State Librarian, has authority and

responsibility over the operations of the school library. The State Librarian merely provides support services to the public school libraries. In view of this situation, the Department of Education supports the deletion of the State Librarian's responsibility over the public school libraries.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 581 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 290                      Energy on H.B. No. 370

The purpose of this bill is to encourage the production of non-fossil fuel generated electricity by providing tax incentives.

Your Committee finds that Hawaii's extreme dependence on imported petroleum for energy can be reduced by developing locally available, non-polluting, renewable sources of energy including geothermal, ocean thermal, wind, biomass and solar energy. H.B. No. 370 provides a monthly tax credit for electrical producers utilizing alternate energy rather than petroleum. This credit may be charged against an alternate energy producers' income tax liability and is determined by dividing the cost of a barrel of oil replaced by the alternate energy by the average cost of oil at \$12.50 per barrel, and multiplying this figure by \$0.010 per kilowatt hour of electricity produced.

Your Committee agrees with testimony presented by the Hawaii Sugar Planters Association, the Hilo Coast processing company and the Hawaiian Electric Company that although this bill is sound in principle, H.B. No. 972 relating to fossil fuel energy conservation incorporates a number of improvements to the proposed alternate energy tax incentive program. These are: (1) tax credits would apply only to alternate energy sources in use after December 31, 1978, and would be charged against either the producers' income tax or excise tax liability; (2) the tax credit rate would be reduced from \$0.010 per KWH to \$0.005 per KWH; and (3) increases in the cost of supplying non-fossil fuel are not proportionate to increases in the cost of oil; thus, the tax credit formula (additional alternate energy multiplier) would be based on changes in the consumer price index for urban Honolulu rather than on changes in the price of oil.

Your Committee recommends that H.B. No. 370 be amended by inserting the substance of H.B. No. 972 to provide for alternate energy tax credits. Your Committee finds that the Committee on Finance is the proper committee to determine the impact of alternate energy tax credits on total state revenues and concurs with any amendments to alternate tax credit rates or applicability recommended by the Committee on Finance.

Your Committee on Energy is in accord with the intent and purpose of H.B. No. 370, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 370, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 291                      Energy on H.B. No. 377

The purpose of this bill is to establish a new chapter in the Hawaii Revised Statutes requiring a mandatory used oil recycling program.

Your Committee finds that an excess of over two million gallons of used oil is generated each year in Hawaii which could be recycled to replace a similar amount of imported petroleum products. The State Department of Planning and Economic Development has testified that approximately 25% of the two million gallons are collected and recycled, leaving an excess of 1.5 million gallons to be wastefully and improperly discarded.

Your Committee believes that current methods of used oil disposal constitute a danger to public health and welfare. The carcinogenic properties and heavy metal content of used oil require the State to promote public awareness of the dangers, to our fragile environment and to residents, inherent in the improper disposal of used oil. Your Committee finds that it is economically attractive and environmentally responsible to promote used oil collection points, for the collection and recycling of used oil which would otherwise pollute our land and water and which could reduce Hawaii's dependence on imported petroleum if properly treated.

Your Committee agrees with testimony presented by Energy Recovery Systems of Hawaii regarding the disposal of used oil and has amended Section -3 of Section 1 of this bill to provide that, in addition to other prohibitions, used oil shall not be discharged into sewers, drainage systems, surface or ground waters, watercourses, or marine waters, or by incineration or deposit on land.

Your Committee also agrees with testimony presented by the Hawaii Automotive and Retail Gasoline Dealers Association and Chevron U.S.A. Inc., that a used oil recycling program should be voluntary rather than mandatory. Your Committee has amended Section -5 of Section 1 of this bill to provide for the licensing of voluntary used oil collection points rather than requiring all gasoline and service stations to act as collection points. Section -6 of Section 1 of this bill has also been amended to define "used oil collector" as a person who transports specified amounts of used oil, rather than a facility or person who receives specified amounts of used oil.

The Department of Health has informed your Committee that a \$20 fee is sufficient to cover the cost of issuing or renewing used oil licenses and permits and your Committee has amended Section -6 of Section 1 to provide for this fee. Your Committee has also amended Section -10 of Section 1 to provide that any person violating the provisions of this bill shall be liable for a civil fine of not more than \$2,500.

Your Committee on Energy is in accord with the intent and purpose of H.B. No. 377, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 377, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Garcia.

SCRep. 292                      Energy on H.B. No. 1638

The purpose of this bill is to permit the Governor to use general revenue funds in lieu of general obligation bond funds for Biomass Energy Resource projects identified as Item A.2, Section 88, Act 10 Special Session Laws of Hawaii 1977 as amended by Act 243, Session Laws of Hawaii 1978 and for Alternate Energy Resource projects in Section 1, Act 131, Session Laws of Hawaii 1978.

The Department of Land and Natural Resources testified that development of plantations of forest trees for energy or other purposes requires many kinds of activities, not all of which fits the classic CIP mold; that is, plan, design, construct and use. One such activity is a survey of young forest plantations. When the department requested funds for this survey they were informed that it was not an appropriate activity to be funded by general obligation bonds. The Department has been asked to defer requests for additional allocations until the appropriate source of funds is determined by this Legislature.

Your Committee on Energy is in accord with the intent and purpose of H.B. No. 1638 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 293                      Energy and Ocean and Marine Resources on H.B. No. 1680

The purpose of this bill is to formalize the organizational structure of the Natural Energy Laboratory of Hawaii, to designate the members of its governing board, to delineate the powers and duties of the board, and to provide for the operation of Natural Energy Laboratory of Hawaii as a special funded activity.

Act 236, SLH 1974, provided for the establishment of the Natural Energy Laboratory of Hawaii as a research facility on state-owned land makai of the Ke-ahole Airport on the Big Island. Act 236 also provided that the Natural Energy Laboratory of Hawaii is to be under the direction and management of a consortium made up of State and County entities and such foundations and enterprises as may be willing to provide funds, facilities, or research for the laboratory. The Act also provided an initial appropriation of \$50,000 to be matched by Hawaii County, for the establishment of the laboratory.

Your Committees recommend to amend Section 2 of this bill by amending Sec.-2 Managing board; composition. The last sentence of this section which states that "the director of planning and economic development shall serve as the chairman of the managing

board.", has been deleted. Under this bill, the present consortium of State, County, and private management of NELH will be known as a managing board. DPED has testified that because the present management operation of NELH has been a combined effort of the members of this board, the Chairman should therefore be determined by its members. The Board's by-laws will specifically address the appointment procedure.

Your Committees on Energy and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 1680, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1680, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Garcia.

SCRep. 294 Ecology and Environmental Protection on H.B. No. 417

The purpose of this Act is to exempt large plastic beverage containers from the ban which is to take effect in Hawaii on July 1, 1979.

In 1977 the Legislature passed the Litter Control Act, one provision of which prohibits the sale, manufacture, or import of plastic beverage containers. Since plastic containers are not biodegradable or returnable for refill, it was the opinion of the Legislature that they would inflict an additional burden on the already troublesome State litter and solid waste disposal effort.

However, according to testimony, beverage containers of thirty two ounces or more are used primarily within households and by general dispensers. Your Committee feels that the use of the larger plastic containers sold under these circumstances would not add significantly to the statewide litter problem. Under this Act only plastic beverage containers under thirty two ounces would be prohibited.

Your Committee further recommends that the bill be amended to exempt fruit juices from the ban on plastic beverage containers under thirty two ounces because of the potential expansion of the local fruit juice industry packing portion-serving quantities for use in restaurants and catered functions. The use of these smaller containers in this manner would cause a negligible impact on the litter stream. Accordingly your Committee has amended the bill to provide for the exemption of smaller plastic containers holding fruit juices, to read as follows:

"provided that this subsection shall not prohibit any person from selling or offering for sale in this State any fruit juices in any size plastic beverage container."

Your Committee has further amended the Act by making technical, non-substantive changes.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of H. B. No. 417 as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H. B. No. 417, H. D. 1.

Signed by all members of the Committee except Representative Garcia.

SCRep. 295 Higher Education on H.B. No. 348

The purpose of this bill is to authorize 1.00 position and \$40,000 for FY 1979-80 and \$41,000 for FY 1980-81 for the Continuing Education for Women (CEW) Program. In addition, this bill requires the Department of Budget and Finance to include CEW in its budget for all subsequent fiscal years.

CEW is the only program in the State which offers assistance for educational and career planning to adults not currently enrolled in an educational program. In meeting their objectives, CEW has engaged in the following major activities for the current fiscal year:

1. CURRENT MAJOR ACTIVITIES: FISCAL YEAR 1978-79
  - a. TOTAL DIRECT SERVICES to be delivered through U.H. Manoa CEW Office - 5,400 participants

- (1) Educational, Vocational, Career Counseling  
Counseling entails "tailoring" to the needs of the person, whether entering or re-entering into education.
- (2) Walk-in's  
Generally the information sought concerns University system academic/student services, CEW services, financial and scholarship aids, day care for children, and employment trends in Hawaii.
- (3) Telephone Counseling  
Topics include UH system academic/student services, CEW services, job training programs, scholarships and financial aids, employment information, day care for children, displaced homemakers' programs, and other community resources related to help for women.
- (4) Referrals to Appropriate Agencies and Programs  
Commonly, referrals are to the Manoa Campus Counseling and Testing Center for vocational interest, aptitude, testing, etc., and various UH academic departments and programs; other agencies are the State Employment Service Offices, State Mental Health Centers, State Vocational Rehabilitation Division, State Planning and Economic Development, Community Adult Schools, Job Resource Office, Volunteer Information Bureau, Honolulu Community Action Program, Divorce Clinic, and U.S. Small Business Administration Office.
- (5) Workshops and Seminars  
Workshops and seminars are co-sponsored with public and private agencies and community programs. The program specialist serves as the instructor or group leader whenever possible. The following have been held:
  - "Self-Exploration and Career Planning"
  - "Exploring Your Educational Opportunities"
  - "Women and Continuing Education"
  - "Continuing Education and Career Development"
  - "Horizons Unlimited--A Seminar for Adults Thinking of Returning to School"
  - "Scholarship Opportunities Workshop"
  - "Occupational Outlook and Employment Training Resources in Hawaii"
- (6) Public Speaking Engagements  
Upon request from public and private programs, organizations, and clubs, the program specialist disseminates information on the role and philosophy of CEW.
- (7) Meetings with UH system programs to mutually share and keep abreast of information, supporting services and developments relevant to the needs of women entering or returning to school.
- (8) Meetings with public and private agencies for program planning and sharing of resources in implementing programs.

## b. TOTAL INDIRECT SERVICE - 20,000 participants

Distribution of CEW Newsletter: CEW, which strives to open up more opportunities for education and vocational/career development for women, is utilizing the Newsletter as a mechanism for outreach. The increase in CEW services is attributable to wide circulation of the Newsletter which is distributed mostly through the public library counter service.

The table below is the 1978-79 fiscal year allotment for CEW:

## Personal Services:

Program Specialist	\$ 21,024.00
Casual Help	4,712.00
Fringe Benefits	5,075.00
Other Current Expenses	<u>4,189.00</u>
TOTAL ALLOTMENT	<u>\$ 35,000.00</u>

Your Committee received numerous testimonies in support of the program from administrators, students, the College of Continuing Education and Community Service (CCECS) of the University of Hawaii, and the State Commission on the Status of Women.

Your Committee has amended Section 1 of the bill by deleting the word "additional" from lines 4 and 5 and by replacing the word "a" with the word "the" on line 8. This amendment would ensure the authorization of 1.00 position.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 348, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 348, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

## SCRep. 296 Higher Education on H.B. No. 1511

The purpose of this bill is to conduct a study on the feasibility of establishing an occupational training center within the City and County of Honolulu. The establishment of such a center would provide vocational education and training in meaningful occupations to interested persons and public high school students who have difficulty with the regular curriculum.

The bill appropriates \$2,000 and establishes guidelines for the purposes of the feasibility study.

Your Committee received testimony from the Chancellor of Community Colleges which was directed at the admissions requirement suggested in the bill. According to the testimony, the Board of Regents have established an open door admissions policy for the community colleges. Language which would restrict admissions into any program under the community colleges may provide some basis for future disagreement.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1511 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

## SCRep. 297 Higher Education on H.B. No. 1199

The purpose of this bill is to have Pan Pacific Education and Communication Experiment by Satellite (PEACESAT) conduct a study on the ability of all Pacific Basin countries to jointly finance, with the aid of national and international funding sources, the establishment of a satellite that will provide the necessary interactive audio, visual, and data communication needs and resources.

Your Committee heard testimony from the Director of PEACESAT strongly in support of the establishment of a low-cost satellite communication system linking Hawaii and

the small communities of the Pacific which will contribute to its role as a link between East and West. PEACESAT now provides direct telecommunication links between Hawaii and fifteen other nations or jurisdictions in the Pacific Basin. This program is the only educational satellite system in the world.

PEACESAT has the unique advantages over other systems of communication that utilize land lines as a means of transmitting messages. PEACESAT is able to communicate with user countries, some with poor-quality land lines, by the use of a satellite positioned high in the atmosphere which relays the messages to land terminals.

International cooperation is needed to improve the ability of PEACESAT in necessary interactive audio, visual, and data communications. National and international funding sources are needed to support a regular small terminal satellite system. At present PEACESAT is only on an experimental basis.

The potential of PEACESAT is unlimited and, in view of this, your Committee proposes to amend this bill by increasing the appropriated sum of \$5,000 to \$15,000.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1199, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1199, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 298 Higher Education on H.B. No. 652

The purpose of this bill is to provide monies for the incremental construction of utilities of major projects, removal, demolition or relocation of structures, connection of roadways to improve circulation and safety, and to improve various areas for maximum utilization of space at the University of Hawaii-Hilo, Hilo, Hawaii.

This bill appropriates \$300,000 out of the general revenues of the State of Hawaii for the 1979-81 biennium.

While support of this item was recommended in the budget request of the Board of Regents, it was not included in the Executive budget. Your Committee finds, however, that this appropriation would provide for a number of genuine needs.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 652, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 299 Higher Education and Agriculture on H.B. No. 1444 (Majority)

The purpose of this bill is to provide for the establishment of a permanent program for the identification of alternative crops for Kohala. The bill appropriates \$200,000 and 11.00 positions for the 1979-81 biennium.

With the cessation of sugar production, the need to seek alternative crops to maintain the strength of the agriculture industry in Hawaii is vital.

Your Committees heard testimony from the Dean of the College of Tropical Agriculture and Human Resources (CTAHR) at the University of Hawaii which is presently engaged in experiments on feed, forage and beef-feeding research, together with crops like corn and alfalfa. According to CTAHR, Kohala is the logical place to continue this research because of the availability of land and proximity to the beef cattle industry on the Island of Hawaii. For this reason, the State should take steps to identify alternative crops which are suited to the climate and land at Kohala and which are economically promising.

However, oral testimony from the Chairman of the Board of Agriculture underscored the important relationship of agriculture to the State's economy and urged that available agricultural lands throughout the State of Hawaii be utilized whenever possible for similar research. The need for new jobs, new agricultural industries and alternative economic sources is a Statewide concern. Careful analysis and research to identify and determine those factors of economic strength are essential in providing direction

for the State's total agricultural efforts .

While cognizant of the limitations imposed by the bill's title, your Committees' intent is to ensure that the research and development program provided for in this bill be expanded to include the utilization of available agricultural lands throughout the State.

The bill appropriates \$200,000 and provides 11.00 positions for the 1979-81 biennium. The project, at present, is supported by \$100,000 from the current services budget for 4.00 temporary positions, 6.00 CETA employees whose positions will terminate in March and May of 1979, and a grant of \$110,000 from the Kohala Task Force.

Your Committees have amended Section 2 of the bill to ensure civil service status for employees now occupying the positions within CTAHR.

Section 3 has been amended to ensure adoption of the bill's provision upon approval.

Your Committees on Higher Education and Agriculture are in accord with the intent and purpose of H.B. No. 1444, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1444, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Garcia and Sakamoto.  
(Representative Larsen did not concur.)

SCRep. 300                    Agriculture on H.B. No. 722

The purpose of this bill is to expand the definition of a "qualified farmer" in Section 155-1, Hawaii Revised Statutes, to include corporations incorporated in the State primarily for agricultural production purposes and which have been actively engaged in agricultural production for a minimum of two years. This bill exempts such corporations from the present stock, directorship and control requirements applicable to Hawaii partnerships and small corporations. The expansion of the definition will increase the base for agricultural development in the State.

The department of agriculture in its testimony stated that the bill will be advantageous for agricultural development in the State for the following reasons: (1) it provides an additional source of capital for support, from non-farming stockholders, for diversified agriculture; (2) it provides another alternative for expanded operations with a potential increase in employment; (3) it provides assistance to those corporations already in agricultural production; and (4) it assists corporations in which a qualified farmer may have only a minority interest by allowing those corporations to be a part of the agricultural industry.

Your Committee strongly believes that the corporation should have spent at least two years in agricultural production. This will enable the department of agriculture to better assess the corporation's capabilities based on actual experience. Two years experience in farming becomes an important consideration since the majority, if not all of the stockholders, may be non-farmers. This stipulation will minimize risk and encourage those corporations dedicated to agricultural production.

Your Committee has heard testimony from the department of agriculture and the Hawaii Farm Bureau Federation in support of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 722 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Sakamoto and Uwaine.

SCRep. 301                    Agriculture on H.B. No. 1252

The purpose of this bill is to strengthen the State's agricultural loan program by amending various sections of Chapter 155, Hawaii Revised Statutes. The bill appropriates \$1,500,000 for the agricultural loan revolving fund of which \$750,000 will be for the new farmer program, and \$25,000 for consultative services to improve procedures, policies and provide guidance to the program.

Your Committee has heard testimony from several sources including the department of agriculture, the department of budget and finance, and the Hawaii Farm Bureau Federation. All the testimony that was received strongly supports or expresses general accord with the intent and purpose of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1252, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Sakamoto and Uwaine.

SCRep. 302                      Public Employment and Government Operations and Higher Education on H.B. No. 1624

The purpose of this Act is to convert community educational assistants at the Waianae-Nanakuli Education Center of Leeward Community College to regular civil service status.

The Center assists in the education of Waianae-Nanakuli residents, and is presently staffed by two assistants who have been with the program since 1970 and 1972, respectively, and two other part-time employees who have been hired much more recently.

In 1977 the Department of Personnel Services reclassified the positions to regular civil service status, but as no subsequent criteria or list of eligibles was promulgated, the two long-time assistants were granted exempt status and were temporarily appointed to fill the positions at a salary range lower than their previous one.

Your Committees find that as these two individuals have been with the Center virtually since its inception nine years ago and have acquired expertise and knowledge in the educational assistance field over that period of time, they should be converted to regular civil service status without the necessity of examination and accorded all the rights, benefits, and privileges attributable thereto.

Your Committees therefore recommend that the following amendments to this Act be made to insure that only these two initial appointees will be so covered:

a)                      amending Section 1 to read:

"This Act shall relate only to those employees who occupied civil service exempt community educational assistant positions at the Waianae-Nanakuli Educational Center of Leeward Community College on January 31, 1978 and who are currently employed as community educational assistants at Leeward Community College."

b)                      amending Section 2, Lines 5-8 to read:

"Employees who occupy civil service exempt community educational assistant positions at Waianae-Nanakuli Educational Center of Leeward Community College, University of Hawaii, on January 31, 1978 and who are currently employed as community educational assistants at Leeward Community College, University of Hawaii, shall be converted to regular civil service status."

Your Committees on Public Employment and Government Operations and on Higher Education are in accord with the intent and purpose of H.B. No. 1624 as amended herein, and recommend it pass Second Reading in the form attached hereto as H.B. No. 1624, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 303                      Public Employment and Government Operations on H.B. No. 1758

The purpose of this Act is to transfer certain programs and organizational segments among the existing 17 departments of the Executive Branch of the state government without altering the basic organizational structures of these departments. This reassignment of programs and organizational segments would:

(1)                      comply with requirements of the Hawaii State Constitution;

- (2) improve the efficiency and effectiveness of the operations of the Executive Branch;
- (3) improve the delivery of services to the people;
- (4) fix responsibility and accountability for successfully carrying out programs, policies, and priorities of the administration;
- (5) improve responsiveness to the needs of the people of Hawaii;
- (6) group programs more homogeneously to more closely relate them with the stated mission of associated departments; and
- (7) enable administratively assigned boards and commissions to have more voice in formulating policies and priorities.

Since the last major reorganization of the state government in 1959, the State has experienced changes in societal attitudes, values, and emphasis, as well as rapid developments in technology. These changes have produced new issues requiring new programs and new approaches for their resolution.

The state government has sought to meet these new issues and to implement new programs and approaches within the framework of its present structure. However, programs which essentially are intended to meet common needs have been dispersed among several agencies, and they have not received the coordination they require. Further, Article V, Section 6, of the Hawaii State Constitution mandates that all executive and administrative offices, departments and instrumentalities of the state government and their respective powers and duties, shall be grouped within the principal departments according to common purposes and related functions.

This Act therefore provides for the orderly transfer of programs, organizational segments, personnel, funds, records, and equipment among the existing 17 departments of the Executive Branch of the state government. It is not intended to increase, decrease, or otherwise change the statutory powers of departments and agencies unless specifically expressed. Where commissions, boards, or agencies are transferred for administrative purposes it is intended that the statutory mission and purpose of the commission, board, or agency not be modified or changed in any way by the department or director acting in an administrative role as provided for in Hawaii Revised Statutes 26-35. Testimony from the various agencies indicated that in certain instances it would be more appropriate not to transfer a particular program, or if one is reassigned that it be for administrative purposes only. Your Committee therefore recommends that the following amendments to Part II of this Act be made:

- (a) The Pesticide Control Program and the Measurement Standards Division will remain with the Department of Agriculture; the Commission on the Status of Women will remain with the Department of Budget and Finance; and the Bureau of Conveyances will remain with the Department of Land and Natural Resources. In each of these cases, the present department has more expertise and more closely related functions, duties, and responsibilities to the programs than the succeeding department. In addition, the Marine Affairs Coordinator will remain in the Governor's Office pending further review of the necessity for its continued existence.
- (b) The Intake Service Center will be transferred from the Governor's Office to the Department of Social Services and Housing for administrative purposes only, to preserve the neutrality and independence of the Center. The Intake Services Center Advisory Board will become a policy-making body responsible for overseeing the operations of the Center.
- (c) The Western Interstate Commission for Higher Education (WICHE) will be transferred from the Governor's Office to the State Post-Secondary Education Commission (which is attached to the University of Hawaii), for administrative purposes only.

The State Post-Secondary Education Commission is more appropriate than the University of Hawaii inasmuch as WICHE is a program for all post-secondary students in the State from both private and public institutions of higher learning who wish to go to the mainland for professional training not available in the State of Hawaii. None of the students in the Hawaii WICHE program are students at the University of Hawaii.

- (d) The Hawaii Foundation for History and the Humanities will be transferred from the Department of Budget and Finance to the Department of Land and Natural Resources

for administrative purposes only.

Although the Foundation has power and duties that relate partly to education, it is clear that its primary function is the historic preservation of sites, buildings, and objects. For this reason, transfer to a state agency such as the Department of Land and Natural Resources, whose activities are more closely aligned with its purpose, is a more efficient way to administer the program.

Your Committee further recommends that for the purpose of clarification, the following technical amendments also be made:

- (a) Deletion of Section 1 in its entirety, and deletion of the words "short title" in the heading under Part I.
- (b) Renumbering the remaining sections of this Act to conform to the deletion of Section 1.
- (c) Amendment of Section 4 (to be renumbered Section 3) to provide that the succeeding department will have the same rights and obligations as the former department with respect to the program being transferred.
- (d) Amendment of Section 5 (to be renumbered Section 4) to read:  

"The transfer of programs and organizational segments listed in Part II of this Act shall include all personnel, the major portion of whose functions and duties is in the transferred programs and organization segments."
- (e) Amendment of Section 6 (to be renumbered Section 5) to provide for the transfer of all the program's records, equipment, appropriations, authorizations and other property from the former to the succeeding department.
- (f) Amendment of Section 8 (to be renumbered Section 7) by deletion of the word "functions" and insertion of the word "programs" in line 13; deletion of the word "a" and insertion of the word "another" in line 14; and deletion of the phrase "established by this Act" in line 15.
- (g) Amendment of Section 10 (to be renumbered Section 9) by deletion of the word "department" in line 17, page 12, and line 1, page 13.
- (h) Amendment of Section 12 (to be renumbered Section 11) by deletion of the phrase "and for that purpose may renumber the sections contained in this Act, in Chapter 26 or in other chapters of the Hawaii Revised Statutes on the effective date of this Act" in lines 6 through 9.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1758, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1758, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 304                      Public Assistance and Human Services on H.B. No. 943

The purpose of this Act is to appropriate \$304,000, including \$25,000 for planning and \$279,000 for construction, for the construction of a human resources building at the Honolulu Community College for certain human resources.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 943 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Sutton.

SCRep. 305                      Public Assistance and Human Services on H.B. No. 896

The purpose of this bill is to appropriate the sum of \$80,000 for fiscal year 1979 to 1980 to the Welfare Recipient Advisory Council in order to create Welfare Recipient Advisory Council branch offices on the neighbor islands.

Your Committee finds that the Welfare Recipient Advisory Council serves as an advocate of welfare recipients on the island of Oahu. The Welfare Recipient Advisory Council assists the Department of Social Services and Housing in promulgating rules and regulations for its programs by providing feedback reflecting the viewpoint of welfare recipients and other low income groups and individuals.

Numerous requests for similar services have been received from neighbor island recipients and the Welfare Recipient Advisory Council has responded by sending staff members to the neighbor islands to attend to the needs of welfare clients there. This arrangement cannot be maintained as the Welfare Recipient Advisory Council has staff and resources sufficient to service Oahu clients only.

Testimony from the Department of Social Services and Housing supports the Welfare Recipient Advisory Council's expansion to the neighbor islands and pledges cooperation between the Department of Social Services and Housing and the Welfare Recipient Advisory Council branch offices.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 896, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sutton.

SCRep. 306                      Public Assistance and Human Services and Public Employment  
and Government Operations on H.B. No. 559

The purpose of this bill is to establish a new division within the Department of Social Services and Housing to provide vocational rehabilitation and other services to blind and visually handicapped persons. By removing this function from the existing vocational rehabilitation and services for the blind division, it will be responsible only for vocational rehabilitation services for all handicapped persons.

The Committees find that the needs and services for the blind could be better met by establishing a separate division which will result in a greater degree of autonomy in operations. Although a separate division would mean another organizational unit for which accountability controls must be established, your Committees find that the administrative costs incurred will result in better services to the blind and visually handicapped persons.

Your Committees on Public Assistance and Human Services and Public Employment and Government Operations are in accord with the intent and purpose of H.B. No. 559, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ikeda, Medeiros and Sutton.

SCRep. 307                      Tourism on H.B. No. 1600

The purpose of this bill is to provide assistance for the promotion of the Īa 'Oe E Kala program.

The Īa 'Oe E Kala is an annual event commemorating King Kalakaua which has grown in popularity among visitors to Hawaii as well as with Hawaii's residents. It has been held for the last three years, but has operated at a deficit because of a scarcity of funds for promotion.

In view of our commitment toward a quality visitor industry, such programs as Īa 'Oe E Kala should receive assistance through the Hawaii Visitors Bureau (HVB) special events program. Events such as these clearly contribute to the tourist industry through its display of Hawaii's traditions and historical uniqueness.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 1600 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.