

STANDING COMMITTEE REPORTS

SCRep. 1-80 Legislative Management

Informing the House that House Bill Nos. 1760-80 to 1910-80, House Resolution Nos. 4 to 19, and House Concurrent Resolution Nos. 2 to 7, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 2-80 Legislative Management

Informing the House that House Bill Nos. 1911-80 to 1925-80, House Resolution Nos. 20 to 71, and House Concurrent Resolution Nos. 8 to 25, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 3-80 Legislative Management

Informing the House that House Bill Nos. 1926-80 to 1964-80, House Resolution Nos. 72 to 77, and House Concurrent Resolution Nos. 26 to 28, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 4-80 Legislative Management

Informing the House that House Bill Nos. 1965-80 to 2027-80, House Resolution Nos. 78 to 87, and House Concurrent Resolution Nos. 29 and 30, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 5-80 Legislative Management

Informing the House that House Bill Nos. 2028-80 to 2088-80, House Resolution Nos. 88 to 99, and House Concurrent Resolution Nos. 31 to 33, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 6-80 Legislative Management

Informing the House that House Bill Nos. 2089-80 to 2114-80, House Resolution Nos. 100 to 106, and House Concurrent Resolution Nos. 34 and 35, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 7-80 Legislative Management

Informing the House that House Bill Nos. 2115-80 to 2139-80, House Resolution Nos. 107 to 110, House Concurrent Resolution Nos. 36 to 39, Standing Committee Report Nos. 8-80 and 9-80, and Special Committee Report No. 2, have been printed and distributed.

SCRep. 8-80 Consumer Protection and Commerce on S.B. No. 1115

The purpose of this bill is to require that the insurance commissioner of the State publish annually a list of all motor vehicle insurers and their premiums.

Your Committee agrees with the intent of this bill to benefit consumers by providing a reference from which their decisions on the purchase of no-fault insurance can be based.

Your Committee feels that requiring the commissioner to publish the information in a newspaper will effectively communicate the idea of comparative shopping to the public. It is anticipated that the commissioner will publish the required information in an appropriate manner and format designed to reach the greatest number of readers.

While in accord with the intent of the bill, your Committee notes that no-fault premium rates are based on a number of variable factors and each factor cannot be itemized, and has therefore amended the bill to provide that premiums published need only be representative of rates for that particular insurer. Your Committee has also amended Section 2 of the bill to make clear that the appropriation can be used, in addition to the required newspaper publication, for other activities, such as the publication of booklets, designed to inform the public of no-fault premium comparisons.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1115, S.D. 2 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1115, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 9-80 Consumer Protection and Commerce on S.B. No. 209 (Majority)

The purpose of this bill is to limit no-fault insurance for public assistance recipients.

This bill would provide insurance for only one vehicle per welfare unit unless the department of social services and housing deems that another vehicle is necessary for medical or employment purposes. This bill would also require that the vehicle cannot be less than two years old and cannot be valued at more than \$2,000.00 according to the Kelly blue book or owner's equity.

Present law places no restrictions on the number of vehicles which may be insured or on their value or age.

While in accord with the intent of this bill to impose limits on the availability of free motor vehicle insurance consistent with the policy of public assistance, your Committee has amended the bill by deleting reference to the maximum allowed valuation of a vehicle. Your Committee feels that such a standard is arbitrary and would require constant revision.

Your Committee notes that according to a survey taken by the Department of Regulatory Agencies, the vast majority of welfare units with vehicles insured under public assistance are in compliance with the bill and there is little evidence of abuse. However, your Committee feels that the limitation provided will better conform the law to the intent of public assistance programs.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 209, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 209, S.D. 2, and be referred to the Committee on Finance.

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

SCRep. 10-80 Legislative Management

Informing the House that House Bill Nos. 2140-80 to 2214-80, House Resolution Nos. 111 to 135, and House Concurrent Resolution Nos. 40 to 42, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 11-80 Legislative Management

Informing the House that House Bill Nos. 2215-80 to 2284-80, House Resolution Nos. 136 to 143, and House Concurrent Resolution Nos. 43 to 45, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 12-80 Consumer Protection and Commerce and Health on H.B. No.
1781-80

The purpose of this bill is to provide to consumers the opportunity to obtain prescription drugs at a cost savings by requiring dispensing pharmacists to substitute generic drugs for brand name drugs when filling prescriptions.

Under present law, the dispensing of a different drug or brand of drug in place of the drug or brand prescribed or ordered without express permission from the prescriber or orderer is prohibited.

This bill requires dispensers of prescription drugs to substitute an approved generic drug for a brand name drug prescribed when the price to the consumer for the generic drug would be less. Your Committees feel that requiring generic drug substitution unless expressly prohibited by the prescriber or refused by the consumer, will function to the benefit of consumers and that resultant cost savings will be realized. Your Committees find that generic drugs are measurably less expensive at retail than their brand name counterparts in this State and that consumers can benefit from this price differential. It is anticipated that the Board of Pharmacy will respond to the intent of the bill by amending its rules to require dispensers of drugs to disclose, pursuant to request by telephone, the price of the lowest cost equivalent drug product corresponding to the drug prescribed.

All prescriptions will be presumed substitutable unless the prescriber handwrites the words, "do not substitute" on the face of the prescription form. Your Committees feel that this requirement will encourage the prescriber to make a conscious decision to not permit a lower cost substitution when in his or her professional judgment, a specifically named drug is necessary for the patient's health. Your Committees find that other prescription form requirements used in other jurisdictions have not successfully accomplished this.

This bill also requires the dispenser to inform the consumer of the substitution and the price difference and provides the consumer the right to refuse substitution. Your Committees feel that this provision is necessary to allow the consumer to make an informed decision.

This bill also requires the dispenser to keep a record of all drug substitutions made.

The drug product selection board shall be composed of one representative from the Department of Health, one representative from either the University of Hawaii School of Medicine or School of Public Health, two practicing physicians, and two practicing pharmacists, all of whom shall be appointed by the Governor, who shall also designate the board's chairman. The seventh member shall be the director of the Department of Health or his designated representative. The drug product selection board has been placed under the jurisdiction of the Department of Health in order to comply with constitutional requirements. Members of the board will not be compensation but will be reimbursed their costs.

Your Committees have placed on the board the responsibility of establishing, maintaining and revising a drug formulary listing all drug products found by the United States Food and Drug Administration to be safe, effective and therapeutically equivalent to brand name drugs. The formulary will also list those generic drugs whose therapeutic equivalence is approved by the Commissioner of Food and Drugs and are manufactured in conformance with the Federal Food, Drug and Cosmetic Act. This bill also gives the Board the option of adding to the formulary those drugs whose product quality and therapeutic equivalency are adequately assured and deleting those drugs whose quality and equivalency are not adequately assured. Your Committees are aware of the requirements of Chapter 91, Hawaii Revised Statutes, and anticipate that the board will promulgate appropriate rules and regulations prior to the exercise of this option.

Your Committees felt it necessary to include a statement of intent that the liability

of a dispenser of prescription drugs shall not be increased because of the availability of generic substitutions.

Your Committees have also amended the present Section 328-6(15), Hawaii Revised Statutes to reflect the intent and purpose of this bill.

While in accord with the intent of this bill, your Committees have amended it to reflect the concerns of committee members as follows:

- (1) The time within which the board may have to adopt a formulary has been extended to twelve months; and
- (2) Violations of this bill have been deemed to be punishable as a misdemeanor in order to assure full compliance.

Your Committees on Consumer Protection and Commerce and Health are in accord with the intent and purpose of H.B. No. 1781-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1781-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Nakamura.

SCRep. 13-80

Finance on S.B. No. 1826-80 (Majority)

The purpose of this bill is to authorize funds for the expenses of the Legislature up to June 30, 1981, and also for the expenses of the legislative support agencies during the fiscal year 1980-81.

Upon due consideration of the needs of the Legislature and the legislative support agencies, your Committee agrees with the appropriations recommended and approved by the Senate.

SENATE AND HOUSE OF REPRESENTATIVES

The amount appropriated for the Senate is \$1,776,992 and the amount appropriated for the House of Representatives is \$2,298,674. These amounts represent a seven per cent increase over the appropriations made in 1979. Your Committee finds that the increase is necessary to meet existing operating costs of the Legislature covering such items as equipment, supplies, staff services and other fundamental expenses.

LEGISLATIVE AUDITOR

Your Committee approves the appropriation of \$1,065,082 to meet the basic operating budget of the Office of the Legislative Auditor. \$150,000 is also appropriated for special studies and other purposes to be jointly determined by the President of the Senate and the Speaker of the House of Representatives.

STATE ETHICS COMMISSION

Your Committee approves the appropriation of \$100,020 for the purposes of the State Ethics Commission. No appropriation has been included for an increase in the salaries of the professional staff of the commission.

LEGISLATIVE REFERENCE BUREAU

Your Committee approves the appropriation of \$1,182,145 for the Legislative Reference Bureau which includes an increase of approximately \$900,000 for the upgraded computerized information system.

OMBUDSMAN

Your Committee approves the appropriation of \$294,015 for the Office of the Ombudsman.

LAPSE OF FUNDS

Appropriations under this bill are subject to lapse as of June 30, 1981.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1826-80, S.D. 1 and recommends that it pass Second Reading and be placed on the calendar

for Third Reading.

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

SCRep. 14-80 Legislative Management

Informing the House that House Bill Nos. 2285-80 to 2331-80, House Resolution Nos. 144 to 159, House Concurrent Resolution No. 46, and Standing Committee Report Nos. 12-80 and 13-80, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 15-80 Legislative Management

Informing the House that House Bill Nos. 2332-80 to 2375-80, House Resolution Nos. 160 to 168, and House Concurrent Resolution Nos. 47 and 48, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 16-80 Legislative Management

Informing the House that House Bill Nos. 2376-80 to 2410-80, House Resolution Nos. 169 to 172, House Concurrent Resolution No. 49, and Special Committee Report Nos. 3 to 5, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 17-80 Finance on H.B. No. 1862-80

The purpose of this bill is to appropriate or authorize funds necessary to cover the cost of collective bargaining cost items in the agreements negotiated with the exclusive bargaining representatives of collective bargaining units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 13.

This bill is recommended by the Governor for immediate passage in accordance with section 9 of Article VII of the State Constitution to allow for the immediate and retroactive implementation of the collective bargaining agreements that have been effected for the fiscal biennium beginning July 1, 1979.

Part II of this bill provides funds to program planning, analysis, budgeting (BUF 101) to be allotted by the director of finance:

	<u>FY 1979-80</u>	<u>FY 1980-81</u>
General Funds	\$24,943,812	\$55,044,518
Federal Funds	3,302,199	6,707,949
Special Funds	5,027,395	10,260,886
Other Funds	303,039	603,720

Part III provides funds to administrative director services (JUD 201) to be allotted by the Chief Justice:

	<u>FY 1979-80</u>	<u>FY 1980-81</u>
General Funds	\$ 771,715	\$ 1,504,927
Special Funds	41,763	80,502
Federal Funds	3,882	10,665

Part IV provides for payment of salary increases by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1862-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 18-80 Finance on H.B. No. 1863-80 (Majority)

The purpose of this bill is to appropriate or authorize funds to cover the salary and other cost adjustments for state officers and employees excluded from collective bargaining.

This bill is recommended by the Governor for immediate passage in accordance with section 9 of Article VII of the State Constitution to allow for the immediate and retroactive implementation of salary increases and other cost adjustments to state officers and employees excluded from collective bargaining for the fiscal biennium beginning July 1, 1979.

Part II of this bill provides funds to program planning, analysis, budgeting (BUF 101) to be allotted by the director of finance:

	<u>FY 1979-80</u>	<u>FY 1980-81</u>
General Fund	\$2,259,577	\$4,692,777
Federal Funds	195,118	396,716
Special Funds	352,742	755,095
Other Funds	18,279	37,172

Part III provides funds to administrative director services (JUD 201) to be allotted by the Chief Justice:

	<u>FY 1979-80</u>	<u>FY 1980-81</u>
General Fund	\$ 81,979	\$ 166,034

Part IV provides for payment of the adjustments by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1863-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 19-80 Legislative Management

Informing the House that House Bill Nos. 2411-80 to 2497-80, House Resolution Nos. 173 to 181, House Concurrent Resolution No. 50, and Standing Committee Report Nos. 17-80 and 18-80, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 20-80 Transportation on H.B. No. 1842-80

The purpose of this Act is to appropriate \$20,000 from the airport special revenue fund to finance a study for the use of lighter-than-air vehicles for inter-island transportation.

The Department of Transportation (DOT) and the Department of Planning and Economic Development (DPED) has testified in support of the purpose of this bill. However, both are in agreement that the airport revenue fund should be expended by the DOT and not the DPED. Your Committee on Transportation recommends that the bill be amended to reflect this change.

Your Committee recommends that the word "special" be deleted from line 2 of Section 1.

Your Committee further recommends that the balance of any appropriation made by this Act as of the close of business on June 30, 1983 shall lapse into the airport revenue fund.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1842-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1842-80, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 21-80 Transportation on H.R. No. 51

The purpose of this resolution is to study lighter-than-air vehicles investigating the economics, implementation and feasibility of LTA's.

The Department of Transportation testified in support of this resolution. However it was noted that the study will require highly specialized knowledge and experience in a field that has no local application thus far.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 51 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 22-80 Finance on H.B. No. 2074-80

The purpose of this bill is to amend HRS 231-15 relating to tax returns by extending the provisions governing the signing thereof to statements and other documents. This bill also amends HRS 235-62 to allow the use of computer printouts in the filing of withholding taxes.

Under current law, only returns may be signed by duly authorized persons other than the taxpayer himself. This proposal would extend this convenience to all other documents required by the state tax department.

This bill will allow businesses to meet the withholding tax filing requirements by using electronic data processing copy in lieu of the regular forms provided by the tax department, a practice permitted by the federal Internal Revenue Service.

This is a housekeeping measure submitted by the department to the Legislature for approval.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2074-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 23-80 Finance on H.B. No. 2132-80

The purpose of this bill is to exempt from income taxation the "exempt function income" of homeowners associations.

The amendment proposed by this bill to HRS 235-9 will conform the Hawaii law to the federal law with respect to exempt income of homeowners associations. "Exempt function income" is defined to include membership dues, fees, or assessment from owners of owners of condominium housing units. Your Committee agrees that these fees and assessments are not of a profit-making nature, and for that reason finds the exemption justifiable.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2132-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 24-80 Finance on H.B. No. 2133-80

The purpose of this bill is to amend HRS 235-63 to change the date for filing of withholding tax statements from January 31 to the last day of February.

Presently, all employers must file on or before January 31 copies of withholding statements of employees and reconciliation forms. The department of taxation favors the date change proposed by this bill to reduce the numerous requests for extension to file these forms.

The change in the state filing date would also conform to the federal filing date and regularize procedures for employers.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2133-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 25-80 Finance on H.B. No. 2131-80

The purpose of this bill is to amend HRS 235-2.3 of the income tax law by adding a new subsection (k) which provides that the deferral of the tax which otherwise would be levied on the gain resulting from the sale of a principal residence shall be limited to the taxpayer who purchases a replacement residence within the State or is a resident taxpayer of the State.

Internal Revenue Code section 1034 (which is operative for the State with no modification) provides for a postponement of the tax which would otherwise be levied on the gain resulting from the sale of a personal residence. A taxpayer who replaces a principal personal residence within the prescribed time, at a purchase price equal to or more than the adjusted sales price of the old residence, does not report the gain as taxable income but adjusts the basis of the new residence to the extent of the gain.

Internal Revenue Code section 1034 has no requirement as to the location of the replacement residence and Hawaii, in conforming the Hawaii Income Tax Law to the Internal Revenue Code, did not provide for any restriction.

This bill will limit the application of Internal Revenue Code section 1034(a) (nonrecognition of gain) to taxpayers purchasing a replacement residence within the State or to resident taxpayers who are taxable upon their entire income, computed without regard to source within the State.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2131-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 26-80 Finance on H.B. No. 2137-80

The purpose of this bill is to permit parents or guardians of minor children who are receiving support from welfare, social security survivor's benefits and the like to claim the excise tax credit for such children.

This bill amends HRS 235-55.5 by clarifying the term "qualified exemption" to include for the purposes of claiming the excise tax credit a minor child receiving support from the department of social services and housing, social security survivor's benefits, and the like, since such a child may otherwise not be a dependent of the parent or guardian for tax purposes.

In practice, this bill will reduce the number of returns processed by the department of taxation for excise tax credits since a child affected will no longer need to file a separate return for the excise tax credit but will be included in a return by a parent or guardian.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2137-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 27-80 Finance on H.B. No. 2134-80

The purpose of this bill is to clarify the time for filing the general excise tax annual return.

This bill establishes a more equitable filing date by specifying that the annual return

is to be filed on or before the twentieth day of the fourth month following the close of the taxable year. Presently, the filing date is set at April 20 and results in differing grace periods following the close of the year among the taxpayers who are required to file annual returns. For example, taxpayers whose tax years are based on a fiscal year of July to June would have a period of ten months in which to file their annual return while taxpayers whose tax year ends on March 31 would have only 20 days.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2134-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 28-80 Finance on H.B. No. 2135-80

The purpose of this bill is to increase the fee for copies or certification of tax returns to \$1 per page.

The fee presently authorized by HRS 231-16 is 50 cents. Under HRS 92-28, the department of taxation has increased this fee to 75 cents, the current actual charge for copies or certification of pages of tax returns. The additional increase proposed under this bill to \$1 is recommended to keep pace with inflation. Your Committee agrees that this increase is necessary and reasonable.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2135-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 29-80 Legislative Management

Informing the House that House Bill Nos. 2498-80 to 2632-80, House Resolution Nos. 182 to 187, House Concurrent Resolution Nos. 51 and 52, and Standing Committee Report Nos. 20-80 to 28-80, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 30-80 Finance on S.B. No. 1946-80

The purpose of this bill is to appropriate or authorize funds necessary to cover the cost of collective bargaining cost items in the agreements negotiated with the exclusive bargaining representatives of collective bargaining units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 13.

This bill is recommended by the Governor for immediate passage in accordance with section 9 of Article VII of the State Constitution to allow for the immediate and retroactive implementation of the collective bargaining agreements that have been effected for the fiscal biennium beginning July 1, 1979.

Part II of this bill provides funds to program planning, analysis, budgeting (BUF 101) to be allotted by the director of finance:

	<u>FY 1979-80</u>	<u>FY 1980-81</u>
General Funds	\$24,943,812	\$55,044,518
Federal Funds	3,302,199	6,707,949
Special Funds	5,027,395	10,260,886
Other Funds	303,039	603,720

Part III provides funds to administrative director services (JUD 201) to be allotted by the Chief Justice:

	<u>FY 1979-80</u>	<u>FY 1980-81</u>
General Funds	\$ 771,715	\$1,504,927
Special Funds	41,763	80,502
Federal Funds	3,882	10,665

Part IV provides for payment of salary increases by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1946-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 31-80 Finance on S.B. No. 1947-80 (Majority)

The purpose of this bill is to appropriate or authorize funds to cover the salary and other cost adjustments for state officers and employees excluded from collective bargaining.

This bill is recommended by the Governor for immediate passage in accordance with section 9 of Article VII of the State Constitution to allow for the immediate and retroactive implementation of salary increases and other cost adjustments to state officers and employees excluded from collective bargaining for the fiscal biennium beginning July 1, 1979.

Part II of this bill provides funds to program planning, analysis, budgeting (BUF 101) to be allotted by the director of Finance:

	<u>FY 1979-80</u>	<u>FY 1980-81</u>
General Fund	\$2,259,577	\$4,692,777
Federal Funds	195,118	396,716
Special Funds	352,742	755,095
Other Funds	18,279	37,172

Part III provides funds to administrative director services (JUD 201) to be allotted by the Chief Justice:

	<u>FY 1979-80</u>	<u>FY 1980-81</u>
General Fund	\$ 81,979	\$ 166,034

Part IV provides for payment of the adjustments by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1947-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 32-80 Legislative Management

Informing the House that House Bill Nos. 2633-80 to 3054-80, House Resolution Nos. 188 to 192, and House Concurrent Resolution No. 53, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 33-80 Legislative Management

Informing the House that House Resolution Nos. 193 to 204, House Concurrent Resolution Nos. 54 to 58, and Standing Committee Report Nos. 30-80 and 31-80, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 34-80 Housing on H.B. No. 273

The purpose of this bill is to amend Section 235-55.7, Hawaii Revised Statutes, to increase the renter's income tax credit for low-income renters from \$20 to \$30 per qualified exemption.

This increased tax credit would be welcomed by low-income renters, although it still would not offset the proportionately higher tax burden on renters as compared to homeowners. Renters receive no home exemption under the property tax and also have the 4 percent general excise tax levied on their rent payments.

The Department of Taxation testified that it does not object to this bill as the loss in revenue would not exceed one million dollars. In a 1979 study of returns based on 1978 income, the Department found that 36,869 taxpayers claimed this credit, or 63 percent of the eligible renters. The average number of exemptions per return had dropped; moreover, rising income levels and declining population are expected to reduce the number of taxpayers eligible for this credit in the future.

Your Committee has amended this bill by changing the effective date to the taxable years beginning after December 31, 1979.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 273, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 273, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 35-80 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 1792-80

The purpose of this bill is to enact a water resources Act. The Department of Planning and Economic Development is granted authority to create a Water Resources Planning and Control Agency with the power and responsibility to conserve, protect, manage, and control the waters of the State.

Your Committee has amended the short form bill into long form.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1791-80, as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. No. 1792-80, H.D. 1, and be recommitted to the Committee on Water, Land Use, Development and Hawaiian Affairs for further consideration.

Signed by all members of the Committee except Representative Uechi.

SCRep. 36-80 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 1981-80

The purpose of this bill is to amend section 502-25, Hawaii Revised Statutes, to permit the Registrar of Conveyances to increase recording fees and to eliminate itemizing the various instruments.

Your Committee received testimony from the Chairman of the Board of Land and Natural Resources indicating that the recording fees collected by the Registrar of Conveyances have remained constant since 1951. Your Committee is in agreement with the Chairman of the Board of Land and Natural Resources that this bill is needed in view of the spiraling increase in the state's cost of purchasing supplies needed to carry out the recording processes of each document as well as the equipment needed to store, maintain, and preserve the state's public land records.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1981-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 37-80 Judiciary on H.B. No. 1145

The purpose of this bill is to amend subsection (f) of section 77-13, Hawaii Revised Statutes, to provide for the assignment by the Judiciary, of no more than four positions at salary ranges SC-1, SC-2 and SC-3 and includes recommendation by the Administrative Director of the Courts and approval by the Chief Justice. The bill also requires an annual reporting to the Legislature of such positions.

Present law provides that there be not more than sixteen positions classified and paid in salary ranges SC-1, SC-2 and SC-3 by the State and not more than eight be classified and paid in those salary ranges by any county. No provision is made on the number to be assigned by the Judiciary. Also, present law provides that these positions are to be classified and paid only upon the recommendation of the Director of Personnel Services and approval by the Governor or recommendation of the personnel director of a county and approval by the respective council and mayor.

Your Committee feels these amendments are in accordance with section 76-9 and 76-10, Hawaii Revised Statutes, which define the authority and duties of the Chief Justice as the chief executive of the Judiciary Branch, administering a separate personnel system coequal with the Executive Branch of the State and with the several counties.

Accordingly, your Committee recommends that this bill be adopted, thereby insuring coequal recommendations and approval of appointments by the Judiciary.

However, your Committee, being of the opinion that no more than one of the SC-1, SC-2 and SC-3 positions will be required by the Judiciary, has amended this bill to reflect this belief.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1145, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1145, H.D. 1.

Signed by all members of the Committee.

SCRep. 38-80 Legislative Management

Informing the House that House Resolution No. 205 and Standing Committee Report Nos. 34-80 to 37-80, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 39-80 Culture and the Arts on H.B. No. 2024-80

The purpose of this bill is provide an additional \$5,000 for the Hawaii Youth Symphony's concert tours and operating expenses. An earlier appropriation of \$25,000 was made for the same purpose, but supporters of H.B. No. 2024-80 testified that an additional \$5,000 was needed.

Your Committee finds that the Hawaii Youth Symphony has been providing experience and training in the musical arts to the young people of Hawaii. In addition, it has conducted concert tours of immeasurable success, especially designed for the youth and performed by youth.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. 2024-80, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 40-80 Culture and the Arts on H.B. No. 1848-80

The purpose of this bill is to provide \$45,000 to sustain the Friends of Waipahu Cultural Garden Park's educational exhibits program.

During the past year the Friends of the Waipahu Cultural Garden Park have engaged in several successful activities that have proved beneficial in educating the public about the importance of past plantation life in Hawaii. These projects include the

preservation of the Inari Shrine, a series of workshops and forums entitled "Plantation Life and How Hawaii Sees It," the preservation and move of the James Dole house to the Park, and the production of the mini series "Amerika Monogatari" (Roots). Other education related achievements include workshops for social studies teachers in the Leeward district sponsored by the University of Hawaii College of Education and tours free of charge by the Department of Education for over 3,000 students to the Park's office and museum.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1848-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 41-80 Culture and the Arts on H.B. No. 2025-80

The purpose of this bill is to provide \$25,000 for general support of Hawaii Performing Arts Company's educational and cultural program.

The Company has shown itself as an exemplary organization in both production of performing arts and also growth in community support. The organization has grown from a modest beginning with an \$8,000 budget with shows in a basement on Hotel Street to a \$100,000 operation at the Manoa Valley Theatre. Its productions of social impact, such as "Cabaret" and "Big Boys Don't Cry", are of extremely valuable use for the entire audience.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2025-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 42-80 Culture and the Arts on H.B. No. 1934-80

The purpose of this bill is to enhance cultural opportunities to the residents of the Waianae coast, wherein music, dance, and craft classes provide for the basis of appreciation of, development for, and participation in ethnic and folk festivities, equitably by youth, adults, and senior citizens.

During the past several years the Waianae Coast Culture and Arts Society has received state funds to establish, maintain, and expand ethnic and cultural opportunities for residents of the Waianae coast. Measurable and significant success in these previous activities by the Society is sufficient evidence that the Tenth State Legislature, 1980 should continue its support of the organization and its beneficiaries.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1934-80, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 43-80 Higher Education on H.B. No. 1927-80

The purpose of this bill is to provide the sum of \$1,800,000.00 for the planning and construction of dormitory facilities at Maui Community College.

Your Committee finds that the Maui Community College's needs for a new dormitory are very great. This is evident each year by the large number of applicants for living quarters.

At present Maui Community College provides a 48-bed, wooden structure dormitory which is in a deplorable condition. The repair or remodeling of this building would not be economically feasible.

A project to build a new facility at Maui Community College has been in the planning stages for several years. In May of 1979, with detailed drawings and specifications for construction of a 112-bed complex, the project was advertised for construction bids.

However, because of the lack of sufficient funds for the proposed project, the project was withdrawn from bids.

Since that time the project has been reduced in scope and now calls for a 48-bed unit with the possibility for further expansion. With the funds requested in this bill, immediate construction could proceed with the new dormitory.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1927-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 44-80 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 1983-80

The purpose of this bill is to amend subsection 171-36(a), Hawaii Revised Statutes, so that where a lease to public lands is transferred or assigned to a corporate successor of the lessee, the Board of Land and Natural Resources, prior to approving the transfer or assignment, shall have the right to review and approve the consideration paid or made for such transfer or assignment, and if necessary, to revise the lease rent upward depending upon the consideration paid by the transferee (or assignee).

Currently, there is no statutory provision which expressly empowers the Board, in cases involving corporation transferees or assignees of leases to public lands, to review and approve the consideration paid for the transfer or assignment and, as may be warranted, to revise the lease rent upward.

Your Committee is in agreement with testimony received from the Chairman of the Board that the passage of this bill is in the public interest because it will enable the State, as the landowner, to share in any profit made in the transfer or assignment of a lease to a corporate successor.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1983-80 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 Garcia.

SCRep. 45-80 Consumer Protection and Commerce on H.B. No. 1874-80

The purpose of this bill is to repeal Chapter 486A, Hawaii Revised Statutes, relating to weight requirements for the sale of bread.

Present law requires that bread be sold in certain prescribed weights only. Violations of the chapter are punishable by \$25 fines.

This bill would repeal in its entirety the regulations dealing with the weight of bread. Testimony received from the Department of Agriculture indicates that the statute is at present not being enforced because of ambiguous standards and the lack of an appointed enforcing agency. Your Committee agrees with the position of the Department of Agriculture and sees no compelling reason for the continuance of the chapter.

Your Committee has amended this bill to set forth Chapter 486A which is to be repealed in its entirety for informational purposes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1874-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1874-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Nakamura.

SCRep. 46-80 Consumer Protection and Commerce on H.B. No. 1256

The purpose of this bill is to authorize towing companies to sell automobiles which are towed and subsequently abandoned and to establish procedures for such sales.

Present law is silent as to whether or not towing companies are permitted to sell towed and abandoned motor vehicles in order to offset their towing and storage fees.

This bill would specifically authorize towing companies to sell vehicles which have been towed after notice of the towing has been given to the registered and legal owners of the vehicle. Your Committee finds that this bill is necessary to eliminate uncertainties regarding notice requirements, obtaining the identity of a vehicle's owner, and transfer of title problems after sale. Your Committee further finds that this bill will provide relief for towing companies who are unable to dispose of towed vehicles after incurring costs and fees for towage and storage of a subsequently abandoned vehicle.

While in agreement with the intent of this bill, your Committee has added amendments to clarify the procedural aspects of such sales. A new subsection (b) provides that the vehicle licensing divisions shall provide the names of the registered and legal owners on record upon the request and submission by a towing company of the vehicle's license and vehicle identification numbers. Notice must be given to the registered and legal owners by certified or registered mail within 48 hours from the time of towing. Your Committee has also amended Section 290-23, Hawaii Revised Statutes, to include towing companies within its coverage and which will require the publication of notice in a newspaper prior to any sale of a towed vehicle. Your Committee feels that these changes to the bill are necessary to effectuate its purpose and at the same time provide safeguards to interested persons.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1256, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Garcia.

SCRep. 47-80 Consumer Protection and Commerce on H.B. No. 714

The purpose of this bill is to authorize savings and loan associations to make real estate loans secured by the borrower's interest in a cooperative housing corporation.

Present law prohibits savings and loan associations from making real estate loans unless secured by a first lien on real estate.

This bill would amend Sections 407-6 and 407-85, Hawaii Revised Statutes, to permit the securing of such savings and loan association loans by the membership or ownership of stock in a cooperative housing corporation.

Your Committee finds that the present restriction on loans to owners of stock in cooperative units has worked to their disadvantage by depressing the amount of appreciation of the value of their units in relation to other multiunit buildings. This inequity has been caused in part by the lack of first mortgage financing available to potential buyers of cooperative units. Your Committee also finds that owners are unable to refinance their units or interest because of this restriction.

Your Committee notes from testimony presented that foreclosure, when necessary, is not a problem and can be accomplished under existing loan documentation, providing security for lenders. Your Committee is therefore in agreement with this bill to provide relief to cooperative unit owners by permitting cooperative interests to be used as security for savings and loan association real estate loans.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 714, 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 Nakamura.

SCRep. 48-80 Consumer Protection and Commerce on H.B. No. 713

The purpose of this bill is to authorize banks to make real estate loans secured by the borrower's interest in a cooperative housing corporation.

Present law prohibits banks from making real estate loans unless secured by a first lien on real estate.

This bill would add a new subsection to Section 403-98, Hawaii Revised Statutes, permitting the securing of such bank loans by the membership or ownership of stock in a cooperative housing corporation.

Your Committee finds that the present restriction on loans to owners of stock in cooperative units has worked to their disadvantage by depressing the amount of appreciation of the value of their units in relation to other multiunit buildings. This inequity has been caused in part by the lack of first mortgage financing available to potential buyers of cooperative units. Your Committee also finds that owners are unable to refinance their units or interest because of this restriction.

Your Committee notes from testimony presented that foreclosure, when necessary, is not a problem and can be accomplished under existing loan documentation, providing security for lenders. Your Committee is therefore in agreement with this bill to provide relief to cooperative unit owners by permitting cooperative interests to be used as security for bank real estate loans.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 713 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 Garcia.

SCRep. 49-80 Consumer Protection and Commerce on H.B. No. 1829-80

The purpose of this bill is to conform Sections 401-7 and 401-15, Hawaii Revised Statutes, to the requirements of the Equal Rights Amendment.

The present statutes refer to financial institutions and loan companies within the meaning of Chapters 401 and 409, Hawaii Revised Statutes, as masculine in gender.

This bill substitutes appropriate sex-neutral terms for masculine references to financial institutions and loan companies. Your Committee agrees with the intent of the Equal Rights Amendment to de-sex statutory provisions where appropriate.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1829-80 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 Nakamura.

SCRep. 50-80 Culture and the Arts on H.B. No. 2009-80

The purpose of this bill is to provide funds to continue concert tours of the Honolulu Theatre for Youth productions to the neighbor islands, in order to provide children in these communities an opportunity to participate in workshops.

Your Committee has amended Section 1 of the bill to increase the appropriation from \$50,000 to \$75,000. The increase is due to several factors. First of all, there is projected a parallel increase in travel costs on inter-island airlines for FY 1980-1981. Secondly, FY 1979-1980 CETA funds and functions are to be assumed by state agencies, in compliance with CETA regulations. Also, normal operating expenses are increasing due to inflation.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2009-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2009-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 51-80 Consumer Protection and Commerce on H.B. No. 1817-80

The purpose of this bill is to conform Section 431-442, Hawaii Revised Statutes, to the requirements of the Equal Rights Amendment.

Present law refers only to the right of a married woman to purchase life or disability insurance on the life or health of her husband or children without their consent.

This bill would eliminate reference to "married woman" and make sex-neutral the coverage of Section 431-442, Hawaii Revised Statutes, by providing that all "married persons" may purchase such insurance.

Your Committee agrees with the intent of the Equal Rights Amendment to de-sex statutory provisions where appropriate.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1817-80, 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 Nakamura.

SCRep. 52-80 Public Assistance and Human Services on H.B. No. 2008-80

The purpose of this bill is to appropriate the sum of \$739,000 for plans and construction of the Molokai Rehabilitation Facility.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B.No. 2008-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aki and Blair.

SCRep. 53-80 Public Assistance and Human Services on H.B. No. 1855-80

The purpose of this bill is to appropriate the sum of \$52,178 to provide 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.

This bill provides that the Department of Social Services and Housing is the expending agency. Your Committee believes that the Department of Health should be the expending agency and has amended the bill accordingly.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1855-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1855-80, H.D.1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aki and Blair.

SCRep. 54-80 Public Assistance and Human Services on H.B. No. 2064-80

The purpose of this bill is to strengthen the law relating to Medicaid fraud by providing that the making of a false representation on an application or claim to the Medical Assistance Program is a class C felony.

At present the submission of false or fraudulent information to the Medical Assistance Program (Medicaid) is prosecuted as theft under the Hawaii Penal Code. The Penal Code makes felony prosecution of such fraudulent claims difficult. To prove felony theft, over \$200 must have been fraudulently obtained. Because the representations often involve numerous claims for small sums of money, the prosecution may be required to accumulate instances of such false claims in order to prove one felony crime.

This bill would correct the situation by shifting the emphasis of fraud away from the dollar amounts lost to the submission of a false representation on a claim.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2064-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aki and Blair.

SCRep. 55-80 Public Assistance and Human Services on H.B. No. 2013-80

The purpose of this bill is to appropriate the sum of \$80,000 as grant-in-aid to the Welfare Recipient Advisory Council.

Your Committee on Public Assistance & Human Services is in accord with the intent and purpose of H.B. No. 2013-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Aki and Blair.

SCRep. 56-80 Public Assistance and Human Services on H.B. No. 1938-80

The purpose of this bill is to appropriate the sum of \$80,000 as a grant-in-aid to the Hilo Interim Home to continue its operations for fiscal year 1980-81.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1938-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Aki and Blair.

SCRep. 57-80 Public Assistance and Human Services on H.B. No. 2227-80

The purpose of this bill is to appropriate the sum of \$35,000 for the hiring of staff and general operations of the immigrant services program of the Susannah Wesley Community Center.

This bill provides that the Department of Social Services and Housing is the expending agency. Your Committee believes that the Office of the Governor should be the expending agency and has amended the bill accordingly.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2227-80 as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2227-80, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Aki and Blair.

SCRep. 58-80 Public Assistance and Human Services on H.B. No. 2146-80

The purpose of this bill is to appropriate the sum of \$54,511 for the continuation of the Lanakila Rehabilitation Center's Wahiawa Day Activity Program for Severely Disabled Adults.

This bill provides that the Department of the Social Services and Housing is the expending agency. Your Committee believes that the Department of Health should be the expending agency and has amended the bill accordingly.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2146-80 as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2146-80, H.D.1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Aki and Blair.

SCRep. 59-80 Public Employment and Government Operations on H.R. No. 42

The purpose of this resolution is to request the Office of the Legislative Auditor to inventory all state and county electronic data processing hardware and software; to include programs, total storage capacity, cost, contract terms, longevity of such contracts remaining, number and cost of personnel involved, and to make recommendations regarding

the possibility of performing the same function by reconfiguration, consolidation, subcontracting of services, system deficiencies and the use of distributed systems using efficient packet switching, and value-added networks.

Your Committee finds development and growth of electronic data processing in Hawaii are desirable and needed and such development and growth should include effectively improving the gathering, coordinating and disseminating of information on a statewide basis. An inventory of all state and county electronic data processing hardware and software would reveal the present status of all existing state and county electronic data processing equipment and computer information systems.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 42 and recommends that it be referred to the Committee on Finance.

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

SCRep. 60-80 Public Employment and Government Operations on H.C.R. No. 12

The purpose of this concurrent resolution is to request the Office of the Legislative Auditor to inventory all state and county electronic data processing hardware and software; to include programs, total storage capacity, cost, contract terms, longevity of such contracts remaining, number and cost of personnel involved, and to make recommendations regarding the possibility of performing the same function by reconfiguration, consolidation, subcontracting of services, system deficiencies and the use of distributed systems using efficient packet switching, and value-added networks.

Your Committee finds development and growth of electronic data processing in Hawaii are desirable and needed and such development and growth should include effectively improving the gathering, coordinating and disseminating of information on a statewide basis. An inventory of all state and county electronic data processing hardware and software would reveal the present status of all existing state and county electronic data processing equipment and computer information systems.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.C.R. No. 12 and recommends that it be referred to the Committee on Finance.

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

SCRep. 61-80 Public Employment and Government Operations on H.R. No. 46

The purpose of this resolution is to request the Office of the Legislative Reference Bureau to conduct a feasibility study for the establishment of a decentralized legislative telecommunication network through interactive electronic means.

Your Committee finds that the Legislative Reference Bureau is in developmental stages of its electronic data processing and telecommunication systems. Additional responsibilities at this stage may be inappropriate.

Your Committee therefore recommends that the Office of the Legislative Auditor be assigned this feasibility study and has amended the resolution accordingly.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 46 as amended herein and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 46 H.D. 1.

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

SCRep. 62-80 Transportation on H.B. No. 2111-80

The purpose of this Act is to appropriate from the general revenues of the State the sum of \$7,500.00 to provide security services at Kaunakakai Harbor, Molokai.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2111-80, and recommends that it be referred to the Committee on Finance.

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

SCRep. 63-80 Public Employment and Government Operations on H.B. No. 1007

The purpose of this bill is to appropriate funds for a study to determine the feasibility of adding integrated microwave data transmission or other modes of electronic data processing technology to the state government communication system.

Your Committee finds that there is a need to determine the feasibility of the application of existing and new technology systems to improve efficient transmission and processing of data and to assess the overall data network requirements of the State.

Without centralized direction and control within the State, telecommunication planning, operations, and maintenance may become a system of network circuit duplication and uncontrolled expenses.

Presently, the Department of Budget and Finance through its Electronic Data Processing Division provides centralized computer and related services to all agencies of the State. However, through Administrative Directive No. 78-1, dated January 18, 1978, all departments are required to submit any telecommunication plans and purchase requests to the Department of Defense for review, approval, design assistance, study, or procurement guidance.

Your Committee therefore has amended the bill to provide that the funds appropriated be expended by the Department of Defense rather than the Department of Budget and Finance. Also your Committee has amended the bill by specifying June 30, 1982 as the lapsing date for funds appropriated under this Act.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1007 as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. No. 1007, H.D. 1 and be referred to the Committee on Finance.

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

SCRep. 64-80 Public Employment and Government Operations on H.B. No. 1066

The purpose of this bill is to make an appropriation out of State general revenues for the purchase and installation of railings adjacent to the wheel chair ramps on the State Capitol Building rotunda level for safety reasons.

Presently, the absence of railings adjacent to the two wheel chair ramps located on the mauka or Beretania street side of the State Capitol Building creates an unsafe condition for persons using these ramps, especially when these ramps are wet. Testimony presented by the Department of Accounting and General Services supported the intent of this bill and concurred with the need for railings adjacent to the wheel chair ramps to ensure adequate safety for those persons using these ramps. According to the Department of Accounting and General Services, it will cost approximately \$4,000 to purchase and install railings adjacent to these two wheel chair ramps.

Accordingly, your Committee has amended this bill by inserting a sum of \$4,000 as the general revenue appropriation required to carry out the purposes of this Act. Also, your Committee has amended the bill by specifying June 30, 1982 as the lapsing date for funds appropriated under this Act.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1066, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1066, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Masutani, Silva and Takamine.

SCRep. 65-80 Judiciary on H.B. No. 1924-80

The purpose of this bill is to implement Article XVI, Section 13 of the Hawaii State Constitution, which requires that governmental writing meant for the public be plainly worded and avoided the use of technical terms.

Present law does not restrict governmental writings to the use of plain, non-technical language.

Your Committee feels that the incorporation of easily understood terms in governmental writings will greatly aid in increasing public knowledge of government and enhance citizen participation in the decision making process.

Accordingly, your Committee is in agreement with the intent of this bill which allows the Legislative Auditor to determine whether rules and rule amendments submitted by a state agency are in compliance with Article XVI, Section 13, of the State Constitution thus, ensuring that such governmental documents are in plain and easily comprehended language.

However, your Committee has amended the bill to correct an inadvertent omission of the last two sentences of the present language in the subsection being modified.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1924-80, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Legislative Management in the form attached hereto as H.B. No. 1924-80, H.D. 1.

Signed by all members of the Committee except Representative Aki.

SCRep. 66-80 Health on H.B. No. 1876-80

The purpose of this bill is to provide a grant-in-aid of \$126,500 for books, journals, and associated operating costs for the Hawaii Medical Library for 1980-1981.

The Department of Health testified that the department does not maintain a medical library of its own and depends on the Hawaii Medical Library to meet their needs.

Your Committee received additional testimony in support of the bill from the Hawaii Medical Association-Emergency Medical Services Program, which has utilized the Medical Library in its evaluation and training programs. Your Committee is aware that the library is the only medical library open to the general public and is a source of information not only for the medical professionals but also for the consumer interested in health and wellness.

Your Committee is also aware that this request for funds is a supplement to other funding sources and revenues received by the library.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1876-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aki and Blair.

SCRep. 67-80 Health on H.B. No. 1879-80

The purpose of this bill is to provide a grant-in-aid of \$65,000 for the completion of the basement area of the Hawaii Medical Library.

In 1980 the Legislature appropriated funds for the construction of the Hawaii Medical Library. Your Committee finds that at the time the structure was built, the basement area was left unfinished until such time as the Library's growth required the space. The Hawaii Medical Library has testified that with the expansion of the collection the library is now in need of the additional space.

Your Committee is aware that the plans and architectural drawings are completed and that the Hawaii Medical Library will raise funds to supplement this funding request for completion of the project.

Your Committee on Health is in accord with the intent and purpose of H.B. 1879-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aki and Blair.

SCRep. 68-80 Judiciary on H.B. No. 1762-80

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 in accord with the intent and purpose of H.B. No. 1762-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aki.

SCRep. 69-80 Transportation and Judiciary on H.B. No. 1999-80

The purpose of this Act is to clarify the applicability of the motor carrier safety law to certain private carriers of passengers.

Your Committees on Transportation and Judiciary are in accord with the intent and purpose of H.B. No. 1999-80 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Aki, Blair, Garcia, Silva and Takamine.

SCRep. 70-80 Judiciary on H.B. No. 1802-80

The purpose of this bill is to remove words and phrases facially discriminatory on the basis of sex, from section 121-3 of the Hawaii Revised Statutes.

Under the present law a state militia is established consisting of every able-bodied United States citizen between 17 and 46 years of age who is or has declared an intention to become a Hawaii resident, without limitation as to sex. Nevertheless, section 121-3 provides that in case of a state of war or similar circumstance, the Governor may call upon only qualified "male" employees of the State and its political subdivisions.

Your Committee finds that inasmuch as there are able-bodied female State employees and no rational basis exists to limit the Governor's authority to calling up only male employees, present law is inconsistent and illogical. Accordingly, being of the opinion that this bill effectively rectifies this incongruous situation, your Committee urges its favorable consideration and adoption.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1802-80 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 Aki.

SCRep. 71-80 Transportation and Judiciary on H.B. No. 2127-80

The purpose of this bill is to amend Chapter 266, Hawaii Revised Statutes by adding a new section to provide for taking custody, impounding, retaining and disposing of vessels unlawfully moored in a State harbor.

Chapter 266 now authorizes the issuance of citations, the arrest of a violator and a maximum fine of \$1,000.00 but does not expressly authorize the impoundment of a vessel moored in violation of the regulations. Your Committees find that this additional

sanction is necessary because the legal process now required to effect removal in these cases is usually quite lengthy and requires the expenditure of an exceptional number of man-hours on the part of the personnel from both the Department of Transportation and the Attorney General's Office. During the legal process, the vessel continues to occupy critically short moorage space or otherwise disrupt normal operations of the harbor.

Your Committees on Transportation and Judiciary are in accord with the intent and purpose of H.B. No. 2127-80 and recommend it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives
Aki, Blair, Garcia, Silva and Takamine.

SCRep. 72-80 Judiciary on H.B. No. 1821-80

The purpose of this bill is to remove unnecessary words and phrases as they refer to married women in section 804-12 of the Hawaii Revised Statutes.

The present law specifically states that when a minor or a married woman is admitted to bail, the engagement shall be valid.

Your Committee finds that this section merely reiterates what already is the law with respect to married women by virtue of other statutory provisions, or the Constitutions of the State of Hawaii and the United States. Accordingly, your Committee feels that the reference in this section to married women is superfluous and serves no rational purpose but to perpetrate the misconception that married women are a separate and distinct class of individuals.

Therefore, your Committee supports this bill inasmuch as it would remove the reference to married women in section 804-12.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1821-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives
Aki and Blair.

SCRep. 73-80 Judiciary on H.B. No. 1816-80

The purpose of this bill is to delete a redundant, repetitious and other superfluous phrase referring to married women which discriminates on the basis of sex, from section 406-5 of the Hawaii Revised Statutes.

Your Committee finds that the present law in stating those powers conferred upon trust companies, makes a clear distinction between the terms "person" and "married women".

However, your Committee feels that such a distinction is unnecessary and repetitive in that the term "person or persons" is inclusive of "married women."

This bill removes the term "married women" from section 406-5. Accordingly, your Committee is in agreement with this bill, being of the opinion that the term "married women" is superfluous, repetitious and unnecessary to the existing statutory language, and is discriminatory by its inclusion.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1816-80 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 Aki.

SCRep. 74-80 Judiciary on H.B. No. 1811-80

The purpose of this bill is to remove words and phrases facially discriminatory on the basis of sex, from section 577-22 of the Hawaii Revised Statutes.

Under present law, it is unlawful for unmarried minors to patronize dance halls where females dance with male patrons for remuneration or compensation.

Your Committee feels it is discriminatory not to make it unlawful for unmarried minors to patronize dance halls where males dance with female patrons.

Since the purpose of the statute is to protect all minors from a potentially harmful atmosphere, your Committee feels it is logical to assume that no minors should be permitted to frequent such establishments regardless of the sex of the dancers or their patrons.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1811-80 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 Aki.

SCRep. 75-80 Judiciary on H.B. No. 1824-80

The purpose of this bill is to repeal sections 573-3 through 573-5 of the Hawaii Revised Statutes to remove redundant, repetitious and otherwise superfluous provisions of the law which discriminate on the basis of sex.

Presently, these sections allow married women to act as personal representatives, guardians, trustees or other fiduciaries, to sue and be sued as if they were unmarried women, and women in general to act as sureties.

Your Committee finds that these rights are already conferred upon women, married or otherwise, by virtue of other statutory provisions, or the Constitutions of the State of Hawaii and the United States. Moreover, your Committee feels that by singling out women, and married women in particular, these sections serve no rational purpose other than to perpetrate the misconception that women, and married women in particular, are a distinct and separate class of individuals.

Accordingly, your Committee recommends that this bill be adopted, thereby repealing these superfluous and discriminatory sections of the law.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1824-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Aki and Blair.

SCRep. 76-80 Judiciary on H.B. No. 1808-80

The purpose of this bill is to remove words and phrases facially discriminatory on the basis of sex, from section 510-5 of the Hawaii Revised Statutes.

Present law gives each spouse management and control over community property in their respective names, and the husband management and control over all other community property. The phrase "all other community property" would include property held jointly by spouses.

Your Committee finds the current law does not treat spouses equally.

Your Committee feels that there is no rational, justifiable basis for not providing for equal management and control of all community property by both spouses. Accordingly, inasmuch as this bill would effectively rectify this unfair situation, your Committee urges its favorable consideration and adoption.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1808-80 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 Aki.

SCRep. 77-80 Judiciary on H.B. No. 1801-80

The purpose of this bill is to remove words and phrases facially discriminatory on the basis of sex, from section 52-37 of the Hawaii Revised Statutes.

Under present law the Chiefs of Police of Hawaii, Maui and Kauai are only authorized to command the aid of "male inhabitants" of the county in the event of an emergency. On the other hand, the Chief of Police of the City and County of Honolulu, under section 52-67(2) of the Hawaii Revised Statutes, is not restricted to enlisting the aid of only male inhabitants of the county.

Your Committee finds no rational basis for excluding female inhabitants of Hawaii, Kauai and Maui counties from being called upon in an emergency and feels that this bill will effectively rectify the existing incongruity in the present law.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1801-80 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 Aki.

SCRep. 78-80 Judiciary on H.B. No. 1803-80

The purpose of this bill is to remove words and phrases facially discriminatory on the basis of sex, from section 122-1 of the Hawaii Revised Statutes.

Under present law a military group known as the Hawaii State Guard is created when any part of the national guard of Hawaii is in active Federal service or upon the consent of Congress. Section 122-1 provides that this group shall be composed of commissioned or assigned officers and able-bodied "male" citizens of the State of Hawaii.

Your Committee finds that such language precludes females from becoming members of the Hawaii State Guard unless they are commissioned or assigned officers.

Your Committee feels that placing such a limitation on females is unjustifiable inasmuch as females are allowed to join the Federal military without requiring that they first be commissioned or assigned officers and there is no rational basis for excluding females other than commissioned or assigned female officers from the Hawaii State Guard.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1803-80 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 Aki.

SCRep. 79-80 Judiciary on H.B. No. 1806-80

The purpose of this bill is to remove words and phrases facially discriminatory on the basis of sex, from section 431-412 of the Hawaii Revised Statutes.

Under present law, only the father of a minor is authorized to surrender, make loans upon, or assign any form of life or disability insurance issued upon the life or body of such minor.

Your Committee finds that there is no rational basis for treating the mother of a minor any differently with respect to such insurance. Accordingly, your Committee feels that either parent should be authorized to surrender, make loans upon, or assign any form of such insurance and being of the opinion that this bill effectively accomplishes this goal, your Committee urges its adoption.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1806-80 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 Aki.

SCRep. 80-80 Judiciary on H.B. No. 1805-80

The purpose of this bill is to remove words and phrases facially discriminatory on the basis of sex, from section 183-3 of the Hawaii Revised Statutes.

Present law states that the requirements for the position of state forester are training and education in forestry and "if such a man is available, one who has had practical training and experience in connection with forestry in a tropical country"

Your Committee finds that such language has the effect of precluding females from filling the position of State Forester, and being of the opinion that a woman with the requisite training and experience could function as or more effectively than a man, feels that present law should be modified to allow either a man or a woman to be appointed State Forester.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 180580 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 Aki.

SCRep. 81-80 Judiciary and Consumer Protection and Commerce on H.B.
No. 1827-80

The purpose of this bill is to remove sex-specific terminology from section 425-125 of the Hawaii Revised Statutes.

Present law states the nature of a partner's right in specific partnership properties primarily in masculine terminology.

Your Committees fully support this bill inasmuch as it modifies the language of section 425-125 by replacing all sex-specific terminology with gender-neutral terms.

Your Committees on Judiciary and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 1827-80 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Aki.

SCRep. 82-80 Legislative Management

Informing the House that House Resolution Nos. 206 to 209, House Concurrent Resolution Nos. 59 and 60, Standing Committee Report Nos. 39-80 to 81-80, and Conference Committee Report Nos. 6-80 to 15-80, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 83-80 Public Assistance and Human Services, Youth and Elderly
Affairs, and Housing on H.B. No. 2071-80

The purpose of this bill is to permit the Department of Social Services and Housing to establish rules and regulations for licensing, enforcement and monitoring of Independent Group Residences for elderly, disabled or handicapped adults.

In order that maximum funds as available through the HUD agency can be realized for the elderly, handicapped and disabled adults who require care in Independent Group Residences, it is essential that the Department of Social Services and Housing be empowered to establish, maintain and enforce licensing and monitoring standards for Independent Group Residences.

Your Committee on Public Assistance and Human Services and your Committee on Youth and Elderly Affairs, and your Committee on Housing, are in accord with the intent and purpose of H.B. No. 2071-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 84-80 Public Assistance and Human Services and Youth and Elderly
 Affairs on H.B. No. 2010-80

The purpose of this bill is to appropriate the sum of \$20,000 to continue the operation of the Maunaolu Youth Residential Program.

Your Committee on Public Assistance and Human Services and your Committee on Youth and Elderly Affairs are in accord with the intent and purpose of H.B. No. 2010-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 85-80 Consumer Protection and Commerce on H.B. No. 1947-80

The purpose of this bill is to tie the price a public utility pays to the supplier for non-fossil fuel generated electricity to the cost the public utility would incur for fuel if the electricity were generated from fossil fuels.

Your Committee notes that the intent of this bill is to lessen the State's dependence on fossil fuels for the production of electricity by making the use of non-fossil fuel generated electricity economically attractive to public utilities. Your Committee feels, however, that the basis of the bill is the assumption that the cost of non-fossil fuel generated electricity is greater than and will remain greater than the cost of electricity generated from fossil fuels. Should the cost of electricity from alternate energy sources become less expensive to produce than fossil fuel electricity, this bill may in effect arbitrarily set its cost at the most expensive level and which experience has shown, is constantly rising.

Your Committee has therefore substantially amended the bill to reflect the committee's belief that the Public Utilities Commission should consider the encouragement of non-fossil generated electricity in the setting of rates to be paid by the public utility to the producer of such electricity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1947-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1947-80, H.D. 1, and be referred to the Committee on Energy.

Signed by all members of the Committee except Representative Garcia.

SCRep. 86-80 Consumer Protection and Commerce on H.B. No. 1987-80

The purpose of this bill is to eliminate the statutory examination fee for prospective securities salesmen and to provide the commissioner of securities the authority to set such fees.

Under present law the fee is set by statute at \$10 for the state examination. Your Committee finds from the testimony presented that because of the nature of securities sales and securities laws, the Department of Regulatory Agencies is considering requiring applicants to take the Uniform Securities Agent State Law Examination, a national exam, instead of the present Hawaii state exam in order to obtain a license. Your Committee find that this bill will provide the necessary flexibility to the commissioner of securities to adjust required fees for the future and in the event such exam should be adopted.

Your Committee also agrees with the testimony presented that the adjustment of fees by agency rule making rather than by statutory amendment is preferable.

Your Committee on Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 1987-80 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. 87-80 Finance on H.B. No. 2219-80

The purpose of this bill is to conform the Hawaii Income Tax Law to the Internal Revenue Code.

Your Committee has amended the short-form version of this bill to add the substantive provisions.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2219-80, as amended herein, and recommends that it be recommitted to the Committee on Finance in the form attached hereto as H.B. No. 2219-80, H.D. 1, for further consideration.

Signed by all members of the Committee.

SCRep. 88-80 Water, Land Use, Development and Hawaiian Affairs and
Judiciary on H.B. No. 1804-80

The purpose of this bill is to remove words and phrases facially discriminatory on the basis of sex, from section 171-99(e) of the Hawaii Revised Statutes.

Under the present law under certain conditions the State allows persons to obtain limited leasehold or ownership rights in public lands, i.e., lands acquired or reserved by or otherwise classified as belonging to, the State. These interests in public lands may pass by descent upon the death of the owner of the interests and section 171-99(e) sets out the twelve priorities for the line of descent.

Your Committees find that under these priorities the father's rights are preferred over those of the mother and results in discrimination on the basis of sex.

Your Committees agree with testimony received that preferring the father's rights over those of the mother in the descent of interests in public lands is arbitrary with no rational basis to justify retaining such a statutory scheme. Accordingly, inasmuch as this bill would set the priorities in accordance with the Uniform Probate Code which gives equal preference to males (fathers) and females (mothers), your Committees recommend its favorable consideration and adoption.

However, your Committees note that in incorporating the line of descent contained in the Uniform Probate Code, this bill omits the escheat provision contained in section 560:2-105. Accordingly, your Committees have amended this bill by specifying that interests in public lands shall vest and pass in accordance with sections 560:2-102, 560:2-103, and 560:2-105.

Your Committees on Water, Land Use Development and Hawaiian Affairs and Judiciary are in accord with the intent and purpose of H.B. No. 1804-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1804-80, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Garcia.

SCRep. 89-90 Consumer Protection and Commerce on H.B. No. 1993-80

The purpose of this bill is to amend the definition of "principal collector" within the meaning of Chapter 443A, Hawaii Revised Statutes.

Under the existing statutes, Chapter 443 relating to the Collection Agency Board is to be sunsetted on December 31, 1980 and Chapter 443A relating to collection agencies will take effect on January 1, 1981.

Your Committee finds that since provisions concerning the Collection Agency Board are to be repealed, all reference to a board should be deleted from the statutes. Accordingly, your Committee agrees with the intent of this bill to conform Section 443A-1(5), Hawaii Revised Statutes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. 1993-80 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 Garcia.

SCRep. 90-80 Consumer Protection and Commerce on H.B. No. 1989-80

The purpose of this bill is to ensure that all persons who provide mental health care and who are not practicing psychologists do so under the supervision of a practicing psychologist.

Under present law, those who are excepted under the provisions of Chapter 465 relating to practicing psychologists may supervise persons in the giving of mental health care.

Your Committee finds from the testimony presented that it is in the best interests of the public that mental health services be provided by persons qualified under Chapter 465, Hawaii Revised Statutes, or under their direct supervision. Your Committee also finds from the testimony presented that the Office of Professional Affairs of the American Psychological Association and the Hawaii Psychological Association are in favor of this amendment.

Your Committee feels that this bill is necessary to avoid the possibility of an untrained person providing psychological services to the public under the direction of another person also unqualified under Chapter 465.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1989-80 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 Garcia.

SCRep. 91-80 Youth and Elderly Affairs and Public Assistance and Human Services on H.B. No. 2014-80

The purpose of this bill is to appropriate \$10,304 from the State general fund to pay for chore services for the elderly and the handicapped at Maui Rehabilitation Center. The department of social services and housing is designated as the expending agency.

Your Committees on Youth and Elderly Affairs and Public Assistance and Human Services are in accord with the intent and purpose of H.B. No. 2014-80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 92-80 Youth and Elderly Affairs on H.B. No. 2209-80

The purpose of this bill is to double the amount now allowed as an income tax credit for child care services from five to ten percent of the qualifying expenses.

According to testimony submitted to your Committee by the Legislative Tax Bill Service, the five percent credit resulted in a revenue loss to the State of \$445,000 in 1978. If the number of claimants remains relatively constant, the loss in revenues to the State would approximately double to a total of \$900,000.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 2209-80, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 93-80 Culture and the Arts on H.B. No. 2326-80

The purpose of this bill is to ensure continuation of the vital function of the Polynesian Voyaging Society and to provide a grant-in-aid of \$50,000 for fiscal year 1980-1981.

The Legislature has previously given funding support to the compilation and preservation of information about Hawaii's cultural heritage, particularly with respect to the long lost art of sailing great distances without the need for navigational instruments.

At the present time, the Legislature recognizes that the key to much of Hawaii's navigational knowledge has not been compiled and recorded to document how the Polynesians came to Hawaii.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2326-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 94-80 Culture and the Arts on H.B. No. 2347-80

The purpose of this bill is to provide \$50,000 for the fiscal year 1980-1981 for the celebration of the 80th Anniversary of the Okinawan people in Hawaii.

The 80th Anniversary of the Okinawan people's arrival in Hawaii is an important educational and cultural event for all segments of the community to become aware of and to join in celebration for. Festival activities will include an essay contest, a golf tournament, special events for the issei, cultural awareness workshops, song and dance festivals, arts and crafts exhibitions, and an 80th anniversary jubilee. The Okinawan people have a rich cultural heritage which, when celebrated, would also provide a learning experience to the entire community on the culture and lifestyle unique to the Okinawan segment of the Japanese culture.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2347-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 95-80 Culture and the Arts on H.B. No. 2404-80

The purpose of this bill is to support the Bishop Museum's operations and to establish closer ties with the department of education, the University of Hawaii, and the department of land and natural resources in order to facilitate the more extensive use of the museum by students, scholars, and researchers.

The Bishop Museum is often linked, by name, to the Bishop Estate, thereby creating a false assumption that the latter organization funds the operations of the museum. In fact, the museum receives partial funding from income generated by endowments, admission charges, shop sales, charity and gifts, and contracts, but not from any Bishop Estate grant. In the past few years the Hawaii State Legislature has appropriated funds for operating expenses of the Bishop Museum, but not all of these funds were actually obligated.

Several facts become glaring data calling for greater legislative support of the Bishop Museum. First of all, last year more than 300,000 persons, including 25,000 students in local schools, visited the museum's facilities and exhibits. Public demand for a greater variety of displays has forced the museum staff to tap its already meager sources of funds. Even the staffing needs have grown tremendously without a concomitant increase in the number of staff members, since there has been no increment in allowable salary funding.

The museum staff testified that other museums in the United States and Canada are far more fortunate than the Bishop Museum. State and local governments elsewhere have funded between 11 per cent and 76 per cent of the total operating expenses of these museums elsewhere, while the Bishop Museum has been even more unfortunate by not receiving any funds for this fiscal year. Given a budget of \$3,670,000 for operations this year, the Bishop Museum initially sought an appropriation of \$300,000 for fiscal year 1980-1981. This would be slightly less than 10 per cent of projected operational expenses.

Your Committee has amended Section 2 of the bill to increase the appropriation from \$300,000 to \$500,000. This increment fits in realistically with what the Bishop Museum needs in order to survive minimally. Any sum less than half a million dollars would direct the museum toward sub-minimal services to Hawaii's public. Moreover, a \$500,000 appropriation would still be a minimal 14 per cent of the Bishop Museum's total operational expenses and programs for expanding its facilities to students, scholars, and researchers.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2404-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2404-80, H.D. 1, and be referred to the Committee

on Finance.

Signed by all members of the Committee.

SCRep. 96-80 Employment Opportunities and Labor Relations on H.B. No. 2181-80

The purpose of this bill is to amend Chapter 383 by adding a new Section 383- to be appropriately designated.

This bill would reduce the amount of unemployment compensation payable to an individual for any week after March 3, 1980 by the amount of pension or retirement pay the individual is receiving from either a government pension plan or a non-contributory pension plan which is reasonably attributable to such week. This bill proposes to reduce compensation on a prorata basis where payments are being received under a contributory plan.

The State must enact legislation to amend its Employment Security Law before April 1, 1980 to conform to the pension reduction requirement of Section 3304(a) (15) of the Federal Unemployment Tax Act (FUTA) as a condition for certification of its law for tax credit and for federal grant for administration of the unemployment insurance program. The proposed new section provides for different contingencies if Congress amends Section 3304(a)(15) FUTA. Paragraph (c) of the proposed new section is intended to meet the requirements of federal law if no amendments are made. Paragraphs (a) and (b) of the proposed new section provide for a less stringent reduction if the federal law is amended to limit reduction to pensions contributed by base-period employers only and permit States to take into account pension contributions made by employees. The proposed new section also contains provision if Section 3304 (a)(15) FUTA is repealed or if Congress postpones the effective date of that section.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 2181-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 97-80 Employment Opportunities and Labor Relations on H.B. No. 1772-80

The purpose of this bill is to extend the State Program for the Unemployed as provided by Act 151, 1975, as amended.

As part of the State's effort to combat cyclical unemployment through a program similar to CETA, the 1975 Hawaii State Legislature established the State Program for the Unemployed. SPU, a temporary state funded program administered by the Department of Labor and Industrial Relations, has been extended from year to year by the State Legislature.

Your interim committee recommended that with unemployment rates still relatively high and unstable, there is still a need to continue programs such as SCET and CETA. Continued efforts in this area can also serve as a countercyclical strategy since State and national economic forecasts include continued recession and a down turn in the visitor industry in Hawaii. Your interim committee therefore recommended that the State Legislature appropriate sufficient funds to extend the SCET component of SPU.

Your committee has amended this bill by appropriating \$4,000,000 to continue the State Program for the Unemployed. In addition to continuing the Program for the Unemployed, the DLIR should develop public service employment opportunities in addition to those presently existing for those unemployed and underemployed residents of the State of Hawaii who reside in areas of exceedingly high unemployment.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1772-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1772-80, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 98-80 Housing on H.B. No. 2649-80

The purpose of this bill is to provide for the installation of visual fire alarms for hearing-impaired persons residing in Hawaii Housing Authority housing projects. Currently there are no visual means for the deaf to be alerted of a fire. These visual alarms could make the difference between life and death.

Your Committee received supporting testimony from the Hawaii Housing Authority, the Deaf Action Group, and Hawaii Services on Deafness which represents five organizations for the deaf.

Your Committee has inserted \$10,000 as the appropriate amount for visual alarms for the Authority's ten housing projects.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2649-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2649-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 99-80 Housing on H.B. No. 2072-80

The purpose of this bill is to amend Sections 237-23, 237-29, and 359G, Hawaii Revised Statutes, to stimulate private sector participation in government-assisted housing developments by providing various tax exemptions to developers as well as nonprofit entities involved in housing development.

This bill deletes reference to obsolete government housing programs and provides a definition for government-assisted housing that will stand the test of time. In addition, this bill eliminates reference to federal laws under which a nonprofit corporation or association is exempt from the general excise tax. Instead, the bill provides definitions for "eligible person", "government assistance", and "mixed-use residential property" which broaden the group entitled to claim this exemption. While present law exempts only "contractors" from paying tax on the gross income received from contracting, this bill will exempt any "eligible person" who is connected with the planning, design, financing, construction, sale, lease, or rental of low or moderate income residential property with government assistance. The Hawaii Housing Authority is to certify these claims for exemptions.

Your Committee received supporting testimony from the Department of Taxation, the Hawaii Housing Authority, the City and County Department of Housing and Community Development and the Tax Foundation of Hawaii. Those testifying expressed the hope that this exemption will serve as an incentive to the private sector to provide lower cost housing for Hawaii's people.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2072-80, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 100-80 Energy on H.B. No. 2365-80

The purpose of this bill is to provide a tax credit to persons with low incomes who utilize little energy for heating, cooking, and lighting.

Due to the increasing cost of energy, people living on low or fixed incomes are facing extremely harsh financial situations. Because their incomes are fixed at a low level, rising energy costs are taking larger percentages out of their available resources. Immediate relief needs to be offered to these people.

Your Committee agreed with the Department of Taxation's recommendation that the income qualification be based on a resident's "modified adjusted gross income" to insure that only those who are in need of relief, receive the tax credit.

Your Committee has also amended the bill by changing the usage requirements to 5,000 kwh a year for residences with electric water heating and 240 therms a year for residences without electric water heaters. Your Committee agreed with both Hawaiian

Electric Company and GASCO Inc.'s recommendation that the original usage requirements were too low to meet basic needs.

Your Committee would like to stress, however, that this bill is not intended to supersede the Lifeline proposal presently being reviewed by the Public Utilities Commission. Your Committee finds that if the Lifeline concept is established, immediate relief would not occur. The intent of this bill is to provide financial relief for our needy and elderly this year, as relief in the form of Lifeline utility rates, if established, would not occur until at least 1981. Because of this, your Committee has amended the bill so that it shall apply only to the taxable year January 1 to December 31 of 1980.

Your Committee agreed with Hawaiian Electric Company's recommendation that the terms "debt incurred", and "bill periods of" be used in place of the terms "payment made" and "period", respectively.

Your Committee on Energy is in accord with the intent and purpose of H.B. 2365-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. 2365-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takitani.

SCRep. 101-80 Ocean and Marine Resources on H.B. No. 2729-80

The purpose of this Act is to establish, within the Department of Land and Natural Resources, the Hawaii Fisheries Coordinating Council which will advise the Board of Land and Natural Resources on matter relating to fisheries and to coordinate fisheries activities among the various federal, state, and county agencies and private industry.

Your Committee has amended this bill, which was introduced as a short-form 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 notice thereof could be less than meaningful.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2729-80, as amended herein, and recommends that it be recommitted to the Committee on Ocean and Marine Resources, in the form attached hereto as H.B. No. 2729-80, H.D. 1.

Signed by all members of the Committee except Representatives
Garcia and Narvaes.

SCRep. 102-80 Judiciary on H.B. No. 2225-80

The purpose of this bill is to increase sheriff's or police officer's fees and mileage allowances for serving any district court criminal summons, warrant, and the like and to make the same adjustments for service of circuit court criminal process.

Under current law fees for service of criminal process have remained the same since 1975. Moreover, the present mileage allowance has been in effect since 1978.

Your Committee feels that inflation has so eroded the fees now received that adjustments are necessary to enable sheriffs and police officers to continue these services. Accordingly, your Committee has increased the mileage allowance from fifteen cents per mile to eighteen cents per mile and increased the service fees from \$10 to \$12 effective July 1, 1980 and \$15 effective July 1, 1981.

Your Committee has also made technical amendments to correct typographical errors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2225-80, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2225-80, H.D. 1.

Signed by all members of the Committee

SCRep. 103-80 Judiciary on H.B. No. 2591-80

The purpose of this bill is to appropriate \$33,000 for the operating expenses of the Guardianship Task Force for the study of laws relating to Guardianship, Civil Commitment and Protective Services.

Your Committee finds that the Task Force's preliminary report of January 1980, requires some updating. During the past year, the Task Force produced its report with volunteers from various agencies, but the complex nature of the work requires concentrated effort with staff who can devote full time to this project.

Accordingly, your Committee recommends passage of this bill to enable the Task Force to prepare and finalize its reports before the next legislative session.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2591-80 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 104-80 Judiciary on H.B. No. 2675-80

The purpose of this bill is to appropriate \$100,000 for the operating expenses of the Career Criminal Prosecution Program.

Your Committee feels inflationary times have so eroded the initial budget allocation that additional funds are needed to cover the additional costs incurred by the various units within the program. Therefore, your Committee recommends adoption of this appropriation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2675-80 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 105-80 Judiciary on H.B. No. 2844-80

The purpose of this bill is to make an appropriation for the 1981 Reapportionment Commission.

Article IV of the Hawaii Constitution requires the formation of a reapportionment Commission in 1981 and directs the Legislature to appropriate funds to enable the Commission to carry out its work.

Your committee finds that H.B. 2844-80 will carry out that mandate. Therefore, your Committee recommends support of the appropriation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2844-80 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 106-80 Judiciary on H.B. No. 2059-80

The purposes of this bill are to implement Article I, Section 11, of the Constitution of the State of Hawaii pertaining to Grand Jury Counsel, and to provide a statutory framework for grand jury proceedings.

This bill attempts to implement the mandate of the Hawaii Constitutional Convention of 1978 as it amended Article I, Section 11 of the State Constitution as follows:

1. Provides for the appointment and removal of Grand Jury Counsel by the Chief Justice of the State Supreme Court for the four judicial circuits of the State;
2. Requires that the Grand Jury Counsel be licensed to practice law before the Supreme Court of the State and that he or she not be a public employee;
3. Specifies that the Grand Jury Counsel's term shall be for one year, but that

it may be extended by the Chief Justice;

4. Provides for compensation of the Grand Jury Counsel on a daily basis at the same rate as per diem District Judges;

5. Requires that the Grand Jury Counsel disqualify himself or herself in any matter which would bring his or her impartiality into question;

6. Defines the duties of the Grand Jury Counsel as advising the grand jury on matters of law;

7. Requires all grand juries to be provided with Grand Jury Counsel and all inquiries made by the grand jury of its counsel to be recorded verbatim and made a part of the record of the grand jury proceedings; and

8. Provides that any indictment based on a grand jury proceeding in which a violation of the aforementioned requirements have occurred may be dismissed without prejudice.

Your Committee finds that the statutory framework contained in this bill effectively attains the objectives expressed by the delegates to the Constitutional Convention of 1978 with respect to the Grand Jury Counsel. Accordingly, your Committee recommends this bill's favorable consideration.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2059-80 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 107-80 Judiciary on H.B. No. 2224-80

The purpose of this bill is to clarify that judicial security personnel have arrest powers by adding a new section to Chapter 601, Hawaii Revised Statutes.

Under current law there is no provision which expressly states these powers.

Your Committee feels that this bill would clarify that State law enforcement officers and security officers, who are employed by the Judiciary, have the powers of police officers including arrest powers. Therefore, to enhance security services to the courts and the Judiciary, your Committee recommends passage of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2224-80 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 108-80 Judiciary on H.B. No. 2165-80

The purpose of this bill is to implement the 1978 amendment to Section 3, Article VI, of the Hawaii State Constitution which requires the establishment of a Judicial Salary Commission to advise the Legislature as to judicial salaries.

This bill provides for a Judicial Salary Commission consisting of five members to be appointed by the Governor, subject to confirmation by the State Senate, on or before December 30, 1980 and every five years thereafter. Further, it requires the Commission to submit to the Governor, Legislature, and the Chief Justice, within 90 days of the appointments, the Commission's recommendations for salaries for justices and judges of all State courts, and places the Commission in the Governor's office for administrative purposes.

Your Committee finds that the Judicial Salary Commission embodied in this bill does effectively implement the 1978 amendment to Section 3, Article VI of the Hawaii State Constitution.

However, your Committee received testimony, with which it agrees, that the Commission should meet and make its recommendations every two years rather than that every five inasmuch as the former interval corresponds with the collective bargaining process and would be more responsive to changes in the cost of living. Thus, your Committee

has amended this bill accordingly.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2165-80, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2165-80, H.D. 1.

Signed by all members of the Committee.

SCRep. 109-80 Judiciary on H.B. No. 2053-80

The purpose of this bill is to make approved credit cards acceptable instead of cash, in payment of all court charges.

Present law does not provide for the payment of court charges, e.g., fines or bail, with a credit card. This bill would allow the payment of such sums to be made with credit cards approved by the court.

Your Committee finds that inasmuch as credit cards are presently being used with greater and greater frequency and are, in fact, gradually replacing cash as the payment medium in today's complex, computer-oriented society, it would be logical to allow court charges to be paid by the use of credit.

Moreover, your Committee feels that allowing the use of credit cards as aforesaid would be beneficial to defendants and other affected persons by giving them an alternative means of paying, while at the same time enabling the courts to become more efficient and effective in collecting sums assessed.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2053-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 110-80 Judiciary on H.B. No. 2093-80

The purpose of this bill is to increase fees and mileage allowances for witnesses required in criminal cases.

Present law provides that a witness legally required to attend court or a grand jury in a criminal case be paid \$4 for each day's attendance and 20 cents a mile for travel, with witnesses from another island being entitled to \$6 for each day's attendance and 20 cents for each mile of ground travel. This bill would increase such amounts to \$10 and 30 cents, and \$12 and 30 cents, respectively.

Your Committee received testimony that in many if not most criminal cases, witnesses are required to lose at least a half day's work in order to testify. Moreover, in many circuit court cases, witnesses may have to be available for as much as three full days. Thus, given the fact that very few employers are willing to pay full wages for an employee absent for such a length of time, your Committee must agree that the present monetary compensation of witnesses is woefully inadequate.

Further, given the tremendous increase in gas prices since the mileage allowances were set in 1972, your Committee finds the proposed increase to 30 cents reasonable and necessary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2093-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 111-80 Judiciary on H.B. No. 2092-80

The purpose of this bill is to increase the per diem paid out-of-state witnesses summoned to testify in a criminal proceeding.

Present law provides that witnesses who reside without the State, summoned to testify

in criminal proceedings, be paid \$30 for each day they are required to travel and attend as witnesses. This bill would increase the per diem to \$50.

Your Committee received testimony that the present \$30 per diem is woefully inadequate given the fact that the costs of food and accommodations have risen considerably since that figure was established in 1971. Based on common experience, your Committee is in total agreement with such testimony.

Your Committee also received testimony that the Honolulu Prosecutor's Office favors an increase to \$60, rather than the \$50 figure set forth in this bill. In addition, your Committee is of the opinion that the latter figure may not be adequate in the very near future. Accordingly, your Committee has amended this bill by changing the proposed \$50 per diem to a \$60 per diem.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2092-80, 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. 2092-80, H.D. 1.

Signed by all members of the Committee.

SCRep. 112-80 Judiciary and Transportation on H.B. No. 1998-80

The purpose of this bill is to permit the Director of Transportation to operate a lost and found program for articles found on the premises of airports operated by the Department of Transportation.

Present law prevents the Department of Transportation from operating a lost and found program because all recovered items are required to be turned over to the county police. This bill would require that such items be reported or delivered to a lost and found office at the airport.

Your Committees find that operating a lost and found office at the airport terminal which would allow direct and almost immediate access to the traveling public is a far more logical and efficient means of getting lost items back to their owners than requiring that such items be turned over to the county police.

Accordingly, your Committees being of the opinion that this bill effectively eliminates the aforementioned incongruous situation, recommends its favorable consideration and adoption.

Your Committees on Judiciary and Transportation are in accord with the intent and purpose of H.B. No. 1998-80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Aki.

SCRep. 113-80 Higher Education on H.B. No. 2570-80

The purpose of this bill is to establish additional instructional positions in the College of Tropical Agriculture and Human Resources to improve the agriculture education programs at the University of Hawaii.

House Resolution No. 291, H.D. 2, adopted by the Tenth Legislature of the State of Hawaii, Regular Session of 1979, requested appropriate officials at 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 the College of Tropical Agriculture and Human Resources at Manoa and Hilo Campuses.

The Advisory Committee found that the problem was due to a lack of support given to instruction. Over the last ten years, student numbers increased by nearly 100% from 319 to 628 while faculty positions decreased by 12% from 22.93 to 20.30. The student-faculty ratio has changed from 13.9 in 1970 to 30.94 in 1979. The 1979 Manoa ratio for agriculture instruction is double the national norm for land grant universities. The crux of the College of Tropical Agriculture's educational problem is the lack of sufficient instructional positions.

Your Committee is in agreement that the College of Tropical Agriculture and Human

Resources at the University of Hawaii is in dire need of additional instructional positions and has amended this bill for the purpose of appropriating funds necessary to carry out the purposes of this Act by amending Section 1, appropriating \$511,000.

To conform with the requirements of Article VII, Section 11 of the Hawaii State Constitution, relating to the lapsing of appropriations, your Committee also has amended Section I, to appropriate the funds during fiscal year 1980-1981 and Section 2, to indicate the lapsing date of June 30, 1981 for this appropriation.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2570-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2570-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 114-80

Higher Education on H.B. No. 2605-80

The purpose of this bill is to appropriate \$41,000 for the continued operation of the Continuing Education for Women (CEW) program, which is based in the College of Continuing Education and Community Service, University of Hawaii at Manoa.

The CEW program is the only program in the State which offers assistance in educational and career planning to adults who are not currently enrolled in educational programs. It assists displaced home-makers and other adults who wish to return to school or who need counseling in alternative life-styles. Persons who use the program services include those who have never worked but now wish or need to prepare for a career; they also include adults who seek new careers. Some need to upgrade their vocational skills while others need complete training in a field. Many have limited education and financial resources.

The CEW also conducts workshops and seminars which provide practical help in topics such as financial planning, time management, career and life planning, and so forth. It also counsels its clients in how to enter or return to the formal educational process, leading to diplomas or degrees.

The program services over 6,000 participants annually; it publishes a bi-monthly newsletter which is distributed to approximately 3,000 persons and agencies.

Your Committee requests that the CEW program be made an integral part of the University of Hawaii budget so that the program need not be defended at legislative hearings every year. The program has been in existence since 1968, albeit under various funding, and the Committee believes its value to the community has been amply demonstrated.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2605-80, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 115-80

Higher Education on H.B. No. 2502-80

Your Committee finds that the agriculture programs at Maui Community College is presently using the biology and physics laboratories for its courses of study. This condition is not conducive to the educational process. The use of the temporary facility creates dirt and contamination problems, especially with respect to the microbiology laboratory classes. In addition, the agriculture program needs laboratories where soil sampling and testing can be conducted. Facilities are also required for storage of farm tools and equipment and a controlled environment greenhouse.

Maui Community College's 1982-1983 enrollment in agriculture careers is projected at 73 students. Therefore, proper facilities are of vital importance for the agriculture program to support these students.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2502-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 116-80 Higher Education on H.B. No. 2650-80

The purpose of this bill is to appropriate funds to establish sign language classes at all community and four-year college campuses of the University of Hawaii.

The Honolulu Community College has offered, since the summer of 1979 a 23-credit program leading to the Certificate of Completion in Interpreting for the Deaf. There is apparently a need to train interpreters for the deaf, since there are approximately only ten certified interpreters in the State. According to the organization called Deaf Action Group, there are currently 9,000 "profoundly deaf" persons in the State and additional thousands of persons with varying degrees of impaired hearing. Thus, the need for interpreter services is acute. Four private, non-profit agencies which provide services for the deaf community strongly encouraged expansion of classes to train interpreters.

While your Committee recognizes that there is probably a need to establish a larger program to train interpreters for the deaf, it questions the appropriateness of including in the Hawaii Revised Statutes the requirement that sign language classes be established at the University of Hawaii. Therefore, your Committee has amended this bill by deleting Section 3 and Section 4 in their entirety and changing "Section 5" to read "Section 3".

Your Committee has also amended Section 1 for the purpose of appropriating the funds necessary to carry out the purpose of this Act by appropriating \$25,000. Section 1 is also amended by deleting "all" and "and the four-year campuses of the University of Hawaii".

Your Committee concurs with the University of Hawaii that a clearer understanding of the extent of need and demand for the training of interpreters must first be obtained before appropriating funds annually for sign language classes. The Committee plans to introduce shortly a resolution requesting the University of Hawaii, the Department of Education, the Commission on the Handicapped, the Division of Vocational Rehabilitation of the Department of Social Services and Housing and other appropriate private organizations serving the deaf community to conduct a study on sign language interpreter needs of the State and to recommend the agencies or departments which might best provide such training needs. In the meantime, the appropriation of \$25,000 for fiscal year 1980-1981 should be viewed only as a temporary measure to assist in maintaining the current community college classes in interpreter training.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2650-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2650-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 117-80 Higher Education on H.B. No. 2386-80

The purpose of this bill is to appropriate the sum of \$640,595 for the completion and renovation of the sixth floor of the Kapiolani-Children's Medical Center, which houses the Department of Psychiatry, John A. Burns School of Medicine, University of Hawaii.

Funds for the project were included in the Board of Regents' budget recommendations to the governor. Because of the current capital ceiling previous appropriations for the same purpose (Act 226, Session Laws of Hawaii 1976, Item G-75 and Act 10, Session Laws of Hawaii 1977, Item G-74) are due to lapse since the funds then appropriated have not been released. Unless funds are available to complete this project soon, additional sources for a portion of the costs from the federal government and from private foundations and individuals, which are contingent on the State's appropriation, will be lost, thereby damaging the commitments already made to the medical school's programs.

Completion of the sixth floor at Kapiolani-Children's Medical Center will provide the authorized and long-planned facilities for the medical school to carry out its responsibilities in the field of child psychiatry with respect both to all phases of medical education and training and to the discharge of many important community services.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2386-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 118-80 Higher Education on H.B. No. 2791-80

The purpose of this bill is to provide additional funds for plans, construction, furniture and equipment for laboratories, classrooms, offices and support spaces for the agriculture program at Maui Community College, County of Maui.

Your Committee finds that the agriculture program at Maui Community College is presently using the biology and physics laboratories for its courses of study. This condition is not conducive to the educational process. The use of the temporary facility creates dirt and contamination problems, especially with respect to the microbiology laboratory classes. In addition, the agriculture program needs laboratories where soil sampling and testing can be conducted. Facilities are also required for storage of farm tools and equipment and a controlled environment greenhouse.

Maui Community College's 1982-1983 enrollment in agriculture careers is projected at 73 students. Therefore, proper facilities are of vital importance for the agriculture program to support these students.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2791-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 119-80 Higher Education on H.B. No. 2792-80

The purpose of this bill is to provide for the renovation and improvement of existing facilities and for the construction of additional facilities at Maui Community College by appropriating \$543,000 for such purposes.

Testimony given indicated that the funds requested are in excess of what is presently needed at Maui Community College. The need at present is for \$56,000 to initiate the planning for the conversion of the space presently occupied by the Learning Skills Center in the library building for library use, conversion of the present architectural drafting laboratory into a business education laboratory, and conversion of the snack bar for a training laboratory for the food service program.

Your Committee agrees with the testimony given and has amended Section 2 of this bill to reduce the amount appropriated; to provide that the funds shall be expended during the 1980-1981 fiscal year; and, to provide that the unexpended or unencumbered balance of the appropriation made by this bill, as of the close of business on June 30, 1981, shall lapse into the general fund.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2792-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2792-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 120-80 Higher Education on H.B. No. 2793-80

The purpose of this bill is to provide for plans, construction, furniture and equipment for facilities used by the Nursing and Learning Skills Programs at Maui Community College, by appropriating \$799,000 for such programs.

The Nursing Program has not had a permanent facility since its beginning in 1969. Initially, the program used facilities designed for the student's health services in the Campus Center. Presently, it is located into an old wooden building vacated by other programs. The Learning Skills laboratory is located on the third floor of the library building. The library services now need space to meet demands generated from increasing student usage and enrollment. A new facility for a Nursing laboratory and Learning Skills laboratory designed for the purpose of training the students is definitely required.

Your Committee has amended section 2 of this bill to conform with the requirements of Article VII, Section 11 of the Hawaii State Constitution, relating to the lapsing of appropriations. Specifically, your Committee has provided that the funds appropriated are for use during fiscal year 1980-1981 and that the lapsing date for this appropriation

shall be June 30, 1981.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2793-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2793-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 121-80 Employment Opportunities and Labor Relations on H.B. No. 1773-80

The purpose of this bill is to appropriate funds for fiscal year 1980-1981 for manpower development and training programs established pursuant to chapter 394, Hawaii Revised Statutes.

There is an identified need to provide short-term classroom training and on-the-job training to individuals who at the completion of training could be employed by the garment manufacturing industry and the allied health service fields. Your Committee proposes that \$172,000 be provided to train individuals for employment in the garment industry and \$122,000 to train individuals for employment in the allied health service fields.

Due to the anticipated downturn in the economy on Hawaii County and because of the expected negative impact this economic situation will have on employment, your Committee proposes that the sum of \$60,000 may be used to develop and train individuals with the fabrication of furniture using local wood and \$46,000 may be used to develop and train individuals in a fish drying operation.

Your Committee recommends an amendment for the purpose of appropriating \$400,000 which may be used to carry out the purpose of this bill.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1773-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1773-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 122-80 Employment Opportunities and Labor Relations on H.B. No. 2178-80

The purpose of this bill is to amend Section 383-162, Hawaii Revised Statutes.

This bill would enable the employment security referee to statutorily establish the fee for counsel or agents who represent unemployment insurance claimants in proceedings before the referee. The fee is based on the average benefit duration for the prior year and the weekly benefit amount of the claimant.

The department of labor and industrial relations testified that prior to July 1, 1976, they imposed a 5 week period of disqualification pursuant to the statute in effect at the time. Because of this statutory provision, there was no problem in determining the ten per cent of the total amount of benefits received as a result of such proceeding that is, the limitation of fee for counsel or agent.

As a result of amendments effective July 1, 1976, the disqualification period became indefinite making it difficult to determine the fees for claimants's counsel or agent. The Department is sometimes required to wait until the claimant exhausted his 26 weeks of benefits necessitating a follow-up on the claim. In order to avoid this delay and additional wasted work, this bill provides for a definite basis to determine counsel's fees without doing damage to the limitation of such fees.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 2178-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 123-80 Consumer Protection and Commerce on H.B. No. 1986-80

The purpose of this bill is to clarify certain provisions of Chapter 294, Hawaii Revised Statutes, relating to the operations of the Hawaii No-Fault Law.

This bill amends four areas of Hawaii's No-Fault Law which have in the past caused uncertainties in application.

First, Section 294-2(10)(c), Hawaii Revised Statutes, is amended to clarify the amount of no-fault monthly earnings loss benefits. Presently, there is some confusion whether or not an insurance carrier need pay any benefits to a claimant who is earning \$800 per month even though that claimant is suffering a monthly earning loss as a result of a motor vehicle accident. This bill makes clear that lost wage benefits are to be paid in that situation and in any situation where there is a monthly wage loss up to the \$800 limit.

Second, Section 294-10(b) and (c), Hawaii Revised Statutes, are amended by this bill to facilitate the commissioner's calculation of the medical-rehabilitative threshold figure. Present law refers to the data to be utilized in an inconsistent manner, thereby making ambiguous the basis used in such calculation. This bill would simplify this basis by including only those no-fault benefits paid or reserved.

Third, Section 294-39(a), Hawaii Revised Statutes, is amended to close what has been a loophole in the penalty provisions of the no-fault law. Your Committee finds that the intent of the legislature in the passage of the no-fault law was to impose a mandatory fine of at least \$100 per violation of Chapter 294. Judicial interpretation, however, of this section has added the option of the suspension of such fine. This bill would re-establish the minimum mandatory fine as well as provide additional mandatory penalties for multiple offenders. Section 805-13(c), Hawaii Revised Statutes, is also amended to conform with these penalty provisions.

Fourth, a new section is added to Chapter 294 to provide the commissioner with exclusive jurisdiction over contested no-fault claims not in excess of \$5,000. Present law is silent as to the commissioner's authority in this area. Your Committee agrees with the testimony presented by the Department of Regulatory Agencies that the commissioner should be authorized to conduct such hearings and that such hearings be pursuant to the Administrative Procedures Act.

Your Committee feels that these amendments are in furtherance of the stated purposes of Hawaii's No-Fault Law and will clarify various uncertainties that have arisen since its inception.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1986-80 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 Garcia.

SCRep. 124-80 Judiciary on H.B. No. 2162-80

The purposes of this bill are to allow (1) voters 65 years or older to vote by absentee ballot, (2) Clerks the right to waive the present cut-off for absentee ballot requests, (3) voters to return absentee ballots to polling places on election day rather than only to the Clerks' offices, and (4) to delete obsolete party preference language.

Your Committee finds that allowing Clerks the right to waive the present cut-off for absentee ballot requests if they felt sufficient time remained for the ballots to be sent to the voters and returned is desirable in that adhering to a fixed cut-off date serves no useful purpose if there is time to send and receive the absentee ballot.

Similarly, your Committee finds that allowing voters to return absentee ballots to polling places on election day in addition to Clerks' offices is also desirable because in some instances, for example on the Big Island, great distances must be traversed to return the absentee ballot to the Clerk's office and no useful purpose is served by restricting the places to which the absentee ballot may be delivered.

However, your Committee does not feel that voters 65 years or older, solely by virtue of their age, should be allowed to vote via the absentee ballot. Your Committee feels that voting by absentee ballot is and should remain an option based on good cause and

to grant the right to so vote solely on the basis of age is incongruous with such policy. Accordingly, your Committee has amended this bill by omitting the provision which would have allowed such absentee voting.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2162-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2162-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 125-80 Judiciary on H.B. No. 2164-80

The purpose of this bill is to make it unlawful to tamper with a motor vehicle without the consent of the owner or person in charge while exempting police and other emergency personnel in the performance of their official duties.

The present law does not encompass simple tampering of a vehicle.

Your Committee feels that passage of this bill would enable police to apprehend persons observed simply tampering with a vehicle without authorization. Therefore, your Committee recommends its adoption.

Your Committee has made technical amendments to correct typographical errors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2164-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2164-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 126-80 Judiciary on H.B. No. 2056-80

The purpose of this bill is to change the standard of proof when a person is to be involuntarily committed to a psychiatric hospital facility from the present language of "beyond a reasonable doubt" to "by clear and convincing evidence" by amending section 334-60 (b) Hawaii Revised Statutes.

The present law sets the standard of proof as "beyond a reasonable doubt".

Your Committee feels the substitution of the standard of "clear and convincing evidence" is appropriate for commitment proceedings which are civil proceedings. The present standard of "beyond a reasonable doubt" may prevent the hospitalization and psychiatric treatment of individuals who need treatment but who resist it and who are dangerous to themselves or the community. Accordingly, your Committee recommends the adoption of this amendment.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2056-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 127-80 Judiciary on H.B. No. 2174-80

The purpose of this bill is to extend the period of time in which the Department of Attorney General is required to deliver to an applicant for expungement all fingerprints or photographs connected with the applicant's arrest.

Under present law the Department of Attorney General has 60 days within which to deliver to an applicant for expungement all fingerprints or photographs connected with the applicant's arrest. This bill would extend such period of time to 90 days.

Your Committee heard testimony, with which it agrees, that an extended period is necessary in order to accommodate the requests for return of fingerprints and photographs in a timely manner and to avoid unnecessary complaints that may otherwise be generated.

However, such testimony also indicated that a 120 day period of time is a more realistic one given the volume of requests received by the department. Accordingly, your Committee has amended the bill to provide for a 120 day, instead of 90 day, period of time.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2174-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2174-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 128-80 Judiciary on H.B. No. 2265-80

The purpose of this bill is to amend section 11-23 of the Hawaii Revised Statutes, by deleting the terms "insanity or feeble-mindedness" and "non compos mentis" and replacing them with the appropriate statutory language currently used to describe these conditions.

Present law uses the terms "insanity or feeble-mindedness" and "non compos mentis" to describe persons who are disqualified from voting.

Your Committee heard testimony that the aforementioned terms are too ambiguous and lack operational definition. This bill attempts to clarify this particular ground for disqualifying one from voting by referencing other chapters of the Hawaii Revised Statutes which define mental illness, mental retardation and mental incapacity.

However, your Committee feels that the right to vote is such an important right that grounds upon which it is denied must be narrowly limited. Your Committee is of the opinion that solely by virtue of a person's mental condition the right to vote should not be denied. Accordingly, your Committee has amended this bill by deleting all reference to mental condition as a basis upon which to disqualify one from voting.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2265-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2265-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 129-80 Judiciary on H.B. No. 2062-80

The purpose of this bill is to update the law pertaining to the powers of district family judges by amending section 571-8.5, Hawaii Revised Statutes.

The present law does not specify the powers of district family judges to issue orders and writs, enforce judgments and admit or deny persons bail as provided by the State Constitution. Current law does not contain any provision granting power to do whatever is necessary for the promotion of justice in matters before them.

Your Committee feels that this measure clarifies the authority of district family judges and deletes the present limitations which confine the reach of the powers of the district family judges. Accordingly, your Committee recommends passage of this amendment.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2062-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 130-80 Judiciary on H.B. No. 2262-80

The purpose of this bill is to replace the term mentally "incompetent" with the term mentally "ill" with respect to persons as to whom consent to an adoption is not required, and to add the requirement that the court make a finding that such persons are incapacitated from giving consent to the adoption.

Under present law, parental consent to an adoption is not required if such parent is judicially declared to be mentally incompetent or mentally retarded and the court

dispenses with such parent's consent.

Your Committee received testimony that the term mentally "incompetent" should be amended to mentally "ill" to conform to the language in Chapter 571, Hawaii Revised Statutes, relating to the termination of parental rights since the same class of persons is being described.

Furthermore, the phrase "if the court dispenses with such parent's consent" as stated in section 578-2(c)(1)(G) creates some confusion as to its use because paragraph (2) of said section also provides for cases where the parent's consent may be "dispensed with" by the court. However, the latter case refers to fathers or stepfathers and their relationship to the child and not to mental illness or retardation.

Your Committee feels that the use of similar language in two paragraphs of the same section creates confusion.

Therefore, your Committee feels that the term mentally "incompetent" should be replaced with the term mentally "ill" and that the requirement that the court make a finding that said persons be incapacitated from giving consent to adoption be added to section 578-2(c)(1)(G), thereby clarifying any unnecessary confusion and conforming such language to Chapter 571, Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2262-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 131-80 Judiciary on H.B. No. 2061-80

The purpose of this bill is to authorize the courts to sentence persons convicted of violations to perform community service, by amending section 706-605, Hawaii Revised Statutes.

Present law provides only two sentencing alternatives for persons convicted of a violation: either a suspended sentence or a fine.

Your Committee finds that the courts are presently sentencing some traffic violators to perform community service. This bill will make it clear that the courts have authority to sentence persons convicted of violations, as well as those convicted of crimes, to perform community service. Accordingly, your Committee recommends adoption of this amendment as this type of sentencing helps the defendant and the community.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2061-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 132-80 Judiciary on H.B. No. 2166-80

The purpose of this bill is to implement the amendments to the Hawaii Constitution concerning a Commission on Judicial Discipline and to repeal Chapter 610, Hawaii Revised Statutes, made obsolete by such amendments.

Your Committee finds that pursuant to Section 5, Article VI of the Constitution of the State of Hawaii, the Supreme Court promulgated Supreme Court Rule 26 establishing the Commission on Judicial Discipline and prescribing rules for its operation. Accordingly, your Committee feels that Section 1 of the bill which mandates the Supreme Court to create such a commission, is unnecessary and has therefore deleted it.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2166-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2166-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 133-80 Health on H.B. No. 2659-80

The purpose of this bill is to encourage deinstitutionalization of the mentally ill by providing a system of alternative settings within the community under the coordination of the Department of Health.

Such a system of community-based residential treatment programs in Hawaii should include hospital-based exit programs, skilled nursing facilities, intermediate care facilities, family care homes, adult boarding homes, halfway houses, foster homes, crisis intervention centers, long-term and short-term group homes, and semi-independent living programs.

Your Committee finds that although many of these services presently exist there are many gaps in services; there is no coordination of services so that a person suffering from mental or emotional illness can move along a continuum of services.

Your Committee received supportive testimony from the Department of Health, which indicated through a recent survey by the Mental Health Division that "there is a pressing need for the various types of residential treatment program elements contained in this bill". Supportive testimony was also received from the Mental Health Association, the Queen's Medical Center, Hawaii Psychiatric Society, Hawaii Psychological Association, and various other private agencies and community persons.

Your Committee on Health is very concerned with providing adequate alternative services to institutionalization and is very supportive of the concepts outlined in this bill.

Your Committee finds that although the bill outlines program elements of the system to be initiated and sets up criteria for eligibility of applicants, the Department of Health has not reached the point of being able to establish what services are most needed and what budget will be required. Your Committee feels that there will be a time element involved in setting up this system and in coordinating services, and has therefore amended the bill by reducing the appropriation from \$1,200,000 to \$600,000.

Your Committee has also made a technical change on page 8, line 22 under Section 334- Advisory Committee, that a majority of the members should be five members rather than three members.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2659-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2659-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 134-80 Transportation on H.B. No. 2897-80

The purpose of this bill is to broaden the power of the Department of Transportation over harbors and maritime operations by allowing the department to enter into a lease agreement of a special facility without public hearing.

H.B. No. 2897-80 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 Transportation is in accord with the intent and purpose of H.B. No. 2897-80, as amended herein, and recommends that it be recommitted to the Committee on Transportation, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2897-80, H.D. 1.

Signed by all members of the Committee except Representative Nakamura.

SCRep. 135-80 Transportation on H.B. No. 2643-80

The purpose of this bill is to amend Chapter 239, Hawaii Revised Statutes, which will exempt passenger cruise ship operators, between the islands of Hawaii, from public service company taxes.

H.B. No. 2643 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 appraised, 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 Transportation is in accord with the intent and purpose of H.B. No. 2643-80, as amended herein, and recommends that it be recommitted to the Committee on Transportation, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2643-80, H.D. 1.

Signed by all members of the Committee except Representative Nakamura.

SCRep. 136-80 Energy on H.B. No. 1908-80

The purpose of this bill is to create a tax credit for heat pump systems.

Your Committee agreed with testimony presented by Heat Pumps Hawaii, Cody Co., and Hawaiian Electric Co., Inc., who stated that the heat pump is an excellent new energy saving technology whose potential for reducing our overall dependence on imported energy is tremendous. Your Committee cites a 1978 Dept. of Energy study at the Oak Ridge National Laboratory which concluded that "...heat pump water heaters are likely to offer much larger energy and economic benefits than will solar systems, even with tax credits."

Your Committee agreed with the Department of Planning and Economic Development's recommendation that the tax credit for both heat pumps and solar water heaters be the same. Because of this your Committee has amended the bill by deleting the entire Section 1 clause, and replacing it with a new Section 1 which amends Section 235-12 by including heat pumps in the definition of "solar energy device", as used in the Section. This amendment serves to allow tax credits for heat pump systems, while also keeping the amount of the tax credit consistent with that of solar energy devices.

Your Committee on Energy is in accord with the intent and purpose of H.B. No. 1908-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1908-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takitani.

SCRep. 137-80 Housing on H.B. Nos. 2875-80, 2876-80, 2960-80 and 3031-80

The purposes of these bills and relevant committee discussions are set forth below.

The purpose of H.B. No. 2875-80, entitled "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CAPITAL IMPROVEMENTS AT KAMEHAMEHA HOMES", is to appropriate \$1,395,000 for capital improvements at Kamehameha Homes. These funds are for fencing, flooring, additional parking, and for the upgrade of the units.

The purpose of H.B. No. 2876-80, entitled "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CAPITAL IMPROVEMENTS AT KAAHUMANU HOMES", is to appropriate \$775,000 for capital improvements at Kaahumanu Homes. These funds are to be utilized for fencing, tile flooring, additional lighting in parking and building areas, additional parking spaces, mailboxes, and the enclosure of the outside wash area.

The purpose of H.B. No. 2960-80, entitled "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PALOLO HOMES", is to appropriate \$1,425,000 for capital improvements at Palolo Homes. Your Committee has amended this bill by inserting a lapsing clause

with June 30, 1981 as the appropriate date for lapsing.

The purpose of H.B. No. 3031-80, entitled "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE INSTALLATION OF A SECURITY AND EMERGENCY CALL SYSTEM AT MAKUA ALII, OAHU", is to appropriate \$150,000 for the installation of a security and emergency call system at the Makua Alii housing project. Your Committee has inserted June 30, 1981 as the appropriate date for lapsing.

Your Committee received supporting testimony from the Hawaii Housing Authority for all four bills. The Authority stated that a major problem is the increasing maintenance and operating costs of the Authority's projects and expressed the need for continuous allocations of repair and maintenance funds in addition to capital improvement funds for major improvements.

Your Committee on Housing is in accord with the intent and purpose of H.B. Nos. 2875-80, 2876-80 and 2960-80 and 3031-80, as amended herein, and recommends that these bills pass Second Reading in the form attached hereto as H.B. Nos. 2875-80, 2876-80, 2960-80, H.D. 1, and 3031-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 138-80 Housing on H.B. No. 3032-80

The purpose of this bill is to provide for the upgrade and maintenance of units of the Paokalani housing project.

Your Committee received supporting testimony from the Hawaii Housing Authority. Upon the recommendation of the Authority, your Committee has deleted the provisions for repairs for ventilation and water leakage. Your Committee has inserted June 30, 1981 as the appropriate date for lapsing.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3032-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3032-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 139-80 Housing and Youth and Elderly Affairs on H.B. No. 3028-80

The purpose of this bill is to provide funds for the following improvements: the upgrading of refrigerators, installation of smoke detectors and fire extinguishers, repair of cracks in walls, and improvement of lighting within units and the building.

Your Committees received supporting testimony from the Hawaii Housing Authority and the Kokua Council for Senior Citizens.

Your Committees have deleted specific amounts for the improvements and inserted June 30, 1981 as the appropriate lapsing date for this appropriation.

Your Committees on Housing and Youth and Elderly Affairs are in accord with the intent and purpose of H.B. No. 3028-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3028-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 140-80 Education on H.B. No. 2294-80

The purpose of this bill is to provide \$373,350 for the establishment and maintenance of ten alternative learning centers in the Honolulu and Leeward education districts.

Alternative learning centers provide alternative educational options for alienated students who have problems in functioning successfully in the conventional school setting. Alternative education meets the objectives and requirements of a conventional school program but differs from the conventional program in environment, structure, and/or learning styles. Students are given the opportunity to function at their level

of proficiency, and to improve their self-worth and self-image through the alternative settings and curricula.

The Department of Education testified in support of the bill, provided that the funding for the alternative learning centers will not jeopardize the department's biennial budget and programs.

An alternative learning center teacher-coordinator testified in support of the bill, indicating that the alternative learning center program can yield positive results for severely alienated students, but that funds for this program have been limited thus far.

A parent whose children are participants of the alternative learning center program and a student who is currently participating in the program also testified in support of the bill, making reference to desirable behavioral and attitudinal changes that have been noted as a result of participating in the program.

Testimonies received from school principals, a school counselor, and student participants also supported this program.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2294-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 141-80 Education on H.B. No. 2299-80 (Majority)

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

House Bill No. 2299-80 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. 2299-80, 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. 2299-80, H.D. 1.

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

SCRep. 142-80 Education on H.B. No. 2551-80

The purpose of this bill is to implement Article X of the Constitution of the State of Hawaii as amended by the Hawaii Constitutional Convention of 1978 and pertaining to the power of the board of education.

House Bill No. 2551-80 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.

2551-80, 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. 2551-80, H.D. 1.

Signed by all members of the Committee.

SCRep. 143-80 Health on H.B. No. 1837-80

The purpose of this bill is to appropriate grants-in-aid for various private, non-profit mental health-related programs in the State of Hawaii.

Testimony was presented by the Mental Health Coalition, a representative body of various mental health services organizations, which provides a system of services ranging from prevention to crisis intervention and community reintegration.

Your Committee supports the programs represented by the Mental Health Coalition and recommends an appropriation of the sum of \$275,637 to be expended by the Department of Health.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1837-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 144-80 Health on H.B. No. 2084-80

The purpose of this bill is to appropriate funds for a grant-in-aid to the Waianae Coast Comprehensive Health Center for 1) continuation of a new administration building; 2) renovations of the existing structures; and 3) improvements to the existing roadway and parking areas.

Your Committee finds that the Waianae Coast Comprehensive Health Center services an area of approximately 125 square miles, from Kaena Point to Makakilo, and a population of approximately 60,000. Since its operation began in 1969, the Center has expanded and grown, providing more comprehensive medical services, including clinics, dental care and emergency medical services. With the increase of patients there has developed a problem of inadequate space to house staff and provide services.

Your Committee also finds that there is a problem of access to the Waianae Coast Comprehensive Health Center in that the road and parking lot are unpaved, the road is presently so inadequate for public transportation that patients must walk up a steep hill to reach the Center, and the parking lot is inadequate in size to accommodate present requirements.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2084-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 145-80 Health on H.B. No. 2085-80

The purpose of this bill is to appropriate funds for the Waianae Coast Comprehensive Health Center to continue to provide emergency medical services after hours and to expand the hours of operation of the emergency room.

Your Committee finds that the Waianae Coast Comprehensive Health Center provides after hours clinic and emergency services to the residents of the Waianae area. Last year the Legislature appropriated \$24,000 to expand the hours of emergency room services. The request for an additional \$26,000 would permit the emergency room to operate extended hours during the weekend period.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2085-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 146-80 Health on H.B. No. 2119-80

The purpose of this bill is to encourage deinstitutionalization of developmentally disabled persons through the provision of respite services.

Supportive testimony was presented from the Department of Health, the Commission on the Handicapped, Easter Seal Society, Hawaii Association for Retarded Citizens, Hilo and Maui, and from many parents. The various testimonies reflected the need for respite services, in providing a support service that allows parents, foster parents and guardians some relief from the twenty-four hour a day responsibilities of caring for these developmentally disabled persons.

Many parents testified that services such as respite allowed them to keep their handicapped child at home rather than in an institution. Your Committee finds that providing these support services is far more cost-effective than the alternative of institutionalization. Your Committee is also aware that parents are presently willingly contributing toward the cost of respite services.

Your Committee has amended this bill to increase the appropriation by \$15,000, from \$65,000 to \$80,000. Your Committee on Health has also amended the bill to designate that the following agencies be included to receive funds for providing respite services:

Easter Seal Society of Oahu
Hilo Association for Retarded Citizens
Maui Association for Retarded Citizens
Ruger Center, Oahu

Your Committee has made other technical changes to the bill for the purpose of clarification.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2119-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2119-80, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 147-80 Health and Youth and Elderly Affairs on H.B. No. 2439-80

The purpose of this bill is to appropriate \$343,000 for construction of a new Easter Seals facility to provide services for handicapped children and adults.

The Department of Health testified in support of this capital improvement appropriation and indicated that the present facilities have been determined to be unsafe due to the age of the structure.

Your Committees are aware that funds were appropriated in 1979 for planning and that the planning is almost completed. This appropriation supplements those funds previously allocated.

Your Committees on Health and Youth and Elderly Affairs are in accord with the intent and purpose of H.B. No. 2439-80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 148-80 Health on H.B. No. 2546-80

The purpose of this bill is to reinstate the amount of \$800,000 previously appropriated as grants-in-aid to Kuakini Medical Center.

Your Committee finds that these previous grants-in-aid to Kuakini have not been released by the Executive branch and unless re-appropriated by this Legislature these funds will lapse.

The funds were allocated for planning and construction of a new building for the purpose of providing care to the elderly. Your Committee is aware that these facilities have been built and that the appropriation of \$800,000 would help to defray costs and would help to offset the current debt for the Medical Center.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2546-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 149-80 Health on H.B. No. 2576-80

The purpose of this bill is to appropriate \$500,000 as a grant-in-aid for the construction of a six holding bed nursing module at the Lucy Henriques Medical Center.

Testimony presented indicated that the establishment of these holding beds is a preferable alternative which is more cost effective than providing "critical care" beds. This module would be utilized for stabilizing emergency cases prior to transporting to Hilo Hospital and for providing observation and monitoring after providing emergency care.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2576-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 150-80 Health on H.B. No. 2619-80

The purpose of this bill is to provide \$550,000 for plans and designs for the development of a new Honokaa Hospital.

These funds are to be expended by the Department of Accounting and General Services.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2619-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 151-80 Health on H.B. No. 2758-80

The purpose of this bill is to provide funds for the construction of a helipad at Castle Memorial Hospital.

Your Committee finds that Castle Hospital is a busy emergency center, providing emergency services to residents on Windward Oahu.

The Hospital presently utilizes the Medivac helicopter and is using a section of the parking lot for a helicopter landing area. Your Committee was shown photos of the area and heard testimony stating the dangers of using a parking area for these helicopter landings.

Your Committee has amended this bill to provide an appropriation of \$105,000.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2758-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2758-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 152-80 Health on H.B. No. 2769-80

The purpose of this bill is to appropriate funds for construction and renovation to the hospital.

Your Committee is aware that the Rehabilitation Hospital of the Pacific provides services for severely physically disabled persons in Hawaii and the entire Pacific region.

The hospital facility is located on the grounds of the old Children's Hospital. The Rehabilitation Hospital has in effect a master plan and this request for funding is to provide for new construction and renovation of existing buildings in order to expand services. This appropriation is to replace previously appropriated funds which have

lapsed or will lapse by June of 1980.

Testimony presented states that the hospital will be able to obtain matching federal funds to supplement any state appropriated funds.

Your Committee has amended this bill to provide an appropriation of \$876,000.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2769-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2769-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 153-80 Higher Education and Agriculture on H.B. No. 2282-80

The purpose of this bill is to provide an appropriation to expand and refine the educational programs and activities designed to upgrade the agri-business knowledge and skills of Hawaii's farmers.

Your Committees find that for continued growth and development of diversified agriculture, farmers today and especially the new farmers need a new level of agri-business "know-how."

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

Your Committees have amended this bill by providing an appropriation of \$20,000 to carry out the purpose of this bill.

Your Committees have amended this bill by providing that the Governor's Agricultural Coordinating Committee, instead of the College of Tropical Agriculture and Human Resources of the University of Hawaii, is to be the expending agency.

Your Committees further amended the bill by adding sentence to provide that the Governor's Agricultural Coordinating Committee is authorized to promote the diversified agriculture industry by contract or contracts with State or County agencies or with a private industry when it deems it more advantageous to do so.

Your Committee on Higher Education and Agriculture are in accord with the intent and purpose of H.B. No. 2282-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2282-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 154-80 Higher Education and Agriculture on H.B. No. 2280-80

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 and Human Resources 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 Higher Education and Agriculture is in accord with the intent and purpose of H.B. No. 2280-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 155-80 Higher Education and Agriculture on H.B. No. 2273-80

The purpose of this bill is to provide an appropriation for one additional extension agent to restore the level of agricultural services to the farmers in the East Oahu area.

Your Committees find that visitations to farms in East Oahu by agents of the cooperative extension services, College of Tropical Agriculture and Human Resources, have become increasingly less frequent in the recent years.

Your Committees on Higher Education and Agriculture are in accord with the intent and purpose of H.B. No. 2273-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 156-80 Higher Education and Agriculture on H.B. No. 2271-80

The purpose of this bill is to provide an appropriation for one full time vegetable crop scientist on a full time basis at the Kula Branch Station, College of Tropical Agriculture.

Your Committees find that the vegetable crop industry is an important and growing entity of Maui. In 1978, Maui produced about 4.9 million dollars worth of vegetables and the amount is climbing steadily.

Current demands for assistance on vegetable problems from vegetable farmers on Maui have accelerated accordingly.

Your Committees have amended this bill by providing an appropriation of \$70,000 for a full time vegetable crop scientist, and an additional agricultural technician.

Your Committees on Higher Education and Agriculture are in accord with the intent and purpose of H.B. No. 2271-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2271-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 157-80 Higher Education and Agriculture on H.B. No. 2279-80

The purpose of this bill is to provide an appropriation for one additional plant crop extension agent to provide agricultural services to the expanding diversified agricultural industries in Kona area.

Your Committees find 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 \$30,000 to the College of Tropical Agriculture and Human Resources for a plant crop agent for the fiscal year 1980-81.

Your Committees on Higher Education and Agriculture are in accord with the intent and purpose of H.B. No. 2279-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2279-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 158-80 Agriculture and Higher Education on H.B. No. 2114-80

The purpose of this bill is to provide for the establishment of a permanent program for the identification of alternate crops for Kohala, to ensure on a continuing basis agricultural utilization of Kohala land. The bill appropriates \$100,000 and 9 positions

of permanent basis.

Your Committees heard testimony from the College of Tropical Agriculture and Human Resources (CTAHR) of the University of Hawaii which is presently engaged in experiments on feed, forage and beef feeding research, together with crops like corn and alfalfa. This particular project was first funded by the Kohala Task Force. According to CTAHR since the appropriation of \$100,000 (9.00 positions) contained in H.B. No. 2114-80 together with the \$100,000 already in the College's budget, would provide a total of \$200,000 to continue for another year the feed and forage research and other experiments into possible alternative crops. However, the College does not believe that it can justify a permanent station at the present time.

Your Committees find that the need for new jobs, new agricultural industries and alternative economic sources is a statewide concern.

Your Committees after careful review and deliberation of the current alternate crop research at Kohala have recommended the following:

- (1) Since experiments on alternate crops, such as corn and alfalfa are now about completed data gathered can be used in other areas.
- (2) Fund the alternate crops project for Kohala, Hawaii for one more year.
- (3) Delete the proposed 9 permanent position counts.
- (4) College of Tropical Agriculture and Human Resources relocate their alternate crop research from Kohala to Hilo Coast area to determine the crops most likely to be strong economic factors so that greater direction can be provided for the State's agricultural efforts.

Therefore, your Committees have amended Section 2 of the bill by deleting the nine (9) position counts and using existing temporary employed to continue the alternate crop research at Kohala.

Your Committees on Agriculture and Higher Education are in accord with the intent and purpose of H.B. No. 2114-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2114-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 159-80 Agriculture on H.B. No. 2497-80

The purpose of this bill is to increase the interest rate for class "D" emergency loans from three (3) to five (5) percent.

Your Committee finds that the proposed increase is consistent with current emergency loan policy administered by the Farmers Home Administration.

Your Committee agrees with the general purpose and intent of the program. The amendments proposed in this bill to bring emergency loan interest rates in line with other government agencies such as, Farmers Home Administration and Small Business Administration.

Your Committee amended this bill to make technical amendments.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2497-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2497-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 160-80 Agriculture on H.B. No. 2278-80

The purpose of this bill is to provide funding to the Department of Agriculture for the continuing operation of a new and young farmers' program for the fiscal year 1980-81.

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 has heard testimony from the State Department of Agriculture, the Hawaii Farm Bureau Federation, and College of Tropical Agriculture and Human Resources, and Lesley Hill-Higgins, Past President of the Hawaii Young Farmers' Association, in support of this bill.

Your Committee has amended this bill by providing an appropriation of \$50,000, to be expended in fiscal year 1980-81.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2278-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2278-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 161-80 Agriculture on H.B. No. 2571-80

The purpose of this bill is to provide all Milk Control Division employees with the benefits and tenure of civil service coverage.

The Department of Agriculture in its testimony stated that the exempt status at the outset of the Milk Control Program and shortly thereafter, was necessary to allow flexibility in negotiating for the best qualified personnel to get the job done. The Milk Control Division under the direction of its present Commissioner have developed an efficient management program by promulgation of rules and regulation. The Division of Milk Control has been in existence since 1967 and the State has consistently awarded civil service status to exempt employees when a new division through time performs as an integral part of a department.

The Oahu Dairy Cooperative in its testimony stated that the milk industry is a complex business, and the present Commissioner is managing an effective program, and support passage of bill.

The 50th State Dairy Farmers Cooperative in its testimony stated that they have definite concern about potential negative effects resulting from all personnel being converted to permanent civil service status.

Your Committee after careful review and deliberation has amended Section 3 to read as follows:

"Sec. 157-12 Assistant and employees. The Commissioner may, with the approval of the board, employ by contract or otherwise, such assistances and employees as may be necessary to carry out this chapter and amendments thereto. They shall be subject to chapters 76, 77, and 78.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2571-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2571-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 162-80 Agriculture on H.B. No. 2275-80

The purpose of this bill is to make an appropriation for further research on alternate crops that are suitable for commercial production on the existing sugarcane lands of the Hilo Coast.

College of Tropical Agriculture and Human Resources in its testimony stated, the

first alternative that must be considered is a system of alternative uses of sugarcane that are economically feasible. These uses are various combinations of alcohol, organic fertilizers, animal feeds, bagasse and other by-products in additions to sugar. Alternatives amongst crops other than sugar being considered in terms of ecological constraints, comparative costs and returns, and market potential. A list of possible crop is currently being developed.

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

Your Committee has amended this bill by providing an appropriation of \$10,000 for further research on alternate crops.

Your Committee also amended the bill by making the Governor's Agricultural Coordinating Committee the expending agency instead of department of agriculture.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2275-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2275-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 163-80 Agriculture on H.B. No. 2270-80

The purpose of this bill is to provide an appropriation to expand research and development of disease resistance ginger root.

College of Tropical Agriculture and Human Resources in its testimony stated that there are three major diseases of edible ginger: (1) bacteria wilt; (2) fusarium wilt; and (3) root knot nematode. Experience in breeding for resistance to these diseases in other crops has proven to be difficult.

Your Committee finds that among the commercial crops which have been grown successfully in Hawaii, root ginger has significant export potential.

Your Committee has amended this bill by providing an appropriation of \$20,000 for expanded research and development.

Your Committee also amended the bill by making the Governor's Agricultural Coordinating Committee the expending agency instead of College of Tropical Agriculture and Human Resources, University of Hawaii.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2270-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2270-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 164-80 Agriculture on H.B. No. 2269-80

The purpose of this bill is to provide an appropriation of \$200,000 to support sugarcane research to develop new varieties of sugarcane which are high in sugar content and high in fiber content for energy production.

Your Committee finds that Hawaii's sugarcane industry continues to be a major contributor and represent a vital element to the State's economy and its protection and support is clearly in the public interest. Your Committee also finds that recent developments including ratification by the United States Senate of a new international sugar agreement have generated renewed optimism among sugar producers in Hawaii and elsewhere in the nation.

Your Committee has heard testimony from the Hawaii Farm Bureau, State Department of Agriculture, representative of the Governor's Agricultural Coordinating Committee in support of this bill.

Your Committee has amended Section 1, second paragraph to read: The basic objective of such research is for: (1) the development of new varieties of sugarcane which

(a) are high in sugar content, and (b) are high in fiber content for energy production purposes; (2) improve agronomic practices to maximize yield from new varieties.

Your Committee also, 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 State or County agencies or with a private industry 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. 2269-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2269-80, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 165-80 Agriculture and Water, Land Use, Development and Hawaiian
Affairs on H.B. No. 2496-80

The purpose of this bill is to require the board of land and natural resources to submit all agricultural park project and the needed appropriation for its development to the legislature.

Your Committees find the development of agricultural parks is an important step in the promotion of diversified agriculture, and the preservation of agriculturally suitable lands.

Testimony presented by the Hawaii Farm Bureau and the State Department of Agriculture spoke in favor of the bill provide certain amendment was made. Accordingly, your Committees have amended Sec. 171-118 (1) read: Any agricultural park designated by the Board of Land and Natural Resources and the legislature is situated within the state land use agricultural district. The board of land and natural resources shall submit to the legislature a resolution for review on any agricultural park designated for development after June 30, 1980 in the manner provided for in subsection (5) of this section.

Your Committees on Agriculture and Water, Land Use, Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 2496-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2496-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 166-80 Agriculture and Water, Land Use, Development and Hawaiian
Affairs on H.B. No. 2281-80

The purpose of this bill is to provide an appropriation to expedite the implementation of the Kula Agriculture Park in Kula, Maui.

The County of Maui Economic Development in its testimony stated that; (1) the County of Maui has initiated the first phase of the Kula Agricultural Park and it will consist of 326.6 acres of land, subdivided into 22 lots ranging in size from 10 to 30 acres; (2) In their planning process the main water transmission lines, reservoir, and pumping equipment are designed to supply 451 acres and not just the 326.6 acres for the first phase; (3) Cost of the system will far exceed the maximum funds budgeted for the project; (4) will need additional \$1 million to implement the first phase, and another \$1 million for the development of the second phase of the project.

Your Committees find that the development of agricultural park concept remains an essential tool for the continuing growth and stability of agriculture in Hawaii.

Your Committees have amended this bill by providing an appropriation of \$2,000,000 for the Kula Agricultural Park.

Your Committees after careful review and deliberation of the Kula Agricultural Park recommend that the appropriation should be expended as follows:

- (1) State acquire and develop the 125 acres on the upper end of the proposed county Kula Agricultural Park.

- (2) Make funds available for the main water transmission line for the 1st and 2nd increment.
- (3) The State will administer the 2nd increment of the Kula Agricultural Park.

Your Committees on Agriculture and Water, Land Use, Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 2281-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2281-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 167-80 Ecology and Environmental Protection and Agriculture on
H.B. No. 2283-80

The purpose of this bill is to appropriate money from the general revenues of the State of Hawaii for the performance of a feasibility study on recycling of solid livestock and poultry wastes. The objective of the study is to identify or develop and implement programs or techniques which have high efficiency and effectiveness in minimizing fly population and offensive odors on one hand, and generating revenues for livestock owners on the other.

Testimony received indicated that a testing period of three years at a funding level of \$20,000 per year would be required to complete the study.

Your Committees have amended this bill by providing an appropriation of \$20,000 to be expended by June 30, 1981 under the auspices of the governor's agriculture coordinating committee. The decision to continue funding must be made in the future. Your Committees have also amended section one of this bill by adding the following phrase after line 8.

"while determining economically feasible uses for animal and poultry wastes."

Your Committees on Ecology and Environmental Protection and on Agriculture are in accord with the intent and purpose of H. B. 2283 as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H. B. 2283, H. D. 1.

Signed by all members of the Committees.

SCRep. 168-80 Culture and the Arts on H.B. No. 2420-80

The purpose of this bill is to appropriate funds to the Hawaii County Economic Opportunity Council (HCEOC) for the implementation of the Language Arts Multi-Cultural Program in the County of Hawaii, fiscal year 1980-1981.

The Language Arts Multi-Cultural Program (LAMP) started in 1977 with federal funding but became ineligible for continued federal funding. LAMP is designed to meet the particular educational needs of children whose primary language is not English. LAMP complements regular school curricular offerings for educational underachievers through basic skills tutoring, developing language capabilities and positive self-concepts through multi-cultural understandings, and involving parents in formal educational activities.

The success of the LAMP program can be measured by test scores of children who participated in the program. At Hookena School, 93 per cent of the 4th graders scored below average on their SAT scores in 1977. After one year of LAMP operations, only 17 per cent of the students scored below average.

Testimony presented expressed parental and community support for the program.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2420-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 169-80 Culture and the Arts on H.B. No. 2335-80

The purpose of this bill is to provide a grant-in-aid of \$30,000 to the Kalihi-Palama Culture and Arts Society to continue its community services for fiscal year 1980-1981.

The Kalihi-Palama Culture and Arts Society is a concentrated effort based deep in community participation. Continued funding for this organization is encouraged because it has successfully tapped the cultural and educational benefit for its community through local and various eminently competent instructors and because it has successfully disseminated this instruction to the community-at-large through regular and many cultural and folk art activities, such as crafts projects, martial arts classes, and a pottery program at the Hawaii State Prison. Other activities of the Society include provision of support services to the Hawaii Council on Portuguese Heritage, the State Library for the blind and physically handicapped, and a ballet (Ballet Folklorio Latino).

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2335-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 170-80 Culture and the Arts on H.B. No. 2202-80

The purpose of this bill is to provide a grant-in-aid of \$25,000 to the Jones-Ludin Dances We Dance Company to plan and produce concert tours on Oahu, Kauai, Maui and Hawaii. No funds shall be made available under this Act unless other federal funds and private contributions provide \$61,000 for this purpose.

The grant is being requested to help pay for production costs for two separate Dances We Dance seasons of ten performances each at the Jones-Ludin Dance Center in Fall, 1980 and Spring, 1981. The company is undertaking plans to achieve new dimensions and artistic excellence in several areas including workshops and performances designed to develop dancers within the company and from Hawaii.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2202-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 171-80 Culture and the Arts on H.B. No. 2203-80

The purpose of this bill is to provide a grant-in-aid to the Akiko Dance Company in the sum of \$5,000 for operational expenses.

The request for \$5,000 will cover expenses for 21 days of touring in local junior and senior high schools, and purchase of materials, supplies (costumes, masks, office supplies), and video and transportation equipment. The work of the Akiko Dance Company stems from the rich landscape and cultural heritage of the islands, an important form of creative and cultural expression only recently discovered and performed.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2203-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 172-80 Culture and the Arts on H.B. No. 2312-80

The purpose of this bill is to provide \$50,000 for the Scandinavian Commission to plan, organize, and present cultural activities in celebration of the centennial anniversary of the first large group of Scandinavian immigrants to Hawaii. Funds appropriated will be obligated during the fiscal year 1980-1981.

Your Committee believes that the 100th anniversary of the Scandinavians' arrival in Hawaii merits state-wide recognition and funding. A state-sponsored celebration, as planned and coordinated by the Scandinavian Commission, would be a golden opportunity

for the Scandinavian community to finally honor some of the surviving immigrants who came to Hawaii at the turn of the century.

Programs being planned for 1980-1981 consist of comprehensive and coordinated activities such as asking the Norwegian postal authorities to issue a commemorative stamp, a possibility of bringing over an orchestra and choir from Norway, guest lectures at the University of Hawaii, exploring the possibility of obtaining Hawaiian artifacts from collections in Nordic countries and bringing them back to Hawaii, and recommending an invitation to a Scandinavian personality of acknowledged standing to attend the celebration's festivities in Hawaii.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2312-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 173-80 Culture and the Arts on H.B. No. 1928-80

The purpose of this bill is to provide \$25,000 for continued support of the Filipino 75th Anniversary Commission.

In 1979 the Filipino 75th Anniversary Commission requested \$75,000 from the Legislature and was granted \$50,000. Extra monies are being requested to further finance the celebration in terms of events such as a video tape entitled The Filipino Experience, and work by committees, such as festival committee: construction costs, observance committee: rental, production, and printing costs, Elderly and Youth Committee, and the Symposia Committee. Other expenses include a beauty contest (Miss Candidata project), Art and Archeology Exhibition, and air and ground travel for neighbor island commissioners for monthly commission meetings.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1928-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 174-80 Culture and the Arts on H.B. No. 2199-80

The purpose of this bill is to provide a grant-in-aid to the Honolulu Symphony Society in the sum of \$200,000 for conducting concert tours in the City and County of Honolulu and to the neighbor islands.

At the present time, the Honolulu Symphony serves as a focal point for musical activities throughout the state. Reaching an audience of 230,000 annually, Symphony presentations include educational programs, concerts, opera and ballet. The Honolulu Symphony performs an important and necessary function in Hawaii because it involves its people in an educational and recreational manner on a statewide basis. Your Committee believes that further funding of this program will immeasurable benefit the people of Hawaii culturally and educationally.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2199-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 175-80 Culture and the Arts on H.B. No. 2894-80

The purpose of this bill is to provide \$45,000 to the Hawaii Council on Portuguese Heritage for the fiscal year 1980-1981.

Your Committee believes that the Hawaii Council on Portuguese Heritage deserves state-wide recognition and should get funds from the state. The activities of the Council are a golden opportunity for the Portuguese community to explore, preserve, and share the many different aspects of Portuguese culture with the general public.

The Hawaii Council on Portuguese Heritage is a statewide organization established for the purpose of preservation, perpetuation, and furtherance of the culture of the Portuguese people in Hawaii. A major purpose of the Council is to encourage, support, and coordinate activities of other organizations promoting Portuguese culture and sharing its cultural resources with the general public.

The Hawaii Council on Portuguese Heritage has participated strongly in community service projects, exhibits, concerts, folk festivals, lectures and demonstrations in the areas of visual and performing arts and demonstrations in Portuguese arts and crafts.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2894-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 176-80 Culture and the Arts on H.B. No. 2803-80

The purpose of this bill is to provide a grant-in-aid of \$20,000 to the Hawaiian Railway Society for continuing restoration of an operating railway line along the 11-mile former Oahu Railway mainline.

The track is both state-owned and listed on the National Register of Historic Places. It now requires extensive repair and maintenance primarily through equipment restoration. Bridge timbers must be replaced, rotten ties removed and replaced, vegetation and shrub removed, among other things. Moreover, its preservation is not only for the purposes of historicity and cultural appreciation but also for operation and use by citizens and tourists of Hawaii alike. The state-owned track terminates at the Waipahu Cultural Garden Park where educational exhibits attracts visitors regularly.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2803-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 177-80 Health on H.B. No. 2116-80

The purpose of this bill is to appropriate funds for the operation of a statewide poison information service by the Hawaii Poison Center.

Your Committee finds that poisoning is the most common pediatric medical emergency and nearly two thirds of poisoning incidents involve children. Poison information is a major component of emergency medical services.

The Hawaii Poison Center provides information to the entire State of Hawaii on a 24-hour basis. The Center has requested funds for expansion, to (1) provide better access to the Poison Center for the neighbor islands and (2) to provide a more comprehensive public education program aimed at preventing accidental poisoning, especially of children.

Your Committee finds that the availability of the services of the Hawaii Poison Center is vital to the well-being of the residents of the State and is an integral part of our emergency medical services.

Your Committee has amended this bill to insert the amount of \$106,737 as the appropriation made in Section 1, line 2.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2116-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2116-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 178-80 Public Employment and Government Operations on H.B. No. 1964-80

The purpose of this bill is to make the conduct and reporting of studies relative to public employee compensation permissive rather than mandatory.

With the advent of public sector collective bargaining, the need for a compulsory annual compensation study is deemed unnecessary. The opportunity to determine when a compensation study may become necessary and also which classes of work need to be reviewed can be left to the discretion of the personnel director.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1964-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 179-80 Public Employment and Government Operations on H.B. No. 2774-80

The purpose of this bill is to make an appropriation for the construction of a new Molokai State Office Complex Building at Kaunakakai, Molokai.

The old State Office Building at Kaunakakai, Molokai burned down recently. This building, however, was overcrowded. The Department of Accounting and General Services recommends that a larger facility be constructed to accommodate the present occupants of the State Office Building and to accommodate the Department of Social Services. A building of 8,500 square feet would meet this need and would cost \$1,510,000 to construct and equip.

Your Committee has amended this bill to reflect the new construction cost.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2774-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2774-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 180-80 Public Employment and Government Operations on H.B. No. 2472-80

The purpose of this bill is to repeal the reporting requirement of the Executive Budget Act. This bill would repeal H.R.S. Sec. 37-71(c) requiring a report on the amount and percentage changes in expenditures between the biennium in progress and the ensuing biennium for each program at the lowest level of the state program structure.

Specifically, the elimination of the reporting requirement would reduce the volume of the Executive Budget document by deleting report B1 consisting of 157 pages. The Department of Budget and Finance testified in favor of this bill.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2472-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 181-80 Public Employment and Government Operations on H.B. No. 2955-80

The purpose of this bill is to appropriate the sum of \$100,000 for the renovation of the eighth floor of the Kamamalu Building, Oahu.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2955-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 182-80 Youth and Elderly Affairs on H.B. No. 1931-80

The purpose of this bill is to provide an appropriation of \$54,000 to expand the youth and elderly programs of the Kalihi-Palama Community Service Center. The Progressive Neighborhoods Programs is designated the expending agency.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1931-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 183-80 Youth and Elderly Affairs and Health on H.B. No. 2120-80

The purpose of this bill is to appropriate \$190,000 to the Department of Health for contracting with private organizations to provide services which complement the public agencies' efforts to provide infant development services to the developmentally disabled/delayed children.

The Commission on the Handicapped testified that they had reviewed data which indicated that these private agencies "currently provide 48 percent of the total infant and child development services in the State." Several agencies and many parents testified in support of these programs.

Your Committees find that providing these services has long range benefits for the State by avoiding costly institutionalization, preparing disabled children to become integrated into the DOE program, and helping these children develop independence. Your Committees also find that increased outreach work would increase the number of infants in need of services.

Your Committee on Youth and Elderly Affairs and your Committee on Health are in accord with the intent and purpose of H.B. No. 2120-80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 184-80 Education on H.B. No. 2526-80

The purpose of this bill is to appropriate funds for capital improvement projects in Kailua, Oahu.

Under this bill, \$100,000 shall be appropriated for plans and construction of athletic facilities, and ground improvements at Kailua High School, and \$100,000 shall be appropriated for plans, land purchase, and construction of Hamakua Road.

The Department of Education, Windward District Office, testified in support of the bill, and indicated that Kalaleo High School presently does not have an athletic field and that the existing physical education field at the school is inadequate to accommodate both the athletic program and physical education program.

The President of the Kalaheo High School Parents-Teachers-Students Association also testified in support of the bill, and indicated that Kalaheo High School was originally constructed as an intermediate school and thereby lacks some standard facilities found in most high schools such as an athletic field complex.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2526-80 and recommends that it be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Say, Ushijima and Uwaine.

SCRep. 185-80 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2094-80

The purpose of this bill is to appropriate \$91,000 to the Office of Lieutenant Governor for fiscal year 1980-81 to reimburse the counties for expenses incurred in the registration of voters for the 1980 election of board members for the Office of Hawaiian Affairs.

Presently, \$65,000 is appropriated to the Office of the Lieutenant Governor for fiscal year 1980-81 to conduct the election of board members for the Office of Hawaiian Affairs. This bill will appropriate an additional \$91,000 to the Office of the Lieutenant Governor to reimburse the counties for expenses incurred in the registration of voters for this election.

Your Committee is in agreement with testimony received from the State Department of Hawaiian Home Lands, Office of the Lieutenant Governor, and Association of Clerks and Election Officers of Hawaii that this additional appropriation is needed because this voter registration effort will be expensive considering there is no roll of qualified registered voters available for this election.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2094-80 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. 186-80 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2001-80

The purpose of this bill is to exempt from the screening requirement of section 264-85 junkyards in existence on or before May 4, 1966 located in areas adjacent to federal-aid and state highways zoned industrial.

Your Committee recognizes that the operation of junkyards in industrially zoned areas to be compatible with the surrounding land use. The Department of Transportation testified to the difficulty of policing the few junkyards that have been in existence. Further, said department testified that the present requirement of screening junkyards in industrially zoned areas goes beyond federal requirements and such non-compliance has been brought to their attention for which the Secretary of Transportation could reduce the State's federal-aid highways apportionment by ten percent. This bill therefore, will amend section 264-85 to conform with the federal requirements.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2001-80 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Garcia.

SCRep. 187-80 Water, Land Use, Development and Hawaiian Affairs on H.B. No.
2148-80

The purpose of this bill is to amend section 246-12, Hawaii Revised Statutes, by making three significant amendments to said law: (1) aquaculture is added as permitted use for dedication; (2) in urban districts, the period of time required for farming preceding the dedication request is reduced from five years to one year; and (3) the Director of the Department of Taxation may request that the Department of Agriculture or another appropriate state agency to evaluate a petition.

The intent behind section 246-12, H.R.S., is to preserve agricultural lands and slow down development speculation in such areas by providing property tax incentives to persons engaged in agriculture. Your Committee finds that aquaculture acreage has grown from 193 in 1973 to 517 in 1979 and by the year 2000, total aquaculture acreage is expected to create approximately 9,000 jobs and \$334 million in wholesale revenues. It is further found by your Committee that prime land for aquaculture is in demand and getting more expensive and unless aquaculturists receive the same tax advantages as agriculturists, the benefits of a thriving aquaculture industry will not be achieved.

The present statute, section 246-12, H.R.S., also requires that the land dedicated in urban districts must have been substantially and continuously used for the cultivation of crops such as sugar cane, pineapple, truck crops, orchard crops, ornamental crops, or the like for the five year period immediately preceding the dedication request. This five year period requirement has been reduced to one year by this bill. With respect to aquaculture, your Committee also finds most aquaculture ventures are capital-intensive, requiring large outlays for grading, digging ponds, constructing a well, putting up fences and so on. Therefore, a one year period as "proof" that the person will continue to use the land for aquaculture seems also appropriate.

This bill will also allow the Director of the Department of Taxation to request the appropriate state agency responsible for the administration of the aquaculture program.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. 2138-80 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. 188-80 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2185-80

The purpose of this bill is to permit the Assistant Registrar of the Land Court in the State Bureau of Conveyances to increase filing fees which have not been increased since 1957.

Your Committee finds that the filing fees assessed by the Assistant Registrar of the Land Court in the State Bureau of Conveyances have remained constant since 1957. This bill amending section 501-218, Hawaii Revised Statutes, to increase fees for the registration of documents is needed in view of the spiraling increase in the state's cost of purchasing supplies to carry out the filing processes of each document as well as the equipment needed to store, maintain and preserve the state's public land records.

Your Committee on Water, Land Use Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2185-80 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. 189-80 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2344-80

The purpose of this bill is to amend Section 213 of the Hawaiian Homes Commission Act, 1920, by increasing the ceiling of the additional receipts to the Hawaiian Home Loan Fund by \$2,500,000.

Your Committee received testimony in support of this bill from the Departments of Hawaiian Home Lands and Education and the Keaukaha Panaewa Farmers Association.

Your Committee adopted the recommendation of the Department of Hawaiian Home Lands by amending Section 1 of the bill as follows:

- 1) Deleting the following material contained on page 2, lines 18 through 23:

"Hawaiian home development fund, to the additional receipts loan fund and the Hawaiian home education fund as follows: fifteen per cent to the additional receipts loan fund; thirteen per cent to the Hawaiian home development fund and seventy-two per cent to the."

- 2) Changing the date on page 3, line 1, from 1979 to read 1980.

The purpose of the first amendment of the bill is to provide that the entire thirty per cent of the revenues derived from the state cane leases and water licenses be deposited into the Hawaiian Home Education Fund.

Your Committee finds that under the original bill, there would not be adequate funds in the Hawaiian Home Education Fund to cover all expenditures required by the education projects throughout the state. Therefore, your Committee believes that the entire thirty per cent of the revenues derived from state cane leases and water licenses should be deposited in the Hawaiian Home Education Fund.

The purpose of the second amendment to the bill is to extend until June 30, 1980, the date at which the additional receipts to the Hawaiian Home Loan Fund shall not exceed \$5,000,000.

Your Committee has also amended the bill so that the statute being amended by the bill reads section 213(a)(1), Hawaiian Homes Commission Act, 1920, as amended, instead of section 213(a)(1), Hawaii Revised Statutes.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2344-80, as amended herein, and recommends that it pass second reading in the form attached hereto as H.B. No. 2344-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 190-80 Water, Land Use, Development and Hawaiian Affairs and Culture
and the Arts on H.B. No. 2806-80

The purpose of this bill is to appropriate out of the general obligation bond fund of the State of Hawaii the sum of \$400,000, or so much thereof as may be necessary for fiscal years 1980-1981, 1981-1982, and 1982-1983, for plans and construction of an outrigger canoe site at Ke'ehi Lagoon, Honolulu, Oahu, in accordance with the 1977 Ke'ehi Lagoon recreation park master plan of the department of transportation, to include a canoe storage and launching area, canoe construction facility, meeting and educational center, office area, conference room, toilets, showers, access roadway, and parking lot.

The appropriated sum shall be expended by the department of land and natural resources.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Culture and the Arts are in accord with the intent and purpose of H.B. No. 2806-80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Garcia.

SCRep. 191-80 Water, Land Use, Development and Hawaiian Affairs and Judiciary
on H.B. No. 1852-80

The purpose of this bill is to amend Section -11 of Act 196, Session Laws of Hawaii, Regular Session 1979, by changing the salary of the administrator from \$30,000 to one equal the salary of a department head of the State as set forth in Section 26-52 (3).

Your Committees and the Department of Hawaiian Home Lands supports this proposed change for this gives the Board of Trustees the flexibility of establishing a beginning salary commensurate with the level of expertise required of the administrator.

Your Committees on Water, Land Use, Development, and Hawaiian Affairs, and Judiciary are in accord with the intent and purpose of H.B. no 1852-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Garcia, Masutani, Ikeda and Narvaes.

SCRep. 192-80 Water, Land Use, Development and Hawaiian Affairs and
Judiciary on H.B. No. 1853-80

The purpose of this bill is to amend Section 3(1) of Act 196, Session Laws of Hawaii, Regular Session of 1979, by setting the amount of funds derived from the public land trust to a sum equal to twenty percent, to be used for the betterment of the conditions of native Hawaiians.

Under present statute, the funds for the betterment of conditions of native Hawaiians is determined by the legislature on a pro rata portion of all funds derived from public land trust. Under this bill the amount of funding is set at twenty percent of all funds derived from public land trust.

Your Committees on Water, Land Use, Development, and Hawaiian Affairs and Judiciary are in accord with the intent and purpose of H.B. No. 1853-80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Garcia, Masutani, Ikeda and Narvaes.

SCRep. 193-80 Judiciary on H.B. No. 1831-80

The purpose of this bill is to neutralize the language of section 1-17 of the Hawaii Revised Statutes to eliminate any sex bias contained therein.

Present law states that words in the "masculine gender" signify both masculine and feminine gender when used in the Hawaii Revised Statutes. This bill would make words

of either gender signify both masculine and feminine gender unless such an interpretation would be clearly contrary to the subject of the statute.

Your Committee feels that present law is facially discriminatory on the basis of sex, and finds no rational basis for such discrimination. Moreover, your Committee finds that as presently written, section 1-17 does not indicate that masculine words signify both genders unless the subject or context of the statute clearly dictates otherwise. Inasmuch as this bill would provide for the exception, thus preventing possible incongruous interpretations of statutes, your Committee additionally feels that it is meritorious. Accordingly, your Committee recommends its favorable consideration and adoption.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1831-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 194-80 Judiciary on H.B. No. 1918-80 (Majority)

The purpose of this bill is to provide for an automatic sentence of imprisonment of twenty years for any person convicted of a class A felony.

Present law does not provide an automatic sentence of imprisonment for persons convicted of a class A felony.

Your Committee feels that class A felonies such as rape, sodomy and robbery are among the most serious felonies that an individual can commit. Therefore, a mandatory imprisonment is warranted. Accordingly, your Committee recommends the adoption of the new section of Chapter 706, Hawaii Revised Statutes, which provides the protection needed from class A felons but recognizes certain felons will change and become productive members of society.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1918-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 195-80 Judiciary on H.B. No. 2097-80

The purpose of this bill is to require that a tie in an election be broken by the drawing of lots and to eliminate the requirement that candidates involved in such a drawing of lots give up their rights to contest the election.

Present law provides that an election which ends up in a tie "may" be broken by the drawing of lots but that if candidates agree to the drawing of lots, they give up their right to contest the election.

Your Committee received testimony that election officials are concerned that the present law really does not provide a means by which an election impasse can be resolved inasmuch as the drawing of lots is presently optional. Your Committee agrees that having a nonmandatory means of resolving a tied election, amounts to having no means to break the tie. Your Committee also agrees that concomitantly with making the drawing of lots mandatory, the right to contest the election should not be taken away from affected candidates.

However, your Committee is of the opinion that before the drawing of lots is initiated, the results of a tied election should be certified. Accordingly, your Committee has amended this bill by providing that a tied election shall be decided by lot after the certification of the results of such election.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2097-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2097-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 196-80 Judiciary on H.B. No. 2357-80

The purpose of this bill is to permanently place the Hawaii Criminal Justice Information Data Center within the Department of the Attorney General for administrative purposes, effective July 1, 1981.

Present law provides that the Data Center be attached to the Judiciary for administrative purposes.

Your Committee heard testimony that pursuant to Senate Concurrent Resolution 123-79, a study conducted by the State Law Enforcement Planning Agency and the Statistical Analysis Center to determine the proper placement of the Data Center, recommended that the Center be permanently placed within the Department of the Attorney General, effective July 1, 1981.

Your Committee feels that the Attorney General, who is by law the chief law enforcement officer of the State, can provide the environment that is most conducive to maintaining the high level of operations and cooperation with Hawaii's criminal justice agencies while at the same time providing sound administrative support. 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. 2357-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 197-80 Judiciary on H.B. No. 2259-80

The purpose of this bill is to amend sections 710-1031, 710-1071 and 710-1074 of the Hawaii Revised Statutes, by changing the reference to proscribed "threat" from section 707-724(1) to section 707-764(1).

Current law provides that the term "threat", as used in the aforementioned sections, shall be as proscribed by section 707-724(1).

However, your Committee finds that section 707-724 has since been repealed. Therefore, reference to such section is meaningless and creates confusion as to an accurate definition of this term. Further, the term "threat" is thoroughly explained in section 707-764(1) relating to Extortion and changing the reference to this section will alleviate any unnecessary confusion that could occur. Accordingly, your Committee recommends favorable consideration of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. 2259-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 198-80 Education on H.B. No. 2292-80 (Majority)

The purpose of this bill is to amend section 298-9, Hawaii Revised Statutes, to lower the compulsory upper limit school attendance age from eighteen years to sixteen years.

Presently, all children who will have arrived at the age of at least six years and will not have arrived at the age of eighteen years, on or before December 31 of any school year, are required to attend school during such school year, unless they are excluded from school or excepted from attendance. Under this bill, the upper limit school attendance age would be reduced to age sixteen.

The Board of Education testified against the bill and stated their concern about possible social problems which may occur if youth with limited educational preparation are introduced into the crowded competitive job market should the compulsory attendance age be lowered. They suggested that, instead of lowering the compulsory school attendance age to sixteen, the bill be amended to afford the Department of Education greater flexibility in providing alternative services for youth who require educational services not available in the conventional public school setting.

The Family Court, First Circuit, also testified against the bill and also suggested that, instead of lowering the compulsory school attendance age to sixteen, the educational system should provide a broad range of alternative programs.

Based on the aforementioned testimonies, your Committee has amended the bill (1) by retaining the compulsory school attendance age at eighteen, and (2) by allowing children who are enrolled in an appropriate alternative educational program as approved by the Superintendent of Education in accordance with the plans and policies of the Department of Education to be exempted from compulsory school attendance.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2292-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2292-80, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 199-80 Culture and the Arts on H.B. No. 2532-80

The purpose of this bill is to permit the statue "The Spirit of Liliuokalani" to be permanently emplaced and displayed at the State Capitol complex.

The Eighth State Legislature of Hawaii approved Act 173 in 1975, authorizing that a sculpture be designed and completed in the spirit of Liliuokalani. The Act further stipulated establishment of a 23-person Queen Liliuokalani Sculpture Jury to conduct a design competition for the sculpturing. Having been selected and commissioned to execute the sculpture, Ms. Marianna Pineda has now completed the work which is ready for permanent installation.

The Sculpture Jury, along with the State Foundation on Culture and the Arts and with the Comptroller of the Department of Accounting and General Services, indicated that the State Capitol complex would be the most appropriate site for the sculpture.

However, under existing statute and in the opinion of the Attorney General, new works of art acquired under Section 103-8 cannot be installed in a completed structure. This bill as an enabling legislation would permit such an installation at the State Capitol.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2532-80 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 200-80 Agriculture on H.B. No. 1975-80

The purpose of this bill is to bring the Hawaii Meat Inspection Act in compliance with the guiding Federal Law, which was amended in 1978 to include requirements pertaining to humane slaughter of livestock.

Your Committee finds that compliance with the Federal Law is necessary to maintain the State's "equal to" status with the Federal program. Your Committee also learned under the cooperative agreement with the U.S. Department of Agriculture, federal funding will be available on a 50-50 basis as long as the Hawaii Meat Inspection Program maintain its "equal to" status to the Federal Law.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1975-80, and recommends it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 201-80 Agriculture on H.B. No. 2172-80

The purpose of this bill is to increase the penalty for the illegal importation and harboring of prohibited animals in Hawaii and to provide immunity from penalty for persons who voluntarily surrender such animals.

Your Committee finds that there has been a national trend to keep exotic animals such as snakes and lizards as pets. Your Committee also learned that this tendency has manifested itself by the increased incidence of snake found in Hawaii.

Your Committee finds that by increasing the penalty, the illegal entry of snakes and other prohibited animals would be minimized. Also, by providing immunity to those who voluntarily surrender such animals and removing the threat of prosecution, will minimize the chances of such animals being released in the wild.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2172-80, and recommends it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 202-80 Housing and Consumer Protection and Commerce on H.B. No.
1969-80

The purposes of this bill are to: 1) amend Section 502-12, Hawaii Revised Statutes, to require the Bureau of Conveyances to keep an index of agreements of sale in addition to their regular index; 2) amend the land reform act, Section 516, Hawaii Revised Statutes, to include two- as well as one-family dwellings; and 3) amend the land reform act to permit persons purchasing property subject to an agreement of sale to purchase property which the State has condemned and converted from leasehold to fee simple.

The Bureau of Conveyances currently maintains a master index of all deeds and instruments left for record. An index for agreements of sale would expedite title searches for persons currently converting from leasehold to fee simple ownership of their residential property. Presently, unrecorded agreements of sale by absentee owners are delaying conversion proceedings.

The present land reform act does not allow owners of duplexes to purchase the fee simple title to their residential property. This bill would give these residents the same opportunity to convert that owners of single-family dwellings have. This bill would also allow the purchasers under agreements of sale to purchase the fee simple title to their property. The land reform act does not clearly specify whether persons with agreements of sale can or cannot purchase fee interest in their property, thus this ambiguity in the present law has prevented persons under agreements of sale from executing conversion contracts. Agreements of sale are often entered into when it is difficult to obtain conventional financing in a tight money market and when first-time homebuyers cannot afford large down payments.

Your Committees have amended the bill in two ways. After hearing testimony from the Bureau of Conveyances, your Committees have changed their requirement from a separate "index" in the form of a computer printout, to a "reprogramming" of the master index in such a way that a listing of both parties to agreements of sale is readily obtainable. This would prevent the duplication of records and unnecessary costs that a separate "index" would entail.

Upon recommendation of the Hawaii Housing Authority, your Committees have amended the bill to specify that only vendees and not vendors under agreements of sale can purchase fee interest in their property.

Your Committees on Housing and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 1969-80 and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1969-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Ikeda.

SCRep. 203-80 Consumer Protection and Commerce and Housing on
H.B. No. 1782-80

With the Federal Reserve Board's actions of October, 1979, and related events, the availability of mortgage investment or mortgage purchase funds in Hawaii effectively ceased because the 12% usury restriction fell below the national market price of mortgage money. Hawaii does not, for the most part, generate its own mortgage investment capital. Hawaii's real estate lenders seldom originate loans without participation from out of state

or which cannot be sold on the secondary mortgage market.

There is no shortage of mortgage funds and none is anticipated. However, the funds will not flow to a state that restricts returns below market levels. Hawaii's residents would be unfairly discriminated against, by not being able to compete for housing funds, if the usury ceiling is not amended. The availability of loans at higher interest rates is better than the virtual unavailability of loans which will occur if no amendment is adopted.

In December, 1979, Congress passed emergency legislation which preempted, until March 31, 1980, the usury ceiling in states like Hawaii. The fact that interest rates during this period have risen only slightly above 13% indicates that a competitive market exists to prevent uncontrolled interest rate setting. California, and other states without a usury restriction on these loans, provides further evidence that a national price level will prevail. Expeditious local action is necessary to prevent the market from drying up when the federal preemption ends.

Your Committees heard testimony that even a small increase in interest rates will be a tremendous burden on the consumer and will drive an even larger percentage of our population out of the market. Regrettably, this is true. However, there are two reasons why this fact does not offset the need for adoption of this legislation. First, a failure to act will not make any money available at less than the market rate. Everyone would be knocked out of the market and no one would be helped. Secondly, even though only the fortunate minority can afford the higher market interest rate; if we drive them out of the market by inaction, we will foment a demand-pull inflation that will hurt all levels of the housing market. Therefore, your Committees believe that this action is necessary to assist, or at least to avoid further detriment to, all levels of the market and all consumers.

Your Committees have amended the bill in several respects. First, instead of adding a new section, we have retitled Section 478-8 as an exemption section. We have included therein the present provisions of sections 8, 9 and 10. The former Section 478-9 is now Section 478-8(b). The former Section 479-10 is now Section 478-8(c) and (d). In addition, we have added new provisions, labeled (e) and (f).

Subsection (e) provides an exemption from the usury ceiling for contracts which are written, signed, secured by an interest in real property and executed within five years of March 31, 1980. This is the principle substantive amendment to the law. Unless the Legislature makes a further amendment, this exemption will expire at midnight on March 31, 1985.

Your Committees also added a subsection, (f), relating to a very restricted class of loans secured by chattel mortgages on cattle and other livestock. The resulting exemption establishes parity between this group and similar lenders who are exempted pursuant to federal law.

Your Committees on Consumer Protection and Commerce and Housing are in accord with the intent and purpose of H.B. No. 1782-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1782-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Garcia.

SCRep. 204-80 Consumer Protection and Commerce and Health on
H.B. No. 1980-80

The purpose of this bill is to provide for a temporary license for the practice of dentistry for those persons licensed as dentists in other states or territories of the United States.

This bill would allow dentists licensed in another jurisdiction to practice under the supervision of a Hawaii licensed dentist within the Dental Health Program of the Department of Health and would also allow for year to year renewal of the temporary license. Present law allows these dentists to practice under the confines of the Department of Health, providing services to leprosy patients.

Your Committees find from the testimony presented that the intent of Chapter 448 relating to Dentistry is to encourage that all candidates be examined as soon as possible for licensure. This will help to ensure that all persons providing oral health care are properly trained and proficient. Accordingly, your Committees have amended the bill to delete the provision relating to year to year renewal of the temporary license on the premise that it may cause a delay in a person sitting for his examination. Your

Committees have also amended the bill to provide that services provided by those dentists not licensed in Hawaii but licensed in other jurisdictions also be made available to patients of the Hawaii State Hospital and Waimano Training School and Hospital under the direction of the Department of Health.

Your Committees also heard testimony that the automatic cancellation of the temporary license upon sitting for the dental examination has in the past caused staffing problems for low income dental clinics. Your Committees have therefore amended Section 448-12 to provide that temporary licenses not be canceled until results of the examination are received.

Your Committees feel that these amendments will provide relief to those parties affected.

Your Committees on Consumer Protection and Commerce and Health are in accord with the intent and purpose of H.B. No. 1980-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1980-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 205-80 Consumer Protection and Commerce on H.B. No. 1880-80

The purpose of this bill is to require all automobile manufacturers to reimburse their franchised dealers for warranty repair work performed and warranty parts used in repairs.

There are no statutory provisions at present which require such repayments.

Your Committee finds from the testimony presented that present practices among automobile dealers do include some reimbursement from manufacturers for warranty work performed by franchised dealers. Your Committee further finds that it is in the best interests of consumers to provide for such reimbursement as it will result in better repair service to owners of automobiles since dealers will be assured of payment for such service work.

While in accord with the intent of the bill, your Committee notes that requiring the manufacturer to reimburse the dealer for parts at the retail rate may cause dealers to be repaid in an amount greater than their costs incurred. Your Committee has therefore amended the bill to reflect this concern by limiting such payments to the dealers' actual cost or retail price, whichever is less.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1880-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1880-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Honda.

SCRep. 206-80 Consumer Protection and Commerce on H.B. No. 1877-80

The purpose of this bill is to permit small liquor licensees to purchase liquor as a group.

Present law is silent with respect to whether such purchases are allowed.

This bill would specifically permit small liquor licensees to pool their resources and purchase liquor as a group thus enabling them to take advantage of maximum quantity purchase discounts offered to purchasers of large quantities. Your Committee finds from the testimony presented that the liquor commissions of the Counties of Honolulu and Hawaii will not permit such pool buying unless specifically authorized by statute. Your Committee feels that this bill, if enacted, would help smaller liquor establishments better compete with the larger establishments which have greater purchasing power.

While in accord with the intent of this bill, your Committee further finds from testimony presented by the Antitrust Division of the Attorney General's office that requiring the approval of the liquor commission of the jurisdiction without specifying what such approval entails may lead to ambiguities and possible escape from coverage of the antitrust laws. Your Committee has therefore amended the bill to delete the requirement of approval.

Your Committee has further amended the bill to make clear that pool buying agreements contemplated by this bill shall not constitute exemption from any antitrust laws.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1877-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1877-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 207-80 Legislative Management

Informing the House that House Resolution Nos. 210 to 228, House Concurrent Resolution Nos. 61 to 71, and Standing Committee Report Nos. 83-80 to 206-80, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 208-80 Energy and Water, Land Use, Development and Hawaiian Affairs
on H.R. No. 135

The purpose of this resolution is to respectfully urge the President of the United States, the United States Congress, and the United States Department of Energy to give favorable consideration to Molokai and its application for the Small Community Solar Thermal Power Experiment: Site Participation, PRDA DE-RA04-80ET21063.

Your Committees are in agreement with the testimony presented by the Department of Planning and Economic Development to support the Molokai Solar Thermal Electric Project.

Your Committees concur with the recommendation of the Department of Planning and Economic Development that the first and second BE IT RESOLVED sections of the resolution 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 1980, that Charles Duncan, Jr., Secretary of Energy; Honorable Daniel Inouye, U.S. Senator; Honorable Spark Matsunaga, U.S. Senator; Honorable Daniel Akaka, U.S. Representative; and Honorable Cecil Heftel, U.S. Representative, are respectfully urged to give favorable consideration to Molokai and its application for the Small Community Solar Thermal Power Experiment: Site Participation, PRDA DE-RA04-80ET21063; and,

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to Charles Duncan, Jr., Secretary of Energy; Honorable Daniel Inouye, U.S. Senator; Honorable Spark Matsunaga, U.S. Senator; Honorable Daniel Akaka, U.S. Representative; and Honorable Cecil Heftel, U.S. Representative; and the Molokai Electric Company."

In accordance with the above amendments, your Committees have amended the title to read as follows: "HOUSE RESOLUTION RESPECTFULLY URGING THE U.S. SECRETARY OF ENERGY AND HAWAII'S CONGRESSIONAL DELEGATION TO GIVE FAVORABLE CONSIDERATION TO MOLOKAI AND ITS APPLICATION FOR THE SMALL COMMUNITY SOLAR THERMAL POWER EXPERIMENT: SITE PARTICIPATION, PRDA DE-RA04-80ET21063".

Your Committees on Energy and Water, Land Use, Development and Hawaiian Affairs concur with the intent and purpose of H.R. No. 135, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 135, H.D. 1.

Signed by all members of the Committees except Representative Garcia.

SCRep. 209-80 Energy and Water, Land Use, Development and Hawaiian Affairs
on H.C.R. No. 42

The purpose of this concurrent resolution is to respectfully urge the President of the United States, the United States Congress, and the United States Department of Energy to give favorable consideration to Molokai and its application for the Small Community Solar Thermal Power Experiment: Site Participation, PRDA DE-RA04-80ET21063.

Your Committees are in agreement with the testimony presented by the Department of Planning and Economic Development to support the Molokai Solar Thermal Electric Project.

Your Committees concur with the recommendation of the Department of Planning and Economic Development that the first and second BE IT RESOLVED sections of the resolution 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 1980, the Senate concurring, that Charles Duncan, Jr., Secretary of Energy; Honorable Daniel Inouye, U.S. Senator; Honorable Spark Matsunaga, U.S. Senator; Honorable Daniel Akaka, U.S. Representative; and Honorable Cecil Heftel, U.S. Representative, are respectfully urged to give favorable consideration to Molokai and its application for the Small Community Solar Thermal Power Experiment: Site Participation, PRDA DE-RA04-80ET21063; and,

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to Charles Duncan, Jr., Secretary of Energy; Honorable Daniel Inouye, U.S. Senator; Honorable Spark Matsunaga, U.S. Senator; Honorable Daniel Akaka, U.S. Representative; and Honorable Cecil Heftel, U.S. Representative; and the Molokai Electric Company."

In accordance with the above amendments, your Committees have amended the title to read as follows: "HOUSE CONCURRENT RESOLUTION RESPECTFULLY URGING THE U.S. SECRETARY OF ENERGY AND HAWAII'S CONGRESSIONAL DELEGATION TO GIVE FAVORABLE CONSIDERATION TO MOLOKAI AND ITS APPLICATION FOR THE SMALL COMMUNITY SOLAR THERMAL POWER EXPERIMENT: SITE PARTICIPATION, PRDA DE-RA04-80ET21063".

Your Committees on Energy and Water, Land Use, Development and Hawaiian Affairs concur with the intent and purpose of H.C.R. No. 42, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 42, H.D. 1.

Signed by all members of the Committee except Representative Garcia.

SCRep. 210-80 Water, Land Use, Development and Hawaiian Affairs on H.B.
No. 2574-80

The purpose of this bill is to establish a state land bank program which the constitutional amendment authorizes by establishing a State land bank commission whose duties would include preparing and updating an inventory of lands which constitute the land bank and submitting an annual report to the Governor and legislature, managing the land bank and establishing policies and procedures for the acquisition of land suitable for inclusion in the land bank. The commission would be attached to the Department of Land and Natural Resources for administration.

Land banking is a process by which a government authority acquires land for some future use benefitting the public interest. Your Committee finds that the Constitution of the State of Hawaii as amended by the voters in November 1978 contains a significant new amendment. This amendment entitled: "Public Land Banking" is found in Article XI, section 4, and reads as follows: "The State shall have the power to acquire interests in real property to control future growth, development and land use within the State. The exercise of such power is deemed to be for the public use and purpose."

Your Committee finds that the State has been experiencing a rolling tide of pressures of enlarging population, burgeoning urban and rural growth on our limited land resources.

With this unprecedented growth, the State is faced with the stark realization that the land areas of the State are limited by such factors as a finite number of remaining open space areas and the unique topographical makeup of this Island state.

Therefore, your Committee believes the people of Hawaii are in desperate need to assess and determine the best purpose of which public and private lands should be dedicated.

Your Committee believes that the new public land banking amendment will be one with profound significance for the future of Hawaii. Aside from controlling future growth and development, a state land banking program can be expected to yield other important benefits such as preservation of prime agricultural lands, preservation of scenic and historic areas, protection of watersheds and water resources, provision of lands for

development of park and recreation lands and beach reserves, and maintenance of the remaining open spaces.

Your Committee believes that inevitably, the value of land and resources will change with population changes and with location advantages and disadvantages of the land itself. The highest and best use of many land areas today, is not the same as 30 years ago. Nor will it remain static over the next 30 years. Therefore, Your Committee has listed various suitable agricultural and watershed lands, and recreational lands to be considered for acquisition.

LOCATION AND VALUE
VARIOUS SUITABLE RECREATIONAL LANDS

<u>LOCATION</u>	<u>ACREAGE</u>	<u>ESTIMATE VALUE</u>
<u>Hawaii</u>		
Kamoa Point (N. Kona)	13	6,000,000
Kapoho Tide Pool	120	1,500,000
<u>Maui</u>		
Waianapanapa	20	1,000,000
Nuu Bay	300	600,000
Makena La Perouse	--	2,000,000
<u>Molokai</u>		
Ililiopai	50	1,000,000
<u>Oahu</u>		
Kaena Point	36	2,000,000
Waimano Gulch	30	300,000
<u>Kauai</u>		
Wailua River	30	300,000
	TOTAL	\$14,700,000

LOCATION AND VALUE OF
VARIOUS SUITABLE AGRICULTURAL
LAND AND WATERSHEDS

<u>LOCATION</u>	<u>ACREAGE</u>	<u>ESTIMATE VALUE</u>
<u>Kauai</u>		
Hanalei Valley	900	2,000,000
Kilauea	300	2,000,000
<u>Oahu</u>		
Waimanalo	567	12,000,000
Maunawili-Watershed	1,800	3,000,000
Waianae	200	3,000,000
Kahuku	3,300	15,000,000

<u>LOCATION</u>	<u>ACREAGE</u>	<u>ESTIMATE VALUE</u>
<u>Maui</u>		
Kula	126	2,000,000
<u>Hawaii</u>		
Onouli	300	3,000,000
Kohala Ditch and Water Source	--	5,000,000
Ag Park	--	2,000,000
Acquisition & Development of Recreational Lands	--	<u>7,000,000</u>
	TOTAL	\$56,000,000

Your Committee has amended this bill by providing out of the general revenues of the State of Hawaii the sum of \$70,700,000, for the purposes of this Act.

For the purposes of consistency, your Committee has also made technical amendments that does not affect the substance of this bill.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2574-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2574-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Garcia and Morioka.

SCRep. 211-80 Public Assistance and Human Services on H.B. No. 2479-80

The purpose of this bill is to raise the rates of payment for domiciliary care to:

- (1) \$538.40 for level I;
- (2) \$588.40 for level II;
- (3) \$650.80 for level III; and
- (4) \$770.80 for level IV.

Your Committee recognizes that with spiraling inflation and the pressing rise in the costs of living, it is imperative that the rates of payment for domiciliary care be increased. Your Committee, recognizing the worthwhile concerns of this bill, hopes that adequate funds might be found to provide for these increases.

Your Committee has amended Section 3 of the bill to provide \$5.9 million for the purposes of this bill.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2479-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2479-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 212-80 Public Assistance and Human Services on H.B. No. 2651-80

The purpose of this bill is to provide a \$20,000 grant-in-aid for fiscal year 1980-1981, to the Information and Referral Center for interpreter services for the hearing-impaired.

Your Committee on Public Assistance and Human Services is in accord with the intent

and purpose of H.B. No. 2651-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 213-80 Public Assistance and Human Services on H.B. No. 2685-80

The purpose of this bill is to provide \$25,000 in general revenues for a social needs assessment of census tracts numbers 10 and 11. The sum appropriated is to be expended by the office of the governor.

Your Committee has amended this bill by providing for the year of expenditure, adding lapsing provisions, and by making nonsubstantive stylistic changes.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2685-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2685-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 214-80 Public Assistance and Human Services on H.B. No. 2989-80

The purpose of this bill is to appropriate \$63,000 to expand the comprehensive youth service programs of Lokahi Hawaiians.

Your Committee has amended this bill by providing for the year of expenditure and for the lapsing of any unexpended or unencumbered funds.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2989-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2989-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 215-80 Public Assistance and Human Services on H.B. No. 3021-80

The purpose of this bill is to appropriate funds for a displaced homemaker program in the department of labor and industrial relations, including counseling services, employment assistance, job training, and other supportive services designed to improve the employability and self-sufficiency of these individuals.

Your Committee has amended the definition of "displaced homemaker" to assure consistency. Section -11 has been amended to clarify authority for training and assistance under the director. Lapsing provisions have been added to section 2 to limit the expenditures to the 1980-1981 fiscal year. The bill has been further amended by making technical, nonsubstantive amendments.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 3021-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3021-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 216-80 Public Assistance and Human Services and Health on
H.B. No. 2778-80

The purpose of this bill is to appropriate \$175,000 in general revenues for a grant-in-aid to the city and county of Honolulu for the planning and designing of a multi-purpose community center in Waikiki, which is to include a community health center, community mental health center, and community meeting place.

Your Committees have amended the bill by providing for the year of expenditure, lapsing provisions, and making nonsubstantive stylistic changes.

Your Committees on Public Assistance and Human Services and Health are in accord with the intent and purpose of H.B. No. 2778-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2778-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 217-80 Public Assistance and Human Services on H.B. No. 3029-80

The purpose of this bill is to provide \$500,000 for supplemental payments to the residents of adult family boarding and care homes who do not come within the definition of levels of care I, II, or III.

Your Committee recognizes the needs of this group and the requirements for supplemental funds. The department of health is expected to certify the individuals qualified for these payments.

Your Committee has amended section 1 of the bill to add the year of expenditure.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 3049-80 and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3049-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 218-80 Public Assistance and Human Services on H.B. No. 2771-80

The purpose of this bill is to appropriate \$35,071 to support an assessment team for Long Term Care of Catholic Social Service. Your Committee has amended this bill to eliminate reference to the project as a demonstration project.

Your Committee is in favor of this bill and the assistance provided therein.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2771-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2771-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 219-80 Public Assistance and Human Services on H.B. No. 2777-80

The purpose of this bill is to appropriate \$250,000 in general revenues for the construction of a community center at Pukalani, Maui. The sum appropriated is to be expended by the county of Maui.

Your Committee has amended this bill by providing a lapsing date and provision, specifically stating that it is for a grant-in-aid, and making nonsubstantive stylistic changes. Your Committee notes that this bill attempts to "hook" funds for this project from Act 244, SLH 1978, item II-V-9. The 1978 amendments to the Constitution in enacting the lapsing provision, voided the use of the "hooking" method in appropriating funds. Your Committee, therefore, has amended the attempted "hook" to be an identification of a prior project to assist your Committee on Finance and the executive branch in identifying this bill's appropriation with prior appropriation for a similar project.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2777-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2777-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 220-80 Public Assistance and Human Services on H.B. No. 2361-80

The purpose of this bill is to provide for a maximum shelter allowance for public

assistance recipients residing in a residential treatment facility to be determined by the director of social services.

Your Committee has amended line 6, page 8, of the bill as received by substituting the term "financial assistance" for "money payments" since this amendment was made by Act 52, Session Laws of Hawaii 1979.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2361-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2361-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 221-80 Public Assistance and Human Services on H.B. No. 2435-80

The purpose of this bill is to provide \$250,000 for the planning and construction of a community center at Kula, Maui.

Your Committee recognizes the need for a community center in Kula and recommends that the necessary funds be provided. Your Committee has amended sections 1 and 2 of this bill to provide for the period of the appropriation and for the lapsing of funds after fiscal year 1980-1981.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2435-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2435-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 222-80 Public Assistance and Human Services on H.B. No. 2379-80

The purpose of this bill is to appropriate funds for transportation services for the developmentally disabled attending Ruger Center.

Your Committee has amended section 1 of this bill by specifying \$725,000 for the appropriation amount, by providing that such appropriation is for fiscal year 1980-1981, and by making other technical, nonsubstantive amendments.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2379-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2379-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 223-80 Public Assistance and Human Services on H.B. No. 2738-80

The purpose of this bill is to provide \$50,000 in additional funds for construction plans for the J. Walter Cameron Center on Maui.

Your Committee has amended section 2 of this bill to provide that such appropriation shall be for fiscal year 1980-1981.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2738-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2738-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 224-80 Public Assistance and Human Services on H.B. No. 2693-80

The purpose of this bill is to provide a grant-in-aid to the county of Hawaii of \$15,000 in general revenues for the continued operation of the Honua Hawaii at Hilo, Hawaii.

Your Committee has amended the bill by providing for the year of expenditure, adding lapsing provisions, and by making nonsubstantive stylistic changes.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2693-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2693-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 225-80 Public Assistance and Human Services on H.B. No. 2353-80

The purpose of this bill is to appropriate \$285,069 for various community action agencies.

Your Committee has amended this bill to provide for lapsing provisions and made technical, nonsubstantive amendments.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2353-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2353-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 226-80 Public Assistance and Human Services on H.B. No. 2285-80

The purpose of this bill is to appropriate \$532,500 for grants-in-aid to qualified private agencies for pre-vocational and day activity programs for the developmentally disabled adults.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2285-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 227-80 Public Assistance and Human Services on H.B. No. 2214-80
(Majority)

The purpose of this bill is to appropriate funds from general revenues for the final construction of facilities for the extended workshop through Goodwill Industries of Honolulu at Shafter Flats in Mapunapuna, Oahu. The sum appropriated is to be expended by the department of social services and housing.

Your Committee has amended the bill by eliminating the purpose explanation in Section 1 and renumbering the sections. In addition, because there was no solid agreement as to the amount of funds needed, your Committee has amended the appropriation to a token \$1. It is intended that further discussion on this be continued in the Committee on Finance.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2214-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2214-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.
(Representatives Lacy and Sutton did not concur.)

SCRep. 228-80 Public Assistance and Human Services on H.B. No. 1937-80

The purpose of this bill is to appropriate \$80,000 for the insulation of the ceiling for the Hilo Vocational Rehabilitation Center building at Hilo, Hawaii.

Testimony reveals that the Rehabilitation Center is in great need of an insulated ceiling and funds would be well spent for this purpose.

Your Committee has amended sections 1 and 2 of this bill to provide for the period of the appropriations and for the lapsing of funds after fiscal year 1980-1981.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1937-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1937-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 229-80 Public Assistance and Human Services and Youth and Elderly
Affairs on H.B. No. 2352-80

The purpose of this bill is to appropriate \$192,200 to the Hawaii Office of Economic Opportunity to provide transportation services to the elderly, disabled, handicapped, and other disadvantaged persons, including preschool children on Kauai, Maui, and Hawaii.

Your Committees recognize that transportation services are essential to the elderly and disabled, providing them access to other vital services. Your Committees have amended this bill to eliminate Kauai as a service provider and to specify the fiscal year for the appropriation as 1980-1981, in section 1. Section 2 has been further amended to specify the lapsing of unexpended funds on June 30, 1981.

Your Committees on Public Assistance and Human Services and Youth and Elderly Affairs are in accord with the intent and purpose of H.B. No. 2352-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2352-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Ushijima.

SCRep. 230-80 Public Assistance and Human Services and Education on
H.B. No. 2382-80

The purpose of this bill is to provide \$57,886 for the Kalihi-Palama Immigrant Service Center's Immigrant Youth Program.

Your Committees find that the program is designed to provide counseling, interpreting, and related direct services to immigrants in the public schools. These are essential if the students are to assimilate into our style of living.

Your Committees on Public Assistance and Human Services and Education are in accord with the intent and purpose of H.B. No. 2382-80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Kawakami, Toguchi and Ushijima.

SCRep. 231-80 Public Assistance and Human Services and Consumer Protection
and Commerce on H.B. No. 2958-80 (Majority)

The purpose of this bill is to establish a utility energy coupon program to assist families with low incomes to pay their electric or gas bills.

Your Committees have determined that the monthly amounts of the coupons for which eligible families, based on size, shall qualify can best be determined by the Committee on Finance and have thus inserted token amounts.

Your Committees have also determined that a statute which penalizes knowledge by an officer or employee of a public utility company that the company has counterfeited an energy coupon without more would not survive a court challenge. The elements of a crime must include a criminal "act" or "failure to act". Knowledge alone of a crime when there is no duty imposed upon a person to report the crime would not constitute a crime. Penalizing such knowledge as a class B felony would be cruel and unusual punishment in violation of the state and federal constitutions. Therefore, your Committees have amended section -11(b) to provide that knowledge by an officer or employee of a public utility company of the company's counterfeiting of an energy coupon plus

a failure on the part of the officer or employee to report the counterfeiting to the department would constitute the crime. This is in line with the criminal theory of aiding and abetting.

Your Committees have also made minor typographical and grammatical changes.

Your Committees on Public Assistance and Human Services and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 2958-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2958-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Garcia, Ikeda and Ushijima.
(Representatives Lacy and Sutton did not concur.)

SCRep. 232-80 Higher Education on H.B. No. 2701-80

The purpose of the bill is to clarify the language of Section 304-43, Hawaii Revised Statutes.

The 1978 constitutional convention was concerned that Section 304-43, Hawaii Revised Statutes, conflicted with the University of Hawaii's internal management since it specifies the qualifications of the staff of the geophysics institute.

Your Committee accepts the University's suggestion for re-wording the bill for clarity, and has amended Section 1 of the bill as follows:

"Sec 304-43 State geophysics. The staff of the geophysics institute shall include [a specialist] personnel qualified in geology and [one qualified in volcanology or one qualified in both fields (to be designated as state geologist and state volcanologist or state geologist and volcanologist, as appropriate) whose] geophysics, one of whom may be designated as state geologist and one of whom may be designated as state volcanologist. Their duties shall include consultation with state officials, departments, and agencies concerning possible applications of these fields and research desirable to facilitate such applications. Such other state geophysicists may be designated as appropriate in the opinion of the director and board of regents.

The state geophysicists may undertake applied research required in their respective fields by state officials, departments, and agencies, but their personal conduct of such applied research may be limited by the director, to such an extent as in his opinion, is necessary to ensure the conduct of fundamental research and training required by the long-range interests of the State."

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2701-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2701-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 233-80 Higher Education on H.B. No. 2822-80

The purpose of this bill is to establish a University of Hawaii Student Activity Revolving Fund which would receive all student activity fees and other revenues intended for use by various student organizations.

At present student activity fees are deposited into and expended out of an agency fund maintained by the University. A recent study indicated that such funds should be classified as a special fund. However, the Associated Students of the University of Hawaii (ASUH) is deeply concerned that assignment to a special fund would severely impede the operations of the student organizations in that expenditure requests would be subject to reviews and approvals by the Departments of Budget and Finance and Accounting and General Services, thus delaying considerably the receipt of funds. Moreover, the annual turnover of student leaders and activities require that funds be made available quickly, once they are authorized.

Your Committee agrees with the University administration and the ASUH that it is desirable to establish a University Student Activities Revolving Fund and to assign its custody to the University, and require that it be maintained in accordance with policies

of the Board of Regents. Therefore, your Committee has amended the bill by adding the following:

"All moneys received for the University of Hawaii Student Activities Revolving Fund shall be deposited in a depository maintained by the University in accordance with policies of the Board of Regents. Separate accounts shall be maintained for each campus chartered student organization and student activity program. Accounts may be drawn upon and sums from the fund expended by each respective campus chartered student organization or student activity program."

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2822-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2822-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 234-80 Public Assistance and Human Services, Employment
Opportunities and Labor Relations and Public Employment
and Government Operations on H.B. No. 1942-80

The purpose of this bill is to give rehabilitation facilities preference in obtaining work from governmental agencies and thus provide training and employment for the handicapped.

This bill would increase the preference given to rehabilitation facilities from five percent to ten percent in contracting for services. Your Committees believe, however, that a five percent preference is sufficient and would allow rehabilitation facilities to compete with "family" type vendors who do not have fixed and mandatory costs such as those required for facilities.

Your Committees have amended the bill to retain the present five percent preference.

Your Committees on Public Assistance and Human Services, and your Committee on Employment Opportunities and Labor Relations, and your Committee on Public Employment and Government operations are in accord with the intent and purpose of H.B. No. 1942-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1942-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Segawa, Ushijima, Ikeda and Sutton.

SCRep. 235-80 Public Assistance and Human Services on H.B. No. 2788-80

The purpose of this bill is to provide legal services for individuals committed to the department of social services and housing.

Under this bill, \$55,000 of general fund revenues will be appropriated to provide legal services for individuals committed to the department of social services and housing for fiscal year 1980-1981. The office of the public defender is the designated expending agency.

Your Committee has amended this bill by increasing the appropriation to \$65,000; by specifying the expenditure of the corrections division; and by making technical changes and adding a lapsing provision.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2788-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2788-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 236-80 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2671-80 (Majority)

The purpose of this bill is to authorize any county to enter into binding development

agreements with persons having a legal or equitable interest in real property for the development of such property pursuant to the applicable laws and regulations at the time an agreement is entered into. Such an agreement would supersede any change in such laws or regulations adopted by the State or county after an agreement is executed, and would be enforceable by the parties to the agreement or their successors in interest. The bill also provides for establishment of procedures for the consideration of applications for development agreements, including a public hearing and mandatory review of performance with its terms.

Your Committee finds that with land use laws taking on refinements that make the development of land increasingly complex and time consuming, it is no simple matter for a developer to reach the actual construction stage. These laws range from the recently adopted State Plan all the way down to county zoning and require the developer to meet a stringent set of circumstances entailing expenditures of considerable time, effort and money. Generally speaking, the larger the project contemplated, the greater the expense and time involved in complying with conditions precedent to filing for a building permit.

Your Committee finds further, that the lack of certainty in the project approval process can result in a significant waste of resources and contributes to the high cost of housing and other consumer goods. Moreover, it discourages private sector investment in and commitment to comprehensive planning which would maximize efficient use of resources at the least cost of the public.

Your Committee believes that assurance to the developer that upon receiving all necessary approvals he may proceed with his project, will strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic cost of development.

At issue is the stage at which an individual's property rights vest and should be immunized from subsequently enacted prohibitory legislation. This bill attempts to strike an equitable balance between the interests of the property owner or developer in seeking reasonable certainty as to the requirements he must meet and the right and duty of government through land use planning and the implementation of that planning to adopt reasonable laws and regulations in the public interest. It provides a mechanism in the favor of a development agreement whereby a developer may be assured at a specific point in time, that having met all existing requirements for development of a property, his right to develop that property in a certain manner is vested.

Your Committee has amended the applicability section of this bill to specifically note water utilization requirements in the partial listing of the kinds of existing laws, ordinances, rules, regulations and policies governing the permitted uses of land. While the present language of this section clearly states that all laws, ordinances, rules, regulations and policies in force at the time an agreement is entered into shall apply to the developer of land subject to the agreement, your Committee felt that in view of the urgent need to manage our water resources, specific mention should be made of the applicability of water utilization requirements.

Your Committee has amended this bill further to provide for filing or recordation of a development agreement either in the Bureau of Conveyances or in the Land Court, or both, as the case may be, to cover both registered and unregistered lands.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2671-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2671-80, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Garcia.
(Representatives Fukunaga, Holt, Takitani and Uwayne did not concur.)

SCRep. 237-80

Water, Land Use, Development and Hawaiian Affairs and Culture
and the Arts on H.B. No. 2022-80

The purpose of this bill is to transfer the administration and responsibilities of the review board for the Hawaii register of historic places from the Hawaii Foundation for History and the Humanities to the Department of Land and Natural Resources.

Your Committees heard testimony which was primarily directed against the language of the bill and against certain purposes as outlined in Section 1 of the original bill.

The Hawaii Historic Places Review Board testified that H.B. No. 2022-80 needed serious reconsideration in order to effect the transfer of the Review Board from the Hawaii Foundation to the Department of Land and Natural Resources. For one thing, last year the Hawaii State Legislature had transferred the Review Board's budget to the Department of Land and Natural Resources, and the Review Board physically moved its office into the Historic Sites section of the Department. This shift has worked well and the Review Board now wishes to complete the move.

Secondly, the Hawaii Historic Places Review Board explained that the intent of the bill will be to replace the Review Board with the advisory board. This alteration would be in conflict with the requirements of federal regulations regarding state review boards. Moreover, the bill dictates specifically named organizations from which membership on the advisory board will be selected. The Review Board recommended urgently that more general language be used, thereby allowing greater flexibility in selecting and appointing members to a review board. Nor does the bill establish the terms of the Review Board members or the composition of the Review Board.

To correct the language and intent of the original bill, your Committees have revised it to include two points. First of all, Section 6E-3, Hawaii Revised Statutes, should be amended by adding procedures for establishing the review board for the Hawaii register of historic places and by designating its responsibilities. Secondly, Chapter 6E, Hawaii Revised Statutes, should again be amended by adding a new section for selecting, appointing, and composing the membership of the review board.

Your Committees further add a new section for appropriating funds to carry out the purposes of this bill in the amount of \$11,217. Upon advisement from the Department of Land and Natural Resources, your Committees agree that there should be funds appropriated for the hiring of an executive secretary on an exempt, full-time basis (SR 21 level). Moreover, the salary for such an employee should be funded on a matching basis between the State and federal government.

No other changes have been made to the original bill by your Committees. It should be reinforced that there is a vital need to dissolve the Hawaii Foundation for History and the Humanities and to transfer its functional responsibilities regarding the historic preservation program to the Department of Land and Natural Resources. Since the 1976 management audit by the Legislative Auditor of the Hawaii Foundation, there has been no successful attempt by the Foundation's staff to improve its structure and function in line with statutory requirements. No other recourse is laid aside by the Legislature except to dissolve the Foundation and to transfer its responsibilities to other agencies.

Your Committees on Water, Land Use Development, and Hawaiian Affairs and on Culture and the Arts are in accord with the intent and purpose of H.B. No. 2022-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2022-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Garcia, Lunasco and Ushijima.

SCRep. 238-80 Legislative Management

Informing the House that House Resolution Nos. 229 to 242, House Concurrent Resolution Nos. 72 to 74, Standing Committee Report Nos. 208-80 to 237-80, and Special Committee Report No. 16, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 239-80 Consumer Protection and Commerce on H.B. No. 2410-80

The purpose of this bill is to empower state agencies to take into custody and dispose of derelict and abandoned vehicles which have been left unattended on State Highways or property owned or controlled by the State.

Abandoned and derelict vehicles on all public property are presently being removed and disposed of by the various counties. This bill would provide the same power to the State with respect to vehicles abandoned on State owned or controlled property.

Your Committee feels that providing this authority to the State may operate to more efficient disposition of abandoned vehicles on State property.

Your Committee has also amended this bill to correct what appears to be an error in Section 290-7, Hawaii Revised Statutes. Presently the section provides that the registered owner is to receive the priority of payment to the extent of his or her lien from the proceeds of the sale of an abandoned vehicle. Your Committee believes that the legal owner should receive such payment and has so amended the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2410-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2410-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Larsen.

SCRep. 240-80

Consumer Protection and Commerce on H.B. No. 1992-80

The purpose of this bill is to empower the director of regulatory agencies to adjust fees assessed by the department through the administrative process and to establish separate application, examination and license fees.

Under present law, such fees are set by statute and any changes must be approved by the legislative process. This bill would specifically authorize the director of regulatory agencies to set and adjust all fees assessed under the 33 boards and commissions placed within the Department of Regulatory Agencies. This bill would also allow the director to establish separate fees for each service rendered by the department. Your Committee agrees with the testimony presented by the Department of Regulatory Agencies that fees should reflect as accurately as possible the value of the services rendered and that fee setting is a duty peculiarly within the province of the department.

Your Committee is therefore in accord with the intent of this bill. Your Committee has also amended this bill by combining it with H.B. 1994-80 in the interest of economy. The purpose of H.B. 1994-80 is to amend Section 26-9, Hawaii Revised Statutes, to eliminate reference to the State Fire Marshall's office and to clarify the powers of the Department in the general administration of all laws within its jurisdiction.

Your Committee finds that the office of the State Fire Marshall was repealed in 1978 and this bill would conform Section 26-9 to this repeal. Your Committee also finds that a number of boards and commissions were enacted prior to enactment of the Administrative Procedures Act and do not specifically provide for rule making powers of the director. This bill would correct that problem.

Your Committee feels that since both H.B. 1992-80 and H.B. 1994-80 amend Section 26-9, they can be combined in the same bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1992-80 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1992-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 241-80

Consumer Protection and Commerce on H.B. No. 2047-80

The purpose of this bill is to establish a new chapter in Hawaii Revised Statutes authorizing the formation of a communications council under the jurisdiction of the Department of Regulatory Agencies.

This bill would provide for the formation of the State of Hawaii Communications Council, the primary purpose of which is to advise the state government on matters relating to communications in general, including but not limited to telecommunications, mass communication, and long-term needs and issues of communications. The council will also have a public education function in the communications field. Staffing shall be provided by the Department of Regulatory Agencies.

Your Committee finds from the testimony presented that the communications field is one that is growing increasingly important to the efficient functioning of government and that the field itself is becoming rapidly more complex and is developing its technology at a similar pace. Your Committee therefore believes that it is in the best interests of government and the public to establish a structure to advise and inform both policy

makers and the public of communication developments and opportunities.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2047-80, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 242-80 Consumer Protection and Commerce on H.B. No. 2188-80

The purpose of this bill is to reorganize the insurance division of the Department of Regulatory Agencies by authorizing the director to appoint an assistant insurance commissioner and abolishing the position of motor vehicle insurance commissioner.

Under present law, the passage of the Motor Vehicle Accident Reparations Act in 1973 established the Motor Vehicle Insurance Division with the purpose of implementing and administering the Act. All insurance other than motor vehicle insurance is regulated by the director of regulatory agencies as insurance commissioner.

Your Committee finds from the testimony presented that the no-fault program has, over the past six years, been successfully implemented and is functioning according to legislative intent. Your Committee also finds, however, from testimony presented by the Department of Regulatory Agencies, that current administration of the Motor Vehicle Insurance Division in relation to other forms of insurance sometimes leads to questions of jurisdictional authority and duplication of effort among staffing in areas of regulation, licensing, maintenance of records, investigation, and other areas which would benefit from consolidation of the two divisions. Your Committee feels that the changes in the Department of Regulatory Agencies proposed by this bill will eliminate the problems created by the dual administration system and will result in more efficient functioning of insurance regulation.

Your Committee has amended this bill by adding a new Section 4 which deals with the transition from the elimination of the position of motor vehicle insurance commissioner to appointment of assistant insurance commissioner. Your Committee has also provided for the bill to take effect upon approval.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2188-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2188-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Larsen.

SCRep. 243-80 Health and Education on H.B. No. 2437-80 (Majority)

The purpose of this bill is to initiate a pilot project to utilize special counseling staff working with health aides and guidance counseling staff to provide reproductive health information to intermediate and high school students in one high school complex on the island of Oahu. This pilot project will operate through an interdepartmental agreement between the Department of Health and the Department of Education.

The Department of Health and the Department of Education testified that they have currently been working with Planned Parenthood on a pilot project on health counseling at Waialua Intermediate and High School and support the continuation of this program as a pilot project.

Supportive testimony was also presented by the Principal, Parent Teacher Student Association, counselors, teachers, and students of Waialua High and Intermediate School.

Your Committees find that although this program was scheduled to begin in October 1979 it has just begun to provide direct service due to the necessary preparations of establishing a reproductive counseling program with teenagers, such as obtaining parental consent and developing a trusting relationship with teenagers.

Your Committees on Health and Education have amended this bill to delete the sentence on page 2, lines 8 through 12, as requested by the Department of Education, to provide more flexibility in terms of information and content to be provided by the project.

Your Committees have also amended this bill to appropriate the amount of \$44,944 for this project.

Your Committee on Health and your Committee on Education are in accord with the intent and purpose of H.B. No. 2437-80 as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2437-80, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 244-80 Employment Opportunities and Labor Relations on H.B.
No. 2625-80

The purpose of this bill is to provide for an occupational information coordinating committee to develop an occupational information system for planners and to deliver career information to students, trainees, and job seekers by the department of labor and industrial relations. An appropriation of \$39,000 is made to the department to extend career information delivery to the Neighbor Islands.

The Hawaii State Occupational Information Coordinating Committee has been mandated by federal law and should be provided for in the Hawaii Revised Statutes so that its work may be implemented as an ongoing practice. The HSOICC and its advisory committees are made up of a number of agencies and bodies. A Hawaii occupational information system is to be developed so that a standard set of demand and supply data and projections can be used for training, education, and employment program planning. The HSOICC should manage and the department operate a career information delivery system which uses this data. This bill provides for these authorities.

Your Committee has amended the bill by clarifying language relative to the authorities of the HSOICC to coordinate the integration of occupational information into program planning. Language related to resource allocation and policy making has been deleted.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 2625-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2625-80, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 245-80 Employment Opportunities and Labor Relations on H.B. No. 2217-80

The purpose of this bill is to establish a one year statefunded assistance program directed to provide displaced homemakers' counseling, employment assistance, job training and other supportive services designed to improve the employability and to enhance the self-sufficiency of these individuals.

Today a significant number of individuals find themselves "displaced" when their marriages end in divorce, separation, or death of spouse. Thus, more individuals are introduced into the employment market where they face enormous difficulties because many lack marketable skills and/or related job experiences. This problem is acute in Hawaii where the problem is compounded by an overabundance of individuals competing for decreasing numbers of non-technical jobs.

"Displaced homemakers" need counseling, employment assistance, job training and other supportive services to facilitate their transition from the home into the working world.

Your Committee therefore recommends that the State Legislature appropriate \$77,500 for a displaced homemaker program.

Your Committee has amended this bill to allow the department to report on the progress of the displaced homemakers program before the convening of the 1981 session of the legislature.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 2217-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2217-80, H.D. 1 and be referred

to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 246-80 Finance on H.B. No. 2716-80

The purpose of this bill is to provide for a thorough review procedure of claims against the State.

Your Committee finds that the growing number of miscellaneous claims forwarded to the legislature for relief by the various state departments are all too often made without proper investigation. The present practice of filing claims with the director of finance who then refers them to the agency concerned for recommendation appears to be lacking in full review of legal and factual issues.

Your Committee agrees that a thorough review by the attorney general of all legal and factual issues would provide a better basis for submitting a recommendation for approval or denial of claims to the legislature. The amendments to HRS 37-77 made by this bill should accomplish this purpose.

Your Committee on Finance is in accord with the intent and purpose of H.B. 2716-80 and recommends that it pass Second Reading and be placed on the calender for Third Reading.

Signed by all members of the Committee.

SCRep. 247-80 Finance on H.B. No. 1762-80 (Majority)

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

This bill appropriates \$223,396.45 for claims awarded by the Criminal Injuries Compensation Commission. Your Committee agrees that these awards to victims of crimes and providers of services to such victims are warranted under the goals and objectives of the Criminal Injuries Compensation Act.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1762-80 and recommends that it pass Third Reading.

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

SCRep. 248-80 Finance on H.B. No. 2064-80

The purpose of this bill is to make the submission of a false representation on an application or claim to the Medical Assistance Program a class C felony.

At present the submission of false or fraudulent information to the Medical Assistance Program (Medicaid) is prosecuted as theft under the Hawaii Penal Code. The Penal Code makes felony prosecution of such fraudulent claims difficult. To prove felony theft, over \$200 must have been fraudulently obtained. Because the representations often involve numerous claims for small sums of money, the prosecution may be required to accumulate instances of such false claims in order to prove one felony crime.

This bill shifts the emphasis of Medicaid fraud from the dollar amount lost to the submission of a false representation on a claim.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2064-80 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 249-80 State General Planning and Water, Land Use, Development and
Hawaiian Affairs on H.B. No. 1775-80

The purpose of this bill is to conform the land-use decision-making process with

the Hawaii state plan.

H.B. No. 1775-80 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 Committees have 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 Committees on State General Planning and Water, Land Use Development, and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1775-80, as amended herein, and recommend that it be recommitted to the Committees on State General Planning and 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. 1775-80, H.D. 1.

Signed by all members of the Committees except Representative Garcia.

SCRep. 250-80 Ocean and Marine Resources and Higher Education on
H.B. No. 2868-80

The purpose of this Act is to appropriate funds out of the general revenues of the State of Hawaii for the site specific feasibility plan for the aquarium.

The old Wakiki Aquarium, which is now 75 years of age was one of the first to be built. It led the way for a generation of facilities that housed collections of marine animals and plants and revealed the creatures of the water to an excited public for the first time.

Your committees find that, despite an illustrious history, the existing Waikiki Aquarium has become somewhat obsolete. Much of the hardware and mechanical equipment is old and difficult to maintain. With a few notable exceptions, its exhibits have fallen behind the state of the art. Holding facilities and support spaces are inadequate or substandard. There is no waterborne access to the site for specimen collection or transient research vessels, and visitor access through the building is difficult.

Your committees further find that any expansion of the facility would be expensive and in conflict with the existing master plan for Kapiolani Park.

Your committees on Ocean and Marine Resources and Higher Education are in accord with the intent and purpose of H.B. No. 2868-80 and recommend that it be referred to the committee on Finance.

Signed by all members of the Committees except Representative Garcia.

SCRep. 251-80 Ocean and Marine Resources on H.B. No. 2575-80

The purpose of this Act is to authorize a study to collect environmental baseline data and analyze waste disposal methods for a manganese nodule processing plant.

Various international mining consortia have expressed interest in locating a manganese nodule processing plant in Hawaii. Preliminary estimates indicate that a processing plant would have gross annual revenues of more than \$400 million, and would provide 2,400 new jobs throughout the State.

Your committee finds that the location of such an industry, the nature of the tailings and other wastes of the industry, the means and sites for disposal of the wastes, and the environmental impacts of the disposal are at present unknown.

Your committee further finds that timely environmental studies will enable the people and government of Hawaii to evaluate properly and act upon development proposals and permit applications.

In addition, these studies would also guide industry and allow time for redesign of

the plant or processing system to mitigate potential negative environmental impacts.

Your committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2575-80 and recommends that it be referred to the committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 252-80

Public Employment and Government Operations on H.B. No. 2216-80

The purpose of this bill is to recognize recent changes in the health services industry by expanding the authority of the Board of Trustees to contract with health maintenance organization plans that provide and arrange health services for members on a prepaid basis.

When the law was enacted in 1961, the Kaiser Foundation Health Plan was the only comprehensive group-practice prepayment plan available in Hawaii. Their physicians represented at least three major medical specialties and received all or a substantial part of their professional income from prepaid premiums.

In 1973, the Federal Health Maintenance Organization Act was passed to require private sector employers with 25 or more employees to offer prepaid systems specializing in preventive medicine and family health care for subscribers as an alternative to traditional health benefit plans if such prepaid systems were available.

In Hawaii today, HMSA's Community Health Program, through physician-owned medical centers, offers prepaid health care services to their subscribers similar to the Kaiser Plan. These physicians also maintain their regular fee-for-service business.

A change in the Health Fund Law at this time is needed to permit the Board of Trustees to contract with HMOs whose benefit plans will reduce total out-of-pocket medical expenses of public employees and their dependents.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2216-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 253-80

Health on H.B. No. 2836-80

The purpose of this bill is to appropriate \$695,000 to Castle Memorial Hospital to cover costs of a new emergency room and radiology service.

Your Committee finds that the Legislature previously appropriated funds for the emergency room at Castle Hospital, however only a portion of the funds were released.

Castle Hospital emergency room serves the Windward area of Oahu. This community has expanded and grown in the past several years and depends on Castle Hospital for emergency medical services.

Although the emergency room was completed in 1978, this appropriation would cover some of the costs incurred.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2836-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 254-80

Health on H.B. No. 2440-80

The purpose of this Act is to appropriate the sum of \$53,000 for a grant-in-aid to the Autistic Vocational Education Center for vocational education and training of at least ten autistic adults on the island of Oahu.

This is the first request for a grant-in-aid from the Hawaii Autistic Society which operates from the Autistic Vocational Education Center. The Center has been funded

through work-experience programs, foundation grants, CETA, and parents' contributions. This appropriation is intended to subsidize costs not covered through these means.

Your Committee heard testimony in support of this request from the Department of Health, the State Planning and Advisory Council on Developmental Disabilities, and the Commission on the Handicapped.

The Department of Health and the Commission on the Handicapped noted that the Center's program is for autistic people beyond school age (20 years or older) and beyond the scope of Department of Education subsidies; under P.L. 94-142, the Department of Education has responsibility for providing educational services for handicapped children of ages 3 to 19 years.

Your Committee agrees that the Autistic Vocational Education Center's efforts should be directed toward autistic people beyond school age and should not duplicate or overlap the scope of the Department of Education's autistic programs.

Your Committee on Health has therefore amended the bill by deleting the words "adolescents and" from Section 1, line 6, and thereby clarified the entry age into the Autistic Vocational Education Center's program.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2440-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2440-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 255-80 Health on H.B. No. 2567-80

The purpose of this bill is to provide a grant-in-aid to Molokai General Hospital, as a supplement, to make necessary repairs.

Your Committee finds that Molokai General Hospital will operate with a deficit for this current fiscal year and that the hospital's operating costs are budgetted in the administrative program in SUB 601.

Testimony presented states that with the high increases in electricity, fuel, and water rates the hospital is in need of additional funds to cover these items. Testimony also indicated that the recent storm further damaged the already deteriorated roof of the hospital and additional funds are needed to supplement those funds already earmarked for renovations and repairs.

Your Committee has amended the bill to provide an appropriation of \$38,242.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2567-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2567-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 256-80 Health on H.B. No. 2782-80

The purpose of this bill is to appropriate \$100,000 to G. N. Wilcox Memorial Hospital and Health Center to upgrade plumbing and electrical systems in the long-term care building.

Your Committee finds that the long-term care building is 43 years old. The plumbing is in immediate need of extensive repair and the electricity does not meet code. Testimony indicated that the wiring is in need of replacement.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2782-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 257-80

Health on H.B. No. 2657-80

The purpose of this bill is to appropriate funds to the Hemophilia Foundation of Hawaii to provide medical assistance to those suffering from hemophilia 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 heard testimony from hemophiliacs who stated that this grant-in-aid has assisted them to become independent and self-sufficient and has thereby prevented them from becoming welfare recipients.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2657-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 258-80

Health on H.B. No. 2764-80

The purpose of this bill is to appropriate funds for a mosquito control program in the State of Hawaii.

Your Committee finds that mosquitoes have been a problem at some of the sugar plantations. During 1979, plantations of the Hawaiian sugar industry spent over \$185,000 to control mosquitoes. The Department of Health's Vector Control Branch has been actively helping the plantations to solve this problem, however, the combined efforts to control the mosquito population have been inadequate.

Your Committee finds that the problem becomes a community health problem and additional efforts are needed to suppress mosquitoes. The request for \$125,000 will help to alleviate the mosquito problem.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2764-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 259-80

Health on H.B. No. 2349-80

The purpose of this Act is to appropriate out of the general revenues the sum of \$30,000 for assistance in administrative and program costs of the Brantley Center in Honokaa, Hawaii.

This Center presently services six people and will expand their program to serve more developmentally disabled people on their waiting list.

Your Committee heard testimony by the Department of Health and the State Planning Council on Developmental Disabilities in support of this bill. Your Committee finds that former Waimano Training School and Hospital residents are utilizing the services at Brantley Center as a vital part of their deinstitutionalization. Continued funding of the day activity and pre-vocational programs provided at the Brantley Center will allow these adults to remain on Hawaii which is their permanent residence rather than return to the institution on Oahu.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2349-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 260-80 Health on H.B. No. 2242-80

The purpose of this bill is to provide a grant-in-aid to the Sex Abuse Treatment Center.

The Sex Abuse Treatment Center is the only program in the State that provides comprehensive crisis intervention, counseling, medical, legal, and other support services, twenty-four hours a day, to persons who have been sexually abused.

Testimony presented states that in 1979 there was a 39% increase in caseload for the Center over the previous year, and for the first six months of the current fiscal period there has been a 76% increase over the same period last year. These increases are due in part to increased media coverage.

These increases have created problems for the Center. Specifically, the residents now providing medico-legal examinations for rape victims will not continue and the Center must look to other alternatives for providing this service.

Your Committee has therefore amended this bill to increase the appropriation by \$20,000 to \$262,000, to allow for the expected increase in costs of using private physicians to perform the medico-legal examinations.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2242-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2242-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 261-80 Health on H.B. No. 2108-80

the purpose of this bill is to appropriate \$42,100 for a grant-in-aid to the Hilo Women's Center for a sexual assault support system.

The Sexual Assault Support Service is the only program that provides services to rape victims on the island of Hawaii. The program coordinates the hospital, police, and prosecutor's office in an effort to facilitate the best possible outcome for the victim and her family.

Testimony presented showed a sharp increase in the number of rapes using force in 1979.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2108-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 262-80 Health on H.B. No. 1836-80

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 system for developmentally disabled persons statewide.

The primary purposes of the protection and advocacy system are to provide important linkages between agencies and individuals; and to conduct advocacy training programs for developmentally disabled persons, their families, and lay advocates. Your Committee 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 is aware that the Governor of the State of Hawaii has designated the Protection and Advocacy Agency to provide advocacy services to the developmentally disabled.

The State Planning Council on Developmental Disabilities testified in support of this bill and indicated the need for protection and advocacy against neglect and abuse of developmentally disabled citizens. Support testimony was also presented by Leeward Community College, P.E.R.C.H. organization at Kamehameha Schools and from a concerned parent.

Your Committee has amended the bill to provide an appropriation of \$155,536.93, which includes expansion of services to the neighbor islands. These funds are expended by the Office of the Governor.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1836-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1836-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 263-80 Health on H.B. No. 1940-80

The purpose of this Act is to appropriate the sum of \$60,000 for a grant-in-aid to the Hilo Association to Help Retarded Citizens. These funds are to be used for group-home treatment of deaf-blind multi-handicapped children in Hilo, Hawaii.

Through a grant-in-aid in 1979-1980, the Hilo Association to Help Retarded Citizens was able to provide group-home treatment for two children, and family support services to other deaf/blind multi-handicapped children. The appropriation will provide for the continuation of these programs.

Testimony presented by the Department of Health and the Easter Seal Society for Crippled Children and Adults, Inc. of Hawaii indicated that these funds will allow the children to remain in Hilo, where they reside, rather than being institutionalized in Waimano Training School and Hospital on Oahu.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1940-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 264-80 Health on H.B. No. 1941-80

The purpose of this bill is to provide a grant-in-aid to assist handicapped individuals develop alternative living arrangements and to create a semi-independent/independent living skills training program for the handicapped.

Your Committee finds that this program will develop alternatives to dependent living arrangements, such as care homes and institutions through the teaching of basic skills needed to become more independent.

Your Committee has amended this grant-in-aid from \$75,000 to \$50,000.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1941-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1941-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 265-80 Youth and Elderly Affairs and Public Assistance and Human
Services on H.B. No. 2208-80

The purpose of this bill is to provide general casualty insurance for each foster parent who operates a licensed foster boarding home. The State of Hawaii will pay for the insurance at no charge to the foster boarding home or foster parent since it is the State which is legally responsible for foster children. The insurance shall provide coverage for personal liability incurred by a foster parent in his role as a foster parent.

Your Committees have amended section 1 of the bill by inserting the dollar amounts setting the limit of the liability of the general casualty insurance at \$500,000 for each claim and \$500,000 for the aggregate claims incurred during the life of the general casualty insurance policy.

Your Committees have amended section 3 of the bill to provide an appropriation of \$6,800 to cover the cost of the insurance for fiscal year 1980-1981.

Your Committees on Youth and Elderly Affairs and Public Assistance and Human Services

are in accord with the intent and purpose of H.B. No. 2208-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2208-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 266-80 Consumer Protection and Commerce on H.B. No. 2263-80

The purpose of this bill is to amend Part II, Chapter 425, Hawaii Revised Statutes, relating to limited partnerships by redefining when a partner is statutorily unable to continue in the operation of the partnership.

Present law uses the words "insane" and "insanity" in connection with a partner's incapacity in carrying out the business of the partnership. Your Committee finds from the testimony presented that the Hawaii Revised Statutes no longer uses the word "insane" to describe a person who is mentally ill or incapacitated and that the language proposed by this bill is consistent with that used in the Uniform Probate Code, Chapter 560, Hawaii Revised Statutes, to describe a person's inability to manage his or her property and/or financial affairs.

Your Committee agrees with the intent of the bill to conform the language of Chapter 425 to both present usage in the profession and the rest of our statutes.

Your Committee has also amended the bill by making technical and form corrections.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2263-80, as amended herein, and recommends that it pass Second Reading in the form attached as H.B. No. 2263-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Larsen.

SCRep. 267-80 Consumer Protection and Commerce on H.B. No. 1871-80

The purpose of this bill is to amend Section 408-15(a), Hawaii Revised Statutes, to include industrial loan companies within the usury exemptions contained in Chapter 478.

The present Section 408-15(a) limits the amount of interest an industrial loan company may charge and receive to the terms of that section. Your Committee finds, from the testimony presented, that the present language of Section 408-15(a) may lead to confusion regarding the current \$750,000 limit on usury coverage under Chapter 478. Your Committee further notes that usury exemptions under Chapter 478 are not fully settled at the present time.

Your Committee therefore feels that it should not tie industrial loan companies directly to all usury exemptions, at this time. Your Committee has therefore amended the bill to specifically apply only the \$750,000 usury limit to industrial loan companies.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1871-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1871-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 268-80 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2005-80

The purpose of this bill is to amend Section 171-60, Hawaii Revised Statutes, to clearly spell out that public use and access to the beaches is paramount.

Section 171-60, Hawaii Revised Statutes, covers the development of public lands by a private developer and requires the terms of any disposition or development contract to include a number of conditions, one of them being that in the disposition of beachfront lands, the Board shall give consideration to the needs of the public with respect to the use of beach areas above and below the high water mark. To ensure that public use and access to the beaches is paramount, this bill would amend this require-

ment by adding the word "priority" before the word "consideration." The intent of the bill therefore, is to ensure that any development of State beachfront lands is not at the expense of the public use of and access to the beaches.

Your Committee has made technical, non-substantive amendments to the bill to comply with the Ramseyer format.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2005-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2005-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 269-80

Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2067-80

The purpose of this bill is to amend Section 209 of the Hawaiian Homes Commission Act, 1920, by reducing the Hawaiian blood requirement necessary for the spouse and offspring of a homestead lessee to qualify as successors to a homestead lease, eliminating the requirement that a lessee designate a successor to a lease at the time of a homestead award, and allowing the Department of Hawaiian Home Lands to select a successor to a lease in the event the lessee fails to designate a successor upon his death.

Under the present law, the spouse or offspring of a homestead lessee must be of at least fifty percent Hawaiian blood to qualify as a successor to the homestead lease. This bill will reduce the blood requirement to one-quarter Hawaiian.

In addition, the law requires a lessee of a homestead to designate a successor to the lease at the time the homestead award is granted. This bill will eliminate this requirement, provide for statutory flexibility with respect to when a successor to a lease may be named and allow the Department of Hawaiian Home Lands upon the death of a lessee to select a successor to the lease and to award the lease to a qualified surviving spouse or if there is no qualified surviving spouse to a qualified offspring in the event the lessee has not designated a successor to the lease.

Your Committee is in agreement with testimony received from the State Department of Hawaiian Home Lands and native Hawaiians that this bill will help ensure that homesteading families have increased continuity in ancestral lands, provide a greater incentive for homesteaders to improve and maintain their homesteads, and advance the purposes of the Hawaiian Homes Commission Act, 1920.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2067-80 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 Garcia.

SCRep. 270-80

Corrections and Rehabilitation and Judiciary on H.B.
No. 2983-80

The purpose of this bill is to implement parts of the Juvenile Justice Plan of 1974 and its 1979 Supplement.

Your Committees find that revamping of Chapter 352, Hawaii Revised Statutes, relating to the Youth Correctional Facility is long overdue. Some of the current laws are obsolete and should be repealed. Other sections of this Chapter should be amended to meet current needs and practices. The proposed bill will help to clarify, simplify and update the statutes.

Your Committees also find that proposed amendments to Chapter 371, Hawaii Revised Statutes, will help to clarify the authority and jurisdiction of the Family Court and Police.

The bill, more specifically, seeks to accomplish the following:

1. Creation of a coordinating body to bring together the separate agencies involved in juvenile justice matters.

2. Provision of a stronger policy statement as to the purpose of the youth correctional facilities.
3. Clarification of the period of commitment of persons at the youth correctional facility and their disposition by way of furlough, parole or discharge.
4. Emphasis on intelligence and aptitude evaluation and psychological and employment counseling for committed persons.
5. Emphasis on work-release programs for persons confined to the facility or work at the facility, and provides for holding of funds earned through work for their use.
6. Emphasis on the use of community-based programs for treatment of juvenile offenders.
7. Clarification of the circumstances under which the director of social services' jurisdiction ceases over a person committed to the youth correctional facilities.
8. Provision of a procedure for reviewing the status of every person committed to youth correctional facilities at least annually.
9. Clarification of the procedure for retaking a person for escape, violation of parole, or violation of furlough from youth correctional facilities.
10. Clarification of the procedure for transfer of a person committed to youth correctional facilities to an adult facility.
11. Clarification of the jurisdiction of the family court over persons who commit before age eighteen what would be a criminal offense if committed by an adult, but who have passed the age of eighteen, before a hearing is held. The proposed change authorizes the family court to have a hearing and make a disposition up to age nineteen, if it does not waive the child to adult jurisdiction.
12. Emphasis on the family court being authorized to order financial or in kind restitution from an adjudged person to anyone who suffers loss as a result of his actions.
13. Clarification of the authority of the police to counsel and release, do follow up counseling and provide follow-up services in appropriate cases involving juvenile offenders.

Your Committees believe that the juvenile justice program should give greater consideration to mental health problems affecting juveniles. Furthermore, your Committee believes that greater participation and representation on the part of private social service agencies on the Board should be encouraged.

Your Committees have, therefore, amended this bill to increase the membership on the interagency board from seven to nine, including an additional member from the private social services agencies and the director of health.

The bill as introduced, did not provide a date this Act should take effect. Your Committees have amended this bill to make this Act effective upon its approval.

Your Committees on Corrections and Rehabilitation and Judiciary are in accord with the intent and purpose of H.B. No. 2983-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2983-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Garcia.

SCRep. 271-80

Employment Opportunities and Labor Relations and Education
on H.B. No. 1933-80

The purpose of this bill is to have the department of labor and industrial relations establish a program to provide career planning and employment counseling to public high school students throughout the State.

Your Committees recognize that choosing a career or occupation is one of the most important decisions a person will ever make. Although millions of dollars are expended annually for the formal education of our youth, only a limited amount of funds and resources

are available for career planning and employment counseling.

Your Committees have amended this bill by appropriating \$231,800 to have the department of labor and industrial relations establish a career planning and employment counseling program for public high school students throughout the State. The funds appropriated are for the salaries plus fringe benefits for one counselor and clerk per department of education school district, and one administrator.

Your Committees on Employment Opportunities and Labor Relations and Education are in accord with the intent and purpose of H.B. 1933-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1933-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 272-80 Health and Public Assistance and Human Services on
H.B. No. 2598-80

The purpose of this bill is to appropriate the sum of \$250,000 for improvements in the areas of recreation, health, and welfare in the Fifteenth Representative District, Oahu.

Your Committee on Health and your Committee on Public Assistance and Human Services are in accord with the intent and purpose of H.B. No. 2598-80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 273-80 Health and Education on H.B. No. 2246-80

The purpose of this Act is to appropriate the sum of \$86,000 for a grant-in-aid to provide funds for the continuance of the Northern Koolau Community Health Education Program.

This measure is supported by the Department of Health, which testified that the funds appropriated by this bill will enable the Project to continue through the next fiscal year while other funds are sought. The department further noted that it had from 1976 through September 1979 supported the hypertension screening component of this project by allocating certain federal funds through its Chronic Disease Branch which are no longer available, increasing the urgency of the Project's need for State funding during this fiscal year.

Your Committee heard testimony in support of this measure by residents of the Kahaluu, Kaalaaloa and Haleiwa/Waialua area served by this program, who related the benefits they have received from the program, including in-depth instruction on controlling chronic diseases such as high blood pressure and diabetes, and health maintenance education in disease prevention, nutrition, and physical fitness.

Your Committee on Health and your Committee on Education are in accord with the intent and purpose of H.B. No. 2246-80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 274-80 Health on H.B. No. 2770-80

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 are voluntary, non-profit services and agencies dealing with specific diseases and problems which focus services on prevention, treatment and rehabilitation.

Your Committee further finds that the requested funds would: (1) maintain current levels of services being provided; (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; (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 4,692 clients.

Your Committee on Health amends this bill to appropriate the sum of \$897,674. The sum appropriated shall be expended by the department of health.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2770-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2770-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 275-80 Health on H.B. No. 3041-80

The purpose of this bill is to make an appropriation for supplemental funds for Emergency Ambulance Services for Oahu, for fiscal years 1979-1980 and 1980-1981.

Your Committee heard testimony from the Department of Health and the City and County of Honolulu stating that the funds budgeted for 13 ambulance stations for the City and County of Honolulu is not adequate to fully provide services for the county population.

The City and County of Honolulu has requested \$1.3 million to cover the deficit of 1979-1980 and \$1.5 million to supplement the available funds for 1980-1981.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3041-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 276-80 Health on H.B. No. 2928-80

The purpose of this bill is to appropriate the sum of \$27,505 for an additional position for the Department of Health in the County of Kauai to keep up with the sanitary inspection of fast food establishments, hotels and restaurants.

Your Committee finds that the County of Kauai has experienced a significant amount of development and has experienced an increase in the number of fast food establishments, hotels and restaurants. Your Committee further finds that the Department of Health has not kept up with sanitary inspection of these establishments.

This appropriation would cover the cost of hiring one Sanitarian V position for the County of Kauai.

The Department of Health testified that currently on Kauai there is a Chief Sanitarian and four Registered Sanitarian IV's providing services. The Department supported this added position to: (1) increase the number of inspections, thereby bringing Kauai more in line with the other three counties and (2) allow for better overall administration of the Kauai Environmental Health Services.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2928-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 277-80 Corrections and Rehabilitation on H.B. No. 2171-80

The purpose of this bill is to amend Section 354-3, Hawaii Revised Statutes, to delete the requirement that purchases of articles and products manufactured by correctional industries be made through the Department of Accounting and General Services. This bill would also abolish the board which grants exceptions under the mandatory provisions of Section 354-3.

Present statute requires that all purchases from correctional industries be made through the Department of Accounting and General Services. Your Committee finds that, in actual practice, the correctional industries receive 80-85 per cent of its work directly from the requesting agencies, printing being the principal product.

Your Committee further finds that the board established under Section 354-4 very rarely granted exceptions from the requirement of Section 354-3. All exceptions are presently made by the correctional industries staff, in availing its products or services directly to the various state agencies. Testimony received by your Committee reveals that the present process seems to be operating in a satisfactory manner. This bill, therefore, would conform the statutes to actual practice.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 2171-80 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 278-80 Corrections and Rehabilitation on H.B. No. 2510-80

The purpose of this bill is to appropriate \$84,000 to fund the Liliha House II Program for fiscal year 1980-81.

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 from three to twelve months during which period he or she prepares for parole and learns to 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 State 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 Supplemental Budget for fiscal year 1980-81. 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. Due to the success of Liliha House II, the Department of Social Services and Housing testified in support of the program.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 2510-80 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 279-80 Corrections and Rehabilitation on H.B. No. 2128-80

The purpose of this bill is to amend Section 353-1.3, Hawaii Revised Statutes, to administratively attach the Intake Service Center Advisory Board to the Office of the Governor and to assure the representation of all major components of the criminal justice system and community organizations on the Intake Service Center Advisory Board, including the addition of the Hawaii Paroling Authority.

Your Committee finds that the Intake Service Center Advisory Board should be placed in the Office of the Governor for administrative purposes to conform to Section 6, Article V of the Hawaii State Constitution, requiring that all boards and commissions be placed within a state department or similar entity.

Your Committee further finds that current statutes restrict board membership from the private sector to "private social service agencies". While it is desirable to include private social service agencies, private business and community organizations should also be represented. This bill would assure a broad representation from the community at large.

Your Committee also finds that the inclusion of the Hawaii Paroling Authority, with its key role in establishing minimum sentences, selecting individual offender for parole, providing parole supervision, and exercising its parole revocation authority, will assure a comprehensive representation of all the major components of the Hawaii Criminal Justice System on the Intake Service Center Advisory Board.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 2128-80 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. 280-80 Corrections and Rehabilitation on H.B. No. 2504-80 (Majority)

The purpose of this bill is to establish a Stay Straight Youth Awareness Program and to provide for full-time personnel to continue its development and administration.

Your Committee finds that the Stay Straight Youth Awareness Program, initiated in June 1979 by the Honolulu Jaycees with the cooperation and assistance of the Hawaii State Prison and its inmates, is a potentially valuable program to curb juvenile crimes. The objective of the program is to bring together Hawaii State Prison inmates and wayward juveniles for the purpose of educating such juveniles as to the possible consequences of their antisocial or delinquent behavior and steer them away from crime.

Your Committee further finds that because the Department of Social Services and Housing has sufficient authority to conduct such a program, it is not necessary to establish the program by statute.

Your Committee finds, however, that because of the tremendous increase in the number of juveniles being referred to the program by the Family Court, government agencies and other organizations, the services of a coordinator, is necessary for its continuation and expansion.

Your Committee has amended this bill to provide an appropriation of \$20,000 for the continuation of the Stay Straight Youth Awareness Program for fiscal year 1980-1981. These funds are to be expended for payment of the salary of a coordinator hired on a contract basis and for program operating expenses.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 2504-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2504-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.
(Representative Ikeda did not concur.)

SCRep. 281-80 Consumer Protection and Commerce on H.B. No. 2458-80

The purpose of this bill is to increase the penalty for the late transfer of ownership of a motor vehicle from \$2.00 to \$10.00.

Under present law, transferees of motor vehicles are required to file the transferred certificate of ownership and certificate of registration with the director of finance. Failure to comply with this requirement entails a penalty of \$2.00.

Your Committee finds from testimony presented by the City and County of Honolulu that during 1979 the Division of Motor Vehicles and Licensing recorded 22,549 instances of late transfers of ownership, an increase of 3% over 1978. Your Committee also finds that because of these late transfers, law enforcement agencies are often not able to obtain current identification and information concerning vehicle ownership.

Your Committee feels that it is in the best interests of the public to keep the records of the licensing agencies as current as possible and therefore agrees with the intent of the bill to encourage the early registration of transferred vehicles as much as possible.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2458-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 282-80 Consumer Protection and Commerce on H.B. No. 2469-80

The purpose of this bill is to raise the annual license fee for dogs and to collect it on a triennial basis, and to eliminate the ten percent penalty for late registration.

Under present law, the annual license fee is \$1.00. This bill would raise the fee to \$6.00 to be assessed triennially. Your Committee finds that the cost to the City and County of Honolulu to register dogs on an annual basis cannot be justified by the small amount of revenue generated. Your Committee has also heard testimony that it actually

costs the counties far more to collect the 10% late registration penalty than it collects in revenue. Your Committee is therefore in agreement with this bill to collect increased registration fees triennially and to delete the penalty provision.

While in accord with the intent of the bill, your Committee has amended the bill to allow for a waiver of the registration fee when the dog has been sterilized. Your Committee heard testimony from the Hawaiian Humane Society that there may be as many as 35,000 animals on Oahu unwanted as pets that eventually burden taxpayers by requiring services provided by the County. Your Committee feels that this amendment may provide an incentive to dog owners to help control the current pet overpopulation problem.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. 2469-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2469-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 283-80 Ecology and Environmental Protection and Public Employment
and Government Operations on H.B. No. 2454-80

The purpose of this bill is to permit the counties to enter into "put or pay" type contracts in connection with waste disposal facilities financed by pollution control bonds.

The specific need is to grant the City and County of Honolulu the power to write a bond guaranteeing that it will supply a certain amount of solid garbage to the proposed H-power plant. The plant would burn solid waste as a means of waste disposal, but a guarantee is needed to insure the operator of a continuous source of solid waste before the money necessary to construct the plant is expended.

Energy, either steam or electric, could be a by-product of this operation, and Hawaiian Electric Co. has expressed concern that the City and County was attempting to compete with it without having to comply with Public Utility Commission regulations.

As a result of this concern, your Committee has amended this bill by deleting the following phrase on line 15 after the word "disposal":

"or with respect to the purchase or sale or use of by-products (including energy) or residue resulting from the operation of such project."

Your Committees on Ecology and Environmental Protection and on Public Employment and Government Operations are in accord with the intent and purpose of H. B. No. 2454-80, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H. B. No. 2454-80, H. D. 1.

Signed by all members of the Committees except Representatives Garcia, Kawakami and Uwaine.

SCRep. 284-80 Ecology and Environmental Protection on H.B. No. 2833-80

The purpose of this bill is to provide funds to each county to hire additional workers for litter pickup services, including a youth employment program during the summer months.

Litter has long been considered a blight on Hawaiian landscapes. For over six years this committee has been holding hearings on deposit and return beverage containers and mandatory recycling proposals. Widespread and consistent opposition to these proposals, and the fact that studies have shown that not more than 15% of overall litter results from beverage containers, has convinced the committee members that the time is now appropriate for a state grant-in-aid program to the counties to assist them in maintaining a comprehensive litter control program.

It has been shown that a littered, poorly maintained area attracts more litter than a cleaned, well kept area. Your Committee feels that the solution to the litter problem is to clean up the public highways, parks and beaches; keep them cleaned; and let them serve as examples for Hawaii's people.

Testimonies were heard from the counties and from the State Department of Health

in favor of this bill.

Your Committee has amended this bill to include an appropriation of \$1,100,000 from the general fund. The \$1,100,000 figure was arrived at by accumulating the estimated State and County labor and cost requirements for additional litter pickup on all State and County roads, highways, beaches, and parks. The amount of money allocated to a particular county was based on a weighted percentage figure comprised of the total proportion of the State's population, miles of road, acres of public park area, and miles of beach contained in that county. The rationale for weighting the percentage figures was to place emphasis upon those areas contributing most to litter proliferation, while simultaneously insuring that each County received an amount adequate for its needs.

To insure that these funds are used to hire laborers and not to buy equipment such as trucks, the following sentence has been added to the end of Section 1:

"These funds shall be used solely to provide wages for laborers involved in litter cleanup and salaries for their direct supervisors."

Your Committee has also amended this bill to provide that not less than 25% of the money appropriated under this bill be used to hire youths during the summer months.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of H. B. No. 2833-80, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2833-80, H.D. 1.

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

SCRep. 285-80 Ecology and Environmental Protection on H.B. No. 2825-80

The purpose of this bill as originally presented was to require all gasoline service stations to sell litter bags to their customers. These bags would have been available from the Department of Health, though an equivalent bag could have been purchased by dealers from alternative sources. A purchase price of 2 cents per bag was stipulated in the bill, with resale price not to exceed 5 cents.

Your Committee heard testimony against this bill in its original form from the Hawaii Automobile and Retail Gasoline Dealers Association and from the Shell Oil Company. The Office of Environmental Quality Control stated that it would be useful in its efforts to reduce litter. The service stations felt that it was discriminatory to single them out when they did not even sell items that are most often littered, and when no proposal was made to help them deal with the additional amount of rubbish that would be brought to their stations under this program. They were also opposed to the mandated profit margin originally imposed by the bill. A tax credit for offering litter bags, intended expressly to defray the cost of purchasing the bags, was suggested as an alternative.

This recommendation has been accepted, and your Committee has amended the bill to encourage rather than mandate the sale of litter bags. This is done by giving a tax credit of up to \$200 per year off the general excise tax which may be claimed for the cost of purchasing litter bags and making them available free to all customers who want them. Further, your Committee has broadened the provisions of the bill to include "drive-in" restaurants. In an effort to minimize the loss of State revenues caused by such a credit, the definition of "drive-in" has been worded so as to exclude small fountain shops and mobile diners.

Your Committee estimates that the 400,000 automobiles in the State could conceivably use 10 litter bags per year for a total of 4,000,000. If the bags cost 2 cents each, the purchase from the litter control program would amount to \$80,000 per year. The estimated maximum tax credit of \$200 to each service station and drive-in restaurant, a total of some 1,100 establishments, would allow the handing out of up to 10,000 free bags each. Your Committee believes that food outlets will not achieve this number, and that 4,000,000 bags overall would therefore be a logical goal for this program.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2825-80 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2825-80, H.D. 1.

Signed by all members of the House except Representatives Garcia and Holt.

SCRep. 286-80

Ecology and Environmental Protection on H.B. No. 2409-80

The purpose of this bill is to create a task force, representing both the scientific and community knowledge and interest, to study, investigate, report on, and make recommendations on radiological safety for the State of Hawaii.

Your Committee has heard extensive testimony introduced by parties representing a variety of points of view relating to the use, storage, and disposal of nuclear and radiological materials.

In hearings on this subject, it has become evident that this issue is so complex and has attracted the emotional involvement of such a large portion of the community that a clear policy cannot, and should not, be made by the passage of a series of bills and resolutions relating to different parts of this very complex issue.

A clear State policy towards the use and disposal of nuclear related materials is critical to the safety of the residents of Hawaii and even to the Islands themselves, and must be established before the widespread use of nuclear materials and the proliferation of piecemeal legislation on the subject make any comprehensive and consistent policy impossible. The task force proposed by this bill would provide the knowledge and input necessary to determine the course of action that should be taken by the State in regards to the nuclear and radiological issue.

Your Committee has amended this bill by deleting reference to monitoring construction of nuclear weapons facilities, since this is an area where realistically the State has little if any jurisdiction. We have added two new areas for investigation by the task force:

- (a) alternate methods of low-level radioactive waste disposal which may be utilized by the State; and
- (b) the adequacy of State regulations for control and monitoring of radiation.

These are to be numbered (7) and (8), respectively.

The size of the task force has been increased from 11 to 15 members, and the composition now consists of the Director of Health, the Director of the Office of Environmental Control, 8 members of the scientific community with specific knowledge and experience in nuclear and radiological matters and issues, and 5 members of the community at large who have been active in developing a better public understanding of and/or education in radiological hazards.

Your Committee has further amended the bill to provide \$30,000 for the implementation of the bill's provisions. In another change we have required that the Department of Health furnish office materials and space to the secretarial personnel hired by the task force.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of H. B. No. 2409-80, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H. B. No. 2409-80, H. D. 1.

Signed by all members of the Committee except Representatives
Garcia and Kawakami.

SCRep. 287-80

Transportation and Education on H.B. No. 2196-80

The purpose of this Act is to assign the pupil safety of operation program to the Department of Transportation. It is the intent of the Department of Transportation to assure that the pupil transportation program is in compliance with the motor carrier safety requirements on school buses and to require the Department of Education to establish rules and regulations for pupil passenger safety instruction.

Your Committees are in accord with the intent and purpose of H.B. No. 2196-80, but agree with the Department of Transportation that it should be amended because the Department of Transportation is the appropriate agency to be assigned responsibility for the technical aspects of school bus safety such as equipment and inspection requirements while the Department of Education's expertise is in the area of public safety instruction and discipline.

The purpose of the amendment is to realign the responsibility for setting the criteria for passenger loading and unloading safety areas from the Department of Education to the Department of Transportation. It is the intent of the Department of Transportation that the selection for a school bus loading and unloading area be the responsibility of the carriers and that the selection of these areas made will be in compliance with the criteria set by the Department of Transportation.

Your Committees on Transportation and Education are in accord with the intent and purpose of H.B. No. 2196-80 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2196-80, H.D. 1.

Signed by all members of the Committees.

SCRep. 288-80 Transportation on H.B. Nos. 2511-80, 2544-80, 2569-80,
2663-80, 2761-80, 2786-80, 2840-80 and 2857-80

H.B. No. 2511-80 entitled: "MAKING AN APPROPRIATION FOR COMPLETION OF SHOULDER STABILIZATION ALONG KAM HIGHWAY BETWEEN HALEIWA AND WAHIWA, OAHU."

The purpose of this bill is to plan, design and construct highway improvements for Kam Highway between Haleiwa and Wahiwa.

H.B. No. 2544-80 entitled: "MAKING AN APPROPRIATION FOR MODIFICATIONS TO THE HEEIA-KEA BOAT LAUNCHING FACILITY."

The purpose of this bill is to make modifications to the Heeia-Kea boat launching facility.

H.B. No. 2569-80 entitled: "MAKING AN APPROPRIATION FOR CAPITAL IMPROVEMENT PROJECTS AT KAHULUI, AIRPORT, MAUI."

The purpose of this bill is for the design and construction of a taxiway, extension of existing safety area, and the design and construction of air cargo facilities at the Kahului Airport, Maui.

H.B. No. 2663-80 entitled: "MAKING AN APPROPRIATION FOR MOKUOLA STREET IMPROVEMENTS, WAIPAHU, OAHU."

The purpose of this bill is for the planning, designing and construction of a roadway and improvements for the completion of Mokuola Street, Waipahu.

H.B. No. 2761-80 entitled: "MAKING AN APPROPRIATION FOR A GRANT-IN-AID FOR IMPROVEMENTS AND WIDENING OF MAUNAWILI ROAD, KAILUA, OAHU."

The purpose of this bill is for the improvement and widening of Maunawili Road in the vicinity of Maunawili Park and between Lunahelu Street and Aloha Oe Drive, Kailua, Oahu.

H.B. No. 2786-80 entitled: "MAKING AN APPROPRIATION FOR STORAGE WAREHOUSE FACILITIES AT THE WHARF OF KAUNAKAKAI, MOLOKAI."

The purpose of this bill is to provide storage warehouse facilities at the wharf at Kaunakakai, Molokai.

H.B. No. 2840-80 entitled: "MAKING AN APPROPRIATION FOR TRUCK CLIMBING LANES AT PEPEEKEO, SOUTH HILO, HAWAII."

The purpose of this bill is for the designing and construction of truck climbing lanes at Pepeekeo, South Hilo.

H.B. No. 2857-80 entitled: "MAKING AN APPROPRIATION FOR IMPROVEMENTS TO THE PEARL CITY OFF RAMP, INTERSTATE H-1, OAHU."

The purpose of this bill is to provide for land acquisition, design and construction for a deceleration land and an additional lane on the off ramp and on Moanalua Road between the ramp and Hoomalu Street, Pearl City.

Your Committee on Transportation is in accord with the intent and purposes of H.B. No.'s 2511-80, 2544-80, 2569-80, 2663-80, 2761-80, 2786-80, 2840-80, 2857-80 and recommends

that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 289-80 Transportation on H.B. Nos. 2230-80, 2276-80, 2355-80,
2377-80, 2398-80, 2407-80, 2419-80, 2423-80 and 2441-80

H.B. No. 2230-80 entitled: "MAKING AN APPROPRIATION FOR RESURFACING OF MAUNALOA HIGHWAY, MOLOKAI."

The purpose of this bill is to resurface the roadway from the vicinity of Molokai Airport to the end of highway at Maunaloa Village.

H.B. No. 2276-80 entitled: "MAKING AN APPROPRIATION FOR A FEASIBILITY STUDY RELATING TO KE-AHOLE AIRPORT, HAWAII."

The purpose of this bill is to study the lawful authority and facilities required to accomodate aircraft designated as domestic or international carriers.

H.B. No. 2355-80 entitled: "MAKING AN APPROPRIATION FOR A PEDESTRIAN OVERPASS ON PUNCHBOWL STREET, OAHU."

The purpose of this bill is to provide an overpass to serve the school children attending Royal Elementary School and the residents of the area.

H.B. No. 2377-80 entitled: "MAKING AN APPROPRIATION TO PROVIDE FOR A RIGHT TURN FROM WAIALAE AVENUE TO KEALAOLU AVENUE."

The purpose of this bill is to appropriate money for the construction of a right turn lane from Waialae Avenue to Kealaolu Avenue, Honolulu, Oahu.

H.B. No. 2398-80 entitled: "MAKING AN APPROPRIATION FOR HIGHWAY PROJECT LOCATED ON THE ISLE OF MAUI."

The purpose of this bill is to appropriate for Haleakala Highway from the Airport to Kula Highway; on Honoapiilani Highway in Lahaina; on Piilani Highway from Kihei to Ulupalakua; on Hana Highway from Huelo to Hana; and, guardrails and shoulders for Maui.

H.B. No. 2407-80 entitled: "MAKING AN APPROPRIATION FOR THE REALIGNMENT OF HANA HIGHWAY FROM THE VICINITY OF KUAAU TOWARD HOOKIPA PARK, MAUI."

The purpose of this bill is to realign Hana Highway from west of Paia town to Hookipa Park and bypass the section of roadway from Kuau to Hookipa Park.

H.B. No. 2419-80 entitled: "MAKING AN APPROPRIATION FOR PLANS AND CONSTRUCTION FOR IMPROVEMENTS AT HAWAII BELT ROAD/AHULOA-PAKALANA ROAD INTERSECTION AND HAWAII BELT ROAD/ PAPAALOA RESIDENTIAL SUBDIVISION ACCESS ROAD INTERSECTION, HAWAII COUNTY."

The purpose of this bill is as stated in its title.

H.B. No. 2423-80 entitled: "MAKING AN APPROPRIATION FOR HIGHWAY PROJECTS ON THE ISLAND OF MOLOKAI."

The purpose of this bill is to make appropriations for the following highway projects located on the Island of Molokai: Kam V - Maunaloa Highway drainage (design); Kam V -Maunaloa Highway replace bridges (design); and, guardrail and shoulder improvements (design and construction).

H.B. No. 2441-80 entitled: "MAKING AN APPROPRIATION FOR CIVIL AIR PATROL HEADQUARTERS."

The purpose of this bill is to make an appropriation to implement phase II of the headquarters facilities for the Hawaii Wing of the Civil Air Patrol.

Your Committee on Transportation is in accord with the intent and purposes of H.B. No.'s 2230-80, 2276-80, 2355-80, 2377-80, 2398-80, 2407-80, 2419-80, 2423-80, and 2441-80 and recommends that they pass Second Reading and be referred to the Committee

on Finance.

Signed by all members of the Committee.

SCRep. 290-80 Transportation on H.B. No. 2988-80

The purpose of this bill is to make an appropriation for the planning, design, and construction of a pedestrian overpass over Likelike Highway in the vicinity of the Bishop Museum. The original bill appropriates an unspecified sum in State general funds for the overpass.

Your Committee received testimony from the Department of Transportation supporting this measure and has therefore amended section 1 of the bill to appropriate \$20,000 for fiscal year 1980-1981 for the planning, design, and construction of the overpass. Your Committee has also amended Section 2 of the bill by adding a lapsing provision which provides that any unexpended or unencumbered balance of the appropriation made by this bill as of the close of business on June 30, 1981 shall lapse into the general fund.

Your Committee has also made a few non-substantive amendments of a technical nature to the bill (e.g., changing the capitalization of certain words).

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2988-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2988-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 291-80 Transportation on H.B. No. 2837-80

The purpose of this bill is to provide for the replacement of five bridges in Hawaii County by appropriating \$9,781,000 for necessary work during fiscal year 1980-1981.

Your Committee received testimony from the Department of Transportation supporting this measure and has amended Section 1 of the bill to incorporate the department's recommendation that the amount appropriated be reduced from \$9,781,000 to \$500,000 for fiscal year 1980-1981 for replacement of the bridges, including necessary preliminary planning and design studies. Your Committee has also amended Section 2 of the bill to provide a June 30, 1981 lapsing date for any unexpended or unencumbered balance of the appropriation made by this bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2837-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2837-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 292-80 Transportation on H.B. No. 2328-80

The purpose of this bill is to assist the Department of Transportation (DOT) in the administration and operation of State Boat Harbors by providing statutory authority for determining the true owner of a vessel moored prior to a Mooring Permit issued by the Department.

Your Committee has amended this bill to delete the requirements that the owner of a vessel must be a "natural" person and the "majority" owner of a vessel in order to be issued a use permit for State Small Boat Harbors. The DOT supports this deletion and believes that they would have resulted in unforeseen and unwarranted hardships to many boat owners.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 232880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 232880, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 293-80 Transportation on H.B. No. 2248-80

The purpose of this bill is to make a statutory provision requiring dealers of new bicycles or mopeds to refund license tax and registration fees to buyers who opt to return or exchange new bicycles or mopeds, providing such returns or exchanges are in accordance with dealers' policies.

Under present law, dealers are not required to grant buyers the above-mentioned refund. Your Committee feels that clarification of this point is both necessary and beneficial.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2248-80, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 294-80 Transportation on H.B. No. 2145-80

The purpose of this Act is to appropriate funds to construct a two-lane highway needed to improve access through Haleiwa Town.

Your Committee is in agreement with the State Department of Transportation in appropriating such funds.

Your Committee has amended this bill to change the source of funding from the general revenues of the State of Hawaii to G.O. Reimbursable Bonds and Federal-Aid Primary funds. Your Committee has further amended this bill to include an appropriation for \$34,000 G.O. Reimbursable Bonds to be used for planning and \$66,000 in Federal-Aid Primary funds for construction during the fiscal year 1980-81.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2145-80 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2145-80, H.D. 1.

Signed by all members of the Committee.

SCRep. 295-80 Public Employment and Government Operations on
H.B. No. 2753-80

The purpose of this bill is to amend sections of Chapter 77 to delete the existing wage and salary schedules covering blue-collar and white-collar workers; to establish the salary and wage schedules of such workers through the collective bargaining process; and to establish compensation plans for managerial white-collar positions by action of the chief executives of the State and counties and the chief justice of the supreme court, subject to the provisions of Chapter 89C.

Your Committee finds that present pay schedules established in Chapter 77 are obsolete in that the real wage and salary schedules are now established through the collective bargaining process. Furthermore in an effort to accommodate the existing system to the needs of the bargaining table, the number of steps within the negotiated salary ranges has increased greatly adding to the complexity and administration of these and other pay plans in the State.

Providing for the establishment of wage or salary schedules through the bargaining unit negotiating process will allow the creation of schedules more clearly suited to the particular unit or units concerned and provide if properly established and administered, incentives for up-grading personnel skills and qualifications.

Concerns of the excluded "managerial" white-collar officers or employees are addressed through provisions authorizing the Governor and other executive heads of government to establish appropriate pay structures, and to adjust compensation under the provisions of Chapter 89C.

Your Committee has made technical amendments to the bill.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2753-80 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2753-80, H.D. 1, and

be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 296-80

Public Employment and Government Operations on
H.B. No. 2752-80

The purpose of this bill is to authorize the State and county personnel directors to declare an occupational group within a class to be in a shortage category.

Presently, Section 77-9, Hawaii Revised Statutes permits the State personnel director, with the approval of the Governor, or any county personnel director with the prior approval of his respective mayor to declare an entire "class" in which a labor shortage occurs to be a labor shortage category and to establish a new minimum, entry level salary or rate which is fair and reasonable and at which persons can be recruited from the labor market. In Section 77-9, Hawaii Revised Statutes, "class" is broadly defined to mean a group of positions sufficiently similar with respect to duties, authority, and responsibility.

Testimony presented by the Department of Personnel Services pointed out that when a new minimum salary for a declared labor shortage category class takes effect, all incumbents in that declared class who are compensated at a rate less than the minimum salary level shall have their pay adjusted to the new minimum salary level. In some instances, this adjustment involves a large number of employees resulting in a substantial increase in personnel expenditures.

According to the Department of Personnel Services, in a situation where there is a labor shortage involving a group of positions within a class, it should not be necessary to declare the entire class as a labor shortage category. The department further testified that State and county personnel directors in addition to their present authority to declare an entire class as a labor shortage category, should also be given the flexibility to issue a declaration for only those positions within a class in which a labor shortage exists. The bill provides for this flexibility and allows for the minimum salary of the positions in the declared shortage category to be adjusted to a new salary which is fair and reasonable and at which persons can be recruited from the labor market.

Another concern expressed by the Department of Personnel Services and addressed by the bill is that when incumbents of a shortage class or group of position in a class move to another class or position, their compensation should be adjusted from the shortage class or position salary to the pay rate in effect for their new class or position.

Your Committee has amended the bill by replacing the word "move" with the word "transfer" throughout the bill for technical and grammatical purposes.

Your Committee has further amended the bill to include the phrase "in the political jurisdiction" as another technical amendment after the word "effect" on line 23, page 2.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2752-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2752-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 297-80

Public Employment and Government Operations on
H.B. No. 2528-80

The purpose of this bill is to establish a commission to review the public employees' retirement law in its entirety with particular emphasis on the recommendations and policy issues raised by the actuary.

The consulting actuary of the System has made recommendations that various specific changes be made to the System and certain policy issues be examined. Testimony presented before your Committee showed that the Board of Trustees and employee organizations favor the establishment of such a commission.

Your Committee upon consideration has made the following amendments:

1. Section 1. The purpose of the bill has been amended to direct the commission to focus its study on the fiscal integrity and soundness of the System and broad public policy issues. Your Committee believes that the primary concern to be addressed is whether or not our present system is fiscally sound.

2. Section 2. The section has been amended as follows:

(a) Substituting the Office of the Legislative Auditor for the Office of the Legislative Reference Bureau. Your Committee believes that the Office of the Legislative Auditor can best provide the technical staff support needed by the commission.

(b) The number of commissioners has been changed from nine to seven. Your Committee believes that a smaller commission can work more effectively and efficiently.

(c) The first category of commissioners has been changed to provide that a State or county officer or employee who represents the interests of management be selected. Your Committee believes that the management point of view should be represented in the commission.

3. Section 3. The section has been amended to restate the proposed focus of the study; require a progress report on the commission's work be given to the 1981 State Legislature; and set as the date for the completion of the final report for January 1, 1982. The Committee believes that a study of this importance will take until the 1982 session to complete and that a progress report should be made to the 1981 Legislature.

4. Section 5. This section has been amended to set the commission termination date for December 31, 1982.

5. Section 6. This section has been amended to provide for a \$100,000 appropriation to be expended by the Office of the Legislative Auditor.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2528-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2528-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 298-80

Public Employment and Government Operations on
H.B. No. 2343-80

The purpose of this bill is to eliminate the requirement of the Employees' Retirement System to return the earnings on its investments above 4 1/2% to the State and counties. The bill would also give the authority to the Board of Trustees to set the investment yield rate, presently set by statute at the regular interest rate, and the authority to set such tables and factors used for actuarial valuations of the System.

The Board of Trustees of the Employees' Retirement System has adopted a new salary assumption of 4%. With this change, the Board has recommended to the Legislature that the Board be allowed to set the interest assumption and retain excess earnings above regular interest in the System. The Board believes this will produce a level contribution rate as a percentage of payroll of employers' contribution and maintain the fiscal soundness of the System.

Your Committee has amended the bill to set in statute the interest assumption at 7% and to retain the provision requiring the return of excess earnings over the interest assumption to the State and counties. Regular interest paid to System members on their contribution to the annuity savings fund will remain at 4 1/2%.

Your Committee believes that the interest on investment assumption does need to be adjusted to achieve level funding of the System and maintain a cost to the employers that can be financed. However, your Committee believes that the Legislature should not allow the Board to set the interest assumption at this time nor should excess earnings remain in the System.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2343-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2343-80, H.D. 1, and be referred

to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 299-80 Public Employment and Government Operations on
H.B. No. 2141-80

The purpose of this bill is to establish some equality in the treatment of surviving spouses of pensioners under various state laws relating to county pensions.

Under present law, a surviving spouse of a pensioner receiving benefits under Part I of Chapter 88, is not eligible for a pension unless that person was married to the recipient of the pension at the time the pension was first granted. Surviving spouses are eligible to receive a portion or the full amount of the payments made to deceased persons in all other situations.

Your Committee is in agreement to extend eligibility to surviving spouses of deceased pensioners who were granted pensions by special act of the legislature, regardless of when they were married.

Your Committee therefore recommends that subsection (4) be deleted in its entirety in order to remove the present requirement that the surviving spouse had to be married to the recipient of the pension at the time the pension was first granted and the sixty percent limitation on the amount payable to the beneficiary.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2141-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2141-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 300-80 Public Employment and Government Operations on
H.B. No. 1961-80

The purpose of this bill is to restore the law to its original and proper intent as it applies to vacation entitlement of certain public officers and employees.

Act 199, Session Laws of Hawaii 1977, inadvertently among other things, changed the numbering of the paragraphs in Section 76-16. Although it was not the intent of Act 199, the result of the renumbering of the paragraphs in Section 79-1 is that certain employees who should be entitled to vacation with pay are now technically not entitled to vacation with pay and certain employees who should not be entitled to vacation with pay are now technically entitled to vacation with pay.

Your Committee finds that H.B. No. 1961-80 is a necessary measure to restore the law to its original and proper intent.

Your Committee has amended H.B. No. 1961-80 to correct a typographical error on line 10 by placing brackets around the figures 6-303 so that the bill conforms to section 79-1 as it appears in the Hawaii Revised Statutes.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1961-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1961-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 301-80 Public Employment and Government Operations on
H.B. No. 2358-80

The purpose of this bill is to increase the per diem allowance for food and lodging which is paid to employees who are required to travel in the course of their official duties.

Inflation has so increased the cost of lodging and meals that employees who are required

to travel sometimes pay a large portion of these expenses from their own sources. Current per diem allowances are inadequate to meet the increased travel expenses.

Proposed increases provide for retroactive per diem coverage from July 1, 1979 for state employees covered under Chapter 89C, as well as other employees who are not covered under the collective bargaining agreements recently negotiated. The proposed rates conform to the per diem rates which were agreed to in the recent series of collective bargaining negotiations.

The proposed bill allows the Governor to approve an additional per diem allowance up to ten dollars per day. Your Committee has amended the bill to allow the Chief Justice to exercise the same authority so as to remain consistent with the present personnel law.

Your Committee has made technical amendments to Section 3, page 2, line 13, to read "This act shall take effect upon its approval."

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2358-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2358-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 302-80

Health on H.B. No. 2658-80

The purpose of this bill is to amend the laws relating to health.

This bill was originally a short-form bill which was introduced as a vehicle for substantive amendments to the Hawaii Revised Statutes or for the appropriation of funds. Consequently your Committee has amended the purpose of this bill to provide a grant-in-aid to the Arthritis Center of Hawaii, located in Kuakini Medical Center on the island of Oahu, to enable the Center to continue to provide services to arthritis patients throughout the State.

Your Committee received testimony noting that in spite of modest advances in arthritis research, arthritis continues to be a major health problem in Hawaii affecting one in seven persons, including many children.

The Arthritis Center, one of twenty-four federally-funded multipurpose Arthritis Centers in the United States, has been serving arthritis patients of all ages in Hawaii since 1974 and has accepted patient referrals by more than 40 per cent of all practicing physicians in the State. In addition to diagnosis and recommendations for treatment, the Center's staff provides patients with instruction in a broad range of self-help activities, provides referral information, and conducts an education and training program for health professionals and students in a clinic setting. The Center also provides mobile multidisciplinary teams for clinic services and public information forums in rural Oahu and on four of the Neighbor Islands, conducts outreach services, and has developed educational materials in five languages.

At the present time the Center is attracting nearly \$700,000 in federal funds for a three-year period ending in 1981 and will in October 1980 be applying, in competition with other such centers, for the continuation of its federal grant in order to add a research component to its activities. These federal funds are provided only for educational and community programs. It is therefore particularly important for the State to continue to provide financial support for the basic Arthritis Center program of direct patient services, in order to enable the Center to continue to qualify for federal funds for these complementary activities.

Section 2 of this bill has been amended by deleting the original wording, which stated "The Hawaii Revised Statutes is amended to conform to this Act", and inserting in its place a provision appropriating a grant-in-aid of \$105,000 to the Arthritis Center of Hawaii for the continued provision of services to arthritis patients.

A new section 3 has been added which provides that the sum appropriated shall be expended by the department of health for the purposes of this Act, and that any unexpended or unencumbered balance of any appropriation made by this Act shall lapse into the general fund.

Section 3 of the original bill has for the purposes of consistency been renumbered

section 4 of this bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2658-80, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2658-80, H.D. 1.

Signed by all members of the Committee.

SCRep. 303-80

Judiciary on H.B. No. 2908-80 (Majority)

The purpose of this bill is to authorize the Lieutenant Governor's office to produce a Voters Information Pamphlet as a practical and concise way of giving voters helpful information about candidates and the electoral process.

There is no provision under present law which would allow the Lieutenant Governor's office to produce a pamphlet for voters giving them information about candidates, nor are there funds appropriated to so do. This bill appropriates \$76,000 and authorizes the Lieutenant Governor's office to produce a pamphlet to be mailed to all residential households in the State prior to the 1980 primary election covering all candidates running for office in such election.

Your Committee received much testimony in favor of the concept of a Voter's Information Pamphlet which would give all candidates running for office in the 1980 primary election the opportunity to submit a photograph of him or herself and to answer questions pertinent to the office such candidates were seeking.

However, your Committee, while in complete agreement that the concept of an informational pamphlet is meritorious, feels that the specific details regarding such a pamphlet should be embodied statutorily in order to avoid possible litigation which may delay or preclude its publication. Accordingly, your Committee has amended the bill by providing for a new part to be added to Chapter 11 of the Hawaii Revised Statutes which would do the following:

1. Require that the pamphlet indicate the office the nominee is seeking, along with name, address, and telephone number, whether or not such nominee is an incumbent, and whether or not such nominee has agreed to abide by the campaign spending limits;
2. Allow the Lieutenant Governor to determine what information about the electoral process to include in the pamphlet;
3. Require that nominees or potential nominees be given information relating to the pamphlet, including a request for a photograph and questions to be responded to by such nominee, no later than the filing of nomination papers;
4. Allows the Lieutenant Governor to determine the size, shape and texture of the photograph to be submitted by each nominee, but provides that the submission of such photograph is optional;
5. Requires that the questions posed nominees be the same, but that the responses are optional;
6. Requires that nominees appear in the pamphlet in alphabetical order within each category of office, in the same sequence in which the offices sought appear on the State primary election ballot;
7. Requires the Lieutenant Governor to reject any response from a nominee which in the Lieutenant Governor's opinion contains libelous matter;
8. Prohibits the admissibility into evidence in any action brought against the State to enjoin the publication of the pamphlet, material submitted by a nominee for inclusion into such pamphlet; and
9. Exempts from the campaign expenditure limitations and reporting requirements, all costs of the pamphlet.

Your Committee is of the opinion that these amendments to H.B. No. 2908-80 provides the necessary specificity to make the Voter Information Pamphlet the meaningful and

viable alternative to achieving an informed, enlightened and otherwise educated voter population it is meant to be.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2908-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2908-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Medeiros.
(Representative Blair did not concur.)

SCRep. 304-80 Judiciary on H.B. No. 2383-80

The purpose of this bill is to appropriate a sum of money out of the general revenues of the State to provide legal services to low income residents of Hawaii.

Your Committee received testimony that in June of 1978, a nonprofit corporation, Alternative Delivery of Legal Services (ADS), was formed to provide free legal services to the poor on routine and non-complex cases which because of their low priority and/or non-urgent nature could not be handled by the Legal Aid Society of Hawaii. During its existence, the ADS received over 1,000 requests for assistance. Funding was obtained from the Federal Government.

Your Committee received further testimony that ADS has subsequently lost its source of funding and will terminate as of February 29, 1980. The monies presently requested via H.B. No. 2383-80 are to fund a new program utilizing Hawaii's 2,000 licensed attorneys to offer a pro bono referral system for the poor, a sliding fee scale for those at near poverty level, and reduced rates for the middle income group.

Your Committee is of the opinion that based on the success of ADS, and much testimony was received with respect thereto, there is a need to fund a similar program. Accordingly, your Committee has amended this bill by providing that 113,980, be the specific figure to be appropriated out of the general revenues of the State.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2383-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2383-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 305-80 Education on H.B. Nos. 1839-80, 1840-80, 1922-80, 2017-80, 2018-80, 2028-80, 2223-80, 2232-80, 2390-80, 2391-80, 2393-80, 2403-80, 2408-80, 2412-80, 2414-80, 2425-80, 2430-80, 2547-80, 2548-80, 2565-80, 2600-80, 2601-80, 2603-80, 2613-80, 2614-80, 2615-80, 2616-80, 2617-80, 2618-80, 2626-80, 2706-80, 2713-80, 2725-80, 2759-80 and 2950-80

H.B. No. 1839-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR STEVENSON INTERMEDIATE SCHOOL, OAHU."

The purpose of this bill is for an appropriation for the construction and renovation of the existing music building at Stevenson Intermediate School to include the construction of a music practice room.

H.B. No. 1840-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR ROOSEVELT HIGH SCHOOL, OAHU."

The purpose of this bill is for an appropriation for the construction and renovation of Building A at Roosevelt High School.

H.B. No. 1922-80 entitled: "A BILL FOR AN ACT RELATING TO NEW PROGRAMS AND MAKING SUPPLEMENTARY APPROPRIATION THEREFOR."

The purpose of this bill is for an appropriation for the repair and maintenance of public schools throughout the state.

H.B. No. 2017-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR MCKINLEY HIGH SCHOOL, OAHU."

The purpose of this bill is for an appropriation for the construction of an academic core building at McKinley High School.

H.B. No. 2018-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR HONOLULU DISTRICT SCHOOLS."

The purpose of this bill is for an appropriation for the renovation of classrooms for the severely multiply handicapped in Honolulu district schools.

H.B. No. 2028-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PLANS AND CONSTRUCTION FOR RENOVATION OF STEVENSON INTERMEDIATE SCHOOL LIBRARY IN BUILDING A, OAHU."

The purpose of this bill is for an appropriation for plans and construction for the renovation of the Stevenson Intermediate School library in Building A. The renovation shall include air conditioning, carpeting, and replacement of shelves.

H.B. No. 2223-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE EXPANSION OF PLAYGROUND AREA AT PUKALANI ELEMENTARY SCHOOL, COUNTY OF MAUI."

The purpose of this bill is for an appropriation for the expansion of the playground area at Pukalani Elementary School to include the construction of a soccer field.

H.B. No. 2232-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR IMPROVEMENTS AND/OR RENOVATIONS TO DORMITORY FACILITIES AT LAHAINALUNA HIGH SCHOOL, MAUI."

The purpose of this bill is for an appropriation for the improvements and/or renovations of the dormitory facilities at Lahainaluna High School such that they would comply with the federal requirements of Title IX.

H.B. No. 2390-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR WAIALUA HIGH SCHOOL, OAHU."

The purpose of this bill is for an appropriation for the construction and equipment of the industrial and practical arts building at Waialua High School.

H.B. No. 2391-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE PRESERVATION AND RESTORATION OF THE OLD HALEIWA ELEMENTARY SCHOOL BUILDING."

The purpose of this bill is for an appropriation for the preservation and restoration of the Old Haleiwa Elementary School Building.

H.B. No. 2393-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE CONSTRUCTION OF PLAYCOURTS AT RED HILL ELEMENTARY SCHOOL."

The purpose of this bill is for an appropriation for the construction of playcourts at Red Hill Elementary School.

H.B. No. 2403-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR EDUCATIONAL FACILITIES IN THE 5TH AND 6TH REPRESENTATIVE DISTRICTS."

The purpose of this bill is for an appropriation for educational facilities in the Fifth and Sixth Representative Districts.

H.B. No. 2408-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR SCHOOL PROJECTS LOCATED IN THE MAUI SCHOOL DISTRICT."

The purpose of this bill is for an appropriation for the construction of school projects in the Maui school district.

H.B. No. 2412-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR KALANIANA'OLE ELEMENTARY AND INTERMEDIATE SCHOOL, HAWAII."

The purpose of this bill is for an appropriation for the design and construction of physical education locker and shower facilities at Kalaniana'ole Elementary and Intermediate School.

H.B. No. 2414-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR LAUPAHOEHOE HIGH AND ELEMENTARY SCHOOL."

The purpose of this bill is for an appropriation for the design of a conversion of regular classrooms to a band room with suitable equipment and appurtenances at Laupahoehoe High and Elementary School.

H.B. No. 2425-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR AIEA INTERMEDIATE SCHOOL, OAHU."

The purpose of this bill is for an appropriation for the design and construction of paved playcourts for volleyball, basketball, handball, and tennis for Aiea Intermediate School.

H.B. No. 2430-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE INSTALLATION OF LIGHTS AT CASTLE HIGH SCHOOL ATHLETIC FIELD."

The purpose of this bill is for an appropriation for the installation of lights at Castle High School Athletic Field.

H.B. No. 2547-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR KAHUKU HIGH SCHOOL, OAHU."

The purpose of this bill is for an appropriation for the design and construction of shop facilities at Kahuku High School.

H.B. No. 2548-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR LAIE ELEMENTARY SCHOOL, OAHU."

The purpose of this bill is for an appropriation for the construction of a paved playcourt for Laie Elementary School.

H.B. No. 2565-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE DESIGN AND CONSTRUCTION OF FOUR CLASSROOM BUILDINGS AND A PARKING LOT AT KAUNAKAKAI SCHOOL, MOLOKAI."

The purpose of this bill is for an appropriation for the design and construction of four classroom buildings and a parking lot at Kaunakakai School.

H.B. No. 2600-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR KAIMUKI HIGH SCHOOL."

The purpose of this bill is for an appropriation for the construction of a new music building and for new music building equipment for Kaimuki High School.

H.B. No. 2601-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR KAIMUKI HIGH SCHOOL."

The purpose of this bill is for an appropriation for the repair of roofs in the administration building and the existing music building at Kaimuki High School.

H.B. No. 2603-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR HAWAII SCHOOL FOR THE DEAF AND BLIND."

The purpose of this bill is for an appropriation for covered walkways, a mini-gymnasium, and a covered lanai for Hawaii School For the Deaf and Blind.

H.B. No. 2613-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR HONOKAA HIGH AND ELEMENTARY SCHOOL, HAWAII."

The purpose of this bill is for an appropriation for the construction of an industrial education facility, equipment, and appurtenances at Honokaa High and Elementary School.

H.B. No. 2614-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR HONOKAA HIGH AND ELEMENTARY SCHOOL, HAWAII."

The purpose of this bill is for an appropriation for repairs and renovation at Honokaa High and Elementary School.

H.B. No. 2615-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR

KALANIANA'OLE INTERMEDIATE AND ELEMENTARY SCHOOL, HAWAII."

The purpose of this bill is for an appropriation for repairs and renovation at Kalaniana'ole Intermediate and Elementary School.

H.B. No. 2616-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PAAUULO INTERMEDIATE AND ELEMENTARY SCHOOL, HAWAII."

The purpose of this bill is for an appropriation for repairs and renovation at Paaulo Intermediate and Elementary School.

H.B. No. 2617-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR LAUPAHOEHOE HIGH AND ELEMENTARY SCHOOL, HAWAII."

The purpose of this bill is for an appropriation for repairs and renovations at Laupahoehoe High and Elementary School.

H.B. No. 2618-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR KOHALA HIGH AND ELEMENTARY SCHOOL, HAWAII."

The purpose of this bill is for an appropriation for repairs and renovation at Kohala High and Elementary School.

H.B. No. 2626-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE NINETEENTH DISTRICT SCHOOLS."

The purpose of this bill is for an appropriation for the repair and maintenance, and repainting of schools in the 19th Representative District.

H.B. No. 2706-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CAPITAL IMPROVEMENT PROJECTS IN THE SEVENTH REPRESENTATIVE DISTRICT, OAHU, HAWAII."

The purpose of this bill is for an appropriation for the plans and construction for the installation of activity lights for security at Kaiser High School.

H.B. No. 2713-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR WAIALUA HIGH SCHOOL, OAHU."

The purpose of this bill is for an appropriation for the design and construction of an alignment enclosure for the automotive shop at Waialua High School.

H.B. No. 2725-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE KONAWAENA HIGH AND INTERMEDIATE SCHOOL ATHLETIC FIELD, HAWAII."

The purpose of this bill is for an appropriation for the repair of Julian R. Yates field at Konawaena High and Intermediate School.

H.B. No. 2759-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR SECURITY FLOOD LIGHTS ON THE KAILUA HIGH SCHOOL CAMPUS AND REPAIRS AND MAINTENANCE OF FACILITIES AT KAILUA HIGH SCHOOL, KAILUA, OAHU."

The purpose of this bill is for an appropriation for the installation of security flood lights, and for the repairs of the inter-com system and leaky roofs in room B-22, the boy's PE office and storage area, the drama room, and the reading center at Kailua High School.

H.B. No. 2950-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR REPAIR, MAINTENANCE AND CONSTRUCTION FOR SCHOOLS IN THE 17TH REPRESENTATIVE DISTRICT."

The purpose of this bill is for an appropriation for repair, maintenance, and construction for schools in the 17th Representative District.

Your Committee on Education is in accord with the intents and purposes of H.B. No.'s 1839-80, 1840-80, 1922-80, 2017-80, 2018-80, 2028-80, 2223-80, 2232-80, 2390-80, 2391-80, 2393-80, 2403-80, 2408-80, 2412-80, 2414-80, 2425-80, 2430-80, 2547-80, 2548-80, 2565-80, 2600-80, 2601-80, 2603-80, 2613-80, 2614-80, 2615-80, 2616-80, 2617-80, 2618-80, 2626-80, 2706-80, 2713-80, 2725-80, 2759-80, and 2950-80 and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Kawakami and Segawa.

SCRep. 306-80 Education on H.B. No. 2364-80

The purpose of this bill is to appropriate \$1,610,000 for the repair and maintenance, and repainting of Honolulu district schools.

Under this bill, specific sums are being appropriated to specific schools in the Honolulu district.

Your Committee believes that the bill, in its present form, may restrict a specific amount of funds to a specific school, and that flexibility should be allowed such that funds can be transferred to accommodate cost differences between preliminary estimates and actual expenditures.

Accordingly, your Committee has amended the bill by appropriating a lump sum of \$1,610,000 for the repair and maintenance, and repainting of various schools in the Honolulu district, and by deleting the specific appropriations made to specific schools.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2364-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2364-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Kawakami and Segawa.

SCRep. 307-80 Education on H.B. No. 2432-80

The purpose of this bill is to appropriate \$584,841 for the repairs of storm damaged facilities, for the replacement of lost or destroyed building material, and for the removal of debris in Windward district schools.

Under this bill, specific sums are being appropriated to specific facilities in Windward district schools.

Your Committee believes that the bill, in its present form, may restrict a specific amount of funds to a specific facility, and that flexibility should be allowed such that funds can be transferred to accommodate cost differences between preliminary estimates and actual expenditures.

Accordingly, your Committee has amended the bill by appropriating a lump sum of \$584,841 for repairs of storm damaged facilities, for the replacement of lost or destroyed building material, and for the removal of debris in Windward district schools, and by deleting the specific appropriations made to specific school facilities.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2432-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2432-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Kawakami and Segawa.

SCRep. 308-80 Education on H.B. No. 2016-80

The purpose of this bill is to appropriate \$5,343,000 for the repair and maintenance of roofs in the Honolulu district schools.

Under this bill, specific sums are being appropriated to specific buildings in Honolulu district schools.

The Department of Accounting and General Services testified in support of the bill, indicating that the funds appropriated by this bill will provide much needed roof repairs. However, they recommended that a lump sum appropriation of \$5,343,000 be made in lieu of specific sums for the identified buildings requiring roof repairs. They indicated that the bill, in its present form, may restrict a specific amount of funds to a specific building. Flexibility should be allowed such that funds can be transferred to accommodate

cost differences between preliminary estimates and actual expenditures.

Accordingly, your Committee has amended the bill by appropriating a lump sum of \$5,343,000 for the repair and maintenance of roofs in Honolulu district schools, and by deleting the specific appropriations made to specific school buildings.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2016-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2016-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Kawakami and Segawa.

SCRep. 309-80 Education on H.B. No. 2854-80

The purpose of this bill is to appropriate \$500,000 for capital improvement programs for schools in the Second Representative District.

Your Committee has learned, however, that the sum of \$465,000 would suffice in carrying out the purpose of this bill. Out of the sum of \$465,000, \$240,000 shall be required for four portable classroom buildings at Waiakea Elementary School, \$100,000 shall be required for the expansion of the library at Waiakeawaena School, \$100,000 shall be required for the improvement of the track field at Hilo High School, and \$25,000 shall be required for plans and construction to install air conditioning in Hilo Library.

Accordingly, your Committee has amended the bill by appropriating \$465,000 for the four capital improvement projects in the Second Representative District.

Your Committee has also amended the bill by designating the Department of Accounting and General Services as the appropriate expending agency for the purposes of this bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2854-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2854-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Kawakami and Segawa.

SCRep. 310-80 Education and Culture and the Arts on H.B. No. 1854-80

The purpose of this bill is to appropriate \$1,500 to provide a grant-in-aide to Kaiulani Elementary School for initiating and conducting a ceramic tile mural project, and for the final implacement of the mural project on the school property.

Your Committee on Education and your Committee on Culture and the Arts are in accord with the intent and purpose of H.B. No. 1854-80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Kawakami, Segawa and Takamine.

SCRep. 311-80 Legislative Management

Informing the House that House Resolution Nos. 243 to 252, House Concurrent Resolution Nos. 75 and 76, Standing Committee Report Nos. 239-80 to 265-80, and Special Committee Report No. 17, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 312-80 Consumer Protection and Commerce and Housing on H.R. No. 23

The purpose of this resolution is to direct the Real Estate Commission to make a study of the rental housing market in relation to the conversion of rental units to condominium status.

Your Committees find that there exists a chronic shortage of rental housing in the State, with vacancy rates as low as 1%. Statistics show that an increasing number of rental units are being converted to condominium status and that such conversions may be exacerbating the rental problem. Your Committees have heard extensive testimony from renters of the increasingly critical rental situation as it appears to them and are aware of the problems they face.

Your Committees also heard testimony from other parties who feel that any unduly restrictive limitations that may be placed on conversions would amount to an effective taking of one's property rights.

Your Committees therefore feel that a study addressed to the problem of diminishing rental housing in relation to condominium conversions be authorized. Your Committees, however, feel that such a study is best accomplished by the Hawaii Housing Authority because of their staffing advantage and expertise in the field, and have so amended the resolution.

Your Committees on Consumer Protection and Commerce and Housing concur with the intent and purpose of H.R. No. 23, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 23, H.D. 1.

Signed by all members of the Committees except Representative Ushijima.

SCRep. 313-80

Judiciary on H.B. No. 2091-80

The purpose of this bill is to allow a minor victim testifying in a Family Court criminal proceeding to have his or her parents, guardians, or one other adult present.

Present law provides that only the defendant in a Family Court criminal proceeding is entitled to have a person or persons accompany him or her to the hearing. Victims of alleged violations are not allowed to be accompanied by any other person. This bill would allow victims, in the event they are minors, to be accompanied by their parents, guardians, or at least one other adult.

Your Committee received testimony that where an alleged crime has been committed involving minors and the victim must testify in a hearing on the matter, the experience can be very traumatic for such victim inasmuch as he or she must attend such hearing and face the perpetrator of the crime without the support of any adult, while the latter can have legal counsel, parents, and other persons present.

Your Committee feels that the provisions of this bill are meritorious in that a minor victim of a crime should be given at least as much consideration as a minor defendant with respect to the presence of persons at the hearing.

However, your Committee has amended the bill by specifying that the victim of an alleged violation in any section 571-11(1) and section 571-11(2) proceeding has the right to have his parents, guardians, or one other person present in order to ensure the inclusion of situations where a child under the age of 12 is alleged to have committed a law violation. Further, your Committee changed the phrase "attending the hearing" to "testifying" in order to clarify the minor victim's participatory role at the hearing.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2091-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2091-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 314-80

Judiciary and Transportation on H.B. No. 2003-80

The purpose of this bill is to prohibit vending from vehicles or structures parked or placed within State highway rights-of-way.

Present law does not prohibit vending from vehicles or structures parked or placed within a State highway right-of-way, although the traffic codes of the City and County of Honolulu and the County of Kauai prohibit such practices on Federal-aid highways.

Your Committees received testimony that the Department of Transportation (DOT)

is constantly faced with the problem of vendors operating from State highways, creating traffic hazards and impeding the orderly flow of traffic.

Your Committees find that enacting this bill would enable the DOT to remove or require the removal of offending vehicles or structures, thereby eliminating the danger or inconvenience to vehicular traffic on State highways.

However, your Committees have amended the bill to provide that vehicles or structures so parked or so placed create a hazardous condition, as well as are public nuisances, in order to make the intent of the law clearer with respect to the type of activity prohibited.

Your Committees on Judiciary and Transportation are in accord with the intent and purpose of H.B. No. 2003-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2003-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Aki.

SCRep. 315-80 Judiciary and Consumer Protection and Commerce on H.B.
No. 1915-80 (Majority)

The purpose of this bill is to provide for mandatory minimum sentences for persons convicted of certain firearms and ammunition violations.

Present interpretation of the Hawaii Penal Code has brought into question the penalty provisions of sections 134-8, 134-9, and 134-10 of the Hawaii Revised Statutes. As originally enacted, these laws were intended to require a minimum two-year and a maximum five-year sentence of imprisonment without probation. However, in light of conflicting provisions in the Penal Code, judges have been construing violations of these sections as class C felonies and have been sentencing convicted defendants to imprisonment for up to five years with no minimum term of imprisonment as sections 134-8, 134-9, and 134-10 provide.

This bill attempts to clarify this confusion, by explicitly stating that the two-year minimum and five-year maximum sentence without probation shall supercede any contrary provision or provisions of the law.

While your Committees recognize the fact that present interpretation of the Penal Code is confusing, your Committees do not agree that the minimum mandatory sentence is either desirable or essential. Accordingly, your Committees have amended this bill as follows:

1. Made a violation of section 134-8 a class C felony with a maximum term of imprisonment of five years without probation;
2. Made a violation of section 134-9 a class C felony with no maximum term of imprisonment;
3. Made a violation of section 134-10 a misdemeanor with no maximum term of imprisonment; and
4. Additionally made a violation of section 134-7 a class C felony with a maximum term of imprisonment of five years without probation.

With respect the modifications to sections 134-7 and 134-8, your Committees want to make clear that although they have been classified as class C felonies, it is your Committees' intent that the maximum term of imprisonment of five years without probation be imposed, any contrary provision of the Penal Code notwithstanding.

Your Committees on Judiciary and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. 1915-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1915-80, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 316-80

Employment Opportunities and Labor Relations on H.B. No. 2139-80

The purpose of this bill is to amend subsection 378-9(4), Hawaii Revised Statutes, which presently exempts from application of the law the operation of the terms or conditions of any bona fide retirement, pension, employee benefit or insurance plan.

Chapter 378, also forbids discriminatory practices by the employer on the basis of age. However, under the present exception of subsection 378-9(4), H.R.S., an employer who has a retirement or pension plan with a mandatory retirement age and provides for the payment of reasonable retirement or pension benefits at retirement is not in violation of the law.

The bill referred to your Committee proposed to repeal subsection 378-9(4), H.R.S., in its entirety. This in effect will render retirement, pension or insurance plans that use age as a factor to determine premium and benefits unlawful. The repeal of this subsection will also forbid the use of any mandatory retirement age.

The department of labor and industrial relations testified that although they favor eliminating any mandatory retirement age in employment, there should be an exception for bona fide seniority systems or a bona fide employee benefit plan such as retirement, pension or insurance plan, which may use age as a factor.

Your Committee is in agreement with the recommendation made by the department of labor and industrial relations, that instead of completely repealing subsection 378-9(4) H.R.S., said subsection be amended to read essentially as follows:

"(4) Affect the terms of a bona fide seniority system or any bona fide employee benefit plan such as a retirement, pension, or insurance plan, which is not a subterfuge to evade the purposes of this part, provided that no such employee benefit plan shall excuse the failure to hire any individual, and no such seniority system or employee benefit plan shall require or permit the involuntary retirement of any individual who is less than seventy years of age;"

Your Committee agrees with testimony presented that the exception under subsection 378-9(4), H.R.S., include a prohibition against a seniority system or employee benefit plan requiring or permitting the involuntary retirement of any individual who is less than seventy years of age.

Accordingly, your Committee has amended the bill by substituting the above quoted recommended amendment to subsection 378-9(4), H.R.S., for lines 14 to 16 in Section 1, p. 1, of the bill.

Your Committee has also made technical, non-substantive amendments to the bill to comply with the Ramseyer format.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 2139-80, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2139-80, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 317-80

Consumer Protection and Commerce on H.B. No. 2284-80

The purpose of this bill is to ensure that sellers of previously frozen food which is subsequently thawed, note on the label of such food that it has in fact been previously frozen and thawed.

This bill would require that sellers of thawed food which resembles fresh, never frozen food, sell such food labeled, on which must be disclosed the thawed nature of the product. The bill also adds a new section to define the term "thawed food" as food frozen completely from the interior to the surface at a temperature of 32 degrees Fahrenheit or below.

Your Committee feels that full disclosure is a right of consumers and should be encouraged and required whenever necessary as a matter of good policy. Your Committee is therefore in accord with this bill in that it will better inform consumers and prevent a potentially deceptive business practice.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2284-80, 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 Larsen.

SCRep. 318-80 Education and Consumer Protection and Commerce on H.B. No. 2296-80

The purposes of this bill are (1) to transfer the licensing and regulatory functions over agents of private schools and correspondence schools from the Department of Education to the Department of Regulatory Agencies, and (2) to make certain technical or minor amendments to Chapter 302, Hawaii Revised Statutes, which relates to such agents.

At present, the licensing and regulatory functions over agents of private schools and correspondence schools are under the jurisdiction of the Department of Education. Your Committees believe that this licensing function is regulatory in nature and more appropriately belongs under the jurisdiction of the Department of Regulatory Agencies.

The Department of Education testified in support of the transfer of these functions.

Your Committee on Education and your Committee on Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 2296-80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Baker and Garcia.

SCRep. 319-80 Education and Consumer Protection and Commerce on H.B. No. 2297-80

The purposes of this bill are (1) to transfer the licensing and regulatory functions over private trade, technical, and vocational schools from the Department of Education to the Department of Regulatory Agencies, and (2) to make certain technical amendments to Chapter 300, Hawaii Revised Statutes, which relates to such functions.

At present, the licensing and regulatory functions over private trade, technical, and vocational schools are under the jurisdiction of the Department of Education. Your Committees believe that this licensing function is regulatory in nature and more appropriately belongs under the jurisdiction of the Department of Regulatory Agencies.

The Department of Education testified in support of the transfer of these functions, and indicated that the types of schools that are being licensed are not within the scope of their department's basic educational responsibilities.

Your Committee on Education and your Committee on Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 2297-80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Baker and Garcia.

SCRep. 320-80 Education and Transportation on H.B. No. 2767-80

The purpose of this bill is to appropriate funds for various capital improvement projects in the Twentieth District.

Under this bill, \$125,000 shall be appropriated for the Waipahu Civic Center, \$50,000 shall be appropriated for Waipahu Intermediate School, \$50,000 shall be appropriated for Mililani Community Library, \$100,000 shall be appropriated for Waipahu Community Library, \$100,000 shall be appropriated for the Mililani High School gymnasium, \$110,000 shall be appropriated for Farrington Highway, and \$80,000 shall be appropriated for Waipahu Recreation Center.

Your Committee on Education and your Committee on Transportation are in accord with the intent and purpose of H.B. No. 2767-80 and recommend that it pass Second

Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 321-80 Employment Opportunities and Labor Relations on H.B. No.
2346-80 (Majority)

The Purpose of this bill is to amend the Workers' compensation Law by adding a new section which would extend the immunity from civil liability now provided employers and fellow employees of injured workers to labor organizations representing them.

Section 386-5, Hawaii Revised Statutes, presently provides that the rights and remedies granted by the Workers' Compensation Law exclude all other employer liability to an injured employee or his dependents on account of a work injury. The law's third-party liability section, Section 386-8, H.R.S., also effectively immunizes the injured employee's fellow employees from suits, except where the injury is caused by a fellow employee's wilful and wanton misconduct. This bill would provide the labor organization representing the injured employee with immunity from third-party suits based on its alleged failure to discuss, negotiate, or enforce health and safety provisions in collective bargaining agreements.

Employee safety and health have traditionally been matters of union concern. Recent developments in tort law have now made labor organizations reluctant to actively pursue these matters through collective bargaining because third-party actions alleging union neglect in negotiating or enforcing health and safety provisions in collective bargaining agreements have become increasingly common. Such suits are filed against unions because the law protects an injured worker's employer and fellow employees from negligence actions but does not immunize the labor organization to which the employees belong. It would be logical and fair to extend this same immunity to unions so they can again actively pursue employee health and safety protection through collective bargaining, as well as under the law. This would serve the best interests of all workers and would also be consistent with the policy of the Workers' Compensation Law.

The department of labor and industrial relations has expressed some reservations on the measure, primarily related to a possible additional administrative burden. The bill, however, should not impose any additional duties on the department as its provisions are self-executing in the same manner the present immunity provisions related to employers and fellow employees are. Other concerns have been voiced about the bill's scope and a possible effect of invalidating all employee actions against unions. As the heading and language of the proposed new section clearly restricts the immunity provided thereunder to possible neglect in the discussion, negotiation, or enforcement of matters related to employee safety and health, the passage of this measure will not result in the elimination of all suits against labor organizations. The bill's specific intent is to further employee safety and health by making it possible for unions to engage in collective bargaining in this area without exposing themselves to substantial civil liability which have to be shared by all members. Your Committee further believes all workers would benefit from vigorous union activity in seeking health and safety protection through collective bargaining.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 2346-80 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 322-80 Employment Opportunities and Labor Relations on H.B. No.
2645-80

The purpose of this bill is to add a new section to the Workers' Compensation Law, Chapter 386, Hawaii Revised Statutes, relating to revision of the medical fee schedule for workers' compensation contained in or adopted as Regulation XXXI of the Department of Labor and Industrial Relations.

Section 386-21, Hawaii Revised Statutes, currently requires the Director of Labor and Industrial Relations to establish a schedule of reasonable fees (which in actual practice is set in actual dollar amounts) for medical care, medical services, and medical supplies provided to workers' compensation claimants. Section 386-21 also requires

the Director to make annual adjustments in such fees or allowable charges to reflect increases or decreases in the Consumer Price Index for the Honolulu region prepared by the Bureau of Labor Statistics of the U.S. Department of Labor.

House Bill No. 2645-80 would convert the fee schedule, currently established in terms of actual dollar amounts, to a "unit value and conversion factor system" which would obviate the need for the Director of Labor to annually determine and publish individual dollar amounts or fees chargeable for specific or different kinds of medical services, care, and supplies provided to workers' compensation claimants.

Your Committee received testimony from the Department of Labor and Industrial Relations generally supporting the concept proposed by this bill. However, the Department suggested that the meaning of the terms "unit value" and "conversion factor" be clarified to eliminate vagueness and possible confusion. The Department also recommended that distribution of the fee schedule be limited to physicians and other providers of services to workers' compensation claimants.

Your Committee has amended the bill in the following major respects:

- (1) The definitions of "unit value" and "conversion factor" have been expanded and clarified.
- (2) A definition of "Regulation XXXI" has been added, and since your Committee is informed that the Regulation is in the process of being amended and may be designated as other than Regulation XXXI, said definition has been worded to include "any successor regulation or regulations."
- (3) While your Committee has not substantively amended the basic concept embodied in the original bill that the medical fee schedule contained in Regulation XXXI shall hereafter be set forth in terms of "unit values" (rather than in terms of set dollar amounts or fees), your Committee has reworded that concept or provision so that it is clear that when "unit values" are assigned for different kinds of medical care, medical services, and medical supplies, such "unit values" may vary for each of the individual procedures or items of medical care, medical services, and medical supplies listed in or under the different sections of Regulation XXXI, such as sections relating to surgical procedures, radiology, nuclear medicine, pathology, medical visits and services, dental services, hospital services, and drugs and supplies.
- (4) In the provision relating to the determination and assigning of "unit values" in the attached draft of this bill, a specific provision has been added to make it clear that in so determining and assigning, the Director of Labor may consult with the Hawaii Medical Association, the Hawaii Dental Association, health care insurers, and other knowledgeable entities.
- (5) In order to economize on printing, publishing, and distribution costs, the provision relating to the furnishing of copies of the most recent fee schedules has been amended to limit the persons to whom such copies need be or may be provided by the Director of Labor. Under the amendment, the Director need issue copies only to providers of services to workers' compensation claimants, employers providing workers' compensation, and insurers providing workers' compensation insurance within the State.
- (6) Other amendments to clarify provisions or language in the original bill, without changing the substance of those provisions, have also been made.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 2645-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2645-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 323-80

Consumer Protection and Commerce on H.B. No. 2673-80

The purpose of this bill is to amend Act 2 (1977), to provide that funding for loans authorized under the Act may be obtained from loans made from the general fund.

Act 2 (1977) established the Thrift Guaranty Corporation of Hawaii, the purpose of which was to guarantee the payment of industrial loan company thrift accounts up to

\$10,000 each. The director of finance was authorized by the Act to issue bonds to generate funds to fund the corporation when necessary.

Your Committee finds that the Constitutional Convention of 1978 amended Article VI (now Article VII) of the Constitution to require that present authorized but unfunded appropriations lapse as of June 30, 1980. Your Committee believes that the intent of the Constitutional amendment was to eliminate only those appropriations of funds for projects that were never intended to be carried out, and not appropriations for projects such as Act 2 (1977).

Your Committee recognizes the fact that the Thrift Guaranty Corporation may have its bond authorization lapse under the wording of the Constitutional amendments and therefore is in accord with the intent of this bill to provide that funding may also be made from the general fund. Responsibility for the initial request of funds shall remain with the Director of Regulatory Agencies, both for the issuance of bonds and for requests for funds from the general fund.

Your Committee feels that this bill will correct what is an unintended result of the amendment to Article VI of the Constitution.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2673-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Masutani.

SCRep. 324-80

Judiciary on H.B. No. 2985-80

The purpose of this bill is to appropriate an additional undetermined sum from the general fund of the State, for the fiscal year 1980 - 1981, to the police departments of the four counties, to the Prosecuting Attorney's offices of the four counties, to the Department of the Attorney General, to the counties as grants-in-aid and to the Department of Health, for the purpose of improving, initiating, or expanding crime reduction-oriented programs and activities.

Your Committee received testimony that additional State appropriations are necessary to support, improve, strengthen, or expand existing programs of law enforcement, including crime investigation, prevention, prosecution and citizen education about crime and programs which provide assistance and counseling to victims of crimes and witnesses in criminal proceedings.

Your Committee received further testimony that there will be a reduction of Law Enforcement Assistance administration (LEAA) funding available to law enforcement agencies nationwide, thus, creating a strain on the funds presently available for crime suppression programs.

Your Committee is of the opinion that the prevention of crime and the correction of criminal behavior are matters of continuing and deep concern to the residents of the State.

Moreover, such additional appropriations to improve and expand crime reduction-oriented programs are in the best interest of the health, safety and welfare of the people. Accordingly, your Committee has amended this bill by providing that \$28 be appropriated to effectuate the purposes of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2985-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2985-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 325-80

Public Assistance and Human Services on H.B. No. 2917-80

The purpose of this bill is to appropriate funds for the leeward workshop of the Lanakila rehabilitation center. Your Committee recognizes the need for this facility and supports its construction.

Your Committee has amended the appropriation to \$686,000 to supplement an administrative appropriation of \$214,000. The year of expenditure and lapsing date have also been

specified.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2917-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2917-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 326-80 Tourism on H.B. No. 2873-80

The purpose of this bill is to provide a grant-in-aid for the Royal Hawaiian Band to travel through Europe on a concert tour. Such a tour would have the purpose of promoting increased tourism from Europe to Hawaii.

In 1887, King Kalakaua received from the German government a Schellenbaum (Bell Tree) for the use of his Royal Hawaiian Military Band. This historic treasure, however, was destroyed in 1893 following the overthrow of the monarchy.

The Schellenbaum is one of the world's oldest musical instruments and, according to German policy, could only be used by the band of a regiment having a king or prince as its colonel-in-chief. Of the 44,000 bands in the United States, the Royal Hawaiian Band is the only one entitled to use a Schellenbaum.

The European Cultural Union, headquartered in Stuttgart, Germany, has raised \$3,600 to construct a copy of the Schellenbaum. Because Hawaii no longer has a king, however, the Royal Hawaiian Band must go to Germany to receive it.

European television, newspaper, and magazine coverage of this event is expected to provide Hawaii with much free publicity, especially in Germanic-speaking countries whose people are amongst the richest travellers in the world. According to the Edinburgh Tourist Board, European concert tours undertaken by their Scots bands at a cost of \$444,600 has resulted in an economic return of \$8,190,000. Your Committee finds that in light of the recessionary forecasts for the coming year and the recent downturn in Hawaii's visitor industry, favorable returns on a similar investment would be a boon to the state's economy.

The Royal Hawaiian Band proposes to play concerts in West Germany, Austria, Switzerland, and Liechtenstein from August 2 to 16, 1981, while the bandpersons are on their month's vacation. Estimated budgetary needs of the Royal Hawaiian Band and the Color Guard Unit would amount to a total of \$139,000. If granted this sum, the Friends of the Royal Hawaiian Band plan to apply to the U.S. Travel Service for \$70,000 on a matching dollar for dollar basis and refund the state any excess monies. Moreover, if the Royal Hawaiian Band receives the Schellenbaum in 1981, it would be eligible for a grant from the National Endowment of the Arts to display the new acquisition on each of the neighbor islands, without the necessity of a matching state appropriation.

Your Committee has amended the bill by inserting the amount of \$139,000 for the grant-in-aid.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2873-80, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2873-80, H.D. 1.

Signed by all members of the Committee.

SCRep. 327-80 Tourism on H.B. No. 2880-80

The purpose of this bill is to appropriate \$100,000 in state general funds, for fiscal year 1980-1981 for the preparation of a social impact analysis of the tourism industry to be submitted to the Legislature before the 1981 Regular Session. The analysis must evaluate the important social impacts of the tourism industry, discuss the relationships of the impacts on the tourism planning process, and develop policies for future tourism development within the context of the impacts.

This bill designates the Department of Planning and Economic Development as the expending agency.

Your Committee received testimony from the department supporting this bill.

Your Committee has amended the bill in Section 1, line 5, by substituting the word "during" for the word "before" so that the Department of Planning and Economic Development is required to submit the social impact analysis of the tourism industry during, rather than before, the 1981 Regular Session.

Your Committee has also made some technical amendments of a non-substantive nature.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2880-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2880-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 328-80 Tourism on H.B. No. 2411-80

The purpose of this bill is to appropriate out of the general revenues the sum of \$200,000, for fiscal year 1980-1981 to establish a program to promote tourism on the neighbor islands in order to stimulate neighbor island business activity and employment opportunities.

Your Committee finds that the economies of the neighbor islands are heavily dependent on the tourist industry and that the outlook for tourism in the coming year, especially for the neighbor islands, is not encouraging, in light of the recent changes in the mix of tourists and the dramatic increases in the costs of air travel and hotel rooms. According to recent reports of the Hawaii Visitors Bureau, the number of visitors to Hawaii has already decreased by 9.1 percent for January 1980 as compared to January 1979 with the neighbor islands suffering the sharpest decline, averaging 18.5 percent.

Therefore, your Committee believes that it is essential that the State appropriate funds to establish a one-year program to promote tourism on the neighbor islands in order to stimulate neighbor island business activity and employment opportunities.

Your Committee has amended Section 1, line 2 of the bill by adding "and implement" to ensure that the funds appropriated are used to implement as well as to establish a neighbor island tourism program.

Your Committee has further amended the bill by adding two provisos restricting the expenditure of these funds to only the costs of advertising and special literature to promote tourism on the neighbor islands and to ensure that the expenditure of said funds shall be in a manner which does not favor one sector of the tourist industry over another.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2411-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2411-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 329-80 Public Employment and Government Operations on H.B. No. 1849-80

The purpose of this bill is to amend Section 79-20, Hawaii Revised Statutes, relating to the pay of officers and employees on active military service so as to ensure that any State or county officer or employee who is called to active service by the Governor for emergency purposes as provided by Section 121-30, Hawaii Revised Statutes, or by the President of the United States for law enforcement purposes shall be entitled to receive their regular officer or employee compensation, for a period not exceeding twenty-two working days in any calendar year.

Presently, those State and county officers and employees called to active service are entitled to use their accumulated vacation or unused military leave for the purpose of receiving both active service and their regular State or county compensation. When such officers and employees, however, no longer have vacation and military leave and are required to be on active duty, these officers and employees are required to take leave without pay from their State or county employment and receive only military service compensation. In many instances, the military compensation they receive is less than their regular government compensation or salary. To resolve this problem,

this bill allows all State and county officers and employees on active service to receive at least their regular officer or employee compensation for a period not exceeding twenty-two working days in any calendar year. It also requires any amount paid to such persons while in active service to be credited against the person's regular compensation and that such persons shall not lose any regular officer or employee benefit provided they continue to pay all regular payroll deductions for such benefits.

The State Department of Defense presented testimony in support of the intent of the bill. The department, however, expressed concern that the bill's provisions may create dissatisfaction among those officers and employees called to active service because the bill does not allow such officers and employees to use vacation or military leave while on such active service for purposes of receiving both active service and regular employee compensation. The bill, instead, restricts such persons to receive only their regular compensation while on active service.

Your Committee believes that these officers and employees who are called to active service should be given the option to select the type of compensation they would prefer to receive. Accordingly, your Committee has amended the bill to allow these persons, while on active service, to receive both active service and regular compensation by taking vacation or military-connected leave, or vacation and military leave if either vacation or military leave should expire during their active service period. If these persons decide not to select any of these options they shall receive the equivalent of their regular officer or employee compensation only. For those persons who decide not to use their vacation or military leave and who receive military pay which is greater than their regular compensation, they shall be entitled to their military compensation.

Your Committee has also amended the bill by making certain format and style changes to provide for a clearer understanding and interpretation of the bill.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1849-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1849-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 330-80

Public Employment and Government Operations on H.B. No.
2815-80

The purpose of this bill is to permit the Director of Health to appoint, without regard to Chapter 76 and 77 of the Hawaii Revised Statutes, persons to conduct investigations and hearings, and to conduct public participation activities including public hearings and public informational meetings.

In the area of environmental quality control, the programs administered by the Department are numerous and are becoming increasingly more extensive in scope and complexity. There is a critical need to develop the Department's expertise and capacity for investigations, impact assessments and solicitations of public input related to the Department's enforcement action and rulemaking.

There is a critical need for the Department to take timely action on program proposals. Otherwise, the public will be severely affected by the costs of delays in regulatory actions and costs for complying with standards and regulations developed from a national perspective and in application to the State of Hawaii.

More careful attention must be given to the long-term consequences of environmental regulations and standards being mandated by federal and state laws, especially in the rule-making process.

There is also an increasing need to reach out to the public and solicit their comments and opinions regarding regulatory programs. These activities must extend beyond the formal public hearings which have limited effectiveness. There must be a sincere effort to explain and simplify all the technical and complex language of regulatory programs, receive public comment, incorporate the comments in policy development and inform the public of how their involvement contributed to the final recommendations.

Communication with the Attorney General's Office indicates that H.B. No. 2815-80 is very specific and gives the authority to make such appointments to the Director of Health only.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2815-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 331-80

Public Employment and Government Operations on H.B.
No. 1965-80

The purpose of this bill is to provide deaf and home-bound persons with greater access to State and local government departments and agencies by requiring the installation of telecommunication devices in as many government departments and agencies as possible and encouraging greater use of such devices by handicapped persons.

Presently, many deaf and speech-impaired persons who use the telephone have difficulty in directly communicating with government agencies because they require the assistance of an interpreter or must physically visit the agency to receive any governmental assistance. Public and private agencies testifying on this bill agreed that an increasing number of deaf and speech impaired persons are acquiring telecommunication devices for their daily use and have experienced a greater sense of independence and self-motivation as a result of such technology. Only a few public agencies and offices, however, have telecommunication devices to communicate with the handicapped persons with such equipment.

Your Committee recognizes the need to establish a program providing telecommunication devices in public agencies so that the handicapped with such devices can effectively communicate with government agencies. Your Committee, however, believes that telecommunication devices should be selectively installed on a priority basis in state departments only. Also, your Committee feels that the bill's approach of providing a new income tax credit to encourage a greater number of handicapped persons to purchase and use telecommunication devices is not necessary since many handicapped persons are presently eligible for various types of special tax exemptions and credits.

Accordingly, your Committee has amended the bill in the following respects:

1. In Section 1 of the bill, the definitions of "deaf persons," "home-bound handicapped persons," and "telecommunication devices" have been amended or deleted.

The definition of "deaf persons" has been amended, on page 3, line 5, to add the phrase "even with amplification" at the end of the definition. Your Committee feels that the inclusion of this phrase provides clarity to the term "deaf persons" since many hearing impaired persons are able to understand telephone conversations with a hearing aid or a dial on the telephone receiver.

The definition of "telecommunications device" has been amended to clarify the meaning of telecommunication devices.

The term "home-bound handicapped persons" has been replaced with the term, "speech impaired person" throughout the bill because the term "speech impaired person" and its definition more appropriately describes those handicapped who are in need of telecommunication services.

2. The selection procedure for determining the number and location of telecommunication devices has been substantially revised. The amended bill requires the Director of the Department of Social Services and Housing to provide the State Departments of Education, Health, Labor and Industrial Relations, Social Services and Housing, and Taxation, the University of Hawaii, the Legislature, and the Judiciary with telecommunication devices to assist deaf and speech impaired persons. In complying with this mandate, at least one device will be installed in each county. In contrast, the original bill requires the director, in consultation with several national organizations and appropriate agencies dealing with the problems of the deaf and speech impaired persons, to select and provide an unspecified number of state departments and at least one county department with telecommunication devices and install at least one telecommunication device on each island in our State.

Your Committee believes that telecommunication devices should be required only in those state agencies or areas in government where there exists a great demand for services by deaf and speech impaired persons. Accordingly, the Committee has amended the bill to ensure that the Legislature, the Judiciary, and those described

departments in the revised bill receive telecommunication services.

Other substantial amendments relating to the selection and installation of telecommunication devices include: (1) the deletion of the requirement on page 5, lines 1 through 9 which mandates the Director of the Department of Social Services and Housing to select and install, in addition to the unspecified number of state departments, telecommunication devices in at least 27 other locations; (2) the deletion of the requirements on page 7, lines 1 through 7 which mandates a telecommunication device to be installed at the State Capitol switchboard and to make such a device available to any state legislator upon a written request by such legislator; (3) the deletion of the requirement beginning on page 7, line 19 and ending on page 9, line 5, which requires the director to make a grant to any department meeting the minimum requirements of the bill and requesting a telecommunication device; and (4) the deletion of the requirement on page 9, lines 6 through 17 which mandates the director to provide funding based on a formula for the installation of telecommunication devices.

Your Committee believes that the deletion of these aforementioned requirements is consistent with its position that telecommunication devices should be made available to only those agencies where there exists a great demand for such equipment to assist the handicapped. In regards to the maintenance and operation costs of these devices, your Committee's position is that agencies with telecommunication devices should incur the cost for such maintenance and operations.

Recognizing that certain state departments in the future may require telecommunication devices, your Committee has amended the bill by allowing the director, when funds are available, to provide telecommunication devices to any state department which fulfills certain minimum requirements and applies for such equipment.

3. Section 2 of the bill allows certain qualified handicapped persons to be eligible for claiming income tax credits based on the amount of expenses incurred from the purchase, installation, and operation of telecommunication devices. The intent of this tax incentive is to encourage the purchase and use of telecommunication devices by deaf and speech impaired persons.

Your Committee received testimony from the Department of Taxation which opposed the adoption of such a tax credit because many handicapped persons already qualify to receive tax relief through state excise tax credits and are also eligible to receive a special \$7,000 exemption per qualified person. Your Committee agrees with the Department of Taxation's position on this matter and accordingly, has deleted this tax credit provision in the amended bill.

4. Your Committee has further amended this bill by including a general state revenue appropriation of \$34,500 for the purchase and installation of telecommunication devices in those agencies mandated to receive such equipment.

5. Other amendments to this bill include adding a new section to the bill which requires the Director of the Department of Social Services and Housing to adopt rules to implement this program and establishing a specific lapsing date of June 30, 1982, for any unexpended or unencumbered balance of the bill's appropriation.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1965-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1965-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 332-80

Public Employment and Government Operations on
H.B. No. 2035-80

The purpose of this bill is to provide an increase in the cost-of-living bonus for retirees in addition to the automatic post retirement allowance of 2-1/2% in order to keep pace with the rapid increase of inflation.

The spiralling rise in the cost-of-living, year after year, over the past decade has so eroded the more or less fixed pension dollar of the approximately 11,500 retired former employees of the State and County governments that they are finding it more and more difficult to maintain a decent standard of living.

House Bill No. 2035-80 has deviated from the traditional percentage formula of providing for a cost-of-living allowance inasmuch as the bill proposed would provide a fixed dollar increase based on the member's credited years of service. Consequently, this would provide a higher allowance especially to those who are receiving lower benefits.

Estimates by the Employees' Retirement System indicate that the bonus proposed will provide for an average monthly increase of \$133 for those pensioners who retired prior to July 1, 1965; \$106 for those retired between July 1, 1965 and June 30, 1970, and \$47 for those retired between July 1, 1970 and June 30, 1975.

Your Committee has amended Section 8 of the bill as follows:

1. Line 7 on page 5 - substitute the date July 1, 1975 for July 1, 1979.
2. Lines 14 and 16 on page 5, sub-paragraph A - substitute \$6 for \$5 and the date July 1, 1965 for July 1, 1970.
3. Lines 19 and 20 on page 5, sub-paragraph B - substitute the dates June 30, 1965 for June 30, 1970 and July 1, 1970 for July 1, 1976.
4. Lines 23 and 24 on page 5, sub-paragraph C - substitute the dates June 30, 1970 for June 30, 1976 and July 1, 1975 for July 1, 1979.

Your Committee has compressed the dates for those who are eligible to receive such an allowance from July 1, 1979 to July 1, 1975. It also increased the allowance from \$5 to \$6 for those who retired prior to July 1, 1965. This action will provide a higher cost-of-living allowance to those individuals retired from government service with low salaries and a lower benefit formula. In many cases, these career employees may not be recipients of Social Security benefits as Social Security was established for public employees in 1957.

Your Committee has excluded those pensioners who retired after July 1, 1975. This fairly recent group of retirees were able to retire at relatively high salaries at the present 2% formula and also benefited from the use of sick leave credit added to their creditable years of service. It should be noted that your Committee recognizes the fact that eventually, this group would need to be considered for a cost-of-living allowance if inflation continues at its present rate.

The bill has been further amended by deleting lines 1 to 4 on page 6 regarding the exclusion of sick leave credit in computing the cost-of-living allowance. As proposed, those eligible to receive the cost-of-living allowance are not eligible to include sick leave credit at the time of their retirement.

The bill has been further amended to provide for an appropriation of \$6.1 million in general fund revenues to carry out the intent of the bill. The Health Department is to expend \$100,000 to provide for bonuses to pensioners at Kalaupapa.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2035-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2035-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 333-80

Water, Land Use, Development and Hawaiian Affairs on
H.B. Nos. 2100-80, 2113-80, 2140-80, 2249-80, 2266-80,
2394-80, 2399-80, 2401-80, 2402-80, 2424-80, 2495-80,
2499-80, 2557-80, 2604-80, 2622-80, 2632-80, 2641-80,
2775-80, 2910-80, 2959-80 and 3020-80

H.B. No. 2100-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR GRANTS-IN-AID TO THE COUNTY OF HAWAII."

The purpose of this bill is for plans, land acquisition and construction of flood control measures in Waiakea-Uka, and Hilo; plans and construction of Mohouli street extension in the second representative district; plans and construction of improvements to existing streets in the Hilo area; plans and construction of the Hilo Bayfront Park; and plans and construction of a gymnasium complex in Keaukaha, Hilo, Hawaii.

H.B. No. 2113-80 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, Lapakahi North Kohala State Park Complex, Hawaii.

H.B. No. 2140-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE INSTALLATION OF LIGHTS AT KAMEHAMEHA FIELD, OAHU."

The purpose of this bill is for the installation of lights at Kamehameha Field, Oahu.

H.B. No. 2249-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PUKELE STREAM, OAHU."

The purpose of this bill is for the lining of Pukele Stream, Oahu.

H.B. No. 2266-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR HULIHEE PALACE, KAILUA-KONA, HAWAII."

The purpose of this bill is for completing the restoration and preservation of Hulihee Palace, Kailua-Kona, Hawaii.

H.B. No. 2394-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR DRILLING GROUNDWATER EXPLORATORY WELLS, OAHU."

The purpose of this act is to drill, test and encase groundwater exploration wells at Kuou II, Punaluu IV, Kaaawa I, Kahana II, Hakipuu, Kaaawa II, Kamooalii, Maakua, Kaipapau, Punaluu V, Waimanalo II and Makuleia I in Windward Oahu; Wailupe Valley and Manoa in Honolulu; and Waianae in Leeward, Oahu.

H.B. No. 2399-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR MAKENA LA PEROUSE STATE PARK, MAUI."

The purpose of this bill is for land acquisition and design of Makena LaPerouse State Park, Maui.

H.B. No. 2401-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE MAUI MOLOKAI WATER TREATMENT PLANT, COUNTY OF MAUI."

The purpose of this bill is for the construction of water treatment plants on Maui and Molokai to correct deficiencies in the quality of the water as mandated by the Safe Drinking Water Act of the Federal Government.

H.B. No. 2402-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR WATER SYSTEM PROJECTS, COUNTY OF MAUI."

The purpose of this bill is to fund the construction of various water projects in the County of Maui.

H.B. No. 2424-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE CONSTRUCTION OF RESIDENTIAL SUBDIVISION AT PAUKAKALO, MAUI."

The purpose of this bill is for the construction of residential subdivision at Paukakalo, Maui.

H.B. No. 2495-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR HAWAII'S SOIL AND WATER CONSERVATION DISTRICT."

The purpose of this bill is to provide additional support to Hawaii's Soil and Water Conservation District, to expand their new role in Hawaii's water quality program.

H.B. No. 2499-80 entitled: "A BILL FOR AN ACT RELATING TO GRANTS-IN-AID FOR THE COUNTY OF HAWAII."

The purpose of this bill is for grants-in-aid to the County of Hawaii for incremental development of storage facilities for the Waimea area including planning and construction of a 50-MG storage reservoir; installation of booster pumps at various pump stations along the Kona system and enlargement of transmission main along Mamalahoa Highway from Kahaluu well source; and incremental development of the water system, including

plans and construction of source development, pipelines, booster pump stations, storage facilities, and land and source acquisition for the South Kona Water System.

H.B. No. 2557-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PARK LANDS TO BE ADDED TO KANEWAI FIELD, OAHU."

The purpose of this bill is for the development of lands for park purposes to be added to Kanewai Field, Oahu.

H.B. No. 2604-80 entitled: "A BILL FOR AN ACT RELATING TO GRANTS-IN-AID FOR THE COUNTY OF HAWAII."

The purpose of this bill is for grants-in-aid to the County of Hawaii for the Keaau-Pahoa Trunk Line Phase II, Puna Water Development, and the Haihai Reservoir.

H.B. No. 2622-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID TO THE COUNTY OF HAWAII FOR CAPITAL IMPROVEMENT PROJECTS."

The purpose of this bill is to provide grant-in-aid to the county of Hawaii for the following capital improvement projects: Hamakua Flood Control, Pepeekeo Solid Waste Transfer Station, Ookala Solid Waste Transfer Station, Papaikou Gym, North Hilo Water Development (Laupahoehoe Well No. 2), Hamakua Water Development (Haina Well Development), and North Kohala Water Development (Makapala-Keokea Water System).

H.B. No. 2632-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE CONSTRUCTION OF IMPROVEMENTS TO WATER SYSTEM AT KALAUPAPA SETTLEMENT, MOLOKAI."

The purpose of this bill is for the construction of improvements to the water system at Kalaupapa Settlement to comply with the requirements of the Safe Drinking Water Act.

H.B. No. 2641-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID TO THE CITY AND COUNTY OF HONOLULU FOR THE DEVELOPMENT OF MAUNALUA BAY BEACH PARK, OAHU."

The purpose of this bill is for a grant-in-aid to the city and county of Honolulu for the Maunalua Bay Beach Park, Oahu, for plans and construction for more parking spaces near the boat ramps and plans and construction for the further development of the park.

H.B. No. 2775-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID TO THE CITY AND COUNTY OF HONOLULU FOR IMPROVEMENTS TO WAIKIKI, OAHU."

The purpose of this bill is for a grant-in-aid to the city and county of Honolulu for land acquisition, plans and construction of improvements to Waikiki, including underground utility wiring, Kalakaua Avenue sidewalk redevelopment and beautification, minipark acquisition, storm drainage, and miscellaneous traffic improvements.

H.B. No. 2910-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE CONSTRUCTION OF IMPROVEMENTS TO THE MAILILII ROAD DRAINAGE IMPROVEMENT PROJECT, OAHU."

The purpose of this bill is for the construction of improvements to the Maililii Road drainage improvement project, Oahu.

H.B. No. 2959-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE WAIOMAO SLIDE AREA RESTORATION PROJECT."

The purpose of this bill is for the stabilization and restoration of public facilities including, but not limited to, roadways, sidewalks and utilities in the Waiomao slide area, Oahu.

H.B. No. 3020-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID FOR CONSTRUCTION FOR SITE IMPROVEMENTS FOR MAKIKI DISTRICT PARK, OAHU."

The purpose of this bill is for construction for site improvements for Makiki District Park, including building renovations for Arts and Craft Building, Agee Hall, and Administration Building, construction of volleyball and basketball course, and general grounds improvements and landscaping.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purposes of H.B. No.'s 2100-80, 2113-80, 2140-80, 2249-80, 2266-80, 2394-80, 2399-80, 2401-80, 2402-80, 2424-80, 2495-80, 2499-80, 2557-80, 2604-80, 2622-80, 2632-80, 2641-80, 2775-80, 2910-80, 2959-80 and 3020-80 and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 334-80 Water, Land Use, Development and Hawaiian Affairs on
H.B. Nos. 2106-80, 2332-80, 2350-80, 2620-80, 2687-80 and
2996-80

H.B. No. 2106-80 entitled: "A BILL FOR AN ACT RELATING TO MAKING AN APPROPRIATION FOR RESEARCH AND SEARCH FOR BIOLOGICAL CONTROL OF PASSIFLORA MOLLISSIMA (HBR), THE WEED KNOWN AS BANANA POKA."

The purpose of this bill is for research and search for suitable biological control candidates to arrest and reduce the presence of the vine pest known as Passiflora Mollissima (Banana Poka). Appropriation for this project will be expended by the Department of Land and Natural Resources.

This bill has been amended by increasing the appropriation of \$60,000 to \$90,000. There has also been a typographical correction.

H.B. No. 2332-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO THE STATE DEPARTMENT OF LAND AND NATURAL RESOURCES FOR THE HAWAII STATE YOUTH CONSERVATION CORPS PROGRAM."

The purpose of this bill is to supplement funding of the Hawaii State Youth Conservation Corps program for the summer of 1980 in order to restore the number of corpsmembers to previous levels in each of the camps located on Hawaii, Maui and Kauai.

This bill is amended by inserting the sum of \$64,000.

H.B. No. 2350-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PLANS AND CONSTRUCTION FOR WATER DEVELOPMENT SYSTEMS, COUNTY OF HAWAII."

The purpose of this bill is to appropriate funds for plans and construction for various water development systems in the County of Hawaii.

This bill has been amended by deleting "Hakalau" and inserting "Halakala" in item number "7" on page 2.

H.B. No. 2620-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE PLANNING, CONSTRUCTION, AND PLACEMENT OF AN OUTDOOR WARNING SIREN SYSTEM FOR WAIPIO VALLEY, HAWAII."

The purpose of this bill is for the planning, construction, and placement of an outdoor warning siren system for Waipio Valley, Hawaii.

This bill has been amended by deleting "\$15,000" and inserting the sum of "\$20,000."

H.B. No. 2687-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE CONSTRUCTION OF DRAINAGE IMPROVEMENTS ON KAAHUMANU AVENUE, KAHULUI, MAUI."

The purpose of this bill is to construct drainage improvements on Kaahumanu avenue in the vicinity of Wakea Avenue, Kahului, Maui.

This bill has been amended by inserting the words "for plans" between the words "necessary" and "to" on line 3 of the bill.

H.B. No. 2996-80 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE CONDUCT OF AN INVENTORY OF STATE LANDS INCLUSIVE OF CLASSIFICATIONS FOR CEDED AND NON-CEDED LANDS."

The purpose of this bill is for the Department of Land and Natural Resources to conduct an inventory of lands inclusive of classifications for ceded and non-ceded lands.

This bill has been amended by inserting the sum of "\$100,000".

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purposes of H.B. Nos. 2106-80, 2332-80, 2350-80, 2620-80, 2687-80, and 2996-80, as amended herein, and recommends that they pass Second Reading in the forms attached hereto as H.B. Nos. 2106-80, H.D. 11; 2332-80, H.D. 1; 2350-80, H.D. 1; 2620-80, H.D. 1; 2687-80, H.D. 1, and 2996-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 335-80 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2984-80

The purpose of this bill to appropriate State general revenue funds to establish Sand Island State Park as a live-in park allowing individuals or families who are to become residents of the live-in park to commit themselves to fulfill the requirements of participation for the purpose of the live-in, which is to nurture and foster native Hawaiian religious, cultural, and educational programs.

Your Committee received numerous testimonies supporting this bill.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2984-80 and recommends that it be referred to the Committee on Culture and the Arts.

Signed by all members of the Committee except Representative Garcia.

SCRep. 336-80 Public Employment and Government Opportunities on H.B. No. 1022

The purpose of this bill is to create an Office of Hawaii-Pacific Communication Policy (OHPCP) to provide centralized and integrated communication policies and information service for the public and private sector so needs can be effectively served, coordinated, and maintained for communication within, between, and among other levels of government, business, the community, and Pacific Basin countries.

Your Committee finds that there is a need to recognize the economic and leadership opportunities for Hawaii and its people by developing policies and coordinating, promoting, and consolidating all activities relating to business and government inter- and intra-organizational communication needs and resources.

Without such a centralized and integrated approach to development of communication policies, government interactions and efficiency would suffer, an entire clean growth industry sector would be uncoordinated in economic and job potential, the infrastructure to enhance Hawaii regio-centric opportunities would be undermined and Hawaii's leadership opportunities in the Pacific Basin, which are communication sensitive, would be exceedingly vulnerable.

Presently, much of this activity is carried out by the Department of Planning and Economic Development. However, given the diverse missions and limited resources, the department cannot provide the necessary inter- and intra-governmental leadership, high profile and resources in such rapidly developing and changing environment where leadership competition between other states and countries is so pressing.

In recognizing the significance and urgency presented in this area for Hawaii, your Committee recommends the establishment of such an Office of Hawaii-Pacific Communication Policy with the following amendments:

(1) A new section has been added stating the purpose for the establishment of the OHPCP.

(2) Requires the OHPCP to exemplify its communication policies in its operations through the use of electronic information exchange whenever practical and not contrary to law. The significance of this is to have the OHPCP act as a model of efficient and effective operation as a prototype for improving and streamlining governmental operations. However, it must not run contrary to existing law, such as the sunshine law, in the course of such innovation of operations.

(3) The board of directors composition has been amended to make the head of Hawaii Public Broadcasting Authority an ex officio member and to add the head of the state telecommunication office program. These changes are made to respect the accepted relationship between the State and the Hawaii Public Broadcasting Authority, and to capture the obvious talent, knowledge, and resources of the state telecommunication office programs, respectively.

(4) The revolving fund for the Hawaii film, television, and media development section has changed to a special fund to be known as the "media development program revolving fund" to be serviced by the Hawaii capital loan program. These changes were made to correspond to other H.R.S. precedents involving such revolving loan programs.

(5) The information resources section has been established as a separate section in accordance with the importance and substantial tasks that face this section. It must coordinate all OHPCP policy statement, recommendation research, and information networks. It will coordinate, design, and establish a Hawaii situation room to coordinate diverse information resources into formats which aid in the understanding of problems and alternatives facing decision makers.

(6) The information resources section incorporates personnel, budget, and missions of the current state information service, in the Office of the Governor, and the economic planning information project in the Department of Planning and Economic Development. This change is made to consolidate efforts that are integrally related and to avoid redundancy of efforts. Further, the incorporation of the old office of state information service avoids the proliferation of offices within the Governor's office as an administrative practicality.

(7) The position of budget analyst has been established in the administrative section to provide all sections with the necessary budgetary and accounting services.

(8) The OHPCP budget has been amended to encompass and consolidate amendments for a total of \$350,000 for additional personnel, operations, and equipment expenses.

(9) All specified advisory committees have been deleted in favor of a clause governing the establishment and change in membership of advisory committees to be less restrictive and more flexible in composition and operations.

(10) The executive director position has been established for management of day-to-day operations of the OHPCP. Further, it is stated as to method of selection, responsibilities, and salary.

(11) Provides for necessary language to repeal the office of state information services and transfer personnel and functions to the OHPCP.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1022 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1022, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 337-80

Public Employment and Government Operations on H.B. No. 2634-80

The purpose of this bill is to authorize a reduction in the number of steps within the existing salary ranges for positions covered by Chapter 77.

Currently, there are five steps for blue-collar positions and ten steps for white-collar positions. These steps may have been appropriate prior to collective bargaining when pay increases were sporadic and determined by the Legislature. Since collective bargaining, however, the granting of step increases along with yearly negotiated pay increases resulted in prohibitive costs. Therefore, beginning July 1, 1976, the Legislature prohibited the granting of step increases during any fiscal year when a negotiated pay increase takes effect.

Specifically, the bill proposes that exclusive representatives for employees in each appropriate bargaining unit be granted the option to share in the decision-making process regarding the manner in which the number of steps are to be reduced. This would

be consistent with the Legislature's policy on collective bargaining, provided the option is exercised and a conversion plan is developed and executed prior to December 31, 1980. This would allow the parties sufficient time to conduct their next wage negotiations based on such mutually agreed upon conversion plan as well as subsequent wage negotiations. In the absence of such a plan for any particular bargaining unit, negotiations shall continue based on the existing five-step salary ranges for blue-collar positions and the ten-step salary ranges for white-collar positions contained in the statutes.

If a master conversion plan is agreed to by December 31, 1980, the employers and the exclusive representative would be bound by the plan until the number of steps has been reduced to the number mutually agreed upon as appropriate. There is a requirement that at least one step must be deleted each year. The parties would negotiate rates for the number of steps allowable or such fewer number as mutually agreed upon each year. All employees are to be paid in accordance with the rates negotiated for such steps, thereby eliminating the current "in-between" rates and beyond maximum rates which resulted from recent negotiated wage increases. The movement of employees to the revised schedules with fewer steps is also subject to mutual agreement between the parties. All costs involved in reducing the number of steps are to be construed as part of negotiated pay increases. Such costs, like all other negotiated cost items are subject to approval and appropriations by the appropriate legislative bodies.

This bill also enables the chief executives of the State and counties and the Chief Justice of the Supreme Court to reduce the number of steps within the salary range under Hawaii Revised Statutes Chapter 77 for employees who are excluded from collective bargaining coverage. The reduction is to be made in accordance with the procedures under Hawaii Revised Statutes Chapter 89C, which permits adjustments for excluded employees. There is a directive in the bill that the conversion plans for included employees be reviewed prior to any decision being made regarding a reduction in the number of steps for excluded employees. The costs entailed in reducing the number of steps are subject to approval and appropriations by the appropriate legislative bodies along with any pay adjustments for excluded employees.

Your Committee has made technical and grammatical amendments to the bill.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2634-80 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2634-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 338-80

Health and Public Employment and Government Operations on
H.B. No. 2945-80

The purpose of this bill is to provide for the collection, coordination, maintenance, analysis, and transmission of health data through the establishment of the Hawaii cooperative health information system. The bill adds a new chapter to the Hawaii Revised Statutes which may be cited as the Health Information Act.

The bill creates an educational, scientific public non-profit corporation, which shall assume the current activities of the Hawaii Cooperative Health Statistics System of the Research Corporation of the University of Hawaii and which shall perform the functions assigned by the new chapter. The Hawaii Cooperative Health Statistics System, initially developed as a demonstration project under the University of Hawaii Research Corporation, has proven successful in providing necessary services and data to health-related organizations. Accordingly, this bill proposes to make such a system permanent by creating the public non-profit corporation referred to above.

According to testimonies submitted to your Committees, there is a critical need to bring together and to make accessible the full spectrum of health-related data and information collected by both public agencies and private organizations, thereby enabling health professionals to decide and solve health care problems more accurately, efficiently, and effectively. Your Committees are concerned that critical health data are not readily available or usable. As a result, health professionals, dependent upon the availability of comprehensive and accurate health data, are hindered in their decision-making abilities.

Testimonies further indicate that a public non-profit corporation, functioning as a health information center, will also be helpful as a health planning resource. Such a corporation will be able to provide the data support and analytical capability necessary

to determine in part the health status of residents and the status of the health care delivery system--its resources, services, and utilization.

Furthermore, your Committees are in agreement that the questions of possible invasion of privacy and disclosure of confidential information must be addressed. Your Committees find that this bill does not threaten or violate the privacy rights of individuals or donors of data, and that safeguards can be built into the system to protect the privacy of individuals or the confidentiality of data. Your Committees find that the bill itself contains provisions to protect and maintain the confidentiality and security of data or information collected by the public non-profit corporation created by this bill by establishing guidelines for the collection, disclosure, transmittal, and use of the data collected and maintained by the corporation.

Additionally, your Committees find that one method to protect the individual is through codification of the information obtained from an individual's file. The individual's file is geocoded to produce a geographically aggregated file in which all identifying data are deleted in order to prevent an individual's name to be linked to the data. Although your Committees acknowledge that geocoding is not an infallible method, your Committees believe that such codification of information is a major and necessary security measure.

Finally, your Committees note that the bill does not appropriate State funds to the public non-profit health information corporation established by the bill. Testimonies presented to your Committees indicate that the corporation expects to receive adequate funds from fees it charges for providing services and data to individuals and organizations and from various grants and gifts to cover its operational expenses, thereby making it essentially self-supporting. Accordingly, your Committees have not amended the bill to include an appropriations section.

Your Committee on Health and your Committee on Public Employment and Government Operations are in accord with the intent and purpose of H.B. No. 2945-80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 339-80

Health on H.B. No. 2438-80

The purpose of this Act is to continue the treatment and educational program, and the comprehensive diagnostic clinic and educational assessment center, for children under age six with suspected learning disabilities; and for in-service training to parents on techniques for helping the child with learning disabilities.

The total request of \$90,000 is to provide \$30,000 for partial support for the Diagnostic Clinic and Educational Center services, and \$60,000 to continue the treatment and educational programs for children, whose needs cannot be met in any other programs. These funds are to be expended by the Department of Health.

Your Committee agrees that there is presently a need in the community for such a center, and that the Department of Education will not be providing educational services for all developmentally disabled children under the age of six. Your Committee further recognizes that such combined medical and educational services would help in the placement of the learning disabled in special or regular classrooms.

Your Committee finds that this appropriation is supplemented by the Variety Club School through extensive fundraising activities, third party payments and parental contributions.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2438-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 340-80

Health on H.B. No. 2513-80

The purpose of this bill is to provide a grant-in-aid to Kahuku Community Hospital, Oahu for repairs and maintenance.

Your Committee finds that Kahuku Hospital has had financial difficulties during the past

four years and has been unable to make necessary repairs and maintain buildings and equipment.

Your Committee has amended the bill to appropriate the sum of \$50,000 for repairs and maintenance. Your Committee has further amended the bill to designate that the appropriation include improvements to the helipad in accordance with appropriate standards.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2513-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2513-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 341-80 Health on H.B. No. 2944-80

The purpose of this bill is to amend Section 321-228, Hawaii Revised Statutes. Under the present law the State is mandated to contract with any county who shall apply to operate emergency medical services within the respective county. Removal of this mandatory provision will enable the Department of Health to contract with the counties or a private agency in order to meet its responsibilities for providing emergency medical services.

Your Committee has also amended this bill on page 1, line 14 by inserting the provision that the department of health shall make every effort to continue the present level of services with any contracted county in order to continue with those emergency medical services now being operated.

Emergency medical services is a vital component of necessary health services provided to the people of the State of Hawaii and your Committee is concerned that certain basic services be provided with assurances of adequate quality of services at a reasonable cost. Your Committee finds that the increased flexibility provided the department by this bill regarding the making of contracts for such services will assist the department in its efforts to meet this goal. Substituting permissive language to this part of Section 321-228 makes this section more consistent throughout.

Your Committee on Health is in accord with the intent and purpose of H.B. 2944-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2944-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 342-80 Health on H.B. No. 2858-80

The purpose of this bill is to appropriate funds for health facilities and services in the 19th Representative District.

Your Committee has amended this bill to appropriate the sum of \$1.00. The sum appropriated shall be expended by the Department of Health.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2858-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2858-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 343-80 Housing on H.B. No. 2218-80

The purpose of this bill is to repeal Chapter 359, Part V, Hawaii Revised Statutes, which authorizes the Hawaii Housing Authority to administer the Down Payment Reserve Plan.

The Down Payment Reserve Plan (DPRP) allows a tenant of State housing projects to place a portion of his rent, to be matched by a subsidy from the Hawaii Housing Authority, into a down payment reserve plan fund for the purpose of accumulating sufficient funds for a down payment on a home.

The Hawaii Housing Authority testified that the program was successful during the late 1960s and early 1970s, however, its success has not continued through the late 1970s. Participation in DPRP has decreased sharply to nine families at present, while home purchases decreased from 36 in 1968 to three in 1979. A 1978 staff study concluded that the DPRP has not effectively achieved the goal of home ownership for families in State housing projects. Perhaps the major cause of the failure of the DPRP is the high cost of housing in Hawaii. Participants in the program are ultimately unable to qualify for the purchase of a home because they have insufficient actual and projected incomes. Those tenants desiring to continue or begin saving toward a down payment will be counseled by the Authority to open commercial interest-bearing savings accounts with automatic payroll deductions.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2218-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 344-80

Housing on H.B. No. 2581-80

The purpose of this bill is to make an appropriation out of State general revenues for the operation of the Council of Housing and Construction Industry for the year July 1980 through June 1981, including the hiring of necessary staff.

Your Committee received supporting testimony from the Council of Housing and Construction Industry, the Construction Industry Legislative Organization (CILO), and the Building Industry Association of Hawaii. The representatives of these organizations attested to the value of the Council's role of bringing together the many segments of the construction industry and the various government agencies relating to housing. The Council has proven to be a helpful forum where these groups can exchange ideas, discuss mutual problems, and combine forces in an effort to solve some of the problems facing the construction and housing industries.

Particularly noteworthy activities of the Council in 1979 include the establishment of a processing office for the Federal Flood Insurance Program, and the expediting of the establishment of a technical advisory committee for tsunamis. Each year, the Council issues a report on its findings together with recommendations for action.

This appropriation of \$20,000 will not permit continuation of the past arrangement of centering the Council's activities around an outside consultant and staff. Instead, the funds will be utilized for minimum "housekeeping" costs, the hiring of office personnel (or one employee), and for specialized technical consultant services. The Council will also utilize the office and some staff time of the office of the Governor's Special Assistant for Housing. The Council will concentrate its efforts in 1980-1981 on the construction of affordable new rental housing by the private sector.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2581-80, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 345-80

Housing on H.B. No. 2660-80

The purpose of this bill is to clarify Chapter 359G, Hawaii Revised Statutes, relating to the recovery of subsidies upon the sale of a dwelling unit to an eligible purchaser after the Hawaii Housing Authority (HHA) "buyback" period has expired.

Current statutory provisions allow the Authority to "disregard" certain costs when setting sales prices for its units. This provision has been allowable in the interest of keeping sales prices at the lowest possible price; however, after the ten-year "buyback" period, it is unclear as to the Authority's responsibility to recover subsidized costs for land acquisition, site development, administration and other related costs. This bill will provide the Authority with a legal basis under which it may expeditiously recover its previous subsidies. The original purchaser of the HHA dwelling unit must include the subsidized costs in his sale price to the next eligible purchaser and remit the amount to the Authority.

This bill also clarifies Section 359G-15, Hawaii Revised Statutes, to state that the general excise tax exemption offered to contractors of HHA projects should be considered an exemption rather than a subsidy.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2660-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 346-80

Public Employment and Government Operations and Employment Opportunities and Labor Relations on H.B. No. 2177-80

The purpose of this bill is to amend Part I of the Employment Practices Law, Chapter 378, Hawaii Revised Statutes, by clarifying and supplementing various sections in order to extend coverage to all employees in the public sector; to assure that women are provided equal treatment in employment when disabled by pregnancy or maternity; and to provide the general public with a statute and procedures that are easier to comprehend and more compatible with the Federal Civil Rights Act and Equal Employment Opportunities Commission's national charge processing system.

Revisions to Part I include: extending coverage to employees of all the State and county governments; exemption for domestic service in the home of any person; authority for the department to initiate complaints and file class action complaints, delineation of investigational and enforcement authority; setting of a 3-year statute of limitation on civil action; and provision for the confidentiality of information.

Your Committees have amended this bill in the following ways:

1. Added a new paragraph to HRS Section 378-3 to provide that bonafide seniority systems shall not be deemed discriminatory.
2. Added a section appropriating \$53,672.00 to the Department for the hiring of staff and for operating and equipment expenses.
3. Corrected typographical errors.

Your Committees on Public Employment and Government Operations and Employment Opportunities and Labor Relations are in accord with the intent and purpose of H.B. No. 2177-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2177-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 347-80

Transportation on H.B. Nos. 2563-80, 2564-80, 2612-80, 2785-80, 2798-80, 2799-80, 2804-80, 2919-80, 2954-80, 2977-80 and 2978-80

The purposes of these bills, relevant Committee discussions, and any amendments are set forth below.

The purpose of H.B. No. 2563-80 entitled: "MAKING AN APPROPRIATION FOR CONSTRUCTION OF HONOAPIILANI HIGHWAY, LAHAINA, MAUI", is to appropriate the sum of \$2,500,000 for continued construction of the Honoapiilani Highway, Maui. Your Committee agrees with the Department of Transportation (DOT) that Section 1 should be amended to read the amount of \$220,000 G. O. Reimbursable Bond Fund for rights-of-way to be required during the fiscal year 1980-81.

The purpose of H.B. No. 2564-80 entitled: "MAKING AN APPROPRIATION FOR SAFETY IMPROVEMENTS AT HONOKEANA COVE AND KAHANA SUNSET ON HONOAPIILANI HIGHWAY, LAHAINA, MAUI", is to appropriate \$50,000 to Honokeana Cove and Kahana Sunset on Honoapiilani Highway for safety improvements. Your Committee agrees with the DOT that Section 1 should be amended to read the amount of \$60,000 for improvements to Honoapiilani Highway in the vicinity of Kahana Sunset to correct the problem of cars running off the roadway. Your Committee agrees further with the DOT that Section 1 be amended to read that the amount of \$65,000 be appropriated for an improvement to Honoapiilani Highway at Honokeana Cove relocating the inlet of a box culvert from the edge of the pavement.

The purpose of H.B. No. 2612-80 entitled: "MAKING AN APPROPRIATION FOR IMPROVEMENTS FOR LAUPAHOEHOE BOAT RAMP, HAWAII COUNTY", is to appropriate the sum of \$50,000 to improve Laupahoehoe Boat Ramp, Hawaii County. Your Committee supports this appropriation and has amended Section 1 of this bill to change the funding to a grant-in-aid with matching funds from the County of Hawaii.

The purpose of H.B. No. 2785-80 entitled: "MAKING AN APPROPRIATION FOR THE RECONSTRUCTION OF THE KAMALO BRIDGE, MOLOKAI", is to appropriate the sum of \$191,000 for the reconstruction including design and construction of the Kamalo Bridge, Molokai. Your Committee agrees with the DOT to amend Section 1 of this bill to read the amount of \$300,000 for design, construction and rights-of-way acquisition.

The purpose of H.B. No. 2798-80 entitled: "MAKING AN APPROPRIATION FOR PLANS FOR THE CONSTRUCTION OF A NEW ON-RAMP ONTO THE H-1 FREEWAY FROM MAKAKILO, OAHU IN THE DIRECTION OF LEEWARD COAST, OAHU", is to appropriate an undesignated sum from the general funds of the State of Hawaii for plans for a new on-ramp onto the H-1 Freeway from Makakilo, Oahu in the direction of the Leeward Coast, Oahu. Your Committee agrees with the DOT that the sum appropriated should be \$330,000 for the design, construction and rights-of-way acquisition for this bill.

The purpose of H.B. No. 2799-80 entitled: "MAKING AN APPROPRIATION FOR PLANS AND CONSTRUCTION IMPROVEMENTS TO WAIANAE HARBOR, OAHU", is to appropriate an as yet undesignated sum for plans and construction of improvements to Waianae Boat Harbor, Oahu. Your Committee agrees with the DOT that the amount should be \$200,000 to restore a parking area, picnic shelter, jib crane and utility work at Waianae Boat Harbor, Oahu.

The purpose of H.B. No. 2804-80 entitled: "MAKING AN APPROPRIATION FOR PLANS AND CONSTRUCTION FOR WIDENING FARRINGTON HIGHWAY FROM ALAMALUA STREET TO JADE STREET, OAHU", is to appropriate an undesignated sum for plans and construction for widening Farrington Highway from two lanes to four lanes from Alamalua Street to Jade Street, Oahu. Your Committee agrees with the DOT that the sum should be \$6,660,000 for the improvements including design, rights-of-way acquisition and construction.

The purpose of H.B. No. 2919-80 entitled: "MAKING AN APPROPRIATION FOR A BIKEWAY FROM WAIPAHU TO MAKAHA, OAHU", is to appropriate an undesignated sum for the construction of a bikeway system from Waipahu to Makaha, Oahu. Your Committee agrees with the DOT that the amount should read a total sum of \$993,000 for this bikeway system.

The purpose of H.B. No. 2954-80 entitled: "MAKING AN APPROPRIATION FOR KAPAHULU AVENUE TRAFFIC LIGHTS, OAHU", is to appropriate the sum of \$10,000 for planning and construction of traffic signal lights at the intersection of Kapahulu Avenue, Palani Street and Winam Street. Your Committee agrees with the DOT that this is not under the jurisdiction of the State DOT and the expending agency should be changed to the Department of Transportation Services, City and County of Honolulu as a grant-in-aid.

The purpose of H.B. No. 2977-80 entitled: "MAKING AN APPROPRIATION FOR THE RECONSTRUCTION OF THE LA'I ROAD BRIDGE, OAHU", is to appropriate the sum of \$100,000 for the reconstruction of three existing La'i Road wood bridges including adjustments to approach roads and channels, Oahu, to be matched by the City and County of Honolulu. Your Committee has amended this bill to make this sum a grant-in-aid to the City and County of Honolulu.

The purpose of H.B. No. 2978-80 entitled: "MAKING AN APPROPRIATION FOR THE STRENGTHENING OR REPLACEMENT OF KALUA BRIDGE, OAHU", is to appropriate the sum \$100,000 for the strengthening or replacement of Kalua Bridge over Palolo Stream, Oahu to be matched by funds from the City and County of Honolulu. Your Committee has amended this bill to make this sum a grant-in-aid to the City and County of Honolulu.

Your Committee on Transportation is in accord with the intents and purposes of H.B. No.'s 2563-80, 2564-80, 2612-80, 2785-80, 2798-80, 2799-80, 2804-80, 2919-80, 2954-80, 2977-80, and 2978-80 as amended herein, and recommends that these House bills pass Second Reading in the form attached hereto as H.B. No.'s 2563-80, H.D. 1; 2564-80, H.D. 1; 2612-80, H.D. 1; 2785-80, H.D. 1; 2798-80, H.D. 1; 2799-80, H.D. 1; 2804-80, H.D. 1; 2919-80, H.D. 1; 2954-80, H.D. 1; 2977-80, H.D. 1; and 2978-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 348-80 Transportation on H.B. No. 2834-80

The purpose of this bill is to exempt antique motor vehicles from the State annual motor vehicle weight tax.

Section 249-1 of the Hawaii Revised Statutes defines an antique vehicle in part as "...operated or moved over the highway primarily for the purpose of historical exhibition or other similar purpose."

Your Committee finds that the highway use by antique vehicles is minimal.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2834-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 349-80 Consumer Protection and Commerce on H.B. No. 2889-80

The purpose of this bill is to authorize the Director of the Office of Consumer Protection to compensate witnesses for testifying in any court proceeding or case which the Office of Consumer Protection is empowered to investigate.

Present law does not provide this authority to the director. This bill would specifically authorize the director to compensate witnesses who testify on behalf of the Office of Consumer Protection in any investigation or judicial proceeding according to rules and regulations promulgated by the Office. Your Committee agrees with the intent of the bill to lessen the financial burden of witnesses who take time out from their usual business or profession to testify.

Your Committee also clarifies and emphasizes that the intent of this provision for compensating witnesses is in addition to the \$4.00 witness fee as provided for in Section 607-12, Hawaii Revised Statutes.

Your Committee has also amended this bill in two respects: First, the provision relating to court approval for witness fees has been deleted to eliminate any potential confusion in interpretation; and second, an appropriations provision in the sum of \$5,000 has been added.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2889-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2889-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Masutani.

SCRep. 350-80 Culture and the Arts on H.B. No. 2536-80

The purpose of this bill is to establish a committee to be known as the "1984 Hawaii Statehood Silver Jubilee Committee" which shall have charge of all arrangements for the State's official celebration of the 25th birthday of the State of Hawaii and to appropriate out of the general revenues of the State of Hawaii the sum of \$25,000, or so much thereof as may be necessary, to effectuate the initial planning for the 1984 celebration.

Your Committee received testimony from the Director of the Department of Planning and Economic Development in support of the concept and purpose of the bill. Your Committee is in agreement with the Director that the observance of this anniversary is not only essential to a healthy social environment, but also a solemn obligation of today's citizens not to forget nor to treat lightly so long and so massive an undertaking which made statehood possible.

Your Committee further recommends that this Silver Jubilee Committee, once established, consider coordinating some of its activities with the 1984 South Pacific Festival of Arts.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2536-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 351-80

Culture and the Arts and Water, Land Use, Development and
Hawaiian Affairs on H.B. No. 2023-80

The purpose of this Act is to dissolve the Hawaii Foundation for History and the Humanities and to transfer the functional responsibility for ethno-cultural program activities to the State Foundation on Culture and the Arts.

During recent years the Hawaii State Legislature has studied and evaluated management and expenditure of funds appropriated to the Hawaii Foundation for History and the Humanities. A major argument for this transfer is that the Hawaii Foundation has failed to create a viable and workable structure as mandated by the Legislature several years ago and to carry out its function as intended by statute. In March 1976, the Legislative Auditor reported in his management audit publication:

"The establishment of the foundation for history and the humanities was for a laudatory purpose. That we have found the experiment to have been less than successful does not detract from that purpose. The choices are now fairly clear-cut. The legislature could reassign program responsibilities along the lines we have suggested, or it could strive to redirect the foundation's efforts to its statutory duties. We hope that our report provides a sufficient basis for pursuing either alternative."

During the past four years, the Legislature has attempted without success to redirect the foundation's efforts in line with statutory mandate. Recent testimony also indicates that such a transfer of functional responsibilities from the Hawaii Foundation to the State Foundation would not impose undue hardships on programs and existing administration, given other supportive amendments to current statutes. In fact, a major focus of testimony was that the language of the bill was in need of amendment and that, given these amendments, the State Foundation would be willing and able to administer and exercise any new responsibilities mandated to it as transferred from the Hawaii Foundation.

First of all, your Committees have amended Section 3 of the original bill. All activities in support of the historic preservation program have been deleted. Testimony pointed out that inclusion of historic preservation activities in this bill would create duplication of effort between the State Foundation and the Department of Land and Natural Resources.

Secondly, the original Section 3 would have also transferred intact the multicultural programs of the Hawaii Foundation to the State Foundation. A minor amendment was made by your Committees in order to liberalize the language of the bill, in order that oral and written history projects could be expanded into ethnohistory and the humanities for all ethnic groups in Hawaii.

Thirdly, in Section 4 of the original bill the sum to be appropriated has been changed from \$174,812 to \$250,206. The originally proposed \$174,812 would have been sufficient to cover transferred expenditures for the fiscal year 1980-1981 on behalf of four major projects: (1) the Multi-Cultural Center program, (2) the Ethnic Studies Oral History Project, (3) the Hawaii Youth Symphony, and (4) the Polynesian Voyaging Society. Additional funds in the amount of \$75,394 are still needed in order to transfer all other Hawaii Foundation projects and programs.

Your Committees on Culture and the Arts and on Water, Land Use Development, and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 2023-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2023-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Crozier, Garcia and Morioka.

SCRep. 352-80

Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2905-80

The purpose of this bill is to appropriate out of the general revenues the sum of \$100,000, or so much thereof as may be necessary, to Alu Like, Inc. to be used as state matching funds for federal financial assistance from the Native American Programs Act of 1978, Public Law 95-568, as amended, Title VIII. The native American Programs are designed to meet the needs of Native Hawaiians to attain economic and social self-sufficiency.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2905-80 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. 353-80 Water, Land Use, Development and Hawaiian Affairs and
Transportation on H.B. No. 2824-80

The purpose of this bill is to appropriate moneys from the general obligation bond funds, for certain capital improvement projects within the Eleventh Representative District on Oahu as follows:

- 1) The sum of \$240,000 for the Ala Wai Helipad and Ala Wai Canal Silt Basin to be expended by the Department of Accounting and General Services.
- 2) The sum of \$5,945,000 for Paki Park, Kapiolani Park, Kuhio Avenue, Paokalani Avenue, Kalakaua Avenue Relief Drain, Kalia Road Drain Improvements, Queen Kapiolani Park, Waikiki Street Lighting, and Gateway Park, Waikiki to be expended by the City and County of Honolulu.

Your Committees have amended this bill by deleting item 3 on page 2, line 11, which appropriated \$4.3 million for the acquisition of land, planning and construction for the widening of Kuhio Avenue between Kaiulani and Kapahulu Avenues to be expended by the City and County of Honolulu.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Transportation are in accord with the intent and purpose of H.B. No. 2824-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2824-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 354-80 Youth and Elderly Affairs and Housing on H.B. No. 2946-80

The purpose of this bill is set forth in its title.

Your Committees have amended the bill by (1) inserting the sum of \$15,000 as the amount to be appropriated, and (2) correcting the spelling of the word Hawaiian to Hawaii in section 2 to correctly identify the Hawaii Housing Authority as the expending agency.

Your Committees on Youth and Elderly Affairs and Housing are in accord with the intent and purpose of H.B. No. 2946-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2946-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 355-80 Youth and Elderly Affairs and Public Assistance and Human
Services on H.B. No. 2213-80

The purpose of this bill is to increase the monthly amount paid by the Department of Social Services and Housing to each foster boarding home for each child placed and residing in that home. The increase is to take effect for the fiscal year beginning July 1, 1980.

The Department of Social Services and Housing testified that the biennium budget for the program (SOC-203) included an increase in monthly payments for fiscal year 1981. Thus, beginning July 1, 1980 the department would provide monthly payments of \$131.50 for each foster child under 6 years of age, \$167 for each foster child age 6-12 years, and \$216 for each foster child over 12 years of age but less than 18 years of age.

Your Committees believe that the increase provided in the department's biennial budget does not adequately reflect the double-digit inflation of recent years and recommends that the monthly payment level be raised to \$175 for each child less than 12 years old and \$225 for each child age 12 but less than 18 years of age. Based on caseload and payment data supplied by the department this proposed increase would require a supple-

mental appropriation to the department of \$119,076.

Your Committees have amended this bill as follows:

1. By inserting in section 1 of the bill the proposed new monthly payment amounts.
2. By deleting subsection (b) of the new section added to Chapter 346, Hawaii Revised Statutes, in section 1 of this bill which provided for automatic annual adjustments of the monthly payment level for foster children. The deletion of subsection (b) necessitated the relettering of subsection (c) to read subsection (b).
3. Section 3 of this bill was amended by inserting the figure of \$119,076 as the appropriation amount required by the proposed increase in monthly payments.

Your Committees on Youth and Elderly Affairs and Public Assistance and Human Services are in accord with the intent and purpose of H.B. No. 2213-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2213-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 356-80 Youth and Elderly Affairs and Public Assistance and Human Services on H.B. No. 2918-80

The purpose of this bill is to provide State funds to help support private, non-profit programs throughout the State which provide services to children and spouses subject to abuse and neglect. This coalition of private agencies is a primary provider of services to abused and neglected children and spouses in Hawaii.

Your Committees have amended this bill by (1) reducing the appropriation for the Hawaii Family Stress Center from \$215,290 to \$197,308, (2) increasing the appropriation for the Shelter (Kauai) from \$15,000 to \$20,000, and (3) adjusting the total appropriation to reflect these changes from \$469,177 to \$456,195.

The reduction for the Hawaii Family Stress Center results from decreasing the funds for three positions, the incumbents of which will spend less time on child and spouse abuse services. The appropriation for the Shelter (Kauai) is increased to provide a minimal level of services on a county-wide basis. This is the first time the State has provided support for this Kauai program and your Committees wish to make it clear that the appropriation is solely for activities related to abuse and neglect of children and spouses. Since this is a first time appropriation it is the intent of your Committees that the budget supporting this appropriation for the Shelter continue to be carefully analyzed and reviewed.

Your Committees on Youth and Elderly Affairs and Public Assistance and Human Services are in accord with the intent and purpose of H.B. No. 2918-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2918-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 357-80 Youth and Elderly Affairs and Public Assistance and Human Services on H.B. No. 2794-80

The purpose of this bill is to appropriate funds to expand the Small Group Homes approach to housing elderly persons.

There are many senior citizens in Hawaii who reach a stage where it is impractical for them to live alone but where their condition does not warrant institutionalization. The small group homes provide a needed alternative for these older people.

Housing the elderly in small group homes is not only beneficial to the older individual but is also far less expensive than institutionalization.

Your Committees have amended this bill as follows:

1. A typographical error in the title of the bill has been corrected by changing

the word "AND" to "AN".

2. The appropriation of \$55,000 has been increased to \$100,000.
3. The expending agency has been changed from the executive office on aging to the department of social services and housing.

The intent of your Committees in increasing the appropriation is to encourage the establishment of group homes for the elderly on the neighbor islands.

Your Committees on Youth and Elderly Affairs and Public Assistance and Human Services are in accord with the intent and purpose of H.B. No. 2794-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2794-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 358-80

Youth and Elderly Affairs on H.B. No. 3054-80

The purpose of this bill is to appropriate \$500,000 for pilot and demonstration projects to strengthen and develop the network of non-governmental individual and organizational providers of child care services to the end of making available to families and their children opportunities to obtain needed child care and development and education services.

In its testimony on this bill, the Office of Children and Youth (OCY) noted:

The concept of strengthening the neighborhood (or geographical area) with support services in early childhood has received wide public review and support. As a major recommendation in the planning documents, the concept of support services on early childhood received widespread support over such options as publicly funded day care systems for 3-4 year olds which would cost the State approximately more than \$80 million annually. This bill seeks to develop the support concept by stimulating the improvement and expansion of support services to children and their families through existing community operations which can demonstrate the best potential as comprehensive resource centers in child care services.

In summarizing the main points made in the numerous studies relating to child care services OCY emphasized that there is general agreement that (1) the family unit assume the major responsibility for raising children, (2) the early, formative years of life are critical in realizing or failing to realize the potentials inherent in individuals, (3) efforts to compensate for the problems arising from inadequate care and development of children are costly, inefficient, and often ineffective, (4) "parenting" knowledge and skills in child development are essential for parents, day care operators, baby sitters, and other child care providers, and (5) government must play a role in child care if services are to be of a satisfactory quality and readily available to those who need the services.

OCY further commented; "Although major planning documents have been prepared in this arena...this State has provided minimal allocation to support child care and education for the four-year old and younger."

In supporting the general purpose and intent of this bill, OCY pointed out that it is a relatively inexpensive way for the State to assume a significant and much needed role in the child care area. It is worth quoting OCY on the reasonableness of the approach adopted by this bill as it relates to State financing:

Furthermore, the cost in developing such a concept can be contained by the following factors:

- 1) the bill calls for a limited number of demonstration projects; replication can be contained.
- 2) proposals for contract bids would require a selection process based on standard criteria critical to the project objectives and appropriate to community needs;
- 3) should an operation be unable to fulfill its contract, the contract can be terminated and reissued to another operation;

- 4) some operations may need only one or two thousand dollars to add on a single component to make more comprehensive their early childhood services;
- 5) the government human services agencies could be assisted to further their outreach programs in early childhood care and education within communities through such operations; and
- 6) evaluation of the projects could demonstrate whether such resource operations are needed, are successful, or should be continued with some form of minimal government support.

Your Committee believes that the recommended appropriation of \$500,000 is a very low price to pay for the State to assume its responsibilities toward families and their children needing child care services. A review of legislative actions in the past several years shows that almost no funds have been provided for the population this bill targets.

People Attentive to Children (PATCH), a private non-profit group, providing the sorts of services contemplated by this bill also testified at length in support of the measure. In its testimony PATCH stressed that the period beginning at eight months of age and ending at three years of age is of primary importance to the development of individual human beings. It is PATCH's contention that they are now the only public or private organization in the State offering a comprehensive array of services to families with children in this age range.

PATCH's testimony reads, in part:

Our goals are: to improve the quality of home-based child care through provider education; to increase the number of quality home-based child care providers to meet the community need; to refer parents with children in need of care to suitable home-based child care providers; and to serve as advocates of young children on relevant public issues.

PATCH has worked to improve the quality of care given by day-care providers through the use of workshops; establishing neighborhood support groups for providers; developing a toy and book loan program; and issuing a monthly newsletter to keep parents and providers alike informed of the latest child rearing information. We have operated a referral system to link parents with child care providers compatible with their needs, and we have acted as advocates on public issues relevant to the needs of young children.

Your Committee was very favorably impressed by PATCH's presentation and believes that PATCH provides many of the services this bill would help support.

Your Committee has amended the bill by correcting numerous typographical errors, but has made no substantive changes in the bill's content.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 3054-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3054-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 359-80 Youth and Elderly Affairs on H.B. No. 2927-80

The purpose of this bill is stated in the title.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 2927-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 360-80 Youth and Elderly Affairs on H.B. No. 2204-80

The purpose of this bill is to provide an appropriation of \$50,000 for development of a multidisciplinary center for gerontology at the University of Hawaii. This appropriation follows three years of planning for such a program under federal funds. It is the first

step in implementing a University based program of research, training, and service operations in the gerontology field.

Your Committee has amended the language of Section 1 of the bill to delete the words "the core operations" to clarify the fact that the bill is meant to support a full-fledged gerontology program and not just the undefined "core operations" of such a center.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 2204-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2204-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 361-80 Youth and Elderly Affairs on H.B. No. 2602-80

The purpose of this bill is to appropriate \$90,000 to be expended by the Executive Office of Aging to support the operation of the Kapahulu Multipurpose Senior Center.

Your Committee notes that this is the second year that the Kapahulu Multipurpose Senior Center has petitioned the State for operating funds. It is legislative and State policy that it is a county function to provide funds for operational expenses of senior citizens' centers. Your Committee intends that this be the last year the State provides funds for the operation of this senior center.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 2602-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 362-80 Youth and Elderly Affairs on H.B. No. 2913-80

The purpose of this bill is set forth in the title.

Your Committee has amended the bill as follows:

1. In section 1, the amount of the appropriation has been entered as \$100,000 and the requirement for the City and County of Honolulu to provide matching funds has been deleted.

2. Section 2 has been amended by changing the expending agency from the City and County of Honolulu to the Department of Accounting and General Services and by filling in the year when unencumbered or unexpended funds shall lapse to read 1981.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 2913-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2913-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 363-80 Youth and Elderly Affairs on H.B. No. 2211-80

The purpose of this bill is to raise the excise tax credit for taxpayers 65 years of age or over from double to triple the tax credit provided taxpayers under age 65.

Your Committee has amended the bill by:

1. Leaving the excise tax credit for taxpayers 65 years of age or over at double the tax credit provided taxpayers under age 65.
2. Increasing the tax credit by 20 percent for all taxpayers eligible to claim the credit.
3. Adding an additional income bracket to the tax credit schedule to cover

taxpayers with adjusted gross incomes of at least \$20,000 but under \$25,000. Taxpayers in this new bracket would be entitled to a credit of \$7.00.

These changes are in accord with testimony submitted by Kokua Council for Senior Citizens to the effect that it would be to the "public good" to leave the senior citizens' tax credit at double that of younger taxpayers and provide an increase in the credit for all taxpayers. The State Department of Taxation also testified "increasing the tax credit for all claimants would be a fairer and more equitable means of reimbursing taxpayers for general excise taxes paid by them."

The Department of Taxation estimates that increasing the excise tax credit 20 percent in each income bracket now covered by the law would result in a loss of revenue to the State of \$1,863,649. Adding the new bracket would result in an additional loss of revenue of \$672,126. The bill, as amended, would result in a loss of revenue to the State in the total amount of \$2,535,775.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 2211-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2211-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 364-80

Youth and Elderly Affairs on H.B. No. 2267-80

The purpose of this bill is to provide an appropriation to the Food Advisory Service, a non-profit organization providing low-cost and surplus food to senior citizens through Mobile Mini-Market sites located at senior centers, churches, housing units, and other sites. The appropriation is to assist Food Advisory Service to strengthen and expand the services it offers to Hawaii's elderly persons. The State Executive Office on Aging is designated as the expending agency.

Food Advisory Service (FAS) buys fresh produce and eggs at wholesale from farmers and other outlets and receives some donated food. Food is brought to a central warehouse and refrigerated, if necessary, and then sorted and prepared for distribution by van or truck to Mobile Mini-Market sites.

Senior citizen volunteers organize and operate market sites. All food is sold at cost (i.e., wholesale) and donated food is given away. The program allows elderly people to buy fresh, nutritious, inexpensive food in quantities suited to their needs and offers them opportunities to socialize, save transportation costs to reach shopping outlets, and lower their exposure to possible criminal acts. As the program grows, it may be possible to add new services such as nutritional counseling. FAS now operates only on Oahu but ultimately plans to reach the neighbor islands.

FAS does not charge senior citizens any fee for the services it provides and does not plan to charge fees in the future. Instead the Hawaii FAS operation intends to follow the course of the original FAS program in California and support the FAS activities through revenues derived from (1) the earnings of a second non-profit corporation providing services to businesses for a charge, (2) contributions from foundations, businesses, and other individuals and organizations, and (3) categorical grants available, for example, from the federal government to operate federally supported programs such as nutritional counseling and assistance to seniors.

Your Committee has amended this bill to specify the amount of the appropriation as \$125,000. The Committee wishes to make it clear that the appropriation is for the purpose of expanding and strengthening the FAS services offered to elderly persons including, but not limited to, the following items: (1) development and operation of new Mobile Mini-Market sites, (2) payment of fulltime FAS staff providing essential services such as food purchasing, warehousing, sorting, and preparing food for sale, and general support for efficient and effective volunteer operation of Mobile Mini-Market sites, and (3) rental, lease, or other arrangements for adequate warehouse space and equipment (chill-boxes, refrigeration, etc.) necessary to store and process food. It is not the intent of your Committee to provide any state funds for FAS to develop other organizations or activities designed to produce revenues for the purpose of making FAS a self-supportive organization.

The bill has been amended further by correcting the spelling of Food Advisory Services in the title and section 1 to read Food Advisory Service.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 2267-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2267-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 365-80 Youth and Elderly Affairs on H.B. No. 2990-80

The purpose of this bill is set forth in the title.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 2990-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 366-80 Ocean and Marine Resources on H.B. No. 2244-80

The purpose of this Act is to provide funds for the implementation of the Hawaii Fisheries Master Plan.

Your Committee finds that the Hawaii Fisheries Development Plan is a comprehensive document which identifies fisheries resource potential, analyzes the present fishing industry, examines the factors which have restricted growth of the industry, and presents a coordinated array of actions necessary to develop the industry.

Your Committee has amended this Act by adding three new sections which detail the purpose of the Act as follows:

- (1) Section 2 authorizes the chairman of the Department of Land and Natural Resources to establish a planning and development unit within the Division of Fish and Game and further authorizes him to hire staff exempt from the provisions of Chapters 76 and 77, Hawaii Revised Statutes.
- (2) Section 3 appropriates out of the general revenues of the State of Hawaii the sum of \$453,161 or so much thereof as may be necessary to match federal funds of \$430,000.
- (3) Section 5 provides that the \$453,161, or so much thereof, may be expended even if there are no federal matching funds.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2244-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2244-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 367-80 Housing on H.B. No. 2029-80

The purpose of this bill is to increase the bond authorization for tax-exempt, mortgage-backed revenue bonds, and to permit the making of "Hula Mae" loans for the purchase of fee simple title to residential property.

The purpose of the bill has been broadened to allow an applicant who owns land to be eligible for a Hula Mae loan under which he may build a home on that land.

The enactment of this measure will augment the public purpose efforts of the Hawaii Housing Authority's Land Reform Program. The provision of lower-interest long-term mortgage financing will assist lessees who own the home they live in but cannot afford prevailing market interest rates for loans to purchase the fee simple interest in their residential property. The authorization for the increased issuance of revenue bonds will enable a greater number of Hawaii residents to take advantage of the Authority's newly implemented Hula Mae program.

Your Committee received supporting testimony from the Hawaii Housing Authority,

the Bank of Hawaii, and the Hawaii Savings League. Several matters were raised for discussion at the hearing including the necessity of revising the income and assets eligibility requirements for Hula Mae loans. While recognizing that other eligibility requirements are governed by the Authority's rules, your Committee proposes that present statutory income limits be adjusted upwards, from 115 to 125 percent of the median family income in the State as determined annually by the United States Department of Health, Education and Welfare (HEW). This statutory amendment is necessary to ensure that the program's benefits, below-market-interest-rate mortgage loans, are provided to as many eligible Hawaii residents as possible.

Due to the rising sale prices of homes and the relatively small increase of incomes experienced in Hawaii, your Committee finds that the Hula Mae "target group" is contracting while Hawaii's housing "gap group" is expanding in absolute numbers. The expansion of the "gap group" is perhaps best reflected by Multiple Listing Service figures which show a 30 percent increase in home sale prices between 1979 and 1980, while median family income increased only 3.5 percent during the same period. The net result has been that more Hawaii residents are being priced out of the housing market thus increasing the number of families in the "gap group." However, the program is prevented from expanding to assist these families because of the current statutory income limits and restrictive income adjustment factors currently employed by the Hawaii Housing Authority. It may be appropriate for the Authority to review current income adjustment factors used in other Federal and State housing programs such as the FHA 235 program for mortgage interest subsidy.

Your Committee also recognizes a problem that many rural and neighbor island residents are facing. A person may own a piece of land which makes him ineligible for a Hula Mae loan under which he could finance the building of a home on that land. Your Committee feels that such a lot should not exempt an applicant from obtaining a loan if he is otherwise eligible. Furthermore, an applicant with less than one-half interest in real property other than his place of residence shall not be exempt from obtaining a loan if his interest is within the asset limits and he is otherwise eligible.

With the expansion of the loan program to include leasehold conversion mortgages, eligibility limits for assets must necessarily be revised upwards. Present by-rule asset limitations were developed by the Authority under the assumption that the eligible borrower would be purchasing a home for the first time. With leasehold conversion loans, however, mortgagors would, by virtue of homeownership over a greater period of time, have greater assets.

Your Committee's review of the Authority's current assets rules indicates that the asset limits established for program eligibility are too restrictive to apply to families in the "gap group." However, your Committee feels it inappropriate to recommend specific asset limitations by dollar amounts in the statutes as the effectiveness of such limits would not stand the "test of time" or be responsive to a changing market. We do, however, recommend that the Authority consider the following when amending its rules regarding asset limitations:

1. A factor or multiplier applied to the adjusted income limits in determining asset limits may provide the flexibility desired by the Legislature;
2. The down payment, currently limited by statute to not more than 20 percent of the fair market value of the property to be purchased, should not be treated as an asset, but as equity in the property to be purchased and therefore should not be calculated within the asset limitations; and
3. The calculation of assets should be limited to the "equity" portion of real and personal property purchased with a loan and should not include the "liability" or unpaid portion of the real or personal property. Furthermore, assets should be defined as liquid assets such as savings accounts, securities, stocks and bonds, and should not include such items as retirement benefits.

Your Committee recommends the following changes to H.B. No. 2029-80:

1. Amend the existing definitions of "eligible borrower," "eligible loan," and "mortgage lender" in Section 356-201, Hawaii Revised Statutes, to reflect the following:
 - a. The definition of "eligible borrower" has been changed so that an applicant may own an interest in real property 1) if that interest is leasehold title to the property to be purchased; or 2) if that interest is title to land on which he intends to reside. In addition, eligible borrower may include a person with less than a majority

interest in real property other than his place of residence, if the value of his interest is within the asset limits and he is otherwise eligible.

Presently under the Authority's rules, the eligible borrower is prevented from obtaining more than one loan under the Hula Mae program. That is, an eligible borrower who received a loan to purchase a home on leasehold property cannot obtain a subsequent Hula Mae loan to finance the conversion of that property from leasehold to fee simple ownership. This provision is to be included in the amended definition of eligible borrower in the Hawaii Revised Statutes.

b. The definition of "eligible loan" has been amended to include federally-insured or guaranteed mortgage loans for leasehold conversion. This change is advantageous in several ways. The Authority's revenue bond rating will be protected since these revenue bonds will be secured by mortgage loans insured or guaranteed by the federal government. Moreover, at this time the only federal government program to facilitate leasehold conversion loans is the Federal Housing Administration's Section 240 mortgage insurance program. This program limits mortgage loan amounts to \$30,000 thereby ensuring that these new program powers will be available to those families in Hawaii in need of such financing.

c. The definition of "mortgage lender" has been amended for clarity.

2. Amend Section 356-206, Hawaii Revised Statutes. Under the rules for eligibility, adjusted household income shall be limited to one hundred twenty-five, rather than one hundred fifteen, percent of the median family income for households in the State.

3. Amend Section 3 of the bill to authorize the Authority to issue \$225 million in tax-exempt revenue bonds, rather than the \$125 million authorized in Act 50, Session Laws of Hawaii, 1979. Not more than \$25 million of any amount issued can be used for leasehold conversion loans.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2029-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2029-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 368-80

Housing on H.B. No. 3052-80

The purpose of this bill is to prevent the lapsing of \$3.5 million in general funds appropriated to the Hawaii Housing Authority in 1947 but never expended or encumbered.

The appropriation of 1947 was authorized for the purpose of development and administration of State rental housing projects. Your Committee feels that while the development and administration of State rental housing projects is a noteworthy program, there is a critical need to increase the production of housing for senior citizens. The Hawaii Housing Authority presently has a State-wide waiting list of approximately 1,035 individual senior citizens (and their families) who, because of the lack of vacancies in senior citizens housing projects, may wait as long as two to five years before they are able to obtain shelter in one of the Authority's projects.

Increased production of senior citizen housing projects has become increasingly difficult because of high land acquisition, site improvement, and development/construction costs. As a result, in order that the State maintain minimal production of senior citizen housing, an "investment" of approximately 10% of the total project cost for each senior citizens' housing project must be made from the Authority's primary development fund, the Dwelling Unit Revolving Fund (DURF) of Chapter 359G, Hawaii Revised Statutes. The "investment" of DURF funds for periods of 30 to 40 years not only reduces capital needed for the development of all other types of housing but impairs DURF's ability to repay the bond interest required since there is no return on "investment" until the permanent mortgage loan on the senior citizen housing project is repaid.

Your Committee feels that the shelter needs of Hawaii's citizens is an issue of State-wide concern which must be addressed expeditiously if the State is to fulfill its moral obligation to those who have contributed so much to the growth and success of Hawaii. The \$3.5 million appropriated by this bill should be considered as a small start in the State's commitment to fulfill its obligation to its senior citizens.

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

3052-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3052-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 369-80 Ocean and Marine Resources on H.B. No. 2369-80

The purpose of this Act is to stimulate the fishing industry by expanding the Large Fishing Vessel Loan Program established by Act 193, SLH 1965.

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 before your Committee by the Department of Planning and Economic Development reveals that one of the major problems in the establishment of a modern long range fishing fleet in Hawaii has been the lack of capital.

Your Committee further finds that the recently completed Hawaii Fisheries Master Plan recognizes the importance of the Large Fishing Vessel Loan Program and recommends that \$2.5 million be appropriated in each of fiscal years 1981 and 1982. Without this 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 has amended this Act 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. 2369-80 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2369-80, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 370-80 Judiciary on H.B. No. 2720-80 (Majority)

The purpose of this bill is to appropriate the sum of \$3,500,000 agreed upon between the State of Hawaii and Mark Construction, Inc., in full settlement of civil numbers 38134, 44113 and 45060.

Your Committee received testimony that Mark Construction, Inc., filed three separate suits against the State for the recovery of damages allegedly suffered as a consequence of performing construction contracts for three separate federal-aid highway projects for the State Department of Transportation.

The suits involved a total of twenty-two separate grounds and include damage claims for business impairment and cross-project impact totaling in excess of \$12,000,000. Because of the extended and complex nature of the claims, the trial was suspended and the parties with the approval of the Court entered into negotiations to settle their differences.

An agreement was reached in February, 1978, to settle said cases for \$3,500,000, contingent upon legislative appropriation. However, the Legislature did not appropriate the funds.

Your Committee finds that analysis and re-evaluation of $\frac{1}{4}$ the cases reinforce the position that the settlement of \$3,500,000 would be in the best interest of the State and further that the State will apply to the Federal Highway Administration for federal reimbursement on the amount paid in settlement.

Accordingly, your Committee recommends favorable consideration of this bill which appropriates \$3,500,000 for full settlement with Mark Construction Inc.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2720-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 371-80

Youth and Elderly Affairs and Health on H.B. No. 584

A subcommittee of your standing Committee on Youth and Elderly Affairs conducted an interim review of children's mental health services. The result of the subcommittee's work was the attached draft of H.B. No. 584 and an accompanying report which provides the basis for this report.

The subcommittee proceeded by identifying the following areas for its review:

- (1) Determination of the nature and extent of clarification needed to improve the administration and delivery of mental health services to children and youth;
- (2) Determination of the extent of coordination needed: among the children's mental health services branch, community mental health centers, and children's mental health services team; between the Department of Education (DOE) and Department of Health (DOH); and among various public and private agencies dealing with mental health services; and
- (3) Determination of whether the spectrum of mental health services including prevention, early identification, screening, diagnosis, treatment, and rehabilitation services for Hawaii's children and youth is adequate.

House Bill No. 584 was widely circulated with a request for written and oral testimony for the subcommittee's hearing. Testifiers at the hearing included Ms. Sheila Forman, Mental Health Association of Hawaii; Ms. Verna Lee, DOE, Office of Instructional Services; Dr. Denis Mee-Lee, DOH, Mental Health Division; Ms. Genevieve Okinaga, Office of Children and Youth; Dr. Samuel Paltin, DOH, Children's Mental Health Services Branch; and Ms. Francine Wai, Commission on the Handicapped.

Those testifying supported H.B. No. 584's intent to coordinate program responsibilities and thereby correct fragmentation of services. To develop and further refine the language of the bill, additional work sessions were conducted on September 25 and October 17, 1979. Those who testified at the subcommittee's public hearing on September 25, 1979, participated at the workshops, along with Dr. Carol Brown of DOH's Children's Mental Health Services Branch and Ms. Jo-Alyce Peterson-Leeper of DOE's Office of Instructional Services.

Although H.B. No. 584 does clarify and streamline the existing statute, your Committee agrees with the subcommittee's findings that the bill needs further clarification and streamlining which would subsequently facilitate the planning, implementation, and delivery of mental health services without jeopardizing the existing provisions for necessary services. Your Committee therefore has amended H.B. No. 584 to:

- (1) include a general statement of the children's branch's overall functions to emphasize the coordinative responsibility of the branch. This statement declares that the intent of the legislature is to ensure the availability of children's mental health services within the State by the establishment of a children's mental health services branch as part of the Mental Health Division of the State Department of Health and children's mental health services teams at each community mental health center. These teams are to provide a spectrum of direct, consultative, and educational services including but not limited to, prevention, early identification, screening, diagnosis, treatment, and rehabilitation of children and youth in need of mental health services. Services for treatment and rehabilitation shall include the development of an appropriate range of inpatient, outpatient, and community residential facilities. The children's mental health services branch is to provide overall coordination and program direction, and where treatment of a child or youth requires more specialized and intensive services which are unavailable within the geographic region of the community mental health center, the branch shall be responsible for the provision of back-up services in accord with its coordinative function.
- (2) mandate a memorandum of agreement between DOH and DOE relating to mental health services for children under the DOE's jurisdiction, such as parent education, techniques for classroom behavior management and training on emotional disturbances of children. While the bill included these services, it did not require an interdepartmental memorandum of agreement. Your Committee believes that this memorandum will provide a mechanism for cooperative efforts between the two departments and continued delivery of said services.

(3) provide for review of the Statewide Children's Mental Health Services Plan every five years and provide for informing the public about the content of the plan and for amending the plan. Your Committee believes that a five-year review of the plan will not jeopardize the development and maintenance of a current statewide plan.

(4) ensure public input on any departmental rule-making relating to children's mental health services. Your Committee therefore recommends the applicability of Chapter 91, HRS, the Administrative Procedures Act, to such rule-making activity.

(5) make other miscellaneous and technical amendments to further clarify and coordinate the role and responsibilities of the children's mental health services branch, community mental health centers, and children's mental health services teams.

Your Committees on Youth and Elderly Affairs and Health are in accord with the intent and purpose of H.B. No. 584, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 584, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ige and Ushijima.

SCRep. 372-80 Youth and Elderly Affairs and Health on H.B. No. 3011-80

The purpose of this bill is to appropriate funds to the Department of Health to provide financial assistance for emotionally disturbed children in need of psychiatric day treatment and whose families are ineligible for both the Federal Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and financial assistance from the Department of Social Services and Housing.

Your Committees have amended the bill by reducing the appropriation from \$250,000 for two fiscal years to \$100,000 for fiscal year 1980-1981, by changing the lapsing year from 1982 to 1981, and by generalizing the language describing families which shall be eligible for financial assistance.

Your Committees on Youth and Elderly Affairs and Health are in accord with the intent and purpose of H.B. No. 3011-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3011-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ige and Ushijima.

SCRep. 373-80 Youth and Elderly Affairs on H.B. No. 3006-80

The purpose of this bill is to make changes in Chapter 581, Hawaii Revised Statutes, titled "Office of Children and Youth."

Chapter 581 was made law by Act 207, Session Laws of Hawaii 1976, and experience to date has revealed the need for certain amendments to cover omissions in the law, to clarify language, to better specify organizational responsibilities and authority, and to improve the effectiveness of the Office of Children and Youth (OCY).

Your Committee has amended section 2 of the bill by (1) modifying the requirements that OCY "monitor and coordinate" all State operations and policies affecting children and youth to a requirement for "selective" monitoring and promotion of coordination of such operations and policies and (2) by adding at the end of subsection 581-3(5) the sentence: "The county department and agencies shall provide access to information which the office deems necessary for the effective discharge of its duties under this chapter."

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 3006-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3006-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ige and Ushijima.

SCRep. 374-80 Youth and Elderly Affairs on H.B. No. 2916-80

The purpose of this bill is to create the adult family boarding home revolving loan fund to make available financing to owners of residential units desiring to upgrade their units to satisfy the requirements for licensing as adult family boarding homes.

The rationale for the bill is set forth in section 1 of the bill.

H.B. No. 2916-80 in its original form was a short-form bill. Your Committee has amended the bill to incorporate the provisions necessary to accomplish the bill's purpose.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 2916-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2916-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ige and Ushijima.

SCRep. 375-80 Ocean and Marine Resources on H.B. No. 2729-80

The purpose of this Act is to establish the Hawaii Fisheries Coordinating Council to advise the Board of Land and Natural Resources on matters relating to fisheries and to coordinate fisheries activities among the various federal, state, and county agencies and private industry.

Your Committee finds that if Hawaii is truly serious about development of the fishing industry, a vital factor will be a coordinating mechanism which assures the industry's problems and requirements are fully understood.

Your Committee further finds that it would be unrealistic and inefficient to devise an autonomous fisheries commission with regulatory and supervisory authority. The size of the local fishing industry does not warrant such a body, even if full potential is realized.

Your Committee further finds that there is a need for a body which can advise the department of land and natural resources and coordinate activities among the various county, state and federal agencies and private industry.

Your Committee has amended the Act as follows:

- (1) Page 1, line 8, delete the phrase "for administrative purpose only".
- (2) Page 1, line 11, change the word "matter" to "matters".
- (3) Page 1, line 14, delete the word "eighteen" and add "eleven voting" between "of" and "members".

Lines 15 and 16, delete the phrase "eleven of which shall be voting members and seven shall" and add "and no more than ten".
- (4) Page 2, line 14, delete the word "seven" and add "there", and add "no more than ten" between the words "be" and "nonvoting".
- (5) Page 2, line 18, add "and may include" between the words "Kauai" and "the".
- (6) Page 2, line 21, delete the word "and".
- (7) Page 2, Line 22, after the word council, delete "comma" and add "and such other members as deemed appropriate by the chairperson of the Hawaii fisheries coordinating council."

Your Committee has further amended Sec. -2 by providing an appropriation of \$11,100 to be expended by June 30, 1981, to cover travel and per diem expenses of council members attending meetings during F.Y. 1980-81.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2729-80, H.D. 1, as amended herein, and recommends that it pass Second

Reading in the form attached as H.B. No. 2729-80, H.D. 2 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 376-80 Transportation; Water, Land Use, Development and Hawaiian Affairs; Energy; and Health on H.B. No. 2691-80

The purpose of this bill is to appropriate funds for capital improvement projects in the first representative district of Hawaii.

The Department of Transportation (DOT) is in agreement with this bill and notes that the first four projects listed under Transportation are DOT projects which have been included in the Executive Budget as Capital Projects for FY 1980-81. Your Committees recommends that appropriations for these four projects be excluded from this bill in the event that it is approved in the Executive Budget.

Your Committees have amended this bill to delete the fifth and sixth projects listed under Transportation because the expending agency was not specified.

Your Committees amend this bill to delete the last project listed under Transportation because it is under the jurisdiction of the County of Hawaii.

Your Committees further amend this bill to delete items concerning the proposed facilities at Ka'u under the Cultural and Recreational Facility Section until the DOT reviews the Statewide Boat Launching Facilities Master Plan to see if another site would better serve the Ka'u area and a statewide priority system is instituted.

Your Committees on Transportation, Water Land Use Development and Hawaiian Affairs, Energy and Health are in accord with the intent and purpose of H.B. No. 2691-80 as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2691-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Garcia.

SCRep. 377-80 Housing on H.B. No. 2723-80

The purposes of this bill are to expand and transfer existing statutory provisions for rental housing financing from Chapter 359G to Chapter 356, Hawaii Revised Statutes, and to authorize a separate appropriation of \$122.5 million of tax-exempt revenue bonds to fund this program. The proceeds from the revenue bonds will be used to make interim and permanent mortgage loans to "eligible developers and owners" including the Hawaii Housing Authority, who wish to develop government-assisted rental housing.

Act 138, Session Laws of Hawaii 1978, authorized the Authority to issue and utilize \$22.5 million in revenue bonds; however, it was limited to financing the Authority's HUD Section 8 rental housing projects because of State Constitutional restrictions on all revenue bonds. A 1978 Constitutional amendment now permits the utilization of tax-exempt revenue bonds for the undertaking of loan programs.

Your Committee received testimony in strong support of H.B. No. 2723-80 from the Hawaii Housing Authority, the Construction Industry Legislative Organization (CILO), the Land Use Research Foundation of Hawaii, the Hawaii Association of Realtors, and the Oahu Tenants' Coalition. The spokesmen for these groups urged passage of this measure as a positive step in alleviating Hawaii's rental housing problems. Private development of commercial rental projects has virtually ceased because of increasing development and construction costs and the elimination of federal tax incentives previously afforded investors. The rapid conversion of rental units to condominiums has further depleted the supply of rental units in Hawaii.

The critical need for the construction of additional units is best reflected in the vacancy rate for Honolulu owner-occupied and rental units which fell to 1.1 percent in April 1979, the lowest level in this decade. The recommended vacancy rate for metropolitan areas is five percent, while a one-percent rate is considered to effectively constitute a no-vacancy situation. The Executive Director of the Hawaii Housing Authority pointed out that the \$122.5 million authorized in this bill will help provide at least 1,500 rental units. While this may not seem like a large amount by itself, it becomes very significant when compared with a rental vacancy rate of 1.1 percent.

Your Committee was very critical of the bill in the form in which it was introduced. Committee members were very concerned that the "target group" of low- and moderate-income renters might not be served, that the developer's profits might be excessive, and that bonds floated to develop the rental housing market carry a higher risk than bonds for home mortgages.

The bill has been amended in several ways to answer these concerns:

1. The definition of "housing loan programs" in Section 356-201, Hawaii Revised Statutes, has been amended to include the rental housing program. This more clearly links the rental housing loan program to the "Hula Mae" program. Important provisions of the revenue bond program for home mortgages such as those for payment and security, arbitrage, and trust indenture are thus extended to the rental housing program as well.

A definition of "project loan" has been added to the definitions of Section 356-201 for drafting purposes and to require that all interim or permanent loans made to qualified developers or owners be insured or guaranteed by the federal government.

These provisions, in addition to the bill's requirement that the project to be financed must be insured under an approved federal mortgage insurance or guarantee program, answer the Committee's concerns which were expressed at the public hearing. The federal government will not insure a project without certifying that it meets stringent and comprehensive requirements particularly in the areas of development/construction, occupancy and disposition. By requiring federal mortgage insurance or guarantee, the Authority will be able to take advantage of long-standing, well-proven programs and prevent the duplication and confusion that a separate set of regulatory requirements would entail.

2. Section 5 of the bill gives rule-making powers to the Authority and requires that the Authority

"establish procedures for the submission of requests or the invitation of proposals by qualified developers or owners seeking project loans under the rental housing program."

3. Section 7 of the bill has been substantively amended to require that all project loans be made through participating local mortgage lenders. Your Committee believes that this program should be administered by the Hawaii Housing Authority without having to duplicate the operating expertise and manpower presently available in the private sector.

4. Your Committee has further inserted appropriate language which will prohibit the prepayment of the project loan thus preventing a mortgagor from removing the project from the rental market for at least twenty years. However, the strict prohibition of prepayment may lead to abandonment of troubled rental housing projects therefore, the bill provides that should the mortgagor wish to sell the rental housing project, the mortgagor must first offer to sell the project to the Hawaii Housing Authority at a price not exceeding the final aggregate replacement project cost or the certified project cost, whichever is less. This "first right of refusal" or "buyback" ensures that rental projects will remain within the rental market and will not be abandoned or converted to other uses. This "buyback" right should not place the Hawaii Housing Authority in any financial jeopardy since the federal mortgage insurance or guarantee will remain in effect.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2723-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2723-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ige, Ushijima and Sutton.

SCRep. 378-80 Transportation on H.B. No. 2455-80

The purpose of this bill is to make statutory allowance for victims of vehicle theft to receive a refund on vehicular weight tax already paid on their stolen vehicles.

Current law does not make provision for this refund, and your Committee feels that such a refund is both just and proper.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2455-80, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 379-80

Consumer Protection and Commerce on H.B. No. 2384-80

The purpose of this bill is to prohibit public utilities from setting differential rates for those customers who use or intend to use alternate energy sources.

Your Committee finds from testimony presented that the Public Utilities Commission has, in its Decision and Order No. 6034, prohibited such discriminatory practices. Your Committee feels that this Order is sufficient to prevent these practices.

Your Committee has therefore substantially amended the bill to provide for the public service company tax, public utility fee, and franchise tax as follows:

The present public service company tax (Chapter 239, Hawaii Revised Statutes) and the public utility fee (Section 269-30) are based on the gross income of the utility. In the case of electric utilities, the large increases in the price of fuel oil have greatly increased the gross income of the utilities since rates are based partly on costs incurred. Over one-half of the gross income of Hawaiian Electric Company, Inc., for example, represents collections to pay for fuel oil costs. This means that the public service company tax and the public utility fee are increasing at a very rapid rate, producing an effective windfall tax revenue to the State and a burden on the utilities' ratepayers who must pay these taxes and fees. The public service company tax is a tax which is in lieu of real property taxes and general excise taxes (see Section 239-5). Hawaiian Electric Company, Inc. estimates that the public service company tax will be much larger than the amount of real property and general excise taxes which it would have to pay if the latter taxes were applicable to it. This is largely due to the public service company tax being measured by gross income, which includes revenues necessary to pay for fuel oil.

As an alternative taxation and fee scheme, your Committee proposes, that, for electric utilities, the two statutes be amended to base the rate on a fixed number of cents per kilowatthour. In the case of the public service company tax, this has been computed at 0.32 cents per kilowatthour, which is estimated to produce a total tax equivalent to the amount which would have been collected in 1980 under the present law. This figure will remain fixed, but it will be applied to kilowatthour sales, which will increase as the number of customers increases. Hence, the State in the future should receive no less from this tax than it would have collected in 1980 and in future years will receive more if kilowatthour sales increase, as is probable due to population increases. However, in future years the State will not receive more as a result of increases in the price of fuel oil. This change is effected by the proposed amendment to Section 239-5.

Because it will be possible for the utilities to determine kilowatthour sales on a current basis, it is also proposed to amend Sections 239-4 and 239-7 to provide for quarterly returns and payments, rather than payments based on the prior year's figures. Since electric utilities will be subject to taxation on a current basis, certain of the transitional taxing provisions of Section 239-9 are inappropriate as to such utilities. An amendment of Section 239-9 to correct this situation is included in the bill. Section 237-23 is amended to continue the electric utility's exemption from the general excise tax, which is necessary since the electric utility will continue to pay the public service tax.

No change is made with respect to the tax on other utilities.

In the case of the public utility fee, it is proposed to amend Section 269-30 to provide a fee for electric companies equal to 0.013 cents for each kilowatthour of sales, which will produce the amount which would have been collected under the present law for 1980. This figure will not change in the future but it will be applied to changing kilowatthour sales. It is also provided that the fee will be paid currently rather than on the basis of the preceding year's figures.

No change is made in the fee applicable to other public utilities.

These amendments will provide a more equitable basis of taxing electric utilities and their customers, and should not produce any less revenues for the State than it would have collected in 1980. Increased revenues will be produced as kilowatthour sales increase.

Regarding the franchise tax, electric utilities pay a tax to the counties based on the amount set forth in their franchises or in Section 240-1 Hawaii Revised Statutes. These taxes have been based on "gross receipts." Because gross receipts include receipts required to pay for fuel oil, the gross receipts of the electric utilities have greatly increased and should continue to increase rapidly in the future as fuel oil prices go up, producing windfall tax revenues to the counties and a burden on the electric utilities' ratepayers. Therefore, it is proposed to change the measure of this tax from gross receipts to a tax based on kilowatthour sales. The tax is computed at the rate of 0.15 cents for each kilowatthour of sales of electricity if payment is to a county with a population exceeding 200,000 persons and 0.25 cents for each kilowatthour of sales of electricity if payment is to a county with a population of 200,000 persons or less. The rate is lower for counties with larger populations because the greater density of population produces more electric sales per square mile of franchised area. In the future, revenues will increase as kilowatthour sales increase, but not as fuel oil prices increase.

The mechanics of this amendment is to amend Section 240-1 to provide a standard tax for all electric utilities and to amend the franchises of all electric utilities to delete any provisions therein relating to the payment of taxes to the counties based on gross receipts, including, among others, the electric utility franchises listed in Section 2 of Act 134, Session Laws of Hawaii 1961.

Your Committee feels that this plan may prove to be an equitable alternative to the present tax and fee schedule and is made viable by the unforeseen and very rapid rise in fuel oil prices.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2384-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2384-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Honda, Larsen, Masutani and Medeiros.

SCRep. 380-80 Ocean and Marine Resources and Higher Education on
H.B. No. 2898-80

The purpose of this Act is to provide funds for Project DUMAND, which is a multi-institutional, international, scientific research project whose function is to establish an unmanned deep ocean "laboratory" which will be instrumented to detect certain types of high energy particles called muons and neutrinos.

Your Committees find that Project DUMAND is a logical outgrowth of several decades of deep underground experiments. The full scale construction costs for the DUMAND underwater facility, which would come from federal funds, is estimated to be well over \$100 million.

Testimony before your Committees by the marine affairs coordinator indicates that on both the national and international level, DUMAND activities have accelerated much faster than was anticipated a year ago. The Office of Naval Research recently provided \$76,528 for "Hawaiian Site Studies for DUMAND." Even more recently, the U.S. Department of Energy provided \$92,500 to support a full time physicist to come to Hawaii to help conduct a two year feasibility study on DUMAND.

Your Committees further find that the economic and technical potential for Hawaii is so great that the State must be ready to support and even accelerate the growing momentum for this very important project.

Your Committees have amended this Act to designate \$80,000 for expenditure in Project DUMAND activities.

Your Committees on Ocean and Marine Resources and Higher Education are in accord with the intent and purpose of H.B. No. 2898-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2898-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Garcia.

SCRep. 381-80

Education and Transportation on H.B. No. 2672-80

The purposes of this bill are (1) to eliminate the maximum increase of not more than five percent of the previous year's compensation due to the school bus contractor when school bus contracts are extended, (2) to amend the school bus contracts to require the State to compensate the contractor for fixed cost expenses incurred during the days when a school is temporarily closed due to a collective bargaining dispute or other unexpected disruption, (3) to create an advisory committee to review and assist in the planning and implementation of school bus contracts, and (4) to appropriate \$300,000 to carry out payments of fixed costs for existing contracts and for the advisory committee's quarterly meetings.

At present, when school bus contracts between the State and a private contractor are extended, the compensation due to the contractor by the State for each extended year may be increased to a maximum of five percent of the previous year's compensation. Your Committees believe that this five percent limitation may be unreasonable based on the cost of living increases within the past two years, particularly in the increase of fuel cost.

The Department of Accounting and General Services testified in agreement that the present five percent limitation may be unreasonable. However, they indicated that the annual price adjustment up to a maximum increase of five percent, based on the consumer price index, is already included in the existing contracts to offset ordinary inflationary increases, such as for equipment replacement. Therefore, they suggested that only extraordinary increases, as well as decreases, in fuel prices and direct wage costs of bus drivers should be considered for adjustments. They also reported that the creation of an advisory committee can be handled administratively.

Based on the aforementioned testimony, your Committees have amended the bill in the following respects:

1. The bus contractor shall be compensated by the State for fuel cost and bus drivers' wage adjustments by an appropriate amount by taking into account a maximum of ninety percent of the inflationary increases or decreases of such expenses.
2. The section of the bill that provides for the establishment of an advisory committee has been deleted.
3. The appropriation of \$300,000 to carry out payments of fixed costs for existing contracts and for the advisory committee's meetings has been deleted.

Your Committee on Education and your Committee on Transportation are in accord with the intent and purpose of H.B. No. 2672-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2672-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Andrews, Kawakami, Kiyabu, Nakamura and Medeiros.

SCRep. 382-80

Education and Health on H.B. No. 2878-80

The purpose of this bill is to amend section 301-27, Hawaii Revised Statutes, by requiring the Department of Health, in cooperation with the Department of Education, to provide mental health services, as well as physical therapy and occupational therapy services, to exceptional children in public schools of the state.

The statutory amendments included in this bill would assure the provision of services mandated by federal legislation, under Public Law 94-142, the Education of All Handicapped Children Act of 1975.

The Department of Health testified in support of the intent of the bill, and indicated that mental health services can be provided to exceptional children with present inter-departmental cooperation.

The Department of Education testified in support of the bill, and indicated that in order that additional services be available to meet the needs of handicapped children,

to avoid duplication of services and personnel, and to provide technical supervision of services, it is necessary to amend section 301-27, Hawaii Revised Statutes, to enable the Department of Health to increase its capability to provide such services to exceptional children.

Your Committee on Education and your Committee on Health are in accord with the intent and purpose of H.B. No. 2878-80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 383-80 Education; Culture and the Arts; and Water, Land Use,
Development and Hawaiian Affairs on H.B. No. 2899-80

The purpose of this bill is to make an appropriation for the implementation of educational and cultural programs in Kahana Valley.

The Department of Land and Natural Resources testified in support of the bill. The Department is currently evaluating the cultural and educational programs now taking place in Kahana Valley State Park conducted by valley residents. The Department is also proposing the formation of a working committee to assist in the development of a cultural and educational program plan.

Accordingly, the Kahana Ohana and the Hui O Kanani O Kahana also testified in support of the bill, and indicated that the sum of \$20,000 will be required to implement these programs.

Your Committees have amended the bill by specifying that the sum of \$20,000 be appropriated for the implementation of educational and cultural programs in Kahana Valley.

Your Committee on Education, your Committee on Culture and the Arts, and your Committee on Water, Land Use Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 2899-80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2899-80, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Crozier, Andrews, Garcia, Hashimoto, Holt, Kiyabu, Larsen,
Sakamoto, Takitani, Uechi and Narvaes.

SCRep. 384-80 Education and Public Employment and Government Operations
on H.B. No. 2633-80

The purpose of this bill is to amend Sections 1, 2, and 3, of Act 150, Session Laws of Hawaii 1978, (1) to remove the restriction that only classroom teachers may apply to participate in the job sharing pilot project, thereby enabling such personnel as school counselors and school librarians to participate in this program, and (2) to remove the restriction that only five percent of the eligible personnel at any one school may participate.

Job sharing was initiated in 1978 as a three-year pilot project to enable two teachers to share one full-time teacher position on a voluntary basis.

The Department of Education testified in support of the bill and indicated that the removal of these restrictions will assist the Department in its effort to fill the 100 job sharing positions provided for in Act 150.

Testimony received from the Hawaii State Teachers Association also supported the bill, indicating that the expansion of job sharing may create more stimulating environments for public school personnel.

Your Committee on Education and your Committee on Public Employment and Government Operations are in accord with the intent and purpose of H.B. No. 2633-80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 385-80 Education on H.B. No. 2198-80

The purpose of this bill is to appropriate \$9,325 to hire an attendance clerk for Jarrett Intermediate School.

The Department of Education testified in support of the intent of the bill, provided that appropriate priority be given to programs requested in the department's supplementary budget request.

The principal of Jarrett Intermediate School testified in support of the bill. He reported that at present parent volunteers are performing the job duties of attendance clerks, but that it is becoming more difficult to recruit and keep parent volunteers.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2198-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Kawakami and Kiyabu.

SCRep. 386-80 Education on H.B. No. 2231-80

The purpose of this bill is to appropriate \$8,900 for one dormitory counselor at Lahainaluna High School.

The Office for Civil Rights has determined that the boarding program at Lahainaluna High School is not in compliance with the provisions of Title IX Educational Amendments of 1972. Accordingly, the Department of Education is planning to accommodate females in their Lahainaluna boarding program. The dorm counselor would provide supervision over these female boarders.

The Department of Education testified in support of the intent of the bill, provided that appropriate priority be given to programs in the department's supplemental budget request.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2231-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Kawakami and Kiyabu.

SCRep. 387-80 Education on H.B. No. 2290-80

The purpose of this bill is to make an appropriation for the hiring of one full-time clerical position and one full-time registrar position for the adult education program at Aiea Community School.

The Department of Education testified in support of the intent of the bill, provided that appropriate priority be given to programs being requested in the department's supplementary budget request. Information provided by the department indicated that \$19,332, the average teacher's salary, would be required for one full-time registrar position and that \$9,924 would be required for one full-time account clerk.

Accordingly, your Committee has amended the bill by specifying that the clerical position be an account clerk position, and that the sum of \$9,924 be appropriated for that position, and that the sum of \$19,332 be appropriated for the registrar position.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2290-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2290-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Kawakami and Kiyabu.

SCRep. 388-80 Education on H.B. No. 2291-80

The purpose of this bill is to make an appropriation for the hiring of one full-time

clerical position and one full-time registrar position for the adult education program at Wahiawa Community School.

The Department of Education testified in support of the intent of the bill, provided that appropriate priority be given to programs being requested in the department's supplementary budget request. Information provided by the department indicated that \$19,332, the average teacher's salary, would be required for one full-time registrar position and that \$9,924 would be required for one full-time account clerk.

Accordingly, your Committee has amended the bill by specifying that the clerical position be an account clerk position, and that the sum of \$9,924 be appropriated for that position, and that the sum of \$19,332 be appropriated for the registrar position.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2291-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2291-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Andrews, Kawakami and Kiyabu.

SCRep. 389-80 Education on H.B. No. 1926-80

The purpose of this bill is to appropriate \$20,000 to support the Distributive Education Clubs of America (DECA) vocational training program in Hawaii's secondary schools.

The Department of Education testified in support of this bill, provided that appropriate priority be given to the department's supplemental budget request. They indicated that the DECA program is an important component of the cooperative vocational education program.

A teacher-coordinator of the DECA program and students participating in this program also testified in support of the bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1926-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Andrews, Kawakami and Kiyabu.

SCRep. 390-80 Education on H.B. No. 1835-80

The purpose of this bill is to provide \$108,000 for the operating cost of Project Holomua to secondary schools throughout the district of Hawaii.

Project Holomua is an experienced-based career education program currently being implemented by the Department of Education on the island of 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.

This project was originally funded under a three-year federal grant which terminated in August 1979. During the 1979 State Legislative Session, state general funds were appropriated for fiscal year 1979-80 to continue this project during that period. Since funds were appropriated only for the first year of the fiscal biennium, another appropriation is necessary such that this program can continue beyond the 1979-80 fiscal period.

The Department of Education testified in support of the intent of the bill, and reported that Project Holomua has received a positive evaluation by the University of Hawaii's Social Welfare Development and Research Center.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1835-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Andrews, Kawakami and Kiyabu.

SCRep. 391-80

Education on H.B. No. 2107-80

The purpose of this bill is to assist the Department of Education to more closely align the operations and functions of the Big Island Interscholastic Federation and the Maui Interscholastic League with the objectives and directions of the department by making an appropriation for executive secretary positions for these leagues.

The Department of Education testified in support of the intent of the bill provided that appropriate priority be given to the department's supplemental budget request. They reported that with the increase in boys and girls sports, the athletic program demands the services of personnel who are familiar with the department's rules, regulations, and policies.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2107-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Kawakami and Kiyabu.

SCRep. 392-80

Education on H.B. No. 2385-80

The purpose of this bill is to appropriate \$10,000 for a grant-in-aid to the Hawaiian Academy of Science for the Hawaiian Science and Engineering Fair.

The Department of Education testified in support of the intent of the bill, and indicated that the Hawaiian Academy of Science is an invaluable community resource and an active contributor in the department's pursuit of excellence and authenticity of services and experiences for students in the sciences.

The Director of the Hawaiian Science and Engineering Fair testified in support of the bill. He reported that the Science and Engineering Fair is an opportunity for secondary school students to display the results of their investigations into some problem or principle of science, engineering, or mathematics which has captured their interest beyond the normal opportunities within the regular school program of studies.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2385-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Kawakami and Kiyabu.

SCRep. 393-80

Education on H.B. No. 2431-80

The purpose of this bill is to appropriate \$50,000 for the replacement of equipment, supplies, and textbooks, damaged at Castle High School, Kaneohe, Oahu, during the storm of January 8-10, 1980, and \$50,000 for the replacement of equipment, supplies, and textbooks damaged at other schools of the Windward School District of Oahu during the storm.

The Windward District Superintendent, Department of Education, reported that a report prepared for the Board of Education by the Department of Education indicated that there is a shortage of books in secondary schools. He also reported that the Governor's emergency fund may not suffice in replacing the books, equipment, and supplies that were damaged in the storm of January 8-10, 1980.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2431-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Kawakami and Kiyabu.

SCRep. 394-80

Education on H.B. No. 2494-80

The purposes of this bill are (1) to amend section 26-12, Hawaii Revised Statutes,

to designate the State Librarian as being responsible for the administration of programs relating to public library services and transcribing services for the blind, under policies established by the Board of Education; and (2) to amend section 312-2.1, Hawaii Revised Statutes, to have the State Librarian be appointed by the Board of Education, be under the direction of the Board of Education, and be responsible for the planning, programming, and budgeting of all community/school and public libraries within the State.

At present, the administration of programs related to library services and transcribing services for the blind are under the responsibility of the Superintendent of Education, and the State Librarian is under the direction of the Superintendent of Education.

The Board of Education, the Hawaii Library Association, and individual librarians testified in support of the bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2494-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 395-80 Education on H.B. No. 2542-80

The purpose of this bill is to appropriate an additional amount to the Department of Education for transportation of high school athletes and band members to high school athletic events.

The Department of Education testified in support of the bill to bring the level of State funding equal to the actual transportation costs of high school athletes. They indicated that with the implementation of more sports for boys and girls as well as the energy crisis, transportation costs have increased considerably.

The Athletic Director of Kailua High School testified in support of the bill, and made reference to various problems that have occurred due to the lack of funds to provide students with transportation to athletic events. He indicated that the total minimum funding needed for the transportation of athletes and band members is \$261,850. Out of this amount, \$80,099 is already being allocated for this program from the state general fund. Therefore, the balance of \$181,751 would be required for minimum total fund.

Accordingly, your Committee has amended the bill by specifying that \$181,751 be appropriated for the transportation of high school athletes and band members to high school athletic functions.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2542-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2542-80, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Andrews, Kawakami and Kiyabu.

SCRep. 396-80 Education on H.B. No. 2543-80

The purpose of this bill is to appropriate \$518,350 to the Department of Education for payment of salaries to the State's high school athletic directors, coaches, and assistant coaches.

The Department of Education testified in support of the bill to appropriate additional funds to provide full State funding for high school athletic directors, coaches and assistant coaches. The Department is cognizant of the inequities that exist in the salaries of athletic personnel since maximum compensation is dependent upon the availability of individual school trust funds to supplement state provided salaries.

The Hawaii State Teachers Association testified in support of the bill, and indicated that the passage of the bill would enhance more participation in athletics by more students and other members of the faculty and community.

A football coach from Leilehua High School also testified in support of the bill.

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

2543-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Kawakami and Kiyabu.

SCRep. 397-80 Education on H.B. No. 2688-80

The purpose of this bill is to appropriate \$50,000 for the purchase of playground equipment for Pukalani Elementary School, Maui for fiscal year 1980-81.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2688-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Kawakami and Kiyabu.

SCRep. 398-80 Education on H.B. No. 2744-80

The purpose of this bill is to make an appropriation to facilitate the celebration and commemoration of the 150th anniversary of Lahainaluna High School.

The Board of Education testified in support of the bill.

Information provided by the Department of Education indicated that the sum of \$5,000 would suffice in carrying out the purpose of this bill.

Accordingly, your Committee has amended the bill by specifying that the sum of \$5,000 be appropriated to facilitate the celebration and commemoration of the 150th anniversary of Lahainaluna High School.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2744-80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2744-80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Kawakami and Kiyabu.

SCRep. 399-80 Education on H.B. No. 2957-80

The purpose of this bill is to exempt adult education special funds of the department of education from assessments for central service expenses and departmental administrative expenses.

The purpose of these assessments is to require all special fund programs to pay for their fair share of administrative overhead costs. These assessments would be proper if the special fund program were totally self supporting. However, the adult education program of the Department of Education is not self supporting and, in fact, is now already supported by State general funds.

Also, it should be noted that, due to lack of funds, the Department of Education has not paid any of these assessments. The Governor's budget for the next biennium does not include additional general funds to cover the cost of the assessments. If such general funds are not provided, the Department of Education would have to increase tuition charges, working a hardship on students.

The proper remedy for this problem is to exempt adult education special funds from these assessments.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2957-80 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Kawakami and Kiyabu.