

STANDING COMMITTEE REPORTS

SCRep. 1 Water, Land Use, Development and Hawaiian Affairs on H.R. No. 87

The purpose of this resolution is to request that the entire island of Kaho'olawe be nominated for, and listed on the National Register of Historic Places.

Your Committee finds that the State Historic Preservation Officer, the Board of the Department of Land and Natural Resources, and the Mayor of Maui County, have recommended that the entire Island of Kaho'olawe be nominated as an archaeological district on the National Register of Historical Places.

Your Committee further finds that on January 28, 1981, the Keeper of the National Register has determined that the entire Island of Kaho'olawe is eligible for listing on the National Register of Historical Places.

Your Committee further finds that the listing of Kaho'olawe Island on the National Register will provide valuable cultural, religious, educational, and scientific information for Hawaii's people.

Your Committee has therefor amended H.R. No. 87 to include, "WHEREAS, on January 28, 1981, the Keeper of the National Register has determined that the entire Island of Kaho'olawe is eligible for listing on the National Register of Historic Places".

Your Committee on Water, Land Use, Development and Hawaiian Affairs concurs with the intent and purpose of H.R. No. 87, as amended herein, and recommends its adoption in the amended form attached hereto as H.R. No. 87, H.D. 1.

Signed by all members of the Committee.

SCRep. 2 Consumer Protection and Commerce on H.B. No. 165

The purpose of this bill is to eliminate the 4-year high school education or its equivalent as one of the requirements for an apprentice or student to be registered in a program certified by the cosmetology board.

Your Committee feels that a high school education should not be a prerequisite to enrollment in any cosmetology program. High school curriculum does not provide prospective students with the preparation or opportunity to learn the specific skills of the trade. Technical knowledge and practice are gained entirely through training programs.

According to testimony submitted by the Hawaii Business League in support of H.B. No. 165, this bill allows students to enroll in vocational training while completing their formal education. Completion of high school or its equivalent would still be required in order for any student or apprentice to receive licensure by the cosmetology board.

While in agreement with the intent of this bill, your Committee has amended H.B. No. 165 to include the elimination of the educational requirement for licensure as well as for enrollment in training programs based on similar rationale. Your Committee feels that the public's interest will be adequately protected by the fact that licensure and operation of a beauty salon are still dependent on the successful completion of examinations administered by the cosmetology board.

Your Committee is in accord with the intent and purpose of H.B. No. 165, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 165, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Nakamura.

SCRep. 3 Finance on H.B. No. 344 (Majority)

The purpose of this bill is to appropriate moneys out of the general revenues of the State for the payment of certain tax refunds, judgments and settlements, and other miscellaneous claims against the State.

The claims for refunds, reimbursements, and other payments were filed with the

state director of finance who transmitted all the claims with the supporting data to the legislature pursuant to procedure established by statute.

After considerable review of the miscellaneous claims your Committee agreed to approve the claims but with grave reservations. The settlement of claims under HRS section 662-11 by the attorney general and the procedure for the satisfaction of claims by the legislature under HRS section 37-77 lacks consistency and your Committee finds that the State has yet to develop clear policies and guidelines for reviewing and processing claims. Your Committee recommends that amendments to clarify statutory procedure for approving or disapproving claims against the State be given favorable consideration by this legislature. Your Committee intends to propose such corrective legislation.

Your Committee is in agreement that additional claims for tax refunds (to Oahu Railway and Terminal Warehousing Company and to Ronald H. and Mary Warner) should be allowed as well as two miscellaneous claims (to Ora A. Tashiro and Norma Nichols). Your Committee has amended this bill to include these four claims.

The bill as amended by your Committee appropriates \$592,550.07 representing 47 claims under HRS section 37-77 and chapter 662.

Your Committee on Finance is in accord with the intent and purpose of H.B. 344, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 344, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Albano.
(Representative Lacy did not concur.)

SCRep. 4 Finance on H.B. No. 3

The purpose of this bill is to authorize funds for the expenses of the Legislature up to June 30, 1982, and also for the expenses of the legislative support agencies during the fiscal year 1981-82.

Upon due consideration of the needs of the Legislature and the legislative support agencies, your Committee has amended the bill to provide specific appropriations as follows:

SENATE AND HOUSE OF REPRESENTATIVES

The amount appropriated for the Senate is \$1,967,492 and the amount appropriated for the House of Representatives is \$2,554,174. Your Committee finds that the increase is necessary to meet 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 \$1,214,706 to meet the basic operating budget of the Office of the Legislative Auditor. The total includes \$50,000 to initiate a program of budget review and analysis. Such a program is intended to provide the legislature with in-depth analysis of selected program areas requiring rigorous scrutiny of such aspects as program costs, proposed budgetary levels, budgeted versus actual expenditures, adequacy of program design, program staffing and organization, program implementation, and program effectiveness. It is the expectation of your Committee that the legislature will express its priorities for analysis prior to the end of the session in the conference committee report to the General Appropriations Bill or some other mechanism of expression. Your Committee directs the Department of Budget and Finance, the Department of Accounting and General Services, and all agencies affected by legislative appropriations to cooperate fully with the Legislative Auditor in providing data, such as departmental and program budget requests and such other information as the Legislative Auditor may require in the conduct of budget review and analysis. \$150,000 is also included in the total 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 \$143,105 to the State Ethics Commission. The appropriation includes \$12,000 to cover an anticipated deficit in commission operations for the 1980-81 fiscal year.

LEGISLATIVE REFERENCE BUREAU

Your Committee approves the appropriation of \$1,622,734 for the Legislative Reference Bureau. The sum appropriated for information systems technical staff costs may be utilized for the hiring of analysts and programmers, equipment, supplies and other purposes directly related to the efficient operation of the information systems of the Legislative Reference Bureau.

OMBUDSMAN

Your Committee approves the appropriation of \$323,697 for the Office of the Ombudsman.

LAPSE OF FUNDS

Appropriations under this bill are subject to lapse as of June 30, 1982.

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

Signed by all members of the Committee except Representative Albano.

SCRep. 5 Agriculture on H.B. No. 5

The purpose of this bill is to make an appropriation for purposes related to vocational agriculture programs and courses of the department of education.

The Department of Education and Hawaii Farm Bureau have testified before your Committee in favor of H.B. No. 5.

Your Committee has amended this bill by inserting the amount of \$160,000 to be appropriated for fiscal year 1981-1982 for the purposes of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 5, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 5, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 6 Agriculture on H.C.R. No. 3

The purpose of this concurrent resolution is to urge Hawaii's Congressional Delegation to oppose the petition from the Republic of Malawi for Generalized System of Preferences classification for shelled macadamia nuts.

Your Committee has received testimony from the Board of Agriculture and the Hawaii Farm Bureau in favor of this Concurrent Resolution. Approval of the Republic of Malawi's petition for inclusion of macadamia nuts within the Generalized System of Preferences would result in unfair competition and damage to Hawaii's macadamia nut industry. The precedent established by approval of this petition would enable other developing countries to export significant quantities of macadamia nuts duty free to the United States resulting in greater economic damage to Hawaii's macadamia nut industry.

Your Committee has amended the title of this concurrent resolution for clarification by deleting "GSP" and adding "Generalized System of Preferences."

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 3, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 3, H.D. 1.

Signed by all members of the Committee.

SCRep. 7 Agriculture and Transportation on H.R. No. 16

The purpose of this resolution is to request the Governor's Agriculture Coordinating Committee (GACC) to examine both air and surface shipping schedules of agriculture

products now in effect and submit a report of findings and recommendations prior to the Regular Session of 1982.

Your Committees find that the vast potential of Hawaii County's agricultural industries can be markedly enhanced and expedited through the continuing development of export markets. The availability of adequate shipping schedules is an important, if not critical, factor which will directly influence the success or failure of the export program for Hawaii County farmers including nursery products producers and other producers.

Your Committees on Agriculture and Transportation concur with the intent and purpose of H.R. No. 16 and recommend its adoption.

Signed by all members of the Committees except Representative Albano.

SCRep. 8 Agriculture on H.B. No. 10

The purpose of this bill is to make an appropriation for purposes related to the Future Farmers of America (FFA) Program, the sum of which is to be expended by the Department of Education.

Your Committee has received testimony in favor of H.B. No. 10 from the Department of Education, Hawaii Young Farmers Association, and Hawaii Farm Bureau Federation.

Your Committee has amended this bill by appropriating \$22,000 for each of the two fiscal years 1981-1982 and 1982-1983.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 10, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 10, H.D. 1, and referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 9 Agriculture on H.B. No. 9

The purpose of this bill is to make an appropriation for the purpose of controlling and hopefully eradicating the European Brown Snail, the sum of which shall be expended by the Department of Agriculture.

Your Committee has received testimony from the Department of Agriculture stating that the European Brown Snail is a known destructive pest of ornamental, vegetable and fruit crops. The snail poses a serious threat to commercial truck crop farms in Kamuela, Lalamilo, Kohala, and Paauilo. Spread of the snail infestation to these areas would result in heavy financial losses to the farmers.

Your Committee has amended this bill by appropriating \$64,000 for each of the two fiscal years 1981-1982 and 1982-1983.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 9, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 9, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 10 Agriculture on H.B. No. 7

The purpose of this bill is to provide an appropriation to enable continuation of research aimed at developing a disease resistant variety of ginger root, the sum of which is to be expended by the College of Tropical Agriculture and Human Resources, University of Hawaii.

Your Committee has received testimony from the Board of Agriculture stating that the ginger industry has experienced continued growth and that ginger has excellent export potential.

Testimony received by your Committee from the College of Tropical Agriculture, University of Hawaii, indicates that limiting research to the development of a disease resistant variety may not be the best means of helping the ginger industry since the disease

problems of edible ginger are varied and difficult.

Your Committee concurs with the recommendations of the University of Hawaii and Department of Agriculture and has amended Section 1 of this bill by adding a period after the word "research" and deleting the following phrase:

"aimed at developing a disease resistant variety of ginger root"

Your Committee has further amended this bill by inserting the sum of \$25,000 for fiscal year 1981-1982 and also appropriating the sum of \$25,000 for fiscal year 1982-1983.

Your Committee has adopted the recommendation of the Board of Agriculture by amending Section 3 of this bill to designate the Governor's Agriculture Coordinating Committee as the expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 7, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 7, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 11 Agriculture on H.R. No. 25

The purpose of this resolution is to urge Hawaii's Congressional Delegation to oppose the petition from the Republic of Malawi for Generalized System of Preferences classification for shelled macadamia nuts.

Your Committee has received testimony from the Board of Agriculture and the Hawaii Farm Bureau in favor of this Resolution. Approval of the Republic of Malawi's petition for inclusion of macadamia nuts within the Generalized System of Preferences would result in unfair competition and damage to Hawaii's macadamia nut industry. The precedent established by approval of this petition would enable other developing countries to export significant quantities of macadamia nuts duty free to the United States resulting in greater economic damage to Hawaii's macadamia nut industry.

Your Committee has amended the title of this resolution for clarification by deleting "GSP" and adding "Generalized System of Preferences."

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 25, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 25, H.D. 1.

Signed by all members of the Committee.

SCRep. 12 Agriculture on H.R. No. 22

The purpose of this resolution is to urge Hawaii's delegation to the Congress of the United States to sponsor and actively support the enactment of federal legislation to add fresh ginger root Zingiber Officinale to the list of commodities in Section 600 e of the Federal Agricultural Marketing Agreement Act of 1937.

Stringent grading standards are enforced by the State of Hawaii with respect to Hawaii-grown ginger roots destined for markets in the continental United States, while similar fresh ginger products entering the same mainland markets from foreign sources are exempt from any grading regulations and standards.

Federal legislation must be enacted and a federal marketing order established before ginger root can be added to the list of commodities covered by the Agricultural Marketing Act of 1937, requiring these commodities to meet United States standards.

Your Committee has received testimony from the Board of Agriculture, the Hawaii Ginger Association, and the Hawaii Farm Bureau in favor of this resolution.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 22 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 13 Consumer Protection and Commerce on H.B. No. 128

The purpose of this bill is to provide enabling legislation for the issuance of special purpose revenue bonds on behalf of utilities.

This bill is the implementing legislation for the new provisions of Article VII, Section 12 of the State Constitution authorizing such issuance. Your Committee has heard testimony that under present law, allowing the various electric-producing companies to issue tax-free revenue bonds for capital expenditure purposes will result in a long term benefit to consumers.

Present law provides that rates paid by consumers be based on a formula utilizing the operating costs of the utility, plus depreciation expense, plus a reasonable rate of return. A major component of costs has been the interest paid out on mortgage bonds issued for capitol expense. Your Committee has heard testimony from the Department of Regulatory Agencies and Hawaiian Electric that the issuance of the contemplated tax-free bonds will result in lower interest rates to be paid by the utility, and therefore a net annual savings to consumers of the present rate-making formula is continued.

Your Committee has therefore amended the present short form of the bill to enable electric utility companies in the State to obtain lower cost bond financing. This bill, as amended, adds a new chapter to the Hawaii Revised Statutes, detailing the procedures governing the issuance of said bonds, including provisos that the State incur no costs in connection with issuance.

The Department of Budget and Finance would be authorized by the legislature on a two-thirds vote, to issue tax exempt revenue bonds, the proceeds of which will be loaned to gas and electric companies. The bonds, however, will not be secured in any way by the general credit of the county or by the revenues or taxes of the State, but instead will be secured solely by the utility assisted by such issuance. Section - 10 provides that no moneys of the State or county, other than the receipts of revenue derived by the Department of Budget and Finance from the utility pursuant to the issuance of the bonds.

The bill provides that specific authorization is required for each project or multi-project program under this chapter in the form of a separate law by two-thirds vote of the legislature. Continuing review is thereby provided for on a project-by-project basis. Additionally, your Committee has provided for further review in Section - 22 by requiring that the chapter expire automatically on June 30, 1984.

Your Committee feels that based on the testimony presented, the special purpose revenue bond program represents a potential savings to consumers on a long-term basis. Your Committee further feels, however, that constant monitoring of the program is necessary to ensure that the stated objectives are met, and has therefore provided as such.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 128, as amended herein. After duly noticed public hearing on H.B. No. 128, your Committee recommends that it be recommitted in the form attached hereto as H.B. No. 128, H.D. 1, to the Committee on Consumer Protection and Commerce for further public hearing.

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

SCRep. 14 Consumer Protection and Commerce on H.B. No. 247

The purpose of this bill is to delete the prohibition on labeling or selling rum as "Hawaii Rum" or "Hawaiian Rum" unless it has been aged for at least two years.

Under present law, it is required that rum be aged for at least two years from the date of distillation if it is to be labeled or sold as "Hawaii Rum" or "Hawaiian Rum". Your Committee heard testimony that the cost of storage facilities required to age rum for two years prior to sale is prohibitive and that the prohibition has proved to be an effective bar to local distillers establishing a market for Hawaiian rum.

Your Committee feels that the labeling requirement bears no reasonable relationship to insuring the quality of the product and therefore agrees with the intent of the bill that there is no need for such an aging requirement prior to labeling.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 247 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 Waihee.

SCRep. 15 Consumer Protection and Commerce on H.B. No. 185

The purpose of this bill is to eliminate the restrictions and regulations currently imposed on the operation of ball or marble machines.

Present law provides penalties for the failure to register ball or marble machines with the county and for permitting minors under the age of eighteen to loiter about or play such machines.

Your Committee is aware of a proliferation of new electronic amusement devices. These new machines do not require a license. Your Committee feels that requiring a license for ball or marble machines is no longer warranted. Your Committee also feels that, as they may freely play the newer games, minors should not be prevented from playing ball or marble machines.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 185 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 Waihee.

SCRep. 16 Consumer Protection and Commerce and Judiciary on H.B. No. 174

The purpose of this bill is to amend Section 480-22(6), Hawaii Revised Statutes, to provide that a plea of nolo contendere in a criminal antitrust action not be admissible against the defendant in civil proceedings brought under Chapter 480, Hawaii Revised Statutes.

Under present law, a plea of nolo contendere in a criminal proceeding can be used as an admission of the material allegations in a related civil suit.

Your Committees have heard testimony from the Antitrust Division of the Department of the Attorney General that this provision has in the past hampered antitrust prosecutions. Defendants have been reluctant to plead nolo contendere since to do so would almost guarantee civil liability in damages. The effect of the situation has been to delay criminal proceedings until settlement of the related civil actions. Your Committees feel that criminal prosecutions should not be hampered by liability implications of related civil matters.

While in agreement with the intent of the bill, your Committees have amended the bill to provide that final judgments or decrees pursuant to nolo contendere pleas also be inadmissible in civil actions, to coincide with the wording of Section 480-22(a), Hawaii Revised Statutes, and to prevent nullification of the intent of the bill.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 174, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 174, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Shito and Waihee.

SCRep. 17 Ocean and Marine Resources on H.B. No. 77

The purpose of this bill is to authorize and establish guidelines and procedures for the granting of leases for research and commercial ocean activities within state marine waters and submerged lands, and to guarantee property rights and protection for any such activities approved under this bill.

H.B. No. 77 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 Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 77, as amended herein, and recommends that it be recommitted to the Committee on Ocean and Marine Resources, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 77, H.D. 1.

Signed by all members of the Committee.

SCRep. 18 Judiciary on H.B. No. 213

The purpose of this bill is to create within each county prosecuting attorney's office a victim/witness assistance counselor program and provide out of the general revenues of the State of Hawaii funds for the fiscal year 1981-1982.

Your Committee finds that although our criminal justice system has long been concerned with protecting the rights of the accused, victims and witnesses have often been accorded less than favorable treatment. A more favorable balance in our system will be created by the program, which will provide, among other things, counseling and assistance.

Your Committee has amended this bill to provide that the State of Hawaii appropriate the sum of \$100,000 in matching funds for the fiscal year 1981-1982 to be matched by the respective counties.

The matching funds are being provided to assist the counties in developing or continuing victim/witness assistance programs that were originally funded through federal LEAA funds.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 213, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 213, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 19 Judiciary on H.B. No. 4

The purpose of this bill is to provide funding for the reapportionment commission which must be constituted on or before March 1 of each reapportionment year pursuant to Article IV of the Hawaii State Constitution. The year 1981 is a reapportionment year.

The commission is responsible for allocation of the total number of members of each house of the State Legislature, on the basis of the number of voters registered in the last preceding general election. The commission is also responsible for allocation of the total number of members in each house among the four basic island units and to apportion the members among the districts therein, based on criteria spelled out in Section 6, Article IV of the Hawaii State Constitution.

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

Signed by all members of the Committee.

SCRep. 20 Judiciary on H.B. No. 114

The purpose of this bill is to provide funds to compensate victims and dependents of criminal acts for expenses incurred as a result of such criminal acts.

The sum of \$598,535.24 is appropriated to provide compensation for the 450 awards made by the commission in 1980.

The bill further provides the sum of \$500,000 to permit the commission to make payments on awards to be made in 1981. Your committee finds that the additional sum of \$500,000 is necessary to permit the commission to make timely payments without having to force victims to wait a year before being compensated.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 114 and recommends it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 21 Agriculture on H.B. No. 6

The purpose of this bill is to make an appropriation for the control of the African Snail, the sum of which is to be expended by the Department of Agriculture.

Your Committee has received testimony from the Department of Agriculture stating that the African Snail continues to be a problem on the island of Kauai and the Kona District of Hawaii.

Your Committee has amended this bill by appropriating the sum of \$64,000 for each of the two fiscal years 1981-1982 and 1982-1983.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 6, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 6, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 22 Agriculture on H.B. No. 8

The purpose of this bill is to make an appropriation for the purposes of continuing the operation of a state-wide new farmer program, the sum of which shall be expended by the Governor's Agriculture Coordinating Committee.

The legislature finds that the new farmer program is important to the goals and policies which have been established for agriculture in Hawaii and is deserving of continued legislative support.

Your Committee has received testimony in favor of this bill from the Board of Agriculture, University of Hawaii, Hawaii Young Farmers Association, and Hawaii Farm Bureau Federation.

Your Committee finds that the new farmer programs on Oahu and Hawaii have been well received by young farmers. Because of a lack of funds, Kauai and Maui have not yet had courses offered under this program.

In order to extend the services of this program to Maui and Kauai, your Committee has amended this bill by increasing the amount appropriated to \$60,000 for fiscal year 1981-1982 and adding an appropriation of \$60,000 for fiscal year 1982-1983.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 8, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 8, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 23 Ocean and Marine Resources on H.B. No. 75

The purpose of this bill is to support the development of fisheries resources by providing additional funds for the large fishing vessel loan programs (PED 102).

Your Committee finds that the future of Hawaii's commercial fishing industry lies in the development of the vast fishing resources in the area north of Midway, the northwest Hawaiian chain as well as the Western and Central Pacific areas through the use of long-range fishing vessels. Your Committee finds the presence of tuna resources in these areas has been demonstrated by charters conducted by the Pacific Tuna Development Foundation as well as by a large number of foreign-based vessels that have operated

successfully in the area for a number of years.

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 Hawaii Fisheries Development Master Plan completed in 1979 recognizes the importance of the large Fishing Vessel Loan Program and recommends an appropriation of \$2,000,000 for each fiscal year 1981-82 and 1982-83. 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 fishermen who are also cognizant of the same potential fishing resources.

Your Committee has also heard testimony from other sources including the chairperson of the Department of Land and Natural Resources and the Tuna Boatowners Cooperative. All testimony received strongly suggests or expresses general accord with the intent and purpose of this bill.

Your Committee has amended Section 3 of this bill by providing an appropriation of \$2,000,000 for each fiscal year 1981-82 and 1982-83 for this loan program, and making the Department of Planning and Economic Development as the expending agency for the purpose of this bill.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 75, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 75, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 24 Ocean and Marine Resources on H.B. No. 74

The purpose of this bill is to support the development of aquaculture by providing funds to the Hawaii Aquaculture Revolving Loan Fund.

Your Committee finds Hawaii is an excellent location for Aquaculture. The State has warm year-round temperature, sufficient land for fresh, brackish, and salt water aquaculture. Notwithstanding, economic development over the past 100 years has centered on the development of agricultural rather than aquatic resources.

Testimony before your Committee by the Department of Agriculture reveals that the aquaculture loan program was established in 1972 with an initial appropriation of \$500,000. Your Committee learned, in October 1979, that aquaculture loan funds were depleted. Without further appropriation, loans from the Aquaculture Revolving Loan Fund will be limited to the amount of repayments. Your Committee further finds without immediate financial assistance, Hawaii's aquaculture opportunities will be jeopardized.

Your Committee has amended Section 1 of this bill to make technical and style changes. Your Committee has further amended Section 3 of this bill by providing an appropriation of \$500,000 for each fiscal year 1981-82 and 1982-83 for this loan program, and naming the Department of Agriculture as the expending agency for the purpose of this bill.

Your Committee on Ocean and Marine Resources is in accord with the intent and purposes of H.B. No. 74, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 74, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 25 Ocean and Marine Resources and Higher Education on H.B. No. 79

The purpose of this bill is to provide for the construction of the Tropical Aquaculture Center of Hawaii on the island of Oahu. The Center is to serve as the primary public education, research, and commercialization facilities for aquaculture in the State.

The legislature finds that Hawaii is an excellent location for aquaculture. The State has warm year-round temperatures, sufficient land for fresh, brackish and saltwater aquaculture, and a tradition of fishfarming that extends back to the ancient Hawaiians.

Notwithstanding, economic development over the past 100 years has centered on agricultural rather than aquatic resources.

Testimony submitted to your Committees by the Chancellor, University of Hawaii at Manoa, indicates that the construction of the Tropical Aquaculture Center of Hawaii will provide needed research facilities to enable Hawaii to become a leader in aquaculture research, training and technology transfer.

Your Committees have also heard testimony from the Department of Land and Natural Resources and the Marine Affairs Coordinator in strong support of this bill.

Your Committees have amended this bill by providing an appropriation of \$1,500,000 for fiscal year 1981-82, and naming the Department of Land and Natural Resources as the expending agency and that any unexpended or unencumbered balance made by this Act as of the close of business on June 30, 1982, shall lapse into the general fund.

Your Committees on Ocean and Marine Resources and Higher Education are in accord with the intent and purpose of H.B. No. 79, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 79, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 26 Employment Opportunities and Labor Relations on H.B. No. 39
(Majority)

The purpose of this bill is to increase the maximum amount an employer shall pay for funeral expenses from \$1,000 to \$1,500 and burial expenses from \$500 to \$1,000 where a work injury is the cause of death.

The present maximums, which were established in 1971, are inadequate in relation to present cost and an increase is justifiable. For example, according to the American Funeral Director's Blue Book, the average funeral expense cost was \$726.23 in 1969 and \$1,772.22 in 1979.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 39 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Anderson and Ikeda did not concur.)

SCRep. 27 Housing on H.B. No. 50

The purpose of this bill is to increase the bond authorization for tax-exempt, mortgage-backed revenue bonds, and to permit an applicant who owns land to be eligible for a loan with which the person could finance the construction of a home on that lot.

The increase of \$250 million in the authorization for the issuance of revenue bonds will enable a greater number of Hawaii residents to take advantage of the Hawaii Housing Authority's successful Hula Mae program.

The change in eligibility requirements will allow applicants who own land upon which they plan to build, usually on the neighbor islands, to qualify for Hula Mae loans. Present statutory limitations prohibit the making of loans to persons who have owned any interest in real property within the three years prior to application for the loan.

Your Committee received favorable testimony for this bill from the Hawaii Housing Authority, the Consumers' Housing Task Force, the Hawaii League of Savings Associations, the Construction Industry Legislative Organization, and many others. Representatives of these organizations attested to the valuable contribution the Hula Mae program is making in assisting eligible residents in attaining homeownership in this period of spiralling interest rates and inflated home sale prices.

Your Committee recommends the following changes to H.B. No. 50:

1. Amend the definition of "eligible borrower" so that a borrower does not own any interest in a principal residence rather than any interest in real property. Principal

residence as defined by the Internal Revenue Service and the Department of Housing and Urban Development means a dwelling unit which is occupied by a mortgagor for more than 180 days in any twelve-month period. Since this definition refers to a house and lot, but not a house by itself or a lot by itself, a neighbor island resident who owns a lot yet still meets other Hula Mae program qualifications thus becomes eligible for a Hula Mae loan.

Ownership of land will not give a person an unfair advantage over other Hula Mae applicants as the vacant lot will still be considered as an asset. Thus, a person with a high value lot will be disqualified through the assets test, while a poorer applicant who happens to own a modest vacant lot may not be disqualified.

2. Amend the definition of "eligible loan" to mean a "loan to an eligible borrower for the permanent financing of a dwelling unit." This change will insure that Hula Mae funds will not be used for interim construction loans, but only for permanent mortgage financing.

3. Amend the definition of "housing loan program" to include "eligible project loans." This is a minor technical amendment which was overlooked when the 1980 Legislature expanded the Hula Mae program to include rental housing projects.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 50, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 50, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 28 Energy, Ecology and Environmental Protection and Public Assistance
and Human Services on H.B. No. 267

The purpose of this bill is to provide a \$150,000 grant-in-aid to the Honolulu Community Action Program (HCAP) for the establishment of a solar energy revolving loan fund to encourage low-income families to acquire and utilize solar energy water heating systems.

Energy conservation remains one of the primary goals of the State. One of the most effective means of reducing the State's dependence upon limited fossil fuels is to develop and utilize alternate energy resources. Of the various alternate energy technologies currently available, the solar energy water heating system represents one of the most viable. Solar heating systems can provide a significant reduction to a homeowner's electric costs and are cost effective.

Despite the advantages of utilizing solar energy water heating systems, the high initial cost of these systems preclude their widespread installation and use by the State's low-income families. If the State is to encourage the use of these systems, it is imperative that a mechanism be devised to help those unable to afford these systems. Testimony supporting H.B. No. 267 was presented by the Department of Planning and Economic Development, Honolulu Community Action Program, Kokua Council for Senior Citizens, and several private citizens.

One amendment has been made to H.B. No. 267. As the bill now reads, the appropriated grant-in-aid funds are to be expended directly by the Honolulu Community Action Program. Under State provisions, however, any grant-in-aid funds appropriated to private organizations must be expended by an appropriate State agency. The bill has been amended to reflect this provision.

Section 2, subsection (c) now reads as follows:

"The sum appropriated shall be expended by the Hawaii Office of Economic Opportunity (Gov 860) for the purposes of this Act."

Your Committees on Energy, Ecology and Environmental Protection and Public Assistance and Human Services are in accord with the intent and purpose of H.B. No. 267, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 267, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 29 Energy, Ecology and Environmental Protection and Health on
H.R. No. 41

The purpose of this resolution is to request the Department of Health, in cooperation with the University of Hawaii, to conduct a feasibility study of recycling greywater, including the potential uses of such water, with special emphasis on:

- (1) Adequate standards and measures to protect the public health and safety in any proposed use of such recycled water;
- (2) Standards relating to any equipment or device to filter or otherwise process greywater for domestic or other uses; and
- (3) Any necessary implementing legislation.

Your Committees are in agreement that the health and general welfare of Hawaii's citizens are directly linked to the availability and adequacy of our water resources. The residual water from laundry, bathing and other uses, known as greywater, has the potential for being recycled for use in watering gardens or for other agricultural purposes.

Because the use of recycled greywater could significantly reduce the State's overall water consumption, your Committees believe it would be in the public interest for the State to study the feasibility of recycling greywater. Testimony supporting this resolution was presented by the Department of Health and the Board of Water Supply.

Your Committees on Energy, Ecology and Environmental Protection and Health concur with the intent and purpose of H.R. No. 41 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 30 Energy, Ecology and Environmental Protection and Health on
H.C.R. No. 11

The purpose of this concurrent resolution is to request the Department of Health, in cooperation with the University of Hawaii, to conduct a feasibility study of recycling greywater, including the potential uses of such water, with special emphasis on:

- (1) Adequate standards and measures to protect the public health and safety in any proposed use of such recycled water;
- (2) Standards relating to any equipment or device to filter or otherwise process greywater for domestic or other uses; and
- (3) Any necessary implementing legislation.

Your Committees are in agreement that the health and general welfare of Hawaii's citizens are directly linked to the availability and adequacy of our water resources. The residual water from laundry, bathing and other uses, known as greywater, has the potential for being recycled for use in watering gardens or for other agricultural purposes.

Because the use of recycled greywater could significantly reduce the State's overall water consumption, your Committees believe it would be in the public interest for the State to study the feasibility of recycling greywater. Testimony supporting this concurrent resolution was presented by the Department of Health and the Board of Water Supply.

Your Committees on Energy, Ecology and Environmental Protection and Health concur with the intent and purpose of H.C.R. No. 11 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 31 Energy, Ecology and Environmental Protection and Health on
H.B. No. 37

The purpose of this bill is to provide funds to support a study on the feasibility of

recycling greywater in Hawaii and on the potential uses of such water.

Your Committees are in agreement that the economy, productivity, health, and general welfare of Hawaii's citizens are directly linked to the availability and adequacy of our water resources. The residual water from laundry, bathing and other uses, known as greywater, has the potential for being recycled for use in watering gardens or for other agricultural purposes. Because the use of recycled greywater could significantly reduce the State's overall water consumption, it would be in the public interest for the State to study the feasibility of recycling greywater. Testimony supporting H.B. No. 37 was provided by the Department of Health and the Board of Water Supply.

One amendment has been made to H.B. No. 37. In the bill's original form, no specific dollar amount was listed to fund the greywater recycling study. The amended bill will provide an appropriation of \$90,000 for the study.

* Your Committees on Energy, Ecology and Environmental Protection and Health are in accord with the intent and purpose of H.B. No. 37, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 37, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 32 Public Employment and Government Operations on H.B. No. 265

The purpose of this bill is to provide additional entitlements to officers and employees ordered to active service in emergency situations.

Your Committee is in agreement that the guard member's fifteen (15) days of military leave is insufficient compensation to cover emergency situations since fourteen (14) days are used for summer training camp. H.B. No. 265 proposes an additional twenty-two (22) days of military leave so that State and county employees will not be forced to use their vacation leave or go without pay when ordered to active duty in response to emergency situations.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 265 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 33 Public Employment and Government Operations on H.B. No. 166

The purpose of this bill is to provide the counties with the authority to set the amount of compensation for their respective county liquor commission.

Under present law, compensation for the liquor commission is set out by statute. Therefore, a statutory modification is required each time a change in compensation is sought. Your Committee is in agreement that the functions of the liquor commission falls under the jurisdiction of the counties, thus compensation for the commission members should also follow.

H.B. No. 166 deletes the compensation provision in section 281-11, and adds the phrase that the compensation rate is:

"to be determined by each of the several counties".

Your Committee has clarified the amended phrase to read:

"to be fixed by each county council through ordinance".

Your Committee On Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 166, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 34 Housing on H.B. No. 510

The purpose of this bill is to stimulate private sector participation in government-assisted housing developments by providing various tax exemptions to developers as well as non-profit entities involved in housing development.

This bill expands the application of the general excise tax exemption currently enjoyed only by construction contractors to include all participants who contribute to the planning, design, financing, construction, sale, lease, or rental of government-assisted housing. The Hawaii Housing Authority is to verify that persons applying for exemptions are participating in government-assisted housing projects.

This bill also eliminates reference to outdated federal programs and provides a definition of government assistance that will stand the test of time. Further, income earned and obligations issued by a non-profit organization determined to be a public housing agency, which are already exempt from federal taxes, are also exempted from state taxes.

Your Committee received favorable testimony from the Hawaii Housing Authority, the Department of Taxation, the Construction Industry Legislative Organization, and the Consumers' Housing Task Force. Those testifying expressed confidence that the exemptions provided in this bill would indeed encourage private sector participation in the development of affordable housing.

Your Committee recommends the following changes to H.B. No. 510:

1. Clarify that the Hawaii Housing Authority will certify claims for exemption and then forward such claims to the Director of Taxation. This bill as originally drafted would have required sending a claim from the Department of Taxation to the Hawaii Housing Authority back to the Department of Taxation.

2. Delete sections 4 and 5 of the bill relating to real property taxation. Since the real property tax function will be transferred to the counties on July 1, 1981, these sections are unnecessary.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 510, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 510, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 35 Agriculture and Water, Land Use, Development and Hawaiian Affairs
on H.R. No. 15

The purpose of this resolution is to initiate prompt follow-up actions to enhance activation of the proposed land reclamation system at the earliest possible time, and for the Department of Agriculture to submit a report concerning the status of the project prior to the convening of the Regular Session of 1982.

Your Committees find that, based on a comprehensive feasibility study, the proposed land reclamation system appears both technically feasible and economically justifiable.

Your Committees on Agriculture and Water, Land Use Development and Hawaiian Affairs concur with the intent and purpose of H.R. No. 15 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 36 Public Assistance and Human Services and Health on H.R. No. 57

The purpose of this resolution is to request Hawaii's Congressional delegation to support appropriations under Title II of Public Law 96-79 to assist qualified individuals to renovate existing buildings or erect new ones to provide additional intermediate care facilities in accordance with the findings of the State Comprehensive Health Plan.

Your Committees find that there is presently a critical shortage of intermediate care beds in Hawaii. Although the problem can be partially alleviated through efforts by community institutional facilities, the need will still not be completely met.

Your Committees on Public Assistance and Human Services and Health concur with

the intent and purpose of H.R. No. 57 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 37 Public Assistance and Human Services and Health on H.C.R. No. 19

The purpose of this concurrent resolution is to request Hawaii's Congressional delegation to support appropriations under Title II of Public Law 96-79 to assist qualified individuals to renovate existing buildings or erect new ones to provide additional intermediate care facilities in accordance with the findings of the State Comprehensive Health Plan.

Your Committees find that there is presently a critical shortage of intermediate care beds in Hawaii. Although the problem can be partially alleviated through efforts by community institutional facilities, the need will still not be completely met.

Your Committees on Public Assistance and Human Services and Health concur with the intent and purpose of H.C.R. No. 19 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 38 Judiciary on H.B. No. 201

The purpose of the bill is to prevent an individual from being conditionally discharged after trial has been completed, and to provide a hearing rather than a trial when a defendant denies being previously convicted. This purpose is accomplished by eliminating the present language "or is found guilty of" from Sec. 712-1255(1), and changing the language in Sec. 712-1255(5) from a trial to a hearing.

Your Committee agrees with testimony presented that an individual should not be given an opportunity to be conditionally discharged once trial has been completed. The changes further reflect the intent of the legislature in allowing a first offender an opportunity to recognize his guilt and be given a fresh start. Accordingly, your Committee recommends the passage of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 201 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 39 Finance on H.B. No. 795

The purpose of this bill is to amend HRS section 238-5 of the use tax law to provide for the filing of annual returns on or before the twentieth day of the fourth month following the close of the taxable year.

This is a housekeeping measure proposed by the department of taxation and the intent is to conform the filing date of the use tax annual return with that of the general excise tax annual return. The latter requirement became effective in 1980 to relate the filing date to a taxpayer's fiscal year.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 795 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 40 Finance on H.B. No. 694

The purpose of this bill is to increase the statutory limitation on the dollar amount of petty cash funds that the state comptroller may issue to a state agency from \$5,000 to \$25,000.

The provision for the issuance of petty cash funds to agencies was first adopted in 1941 with a limitation of \$200. This limitation was amended in 1943 and was raised to the

present amount of \$5,000. Your Committee finds that the \$5,000 limitation is outdated and your Committee supports the increase proposed by this bill to raise the limitation to \$25,000.

Your Committee is satisfied that sufficient safeguards exist under the present administrative practices which require the comptroller to review every request for petty cash funds to determine whether issuance is justified.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 694, and recommends that it pass Second Reading and be placed on the Calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 41 Finance on H.B. No. 804

The purpose of this bill is to permit the State to tax the beneficial interest in a land trust being transmitted as a consequence of the death of a beneficiary.

This is a measure proposed by the department of taxation. Under current law, when intangible personal property is transmitted upon death to nonresidents, it is not taxable under the inheritance tax law. However, such property is taxable to residents of the State. On the other hand, real property having situs in Hawaii is taxable to residents and nonresidents alike.

This measure addresses the situation where the beneficial interest is transmitted upon the death of a beneficiary who was a nonresident. If the beneficial interest is designated personal property, it is considered intangible personal property and therefore not taxable to the nonresident's beneficiary. This measure would exclude such beneficial interest in land trusts from the exemption of personal property in reciprocity for the nonresident's place of residence, if that place of residence did not also tax personal property.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 804 and recommends that it pass Second Reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 42 Finance on H.B. No. 693

The purpose of this bill is to clarify the statutory requirement relating to the deposit of state funds.

The present provisions do not recognize that other statutes may allow certain agencies to deposit specific moneys outside of the state treasury. Furthermore, the term "state funds" is not defined. This bill proposes to clarify the first concern by adding the phrase "except as otherwise provided by law" thereby clearly requiring the legislature to determine when state funds need not be deposited in the state treasury. This bill also defines the term "state funds".

Your Committee is in agreement with the purpose of this bill and accordingly, your Committee has amended the original bill by deleting the language in lines 5 through 13 and substituting therefor the phrase "except as otherwise provided by law." Other minor drafting changes have also been made by your Committee.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 693, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 693, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 43 Agriculture on H.R. No. 161

The purpose of this resolution is to request the State Department of Taxation to submit a report to the Legislature as to the actual provisions of the Hawaii Income Tax Law regarding its conformance to sections of the Internal Revenue Code relating to certain soil and

water conservation expenditures.

Hawaii's farmers and farmer organizations have asserted that federal government allows a farmer to deduct certain soil and water conservation project cost share income from gross income for federal income tax purposes. However, the State of Hawaii does not allow deduction of these costs from gross income for purposes of the Hawaii state tax.

The Hawaii Farm Bureau Federation has testified before your Committee that this has caused confusion among the farming community and is in favor of this resolution.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 161 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 44 Agriculture on H.R. No. 21

The purpose of this resolution is to acknowledge the severity of the problems posed by the several varieties of white fly known to exist in Hawaii. This resolution also endorses the white fly research programs and pledges to provide continuing legislative support through appropriation and other appropriate statutory measures.

The varieties of white fly are actual or potential major pests to plants, crops, and other flora native to Hawaii. The Department of Agriculture has been making good progress through diligent research efforts to achieve biological control of the white fly pests.

Your Committee has received testimony from the Board of Agriculture stating that additional appropriations are needed to continue the control program, due to the magnitude of the white fly program in Hawaii.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 21 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 45 Agriculture on H.R. No. 14

The purpose of this resolution is to request the House Agriculture Committee to review the agricultural parks law and submit a report of findings and recommendations, including appropriate legislation.

The agricultural parks program continues to represent an important force for the continuing development of diversified agriculture.

Your Committee has received testimony from the Board of Agriculture and finds that the State agricultural parks program has been greatly expanded in recent years and presently includes eight committed projects in various stages of planning, design, construction, or completion. The Department of Agriculture and the Department of Land and Natural Resources have been working closely in planning and implementing the agricultural park program.

Your Committee has amended this resolution by requiring the submittal of a report by not later than the twentieth day prior to the convening of the Regular Session of 1982 and has amended the title of this resolution to reflect this change. Your Committee has also amended the language, not the substance, of the last paragraph on page one of H.R. No. 14 to read as follows:

"WHEREAS, the agricultural parks program continues to rank very high with respect to legislative appropriations; and"

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 14, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 14, H.D. 1.

Signed by all members of the Committee.

SCRep. 46 Consumer Protection and Commerce on H.B. No. 640

The purpose of this bill is to define the sale of fuel oil to a producer of electricity as wholesale.

Under present law, sales of fuel oil to a producer of electricity is treated by the Department of Taxation as a retail sale. The effect of this is that such sales are taxed at the four per cent general excise tax rate. Further, present law provides that there is assessed a use tax on the importation of fuel oil used in the generation and sale of electricity equal to four per cent. The Department of Taxation has taken the position that the sale of fuel oil to producers of electric energy was a sale to the final consumer under general excise tax law rather than a sale to a licensed seller for resale. Application of the relevant laws to electrical producers therefore caused general excise and use taxes to be assessed at the rate of four per cent.

This bill would specifically provide that (1) sales of fuel oil to producers of electricity be classified as wholesale, (2) sales of fuel oil to producers of electricity be taxed at the rate of one-half of one per cent, and (3) the use tax on the importation of fuel oil used in the production of electricity be one-half of one per cent. Your Committee finds that the rapidly increasing price of oil has caused a similarly increasing tax burden on sales fuel oil which is ultimately borne by the consumer, all of which has created windfall tax revenues to the State. Testimony submitted by Hawaiian Electric Company shows that the general excise tax burden per customer has increased more than 1,000 per cent from 1970 to 1980 and will increase by nearly 2,000 per cent for the projected 1981 year. Your Committee therefore finds that a reclassification of the tax rate is in the best interests of consumers to the extent that tax relief is realized.

Your Committee also heard testimony from GASCO, INC. stating that increasing general excise taxes on oil for customers of gas utilities is also a problem of significant proportion. Your Committee has therefore amended the bill to include oil sold to gas utilities in the sale and tax reclassification.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 640, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 640, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 47 Education on H.R. No. 39

The purpose of this resolution is to request the Department of Education to accomplish the following actions: 1) report on the Department of Education's Rule 21; 2) conduct a study on the feasibility of re-establishing truant officers and submit a progress report on the establishment of a more aggressive truancy reporting system; 3) report on the ways or methods to maximize the visibility and accessibility of school principals to deter school violence and vandalism; 4) a progress report on establishing a uniform record-keeping and reporting system of school violence and vandalism.

Your Committee recognizes the problem of violence and vandalism in schools and acknowledges the need for additional information in determining ways to minimize the incidents.

Therefore, your Committee believes it is appropriate and, in fact, necessary that the Board of Education do a thorough study of methods by which violence and vandalism can be reduced.

Your Committee amends the resolution to require that all reports requested in the resolution be submitted 20 days prior to the convening of the 1982 Regular Session.

Your Committee on Education concurs with the intent and purpose of H.R. No. 39 as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 39, H.D. 1.

Signed by all members of the Committee.

SCRep. 48 Public Employment and Government Operations on H.B. No. 51

The purpose of this bill is to provide for new job-sharing programs or projects in the public sector.

H.B. 51 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 Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 51, as amended herein, and recommends that it be recommitted to the Committee on Public Employment and Government Operations, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 51, H.D. 1.

Signed by all members of the Committee except Representatives Albano, Andrews, de Heer, Kiyabu and Ikeda.

SCRep. 49 Agriculture and Water, Land Use, Development and Hawaiian Affairs
on H.B. No. 835

The purpose of this bill is to provide funds for an agricultural training program to be administered by the Hawaii County Economic Opportunity Council on fifty-nine acres of State land in Kaumana, Hawaii.

The program's objective is to encourage disadvantaged, unemployed, and underemployed youths to consider farming as a career by helping them develop their expertise in farming techniques and methodologies. This will be accomplished by conducting classes on farming activities and by actual farming of the land.

Your Committees have received testimony from the Board of Agriculture in support of this bill.

Your Committees on Agriculture and Water, Land Use, Development, and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 835 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 50 Consumer Protection and Commerce on H.B. No. 14

The purpose of this bill is to require that contracts for life, disability, credit life, credit disability, health, homeowners, and motor vehicle no-fault insurance be presented to the consuming public in substantially readable form.

This bill is concerned with the fact that insurance contracts have, in the past, become almost unreadable for most of the general public because of the liberal use of technical and legal language. This bill would introduce the requirement that insurance contracts achieve a score of 40 on the Flesch reading ease test or an equivalent score on a comparable test in order to provide a minimum standard for readability. Your Committee feels that such a requirement is in the best interest of consumers who will benefit by being able to read their insurance contracts with understanding.

While in accord with the intent of the bill, your Committee heard testimony that the industry will have difficulty complying with the requirements of the bill by July of 1981, and has therefore amended the effective date to June 30, 1983. Your Committee feels that this should provide ample time to revise form contracts currently used.

Your Committee has also amended the bill by removing the word "health" as applied to insurance contracts, as such contracts are included under disability insurance contracts.

Your Committee on Consumer Protection and Commerce is in accord with the intent

and purpose of H.B. No. 14, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 14, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 51 Judiciary on H.B. No. 205

The purpose of this bill is to eliminate the present age requirement of "twenty-two years" in determining when a defendant is a persistent offender or a professional criminal subject to an extended term of imprisonment.

Your Committee agrees with the testimony presented and recognizes:

1. That the number of young adults responsible for felonies have increased;
2. That the age group most often arrested and sentenced for felonies are those offenders falling in the 18-25 year old category; and
3. That a person below 22 years of age could be a "persistent offender" or a "professional criminal."

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 205 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 52 Finance on H.B. No. 796

The purpose of this bill is to allow a taxpayer to claim additional withholding allowances based on the taxpayer's estimated itemized deductions to prevent over withholding of taxes.

This measure is proposed by the department of taxation and amends HRS section 235-61 of the income tax law to provide that a taxpayer will be entitled to withholding allowances determined by dividing the excess of estimated itemized deductions over ten per cent of estimated wages by \$1,000. The amendments defined "estimated itemized deductions", "estimated wages", and "determinable additional deductions", and further provides special rules for "married individuals", "limitations", and "treatment of allowances".

This proposal will adopt another segment of the Internal Revenue Code to bring Hawaii's income tax law into conformance with the federal code.

Your Committee has amended this bill to correct drafting errors and to make other non-substantive changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. 796, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 796, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 53 Finance on H.B. No. 706

The purpose of this bill is to authorize state departments, boards, commissions and agencies charged with the responsibility for the collection of state funds and revenues to receive and dispose of disputed payments, if any, made to the State under protest and to include in their respective budget requests to the department of budget and finance an amount necessary to pay any claims. This bill clarifies HRS section 40-35 by expressly providing for the delegation of this authority. It is also a housekeeping measure to simplify both the accounting and budgetary processes with respect to disputed payments, promote a more efficient management of state finances, and to confirm by statute what is now being done administratively.

HRS section 40-35 presently provides that the director of finance shall make an adminis-

trative determination, as to the portion of any protested payment which is in dispute and the portion which is not, when requested to do so by any public accountant of the State authorized to receive or collect revenues or moneys for the State. Your Committee agrees that it is more appropriate for the fiscal administrators of the various departments, boards, commissions and agencies of the State receiving a protested payment, to make the required determinations affecting such a payment. These administrators are more familiar with their operations and are well qualified to make those determinations.

Your Committee finds confusion resulting from the wording of the original bill and intent of the changes, and your Committee has rephrased lines 11 through 13 on page 4 beginning with the word "submit" on line 11 and ending with the word "the" on line 13 as follows:

"[submit to the legislature a request for an appropriation, to be paid from the general fund, in the] include in their respective budget requests to the department of budget and finance an".

Your Committee has also made minor technical drafting changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 706, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 706, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 54 Finance on H.B. No. 798

The purpose of this bill is to increase the rate of interest applicable to underpayments and overpayments of state taxes from the present 8 per cent per annum to 12 per cent.

The current rate of interest is substantially below the prevailing rate of interest charged by financial institutions. Your Committee agrees that the recommended increase is appropriate and finds that it is in conformance with the increase allowed under the federal income tax early last year.

Your Committee notes that the original bill as proposed by the department of taxation is silent on the issue of interest on refunds pursuant to appeal to the tax review board. Your Committee has accordingly amended HRS section 232-24 to allow the payment of interest on such refunds (page 14). Other technical drafting changes have also been made by your Committee.

Your Committee on Finance is in accord with the intent and purpose of H.B. 798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 798, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 55 Finance on H.B. No. 799

The purpose of this bill is to require withheld income taxes to be returned to the department of taxation on or before the 15th day of the calendar month following the month or the quarter for which the taxes are withheld and by increasing the ceiling for filing quarterly returns involving tax liability to \$1,000 per calendar year.

This measure is proposed by the department of taxation and amends HRS section 235-62 of the income tax law to effect the change in payment date from the last day of the month to the 15th day of the month, and to change the ceiling from \$500 to \$1,000 as to the filing of quarterly returns.

Your Committee agrees that this proposal will reduce the confusion and related problems associated with the payment and filing of returns to the mutual benefit of the department of taxation and small businesses and other taxpayers.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 799 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 56 Housing on H.B. No. 641

The purpose of this bill is to make amendments to Act 291, Session Laws of Hawaii 1980, in order that the rental housing revenue bond program thereby created may be implemented.

The 1980 Legislature authorized \$122.5 million in revenue bonds for interim and permanent financing of rental projects which are to be occupied by persons of low- and moderate-incomes. However, soaring construction, financing and land costs, the unavailability of federal subsidies, as well as recent changes in the federal mortgage revenue bond law, have prevented the implementation of this much-needed program.

Your Committee recommends the following amendments to H.B. No. 641:

1. Add a new part to Chapter 356, Hawaii Revised Statutes, establishing a Rental Assistance Program which would be funded by an appropriation of \$12 million from general revenues. These funds are to be deposited into the Rental Assistance Fund, created by this Act, allowing the accumulated earnings from this fund to be used to make Rental Assistance Payments to owners of eligible projects. The principal amount appropriated under this bill is intended to be preserved and the rate of return on this fund's investment is to be maximized. Furthermore, the Hawaii Housing Authority is prohibited from making Rental Assistance Payments in excess of the amount of earnings accumulated in the Rental Assistance Fund.

To ensure that the rental units are maintained for low- and moderate-income families and individuals and to preserve the public purpose intent of this legislation, your Committee has carefully drafted requirements to prescribe certain regulatory provisions. These regulatory provisions require that the "eligible project" be financed under the Hula Mae multi-family revenue bond laws; have not less than twenty per cent of the dwelling units maintained for low- and moderate-income families and individuals; and be subject to a "regulatory agreement" which would regulate rents, charges, profits, return on owner's equity, development costs, and methods of operation.

The reservation of twenty per cent of all units financed by multi-family revenue bonds for low- and moderate-income families is a requirement of the recently enacted federal Mortgage Subsidy Bond Act. The Act basically mandates that these units be for families and individuals whose incomes would qualify them for the federal Section 8 rental assistance payment (currently those whose incomes are less than eighty per cent of the median income of the State).

The "regulatory agreement" and Rental Assistance Contract, necessary elements of the program, will be a "contract" binding the Authority and the owner to certain rent levels, rental assistance payment amounts, charges, profits, return on owner's equity, development costs, and methods of operation.

2. Appropriate \$12 million from the general revenues of the State to be deposited into the Rental Assistance Fund.

3. Amend the definition of "eligible project loan" to include uninsured as well as privately insured and federally insured or guaranteed loans. Future changes in federal laws could prevent federally insured or guaranteed projects from qualifying under revenue bond programs. Since it is uncertain that federal programs will continue in their present form, this amendment is necessary to give the Authority flexibility in financing both insured and uninsured projects. Most State housing agencies today finance a combination of federally insured and uninsured projects without impairment of the State's revenue bond ratings.

4. Amend appropriate sections of the Hula Mae multi-family program to make certain technical amendments as well as broaden the applicability of the Hula Mae Loans to Lenders and Mortgage Purchase programs to ensure program integration.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 641, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 641, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 57 Housing on H.B. No. 792

The purpose of this bill is to expand the applicability of exemptions from statutes, ordinances, and charter provisions to include certain projects developed under government-assistance programs.

Current statutes give the Hawaii Housing Authority the power to override certain state and county requirements in projects developed by the Authority or developed in partnership with the Authority. Many projects developed by the private sector with only financial assistance of the Authority, such as interim construction loans, are consistent with the intent and purpose of Chapter 359G. This bill will allow certain government-assisted projects qualified by the Authority to utilize these provisions in an effort to produce housing at the lowest possible price while insuring that the public health and safety is protected.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 792 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 58 Housing on H.R. No. 49

The purpose of this resolution is to request the Hawaii Housing Authority, the State Department of Taxation, and the housing departments of each County to confer and develop tax incentives to encourage the rehabilitation and maintenance of existing private rental units.

The City and County Department of Housing and Community Development testified that in the City and County alone there are over 11,000 lower-income households residing in rental units that are suitable for rehabilitation.

The cessation of private development of rental units, the increasing frequency of condominium conversions and the demolition of old rental units all contribute to the rapidly dwindling supply of rental units. Since over half of Hawaii's residents live in rental units, efforts to preserve the existing stock assume even greater importance.

Your Committee recommends that the resolution be amended to request the participation of the County finance departments as they are charged with County taxation functions.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 49, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 49, H.D. 1.

Signed by all members of the Committee.

SCRep. 59 Finance on H.B. No. 800

The purpose of this bill is to amend HRS section 237-30 of the general excise tax law to increase the ceiling of tax liability for the filing of quarterly returns from \$500 to \$1,000. The bill further provides that the taxes shall be payable on or before the last day of the calendar month immediately following the month in which the taxes accrue.

This proposal is submitted to the legislature by the department of taxation to allow more businesses and individuals to file general excise tax returns on a quarterly basis instead of monthly. This measure would reduce the administrative workload of the department and facilitate the processing of returns.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 800 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 60 Agriculture on H.B. No. 528

The purpose of this bill is to add the chairman of the governor's agriculture coordinating committee as an ex officio voting member of the Board of Agriculture. This bill makes conforming amendments to Section 26-16 of the Hawaii Revised Statutes relating to the Department of Agriculture and Section 164-1 of the Hawaii Revised Statutes relating

to establishment of the Governor's Agriculture Coordinating Committee.

The Governor's Agriculture Coordinating Committee has proven to be a very effective organization, providing a forum for the various state agencies and the public to coordinate actions to develop the agricultural resources of the state.

The Board of Agriculture has made it a practice to include the Chairperson of the Governor's Agriculture Coordinating Committee in its monthly meetings.

Your Committee has received testimony from the Board of Agriculture stating that participation of the Chairperson of the Governor's Agriculture Coordinating Committee in matters brought before it is very appropriate in light of the role of the Governor's Agriculture Coordinating Committee.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 528 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 61 Consumer Protection and Commerce on H.B. No. 21

The purpose of this bill is to amend the present tax rate structure imposed on electric power companies.

Under present law, electric power companies are assessed a public service company tax, a public utility fee, and a franchise tax, all based on the gross revenue derived from the sale of electricity. Your Committee notes, however, that as the cost of fuel oil, which is passed on to consumers, rises, the electric utility's revenue and taxes thereon rises accordingly. Since these taxes are also passed on to consumers, the effective cost of electricity has risen to the point where about 11 per cent of the bill of an average customer of Hawaiian Electric Company was allocated to taxes in 1980. Your Committee notes that oil which cost about \$3.00 per barrel in 1973 now costs about \$40 per barrel and together with taxes, accounts for more than 75 per cent of the average bill.

This bill would change the basis of taxation from gross receipts to one based on a fixed number of cents per kilowatt-hour of electricity sold. The various tax rate figures contained in the bill are based on the amount of tax revenue paid to the State in the three tax categories during 1980 and are calculated to provide a similar revenue in future years. Your Committee is therefore in agreement with the bill to the extent that it provides relief to consumers of electricity. Your Committee believes that these measures will help to offset the rapid rise in the cost of electricity.

Your Committee also heard testimony from GASCO, INC. stating that the rapid escalation of oil prices has also adversely affected the tax burden of customers of gas utilities for the same reasons that electricity consumers are faced with increasing costs. Your Committee has therefore amended the bill to include a change of the tax basis of gas utility companies from gross revenue to one based on a fixed number of cents per energy unit sold. As in the case of electric utility companies, this rate of taxation is based on tax revenue generated in 1980.

Your Committee feels that these measures should give rate payers some measure of relief from the increasing tax burden caused entirely by the artificial level of oil prices and not by a higher level of service.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 21, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 21, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 62 Consumer Protection and Commerce on H.B. No. 20

The purpose of this bill is to delete restrictions on the number of branches any bank may open or maintain in the district of Honolulu, in addition to the main office of the bank.

Under present law no bank shall be permitted to open or maintain in the district of Honolulu, in addition to the main office of the bank, more than five branch banks within zones I, II, and III as described in the statutes.

Your Committee notes that Savings and Loan Associations have recently been allowed, under federal regulation, to provide most banking services and that savings and loans are not restricted by statutes as to the number of branches that they may open and maintain.

Your Committee is in agreement with testimony presented that suggested phasing in the repeal of the branching limits, and has amended the bill to allow, in addition to the main office, six branch banks through 1983, seven branch banks through 1985 and no limits effective January 1, 1986.

Your Committee also heard testimony from the Department of Regulatory Agencies that the deletion of Section 403-55, Hawaii Revised Statutes, would repeal a beneficial review procedure in the opening or maintenance of branch banks, and, therefore, recommends retaining Section 403-55.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 20, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 20, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 63 Corrections and Rehabilitation on H.R. No. 109 and H.C.R. No. 28

The purpose of this resolution is to request the Department of Social Services and Housing to study and experiment with the use of an electronic telemetry system as an alternative to the imprisonment of, and as a method of deterring illegal behavior by convicted criminals.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.R. No. 109 and H.C.R. No. 28 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 64 Employment Opportunities and Labor Relations on H.B. No. 38

The purpose of this bill is the extension of the State Program for the Unemployed (SPU) and its component, the State Comprehensive Employment and Training (SCET) program 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 since then.

Your committee has received testimony that the City and County of Honolulu, the major CETA prime sponsor, will receive 43% less funds in fiscal 1981 than last year with the largest cutback in public service employment programs. The local job market is not expected to expand enough to absorb the CETA displacements. Without SCET, the employment training needs of many economic disadvantaged persons will not be met.

Your committee has amended this bill by appropriating \$3,000,000 to continue SPU. The original bill had left the appropriation figure blank.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 38, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 38, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ikeda and Medeiros.

SCRep. 65 Employment Opportunities and Labor Relations on H.B. No. 41

The purpose of this bill is to establish the Hawaii State Occupational Information Coordinating Committee (HSOICC) and its components the Hawaii State Occupational Information System (HOIS) and the Hawaii Career Information Delivery System (HCIDS) in a new chapter in the Hawaii Revised Statutes. Additionally, the Department of Labor and Industrial Relations is authorized to establish new positions for the purposes of HCIDS. The bill further establishes a revolving fund for the use of HCIDS.

HSOICC and its national counterpart the National Occupational Information Coordinating Committee (NOICC) have been established by federal legislation to facilitate the standardized development and delivery of career and occupational information to those making personal career decisions and those planning educational and training programs; to call for a uniform and standardized occupational information system to implement this purpose; and to establish a career information delivery system to provide the information in the schools, training sites, and job service offices.

HOIS functions to implement the standardized development and delivery of career and occupational information to those planning educational and training programs.

HCIDS, colloquially known as Career Kokua, establishes a career information delivery system. It is basically a computerized library of occupational and educational information that functions to aid people to choose jobs and careers by providing them with current, accurate, and locally relevant occupational, educational, training, and job information. The availability of such information will help individuals make a smoother transition from school to work or return to the labor force. Career Kokua is administratively part of the Research and Statistics Office of the Department of Labor and Industrial Relations.

The revolving fund will capture user fees charged for the use of HCIDS computer terminals and card sort delivery systems rather than have them revert to the General Fund. The user fees will be charged primarily to private sector users.

In the interest of style, your committee has amended the bill to remove hyphenations.

Your committee finds that the present Section 2 of the bill belongs within the Hawaii Revised Statutes chapter being created. In the interest of clarity and style, Section 2 has been relabeled Subsection -41 under PART V PERSONNEL and included within Section 1. The phrase, "and to hire necessary personnel" has been added to the new subsection to clarify the existing language.

Your committee has further amended this bill for the purpose of appropriating the funds necessary to implement HCIDS by adding a new Section 2 appropriating \$273,207 for fiscal year 1981-1982 and \$347,526 for fiscal year 1982-83.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 41, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 41, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 66 Culture and the Arts on H.R. No. 34

The purpose of this resolution is to request the State Foundation on Culture and the Arts to review its existing policies and practices as they relate to the circulation of works of art purchased in the art-in-state-buildings program with a view toward increasing the circulation of works of art.

Your Committee finds that the State Foundation has reported great improvements in its policies and practices relating to the circulation of artwork since the publication of the 1976 Legislative Auditor's Report on the State Foundation on Culture and the Arts. Your Committee believes that legislative review of the State Foundation's efforts to implement recommendations contained in the 1976 Auditor's Report is needed to ensure that the problems cited in that report relating to the circulation of artwork have all been rectified.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 34 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 67 Culture and the Arts on H.C.R. No. 9

The purpose of this concurrent resolution is to request the State Foundation on Culture and the Arts to review its existing policies and practices as they relate to the circulation of works of art purchased in the art-in-state-buildings program with a view toward increasing the circulation of works of art.

Your Committee finds that the State Foundation has reported great improvements in its policies and practices relating to the circulation of artwork since the publication of the 1976 Legislative Auditor's Report on the State Foundation on Culture and the Arts. Your Committee believes that legislative review of the State Foundation's efforts to implement recommendations contained in the 1976 Auditor's Report is needed to ensure that the problems cited in that report relating to the circulation of artwork have all been rectified.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.C.R. No. 9 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 68 Culture and the Arts on H.B. No. 520

The purpose of this bill is to authorize the director of finance to issue general obligation bonds in the sum of \$20,000, or so much thereof as may be necessary, and the same sum, or so much thereof as may be necessary, for fiscal years 1981-1982, 1982-1983, and 1983-1984 for the following project for Waipahu Cultural Garden Park, Oahu: Site improvement, plans and construction for site improvement.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 520, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 69 Culture and the Arts on H.B. No. 478

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$100,000, or so much thereof as may be necessary for fiscal year 1981-1982, for a grant-in-aid to the County of Maui for the Kula Community Center.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 478, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 70 Culture and the Arts on H.B. No. 249

The purpose of this bill is to make an appropriation of \$50,000 to sustain the Friends of Waipahu Cultural Garden Park's (FWCGP) educational exhibits program.

Your Committee has received testimony from the Vice-President of the Board of Directors of the Friends of Waipahu Cultural Garden Park. Your Committee understands that the sums appropriated by H.B. No. 249 shall be justified as follows:

- (1) To maintain a system of attendance statistics which will provide visitor breakdown among Hawaii's school children, Hawaii residents, and out-of-state visitors; and
- (2) To submit a full disclosure financial statement to the department of budget and finance each year. The State shall have the right to audit the FWCGP's financial records.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 249 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 71 Housing on H.B. No. 790

The purpose of this bill is to clarify the authority under which the Hawaii Housing Authority may provide employee housing.

The Hawaii Housing Authority testified that, in the absence of specific statutory authorization, it is unclear whether the development of employee housing meets the public purpose test. The Authority believes it has received sufficient directives to provide low- and moderate-income housing for employees of vital economic activities through the Hawaii State Plan, the State Tourism Plan and the State Housing Plan. This bill will allow the Authority to assist in the development of employee housing within the confines of its overall program of providing housing to low- and moderate-income residents.

Your Committee recommends that section 1 of the bill be amended to read: "The authority may develop or may assist in the development and construction of employee housing for persons of low and moderate income." This amendment allows the Authority to assist in construction by making interim construction loans or working in partnership with a developer as well as participating more directly in the actual construction of housing.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 790, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 790, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 72 Youth and Elderly Affairs on H.B. No. 67

The purpose of this bill is to amend section 349-6, Hawaii Revised Statutes, to require the Executive Office on Aging to submit a biennial report to the Legislature detailing: (1) its progress in implementing the state master plan for the elderly; (2) any revisions to the plan; and (3) any pertinent recommendations to the Legislature, including, but not limited to, necessary legislation and funding.

Section 349-6, Hawaii Revised Statutes, mandates the development, implementation, and continuous updating of a comprehensive master plan for Hawaii's elderly by the Executive Office on Aging. Although the master plan is to be used as a basis for programs and services that are provided to the elderly by every state department and county agency, there is no established procedure for legislative review of the plan or of the progress in implementing the major recommendations of the plan.

Your Committee finds that an established procedure for the timely and periodic review of the plan by the Legislature is necessary to improve needed coordination among the numerous state and county plans, policies, programs, and projects for the elderly; monitor the progress toward the achievement of statewide goals; and ensure that programs and services are responsive to the changing and growing needs of the State's increasing elderly population. Further, such legislative review will indicate whether the enactment of any enabling legislation will be required to achieve the goals and objectives of the plan.

Your Committee finds, however, that an annual rather than biennial report on the plan will allow the Legislature to more effectively monitor, strengthen, and expand statewide opportunities and programs for the State's rapidly growing elderly population, and has therefore amended section 1 of the bill by: (1) deleting the word "biennial" from line 3, page 1 and inserting in its place the word "annual"; (2) changing the reporting requirement from each odd-numbered year to each regular session; and (3) making other nonsubstantive style changes.

Concerned with minimizing the financial costs involved in preparing and publishing lengthy written reports for distribution to the Legislature, your Committee recommends that the Executive Office on Aging present its annual summary in as concise a form as possible.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 67, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 67, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakamura.

SCRep. 73 Energy, Ecology and Environmental Protection on H.B. No. 35

The purpose of this bill is to amend Section 235-12, Hawaii Revised Statutes, by extending the present solar tax credit expiration date from December 31, 1981, to December 31, 1985. Additionally, the bill extends the definition of "solar energy device" to include heat pumps. The solar tax credit would apply to heat pumps installed and placed in service after December 31, 1980.

Your Committee is in agreement that extending tax incentives for solar energy devices and providing tax credits for heat pumps will encourage Hawaii's citizens to install and utilize these energy-saving devices and will help reduce Hawaii's dependence on scarce fossil fuels. An extension of the tax credit to December 31, 1985, will conform with the federal expiration date for energy conservation tax credits.

Testimony supporting the bill was provided by the Department of Planning and Economic Development; Department of Taxation; administration of the City & County of Honolulu; Hawaiian Electric Company; GASCO; Chamber of Commerce of Hawaii; and the Hawaii Solar Energy Association.

Your Committee has amended H.B. No. 35 by extending the tax credit to include wind energy devices. Testimony recommended expanding the bill to include wind energy devices which represent a viable, non-polluting, and renewable alternate energy source. Extending the tax credit for solar and wind energy devices and heat pumps will encourage the implementation of these energy-saving devices in Hawaii.

H.B. No. 35 has been amended by providing a new title for Section 235-12 which reads as follows: "Section 235-12 Solar or wind energy devices and heat pumps; income tax credit. The amended title reflects your Committee's intent to include all three types of energy devices under the present income tax credit.

Your Committee has amended H.B. No. 35 by providing tax credits for only those wind energy devices installed and placed in service after December 31, 1980, but before December 31, 1985. This condition conforms with the requirement placed on heat pumps. H.B. No. 35 provides tax credits for heat pumps installed after December 31, 1980, but before December 31, 1985.

Your Committee has further amended H.B. No. 35 by providing a new definition for heat pumps. Heat pumps are defined as a type of solar energy device in H.B. No. 35. Testimony indicated, however, that heat pumps, although cost effective and efficient, are not technically solar energy devices. H.B. No. 35 has also been amended by providing a definition for wind energy devices.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 35, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 35, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 74 Finance on S.B. No. 233

The purpose of this bill is to increase the annual allowance of legislators for incidental expenses and to clarify the statutory provisions relating to the per diem allowance for legislators during the mandatory recess while in regular session.

This bill proposes to amend HRS section 24-1 to change the \$1,500 allowance for incidental expenses to \$2,500. Your Committee agrees that this increase is reasonable and necessary to meet the growing costs connected with legislative duties.

Your Committee further agrees that the provisions of HRS sections 24-2 and 24-4 should be clarified and your Committee supports the amendatory language proposed by this bill to add specific language applicable to the per diem for legislators during the mandatory recess while in regular session.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 233, 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.

SCRep. 75 Health and Youth and Elderly Affairs on H.B. No. 49

The purposes of this bill are to provide the necessary funds for the initial planning, establishment, and operation of four additional adult day care centers, one each to be established on the islands of Kauai, Maui, Oahu, and Hawaii, and to provide the Department of Social Services and Housing with the necessary funds to subsidize adult day care services for eligible adults who cannot otherwise afford such services.

Your Committees find that adult day care centers represent an appropriate and cost-effective alternative to expensive long-term institutional care for elderly or other adult persons who are marginally dependent but who do not yet require full institutional care. The existing number of adult day care centers in the State, however, is inadequate to meet the current and projected demands for adult day care services.

While there are many individuals who could benefit from placement in such centers, those with limited incomes or from low-income families cannot afford the monthly fees or charges for such placement, and the Department of Social Services and Housing is unable to subsidize additional participant slots in adult day care centers because of existing fiscal constraints. Additionally, although there are a number of private organizations interested in operating adult day care centers, the lack of start-up funds has consistently been a major impediment.

Your Committees also find that the greatest need for adult day care centers is in the following four locations, one each on the islands of Kauai, Maui, Oahu, and Hawaii, and more specifically as follows: (1) West Hawaii, near Central Kona Church; (2) Leeward Oahu in the Waipahu-Pearl City-Aiea area; (3) West Kauai; and (4) between Kahului and Wailuku on the island of Maui.

Testimony presented by the Department of Social Services and Housing indicates that the amount of \$200,000 appropriated in Section 2 of the bill would be inadequate for the initial planning, establishment, and operation of four additional day care centers. Your Committees concur with the Department, and therefore have amended the bill by increasing the appropriation to \$224,552.

Your Committees on Health and Youth and Elderly Affairs are in accord with the intent and purpose of H.B. No. 49, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 49, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 76 Higher Education on H.B. No. 321

The purpose of this bill is to make an appropriation for needed capital improvements to higher education facilities on the island of Hawaii.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 321 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 77 Higher Education on H.B. No. 320

The purpose of this bill is to make an appropriation for needed capital improvements to higher education facilities on the island of Hawaii.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 320 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 78 Higher Education on H.B. No. 319

The purpose of this bill is to make an appropriation for needed capital improvements to higher education facilities on the island of Hawaii.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 319 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 79 Higher Education on H.B. No. 318

The purpose of this bill is to make an appropriation for needed capital improvements to higher education facilities on the island of Hawaii.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 318 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 80 Higher Education on H.B. No. 317

The purpose of this bill is to make an appropriation for needed capital improvements to higher education facilities on the island of Hawaii.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 317 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 81 Higher Education on H.B. No. 316

The purpose of this bill is to make an appropriation for needed capital improvements to higher education facilities on the island of Hawaii.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 316 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 82 Higher Education on H.B. No. 315

The purpose of this bill is to make an appropriation for needed capital improvements to higher education facilities on the island of Hawaii.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 315 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 83 Higher Education on H.B. No. 313

The purpose of this bill is to make an appropriation for needed capital improvements to higher education facilities on the island of Hawaii.

Your Committee on Higher education is in accord with the intent and purpose of H.B. No. 313 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 84 Higher Education on H.B. No. 312

The purpose of this bill is to make an appropriation for needed capital improvements

to higher education facilities on the island of Hawaii.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 312 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 85 Energy, Ecology and Environmental Protection and Consumer
Protection and Commerce on H.B. No. 36

The purpose of this bill is to establish a hydroelectric loan fund, to be administered by the Department of Planning and Economic Development, to promote the development of small-scale hydropower projects. The bill provides an appropriation of \$1,000,000 to be paid into the hydroelectric loan fund.

Your Committees are in agreement that it is in the best interest of the State to reduce its dependence upon fossil fuels for its energy needs. Diversified and alternate energy production facilities can help ensure an adequate and reliable energy source for Hawaii. In recent years there has been increased interest in the development of small-scale hydropower which represents a viable, non-polluting, and renewable energy source.

Small-scale hydropower development, however, remains a capital intensive undertaking requiring substantial funds. A fundamental problem, therefore, is obtaining sufficient capital to finance such developments. Your Committees are in agreement that the establishment of a hydroelectric development loan fund would help to encourage the development of additional hydropower in Hawaii.

Your Committees have amended H.B. No. 36 to allow utilization of loan funds for construction of new hydropower projects, site-specific feasibility studies by developers, and renovation or rehabilitation of existing hydropower plants. The bill presently provides for loan funds to be used for construction of new hydropower projects. This amendment, recommended in testimony by the Department of Planning & Economic Development and Amfac, will allow for greater flexibility and will encourage maximum utilization of the loan funds.

Section 1 of H.B. No. 36 has been amended by deleting the last portion of the second paragraph. The deleted portion reads as follows: "In general, hydropower projects are more expensive to construct than oil powerplants, but thereafter maintenance and fuel costs are substantially less. The fundamental problem in this area, therefore, is obtaining sufficient capital to finance the construction stage."

Your Committees have amended section 2 of H.B. No. 36 by deleting several specific loan provisions that are considered overly burdensome for the department and are covered under the necessary powers given to the department to administer the fund. The deleted portion of section 2 reads as follows: "Each loan granted under this section shall not exceed \$_____ and shall have a simple interest of not more than _____ per cent a year. The necessity and the extent of security required for any loan shall be determined by the department."

Section 2 of H.B. No. 36 as amended reads as follows:

"SECTION 2. The Hawaii Revised Statutes is amended by adding a new section to be appropriately designated and to read as follows:

Sec. - Hydroelectric development loan fund; establishment.

(a) There is established a revolving loan fund to be known as the hydroelectric development loan fund to be administered by the department of planning and economic development into which shall be deposited all money received as repayment of loans and interest payments as provided by this section. The fund shall be used to make loans to state and county agencies, public utilities, corporations, and individuals for financing hydroelectric development projects including, but not limited to, construction of such projects, site-specific feasibility studies by developers, and rehabilitation or renovation of existing projects.

(b) The department shall have the necessary power to carry out the purposes of this section including the following:

- (1) Prescribe rules under chapter 91.
- (2) Administer the fund so as to accomplish the purpose of the fund.
- (3) Seek and receive funds from private or public sources.
- (4) Prescribe the qualifications for eligibility of applications for loans.
- (5) Prescribe the schedule for repayment of the loans.
- (6) Prepare and submit an annual report on the loans granted and such other reports that may be requested to the governor and the legislature on the implementation of this section."

Your Committees have also amended Section 3 of the bill by deleting the fiscal year requirement for the appropriated funds. This amendment will ensure that any funds unexpended by the end of fiscal year 1981 - 1982 will remain in the revolving loan fund.

Your Committees on Energy, Ecology and Environmental Protection and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 36, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 36, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Ikeda.

SCRep. 86 Culture and the Arts on H.B. No. 24

The purpose of this bill is to require the State Foundation on Culture and the Arts to publish and annually update a register or index of ethnohistorical and cultural materials. The register or index shall include certain specified information relating to studies, reports, projects, histories, or other works, in whatever form or medium, which relate to multicultural and ethnic studies or histories and the recording and preservation of Hawaii's social and cultural history through communications and interviews with kamaaina Hawaiians and experts.

The purpose of this bill is also to inform the public as to what such materials, studies, reports, projects, histories, or other works are available or have been completed and to also help prevent duplication of publicly or privately funded studies or projects in this area.

Your Committee is in agreement with testimony by the State Foundation's executive director who indicated that the State Foundation should gather information on State-funded materials before gathering information on privately funded materials. Information on privately funded materials may be collected in the future as the State Foundation's staff and other resources permit.

Your Committee has amended this bill to provide \$10,000 to carry out this project.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 24, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 24, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 87 Employment Opportunities and Labor Relations on H.B. No. 827

This bill changes the examination required to obtain a license to operate an employment agency to a certified personnel consultant examination as designated by the National Association of Personnel Consultant (NAPC). The change does not affect persons holding a valid license on the effective date of this Act.

Under present law the examination is a certified employment consultant examination designated by the director of regulatory agencies.

Your Committee has received testimony that the NAPC examination is more stringent than the present one. Furthermore, the NAPC requires certain ethical and business standards to be met before one can qualify to take the certification examination. These

standards will afford the public additional protection from questionable practices.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 827 and recommends that it pass Second Reading and that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Kiyabu.

SCRep. 88 Ocean and Marine Resources and Education on H.B. No. 72

The purpose of this bill is to support marine and aquatic education programs by specifically authorizing the Department of Education to enter into contracts for the provision of marine and aquatic education services and by providing funds for such services.

The Legislature finds that Hawaii's history, culture, life style, and economic well-being are closely linked to the sea. It is imperative, therefore, that the people of Hawaii, particularly its young people be informed, educated and made aware of Hawaii's marine resources and their related potential uses. This education will also provide young people with additional information and training to enable them to make intelligent choices in selecting various marine and aquatic occupations.

Your Committees have heard favorable testimony from several sources, including the Marine Affairs Coordinator, the District Superintendent of Windward Oahu District, Executive Director of Sea Trek Hawaii, the President of the Polynesian Voyaging Society, and from the students themselves. All testimony received, strongly supports or expresses general accord with the intent and purposes of this bill. Your Committees also find that for the fiscal biennium 1981-1983 the financial requirements of this program were not included in the budget of the Department of Education (EDN 106).

Your Committees, upon consideration, have amended this bill as follows:

- (a) Made technical and style changes in Section 1. The word "specifically" was deleted to indicate the discretionary nature of the authority granted to the department of education.
- (b) Deleted Section 2. Since this appropriation bill does not require a statutory amendment, this section has been deleted. For the purpose of consistency, your Committees have also amended the bill by renumbering Sections 3 and 4 to Sections 2 and 3 respectively.

Your Committees have further amended this bill by providing in the new section 2 of the bill, an appropriation of \$58,846 for fiscal year 1981-82 and \$60,584 for fiscal year 1982-83, to the Department of Education (EDN 106) as the expending agency and that any unexpended or unencumbered balance of any appropriation made by this Act as of the close of business on June 30, 1983 shall lapse into the general fund.

Your Committees on Ocean and Marine Resources and Education are in accord with the intent and purpose of H.B. No. 72, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 72, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 89 Ocean and Marine Resources and Water, Land Use, Development
and Hawaiian Affairs on H.B. No. 88 (Majority)

The purpose of this bill is to support the development of aquaculture for the establishment and operation of aquaculture parks.

The State of Hawaii is committed to developing aquaculture as a major economic activity through the implementation of the State aquaculture plan, "Aquaculture Development for Hawaii," published in 1978.

Your Committees find that the major concern of the State and potential aquafarmers is the availability of suitable lands for commercial activities. Your Committees believe the encouragement of aquaculture through the development of aquaculture parks would increase the availability of lands suitable for aquaculture and give additional incentive to commercial entrepreneurs to enter into the industry.

Your Committees, upon consideration, have amended this bill by deleting Section 2, since this appropriation bill does not require a statutory amendment. For the purpose of consistency, your committees have also amended the bill by renumbering Sections 3 and 4 to Sections 2 and 3, respectively.

Your Committees have further amended this bill by providing an appropriation of \$25,000 for design and research purposes such as ponds, raceway and drainage. Any unexpended or unencumbered balance of any appropriation made by this Act as of the close of business on June 30, 1982, shall lapse into the general fund.

Your Committees on Ocean and Marine Resources and Water, Land Use Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. 88, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. 88, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 90 Ocean and Marine Resources on H.B. No. 529

The purpose of this bill is to support a development program to conduct research to provide the technical and economic base for a Spirulina and other algae industry and products which are now unutilized in Hawaii as feed for agriculture and aquaculture.

Your Committee finds that seaweed is an important source of nutrients to feed people, as well as a source of food for both animals and fish or shellfish, and also as an important source of needed commodities for pharmaceutical and chemical industries.

Testimony before your Committee by the Oceanic Institute pointed out that the major objectives of the research are: (a) to evaluate species of Spirulina for culture in a marine/sea water system, (b) to develop methods for optimal culture of these algae, and (c) to evaluate the algae in feed experiments for shrimp, fish, and other species in Hawaii.

Your Committee, upon consideration, has amended this bill as follows:

- (a) Made typographical changes which do not affect the substance of this bill.
- (b) Section 2 was amended to read: "There is appropriated out of the general revenues of the State of Hawaii the sum of \$74,000, or so much thereof as may be necessary, for the purpose related to the Spirulina and other algae culture.
- (c) Section 3 was amended by changing the lapsing date to June 30, 1982.

Your Committee is in accord with the intent and purpose of H.B. 529, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 529, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 91 Ocean and Marine Resources on H.B. No. 530

The purpose of this Act is to provide the needed support to complete additional work on larval rearing and low cost adequate feeds for the mahimahi (Coryphaena sp.).

Your Committee finds that aquaculture, the propagation of aquatic animals and plants for food and fishes, is a viable new industry for Hawaii which can contribute to the diversification of the State's economy.

Your Committee further finds that the present mahimahi breeding and rearing program at the Oceanic Institute is commendable. The continuation of this program is to more precisely define the optimal conditions for mahimahi growth, food stocks and larval requirements, which is essential to provide the necessary technical data upon which to develop a commercial industry.

Testimony before your Committee by the Oceanic Institute and the University of Hawaii, Environmental Center, strongly supports the intent and purposes of this bill.

Your Committee has amended Section 2 of this bill by providing an appropriation of \$54,000 for fiscal year 1981-82 for purposes related to the mahimahi breeding and rearing program. Your Committee has further amended Section 3 of this bill by changing the lapsing date to June 30, 1982.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 530, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 530, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 92 Ocean and Marine Resources on H.B. No. 92

The purpose of this bill is to support existing and planned research efforts relating to ocean and marine resources, including the attendance of qualified personnel at scientific, legal, and technical meetings and conferences, by providing funds for such activities.

Your Committee believes that the fulfillment of developing aquaculture, fisheries and ocean leasing as a major economic activity requires the attendance to the various conferences to exchange general information, as they act as context for a major decision-making, and provide the necessary impetus for important cooperative efforts in research and development. With Hawaii somewhat distant from many universities and research laboratories, it is essential that we capitalize on conferences and workshops to keep Hawaii in the forefront of ocean research.

Your Committee, upon consideration, has amended this bill by deleting Section 2, since this appropriation bill does not require a statutory amendment. For the purpose of consistency, your Committee has also amended the bill by renumbering Sections 3 and 4 to Sections 2 and 3, respectively.

Your Committee has further amended this bill by providing an appropriation of \$5,000, which appropriation shall lapse if not expended or encumbered by June 30, 1982.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 92, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 92, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 93 Tourism on H.B. No. 1382

The purpose of this bill is to provide for plans and implementation of Aloha Week activities throughout the State of Hawaii to promote tourism in Hawaii. Appropriations for fiscal years 1981-1982 and 1982-1983 are \$75,000 each year.

State support for Aloha Week festivities has been given for the past many years. The private sector through membership fees, corporate contributions, and the sale of souvenir ribbons and pins has become increasingly responsible for contributing its share to operate these festivities, and it is the Committee's intent to maintain this cooperative effort for the next two fiscal years.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 1382 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 94 Ocean and Marine Resources on H.B. No. 78

The purpose of this bill is to promote aquaculture research and development, including the testing of aquaculture products, such as baitfish, in large-scale projects to assess or demonstrate their commercial feasibility.

The future of Hawaii's commercial fishing industry lies in the development of an adequate and dependable supply of live baitfish to meet the live baitfish requirements of the

industry's existing fishing practices, or a change-over to a new fishing technique which would not be a dependent on live bait.

Testimony before your Committee by the Department of Land and Natural Resources indicated that a major constraint to the expansion of the State's aku fishing industry is the chronic shortage of suitable live baitfish. At present, the preferred baitfish species is the nehu, which suffers up to 25% daily mortality in the bait wells of the aku fishing vessels. The time required to catch nehu for bait is time lost from catching the marketable product, aku, and because of the fragile nature of the nehu, the aku fleet can generally range no farther than 100 miles from port.

Your Committee finds that the Department's concern for the baitfish problem is evident in its past efforts, conducted both independently and in conjunction with other governmental and private agencies. Such early efforts include culturing tilapia during the early 1960's for use as a supplemental bait, and more recently in mass culture projects involving various topminnow species, and juvenile mullet and milkfish. The Department has selected another hardy and prolific species (*Poecilia Mexicana*), closely related to the Mexican molly, for culture on the basis of behavioral traits and inherent hardiness, which are expected to expand the range of fishing activities and to increase bait effectiveness.

Your Committee agrees with the department that the production and testing of such baitfish in large-scale projects to assess or demonstrate commercial feasibility is deserving of the fullest measure of public support.

Your Committee, upon consideration, has amended this bill by deleting Section 2, since this appropriation bill does not require statutory amendments. For the purpose of consistency, your Committee has also amended this bill by renumbering Sections 3 and 4 to Sections 2 and 3, respectively.

Your Committee has further amended this bill by providing an appropriation of \$80,000 for fiscal year 1981-82, and also appropriated the sum of \$75,000 for fiscal year 1982-83. Your Committee also added a sentence to the new Section 2 of this bill to provide that the designated expending agency, the Department of Land and Natural Resources, is authorized to delegate to other State or County agencies or with private industry the expenditure of funds when it deems it more advantageous to do so.

Your Committee is in accord with the intent and purpose of H.B. No. 78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 78, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 95 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 125 (Maj.)

The purpose of this bill is to provide the enabling legislation pursuant to Article VII, section 12, of the state constitution for the issuance of special purpose revenue bonds for manufacturing enterprises.

H.B. No. 125 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 Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 125, as amended herein, and recommends that it be recommitted to the Committee on Water, Land Use, Development, and Hawaiian Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 125, H.D. 1.

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

SCRep. 96 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 126
(Majority)

The purpose of this bill is to provide the enabling legislation pursuant to Article VII, section 12, of the state constitution for the issuance of special purpose revenue bonds for processing enterprises.

H.B. No. 126 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 Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 126, as amended herein, and recommends that it be recommitted to the Committee on Water, Land Use, Development, and Hawaiian Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 126, H.D. 1.

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

SCRep. 97 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 127
(Majority)

The purpose of this bill is to provide the enabling legislation pursuant to Article VII, section 12, of the state constitution for the issuance of special purpose revenue bonds for industrial enterprises.

H.B. No. 127 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 Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 127, as amended herein, and recommends that it be recommitted to the Committee on Water, Land Use, Development, and Hawaiian Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 127, H.D. 1.

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

SCRep. 98 Tourism on H.B. No. 54

The purpose of this bill is to provide a vehicle by which the State can work effectively with the visitory industry and all government agencies to coordinate and implement comprehensive state policies for the visitory industry in Hawaii.

H.B. No. 54 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.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 54, as amended herein, and recommends that it be recommitted to the Committee on Tourism, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 54, H.D. 1.

Signed by all members of the Committee except Representatives D. Hagino and Anderson.

SCRep. 99 Finance on H.B. No. 1019

The purpose of this bill is to provide state grants-in-aid to private nonprofit agencies.

H.B. No 1019 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 Finance is in accord with the intent and purpose of H.B. No. 1019, as amended herein, and recommends that it be recommitted to the Committee on Finance for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1019, H.D. 1.

Signed by all members of the Committee except Representatives Kobayashi, Levin, Morioka, Lacy, Marumoto and Narvaes.

SCRep. 100 Agriculture and Water, Land Use, Development and Hawaiian
Affairs on H.B. No. 1411

The purpose of this bill is to add the chairperson of the Governor's Agriculture Coordinating Committee as an ex officio voting member of the Board of Land and Natural Resources and make conforming amendments to Section 171-4, Hawaii Revised Statutes, relating to the Board of Land and Natural Resources and Section 164-1, Hawaii Revised Statutes, relating to establishment of the Governor's Agriculture Coordinating Committee.

Your Committees find that the Governor's Agriculture Coordinating Committee has proven to be a very effective organization, providing a forum for the various state agencies and the public to coordinate actions to develop the agricultural resources of the State.

Your Committees have received testimony from the Board of Agriculture in favor of this bill.

Your Committees on Agriculture and Water, Land Use, Development, and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1411 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 101 Agriculture and Water, Land Use, Development and Hawaiian
Affairs on H.B. No. 1410

The purpose of this bill is to provide the means and funds for the promotion of Hawaii's floriculture industry.

The Department of Planning and Economic Development has testified before your Committees on the necessity of developing a comprehensive and integrated strategic marketing plan to cover all facets of promotion, distribution, and competition for local mainland United States and foreign markets and is presently working in conjunction with qualified market research consultants to develop such a plan for Hawaii's floriculture.

Your Committees have also received testimony from the Department of Agriculture and the Hawaii Farm Bureau Federation in support of this bill.

Your Committees have amended this bill by appropriating the sums of \$267,500 for fiscal year 1981-1982 and \$155,000 for fiscal year 1982-1983.

Your Committees have adopted the recommendation of the Department of Agriculture and the Hawaii Farm Bureau Federation to amend section 3 of this bill to designate the Governor's Agriculture Coordinating Committee as the expending agency.

Your Committees on Agriculture and Water, Land Use, Development, and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1410, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1410, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 102 Agriculture and Water, Land Use, Development and Hawaiian
Affairs on H.B. No. 1528

The purpose of this bill is to provide the means and funds to underwrite the costs of implementing a strategic marketing plan for Hawaii's guava industry.

Your Committees have received testimony in favor of this bill from the Department of Planning and Economic Development, Department of Agriculture, Hawaii Farm Bureau Federation, and C. Brewer and Company, Limited.

The guava industry is at a point where it can expand rapidly to become a major industry if a coordinated marketing plan is able to establish the superior qualities of the guava from Hawaii and reliability of supply in the major world and domestic markets. The Department of Planning and Economic Development, together with the Hawaii Guava Producers' Association and qualified consultants in the field of market research and planning, are currently developing such a marketing program.

Your Committees have amended this bill by appropriating the sums of \$80,000 for fiscal year 1981-1982 and \$95,000 for fiscal year 1982-1983.

Your Committees have adopted the recommendation of the Department of Agriculture and Hawaii Farm Bureau Federation to amend section 3 of this bill to designate the Governor's Agriculture Coordinating Committee as the expending agency.

Your Committees on Agriculture and Water, Land Use, Development, and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1528, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1528, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 103 Agriculture on H.B. No. 1244

The purpose of this bill is to provide funding and staffing for a permanent agricultural research program in Kohala to identify crops suitable to the Kohala area, develop crop management practices appropriate to the environment and soils of the Kohala area, and enhance the continuing use of Kohala lands for agricultural purposes. This bill appropriates \$100,000 and authorizes eleven positions, for each of the two fiscal years 1981-1982 and 1982-1983 to the College of Tropical Agriculture and Human Resources for the purposes of this Act.

Your Committee has received testimony in the form of this bill from the Department of Agriculture stating that agricultural lands no longer in sugar production in Kohala should be utilized for other agricultural purposes to strengthen the agricultural industry in Hawaii.

Your Committee believes that immediate and aggressive efforts, involving careful analysis and research, are needed to identify economically promising crops to replace sugar cane which are suited to the climate and land of Kohala. Information gained from these research efforts may be useful in other areas of the State.

Increasing amounts of useful information are being generated by a research program at Kohala involving many experimental crop projects.

Dr. Noel P. Kefford of the University of Hawaii has testified before your Committee as to the difficulty encountered in hiring and retaining employees due to the temporary, non-recurring nature of previous appropriations for agricultural research programs in Kohala. The resulting restriction on hiring permanent employees has severely handicapped this needed program and Dr. Kefford has stated that providing permanent positions to the program would help solve the program's employee retention and recruitment problems.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1244 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 104 Agriculture on H.B. No. 482

The purpose of this bill is to provide that the sale of fertilizers and plant nutrients to a licensed producer of agricultural products and commodities to produce commercial agricultural products and commodities shall be considered wholesale sales and shall be taxed at the rate of one-half of one percent (.5%) instead of four percent (4%) under the general excise tax, provided that the .5% wholesale tax rate shall only apply to gross income or gross proceeds not exceeding \$1,000 during a calendar year.

Section 237-4, Hawaii Revised Statutes, is appropriately amended for the purposes of this Act.

Your Committee has received testimony from the Hawaii Farm Bureau Federation and the Tax Foundation of Hawaii in support of this bill.

Your Committee has adopted the recommendation of the Tax Foundation of Hawaii to amend Section 1 of this bill by deleting the provision on line 20, page 4 of the bill that limits application of the wholesale tax rate to licensed producers of agricultural products and commodities whose gross income or gross proceeds does not exceed \$1,000 during a calendar year.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 482, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 482, H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 105 Agriculture on H.B. No. 1536

The purpose of this bill is to appropriate \$72,500 to support the American Association of Nurserymen, Inc.'s 107th Convention to be held July 17-21, 1982 at the Waikiki Sheraton Hotel.

Your Committee believes that the Convention will provide an excellent opportunity for Hawaii nurserymen to display their nursery products and establish business contacts and relationships with out-of-state nurserymen which could have far-reaching long-term impacts on the future of Hawaii's nursery industry.

Your Committee also finds that providing support for the Convention is consistent with recommendations contained in the State Functional Plan for Agriculture to encourage and support industry organizations and market development efforts.

Your Committee further believes that the Governor has made a commitment to the American Association of Nurserymen, to provide them with assistance to assure a successful convention.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1536 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 106 Agriculture on H.B. No. 1534

The purpose of this bill is to provide the means and funds to underwrite the costs of implementing a marketing plan for Hawaii's papaya industry.

The Department of Planning and Economic Development has testified before your Committee that the considerable increase in the production of papaya in recent years has necessitated the development and implementation of a sound marketing plan for papayas. The Department of Planning and Economic Development has contracted with the Papaya Administrative Committee to conduct a marketing study, in conjunction with a consultant team, to develop such a plan.

Your Committee has also received testimony from the Department of Agriculture and the Hawaii Farm Bureau Federation in favor of this bill.

Your Committee has amended section 2 of this bill by appropriating the sums of \$145,000 for fiscal year 1981-1982 and \$155,000 for fiscal year 1982-1983.

Your Committee has adopted the recommendations of the Department of Agriculture and Hawaii Farm Bureau Federation to amend section 3 of this bill by designating the Governor's Agriculture Coordinating Committee as the expending agency for the development of the marketing plan.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1534, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1534, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 107 Agriculture on H.B. No. 1344

The purpose of this bill is to fund a study to determine the feasibility of raising one crop, several crops, or a wide diversity of crops to replace pineapple and sugar cane crops on lands where pineapple and sugar cane are no longer grown.

The College of Tropical Agriculture and Human Resources, University of Hawaii, is presently completing, for the Department of Agriculture and the Legislature, the second phase of a study on the economic viability of independent sugar cane growers and a compilation of research findings on possible alternative crops.

Your Committee has received testimony from the Board of Agriculture on the importance of continuing and expanding research already underway and is proposing a comprehensive economic assessment for the promising alternative crops.

Your Committee has amended this bill by changing the wording of section 1 to clarify the purpose of this bill.

Your Committee has adopted the recommendation of the Board of Agriculture by further amending section 2 of this bill to require submittal of a report on the optional mix of alternative crops to the Legislature on the twentieth day prior to the convening of the Regular Session of 1983. This amendment was adopted in view of the nature and significance of the research.

Your Committee has also amended section 3 of this bill by appropriating the sum of \$15,000 for fiscal year 1981-1982 for the purposes of this Act.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1344, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1344, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 108 Education and Public Employment and Government Operations on
H.B. No. 32

The purpose of this bill is to extend the three-year job-sharing pilot project of the Department of Education, which is scheduled to end at the close of the 1980-81 academic year, for an additional two academic years.

Your Committees believe that an extension of the pilot project will enable the Legislature to consider more fully appropriate refinements or amendments to the act establishing the pilot project (Act 150, Session Laws of Hawaii 1978, as amended by Act 134, Session Laws of Hawaii 1980), and the issue of possibly making the DOE job-sharing program permanent.

Your Committees on Education and Public Employment and Government Operations are in accord with the intent and purpose of H.B. No. 32 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Ikeda.

SCRep. 109 Education on H.B. No. 33

The purposes of this bill are (1) to amend Section 26-12, Hawaii Revised Statutes by assigning to the State Librarian the responsibility of administering programs relating to public library services and transcription services for the blind, under policies established by the Board of Education; and (2) to amend Section 312-2.1, Hawaii Revised Statutes, by providing that the State Librarian be appointed by the Board of Education and serve 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 transcription services for the blind are within the responsibilities of the Superintendent of Education, and the State Librarian is under the direction of the Superintendent of Education.

The Board of Education, (BOE), the Hawaii Library Association, and individual librarians testified in support of the bill.

Your Committee, (through the recommendation of the BOE), has amended Section 2 of the bill to delete lines 8 and 9 on page 4 to allow the salary of the State Librarian to differ from the salary of the Assistant Superintendent of Education.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 33, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 33, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 110 Education on H.B. No. 30 (Majority)

The purpose of this bill is to provide additional funds for the school security aide program.

Your Committee has heard testimony reporting that the Department of Education's security program has proven to be an effective means of controlling violence and vandalism in Hawaii's schools. Presently, there are 105 DOE security aides augmented by 78 federally-funded CETA aide positions. The Department of Education anticipates the termination of these 78 positions due to the cut back of CETA funds. As a result, remaining 105 DOE security aide positions would not be sufficient to provide effective coverage for secondary schools and a few of the larger elementary schools.

Accordingly, your Committee has amended the bill by appropriating a sum of \$63,630 to provide nine additional safety and security aides.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 30, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 30, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 111 Education on H.B. No. 1444

The purpose of this bill is to make an appropriation for the repair, maintenance, and renovation for public school facilities.

Your Committee has heard testimony reporting that the lack of sufficient funding for the upkeep of school facilities has resulted in the deterioration of these facilities. Presently, a large number of schools with severe roof leaks and other repair and maintenance problems cannot be attended to due to lack of funds.

Accordingly, your Committee has amended the bill by appropriating a lump sum of \$8,360,000.00 for the repair and maintenance of various public school facilities.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1444, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1444, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 112 Ocean and Marine Resources on H.B. No. 81 (Majority)

The purpose of this bill is to support the development of marine and aquaculture products by providing funds for the processing of such products.

Testimony before your Committee by the Board of Land and Natural Resources indicated that projects to promote the development of existing aquaculture products such as oyster, opihi, tilapia and limu (seaweed) are desirable.

Tilapia have been cultured and consumed in various European, African and Asian countries for hundreds of years. The popularity of tilapia as a food source in Hawaii has not yet been established. However, there is for a large export market (potential) to developing countries in the possible use of tilapia as low cost, high quality processed fish protein for such items as fillets, fishcakes, burgers and sticks.

Your Committee finds that tilapia has a poor "public image" by virtue, perhaps, of their feeding habits. The situation could account for the general lack of market incentive for culturing this species. One means of overcoming this situation would be to scientifically evaluate and utilize the tilapia in processed foods, such as fish cakes, fish burgers and fish sticks.

Your Committee, on consideration, has amended this bill by deleting Section 2, since this appropriation bill does not require statutory amendments. In the purpose of consistency, your Committee has also amended the bill by renumbering Sections 3 and 4 to Sections 2 and 3, respectively.

Your Committee has further amended this bill by providing in the new Section 2 of this bill, an appropriation of \$21,000 to the College of Tropical Agriculture and Human Resources, as the expending agency and that any unexpended or unencumbered balance of any appropriation made by this Act as of the close of business on June 30, 1982 shall lapse into the general fund.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 81, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 81, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 113 Agriculture on H.R. No. 163

The purpose of this resolution is to request the State Department of Agriculture to submit a report to the Legislature prior to the convening of the Regular Session of 1982 on the nature and scope of problems relating to the use of garbage as a swine feed and alternative remedies for ameliorating such problems.

The Hawaii Farm Bureau Federation has expressed concern over the alleged lack of adequate enforcement of laws and regulations relating to the use of garbage as swine feed, with the resultant increased threat of outbreaks of diseases. Improperly processed garbage feed can transmit hog cholera to the consuming animal, a very costly disease which can result in an explosive outbreak reaching epidemic proportions.

Although the Department of Agriculture has promulgated stringent administrative

rules concerning the cooking and related processing of garbage feed to guard against animal contamination, it is continuously making efforts to strengthen these enforcement programs. This is necessary due to the potential danger posed by feeding swine with contaminated or improperly handled garbage.

Your Committee has received testimony from the Department of Agriculture and Hawaii Farm Bureau Federation in favor of this bill.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 163 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 114 Employment Opportunities and Labor Relations on H.B. No. 829

This bill increases the bond each licensed employment agency gives and keeps in force with the director of regulatory agencies from \$5,000 to \$10,000.

The purpose of the bond is to minimize violations of the Hawaii Revised Statutes chapter on commercial employment agencies and to ensure the consumer of prompt refunds of all fees illegally or incorrectly obtained.

The \$5,000 bond has been effect for 22 years. During this time, inflationary pressures have steadily eroded the deterrent component of the bond. Similarly, agency fees have steadily increased and the bond's ability to ensure prompt refunds has been lessened.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 829 and recommends that it pass Second Reading and that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Kiyabu.

SCRep. 115 Transportation on H.B. No. 1642

The purpose of this bill is to amend section 261-52, Hawaii Revised Statutes, relating to the issuance of special facility revenue bonds.

H.B. No. 1642 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. 1642, 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. 1642, H.D. 1.

Signed by all members of the Committee.

SCRep. 116 Judiciary on H.B. No. 86

The purpose of this bill is to restructure the present defense of insanity as it exists in Chapter 704, Hawaii Revised Statutes, and to establish a distinction between defendants who are "legally insane" and those who are "mentally ill." By providing for a jury verdict of "guilty but mentally ill", only those who are "legally insane" will not be held criminally responsible for their conduct.

Present law provides that penal responsibility does not attach if the defendant suffers from a physical or mental disease, disorder or defect which causes the defendant to lack substantial capacity either to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law. With these two prongs establishing

the defense of insanity, the demarcation between defendants with the requisite mens rea who may be mentally ill and those who, by virtue of insanity, are incapable of formulating the requisite intent has been blurred.

Under this bill, a defendant may be found guilty but mentally ill if the trier of fact determines beyond a reasonable doubt that the defendant who is deemed not to be legally insane, is guilty of the offense charged even though mentally ill but with the requisite state of mind at the time he committed the offense. Thus, the possible verdicts in a case where the defense of insanity is postulated will include guilty, not guilty, guilty but mentally ill, not guilty by reason of insanity, and guilty of any lesser included offenses. By virtue of these added distinctions, defendants who may be mentally ill but able to formulate criminal intent may be sentenced as any other criminal defendant and, in addition, will receive the mental health treatment necessary for their concurrent mental illness.

Further, this bill provides greater specificity in standards for determining whether a criminal defendant is fit to proceed; provides detailed guidelines for action to be taken with respect to those found unfit to proceed; and provides for the involvement of prosecuting attorneys whenever persons who have been hospitalized or otherwise confined due to unfitness to proceed or acquittal based on legal insanity are about to be discharged.

Your Committee has amended this bill by deleting the provisions establishing a forensic center within the department of health whose purpose would have been to (1) examine defendants where criminal responsibility and/or fitness to proceed are in issue, (2) treat persons found unfit to proceed or criminally irresponsible, (3) monitor person released from institutions, and (4) perform other research functions. The budgetary and administrative implications inherent in the proposal for the forensic center have not been fully examined, and without a study and proposal by the affected departments, the implementation of the forensic center is premature. Your Committee feels that the existing procedures and examination requirements, which utilize both private and State mental health professionals, are adequate for the present.

Your Committee has further amended this bill by removing the provision which transformed the defense of insanity into an affirmative defense. The basis for such amendment is that the topic of insanity as an affirmative defense is being separately acted on in H.B. No. 84, H.D. 1, entitled "Relating to Penal Responsibility and Fitness to Proceed."

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 86, as amended herein, 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 Ikeda.

SCRep. 117 Consumer Protection and Commerce and Energy, Ecology and
Environmental Protection on H.B. No. 278

The purpose of this bill is to require the preparation of energy forecasts and assessments of loads and resources by the electric utilities and to require review and reports by the Department of Planning and Economic Development.

Your Committees are in agreement that the provision of dependable, efficient, and economical statewide energy systems capable of meeting the needs of our citizens is of vital public interest to the State. Because of rapidly spiraling fuel costs resulting in rising electric utility rates, the need for a coordinated and comprehensive assessment of energy sources, supply, demand, and prices becomes apparent.

H.B. No. 278 has been amended by requiring the Department of Planning and Economic Development, rather than the individual utility companies, to be responsible for the preparation and analysis of statewide energy forecasts and assessments. The Hawaii Integrated Energy Assessment (HIEA) may be utilized by the department to prepare these required energy forecasts and assessments. The HIEA is a sophisticated energy assessment and forecasting system currently being developed by the department.

Your Committees are in agreement that requiring the preparation of these energy forecasts and assessments by individual utility companies, some of which are small without necessary resources, would be inadvisable. Information needed by the department to develop forecasts under the HIEA can be obtained from the Public Utilities Commission, the utilities, and other public and private sources.

H.B. No. 278 has also been amended by deleting the reporting requirements placed upon the utility companies. Testimony indicated that these requirements generally duplicate the requirements of other state and federal regulatory agencies. Much of the information requested of the electric utilities in H.B. No. 278 is presently being provided to the Public Utilities Commission through the requirements of the federal Public Utility Regulatory Policies Act of 1978.

Your Committees on Consumer Protection and Commerce and Energy, Ecology and Environmental Protection are in accord with the intent and purpose of H.B. No. 278, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 278, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Ikeda.

SCRep. 118 Consumer Protection and Commerce on H.B. No. 128

The purpose of this bill is to provide enabling legislation for the issuance of special purpose revenue bonds on behalf of utilities.

This bill is the implementing legislation for the new provisions of Article VII, Section 12 of the State Constitution authorizing such issuance. Your Committee has heard testimony that under present law, allowing the various electric-producing companies to issue tax-free revenue bonds for capital expenditure purposes will result in a long term benefit to consumers.

Present law provides that rates paid by consumers be based on a formula utilizing the operating costs of the utility, plus depreciation expense, plus a reasonable rate of return. A major component of costs has been the interest paid out on mortgage bonds issued for capital expense. Your Committee has heard testimony from the Department of Regulatory Agencies and Hawaiian Electric that the issuance of the contemplated tax-free bonds will result in lower interest rates to be paid by the utility, and therefore a net annual savings to consumers if the present rate-making formula is continued.

This bill would add a new chapter to the Hawaii Revised Statutes, detailing the procedures governing the issuance of special purpose revenue bonds, including provisions that the State incur no costs in connection with issuance.

Under the procedure set out by this bill, the Department of Budget and Finance would be authorized by the legislature by a two-thirds vote, to issue tax exempt revenue bonds, the proceeds of which will be loaned to gas and electric companies. The bonds, however, will not be secured in any way by the general credit of the county or by the revenues or taxes of the State, but instead will be secured solely by the utility assisted by such issuance. Section -10 provides that no moneys of the State or county, other than the receipts of revenue derived by the Department of Budget and Finance from the utility pursuant to the issuance of the bonds.

The bill also provides that specific authorization is required for each project or multi-project program under this chapter in the form of a separate law by two-thirds vote of the legislature. Continuing review is thereby provided for on a project-by-project basis. Additionally, the bill provides for further review in section -22 by requiring that the chapter expire automatically on June 30, 1984.

Your Committee feels that based on the testimony presented, the special purpose revenue bond program represents a potential savings to consumers on a long-term basis.

While in accord with the basic intent of the bill insofar as the rate payer will be aided by the issuance of special purpose revenue bonds, your Committee has amended the bill by combining sections -18 and -19 into a new section -18 and renumbering the remaining sections. Your Committee feels that this amendment, which would require the Public Utilities Commission to estimate the savings realized by the consumers of the utility's services or the difference in cost of financing by means other than special revenue bonds for purposes of public disclosure, will better serve to inform the rate payers and general public of any benefit that accrue from the issuance of such bonds.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 128, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 128, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 119 Consumer Protection and Commerce on H.B. No. 779

The purpose of this bill is to authorize the Department of Regulatory Agencies to establish and control registration, renewal and late renewal fees for any new regulatory program placed within its jurisdiction.

Your Committee notes that four regulatory programs (time sharing, travel agencies and sales representatives, solar energy devices, and collection agencies) which were placed last year under the Department of Regulatory Agencies do not presently provide for any fee to offset the cost of administration. The relevant statutes relating to time sharing, solar energy devices, and collection agencies provide for the filing of a bond with the Department while the travel agencies law establishes a recovery fund.

Your Committee is in agreement with the intent of the bill to provide for the establishment of regulatory fees for new programs. Your Committee also agrees that an administrative fee-setting procedure under Chapter 91, Hawaii Revised Statutes, is the most efficient manner of establishing proper fees.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 779 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 120 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 763

The purpose of this bill is to amend Chapter 195, Hawaii Revised Statutes, by (1) requiring that persons convicted of violating this Chapter be found guilty of a misdemeanor; (2) increasing the maximum penalty for fines for each violation of this Chapter from \$100 to \$1,000; and (3) increasing the maximum imprisonment penalty for each violation of this Chapter from thirty days to one year.

Your Committee is in agreement with testimony received by the Board of Land and Natural Resources that under present law the penalty provisions for violating laws and rules applicable to the Natural Area Reserves System are not sufficient to deter such violations and to protect native ecosystems.

The effect of this bill will be to increase penalties for violations of laws and rules applicable to the Natural Area Reserves System, and thereby help to deter such violations.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 763 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 121 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 656

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$256,402, or so much thereof as may be necessary for the fiscal biennium beginning July 1, 1981, and ending June 30, 1983, (\$128,899 for the fiscal year 1981-1982 and \$127,503 for the fiscal year 1982-1983), for administrative support to the Hawaii soil conservation districts to expand the state water quality program.

The appropriated sum shall be expended by the Department of Land and Natural Resources in consultation with the Hawaii soil and water conservation districts.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 656 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 122 Employment Opportunities and Labor Relations on H.B. No. 1473

The purpose of this bill is to provide necessary funding for the Worker's Compensation Program Commission by appropriating \$30,000 for the use of the Commission during

fiscal year 1981-1982 and by reappropriating to the Commission all monies not expended by the Commission during fiscal year 1980-1981.

In 1980 the Tenth Legislature of the State of Hawaii established the commission to conduct a comprehensive review of the Workers' Compensation Program in Hawaii. A preliminary report was to have been made to the Governor and the Legislature prior to the convening of the 1981 Regular Session. A final report on findings and recommendations is to be made to the Governor and the Legislature within ten days of the convening of the 1982 Regular Session. Ninety days after the submission of the final report, the commission shall cease to exist.

Your Committee finds that the commission was appointed in October of 1980 and held its first meeting on the twenty-third of that month. Due to this late start and since the subsequent meetings have been primarily to gain background information and set objectives, very little of the money appropriated for fiscal 1980-1981 has been spent. Thus, the commission will be unable to expend funds for services originally intended to be completed this year but must be postponed to the next.

Your Committee also finds that there were no funds appropriated for the commission's use in fiscal 1981-1982. Testimony was received from the commission's chairman that such funds are needed to carry out the mandated duties.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1473 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 123 Culture and the Arts on H.B. No. 1020

The purpose of this bill is to provide a grant-in-aid to the Waianae Coast Culture and Arts Society for the continuation of its cultural programs.

The Waianae Coast Culture and Arts Society, in operation since December 31, 1971, have been providing workshops, classes, and other activities which have generated the enthusiastic support of the community as evidenced by consistently large enrollments. Your Committee finds that these programs have greatly enriched the cultural life of the community and is deserving of continued support.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1020 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 124 Employment Opportunities and Labor Relations on H.B. No. 742
(Majority)

The purpose of this bill is to extend coverage of the Hawaii Wage and Hour Law to nonsupervisory employees employed at guaranteed compensation of \$700 or more per month who are presently excluded from overtime protection.

Under present law an individual guaranteed a compensation of \$700 or more per month is exempt; therefore, his employer is not required to pay him overtime compensation for hours worked in excess of 40 hours in a work week.

Instead of an exemption based strictly on an arbitrary monetary amount, the bill bases exemptions on the nature of the employee's duty. Nonsupervisory workers whose duties are predominantly manual are accorded overtime pay protection.

Furthermore, the Fair Labor Standards Act, the federal government's Wage and Hour Law does not have a monetary exemption. For some employers, this creates a costly confusion. Some employers who are on the borderline between state and federal coverage or are covered by both, unintentionally violate the federal law believing that the state's monetary exemption applies to their employees.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 742 and recommends that it pass Second Reading

and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ikeda.
(Representative Anderson did not concur.)

SCRep. 125 Youth and Elderly Affairs on H.B. No. 1651

The purpose of this bill is to provide an appropriation of \$10,000 for fiscal year 1981-1982 for the after-hours gerontology program.

At the present time, the Hawaii Housing Authority administers a demonstration project in which the University of Hawaii recruits and hires graduate students, who are majoring in gerontology, to provide services to elderly residents living in public housing projects. These services include responding to calls or requests from tenants for personal emergencies, i.e., illness or accidents. Students are provided with a partly-furnished apartment in the project, utilities, and a \$350 stipend per month. The stipend is not individual but is an aggregate amount for the project. This appropriation will provide funding to continue the program at Makua Alii and Paoakalani housing units.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1651, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 126 Youth and Elderly Affairs on H.B. No. 289

The purpose of this bill is to make an appropriation of \$82,000 for transportation of the elderly, disabled, handicapped, and other disadvantaged persons, including preschool children to Maui Economic Opportunity, Incorporated.

Due to the loss of Title XX funding from the Purchase of Services program of the Department of Social Services and Housing, Maui Economic Opportunity, Inc., is requesting funding for its transportation system. The County of Maui presently does not have a mass transit system for its citizens and thus must provide transportation for the disadvantaged persons who have no alternatives.

Your Committee agrees that the County of Maui should provide transportation for disadvantaged persons. However, your Committee finds that the County should look to local resources for additional sources of funding. Your Committee has amended this bill to provide \$50,000 to the Maui Economic Opportunity, Inc., for transportation of disadvantaged persons.

The purpose of this amendment is to aid Maui Economic Opportunity, Inc., to provide transportation for the disadvantaged, and help compensate them for funds lost through the Department of Social Services and Housing, while encouraging them to look to local resources for their transportation needs.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 289, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 289, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chun.

SCRep. 127 Culture and the Arts and Education on H.B. No. 1704

The purpose of this bill is to provide the sum of \$1,643,825 for fiscal years 1981-1982, 1982-1983, 1983-1984, 1984-1985, and 1985-1986 to consolidate the Department of Education's "Artists-in-the-Schools Program" by increasing State funding to encompass all seven school districts, to expand activities for each school, and to upgrade the level of programs in the curriculum.

Your Committees on Culture and the Arts and Education are in accord with the intent and purpose of H.B. No. 1704 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 128 Culture and the Arts on H.B. No. 1490 (Majority)

The purpose of this bill is to provide \$25,000 to the Jones-Ludin Dances We Dance Company to plan and produce concert tours on Oahu, Kauai, Maui, and the Big Island of Hawaii.

Your Committee amends the bill by ending line 6 after the word "Hawaii" and by deleting the following phrase in lines 6 through 9:

"provided that no funds shall be made available under this Act unless other federal funds and private contributions provide \$61,000 for the purpose of which this sum is appropriated."

This bill is further amended by deleting "budget and finance" and inserting "accounting and general services" in line 11.

Your Committee on Culture and the Arts is in accord with the intent and purposes of H.B. No. 1490, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1490, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 129 Culture and the Arts on H.B. No. 769

The purpose of this bill is to establish and provide an appropriation for 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 which will occur on Tuesday, August 21, 1984.

Your Committee has amended this bill by redefining the appointment of the eleven committee members as follows:

Nine members appointed by the Governor. One member appointed by the President of the Senate. One member appointed by the Speaker of the House of Representatives.

Your Committee on Culture and the Arts is in accord with the intent and purposes of H.B. No. 769, as amended herein, and recommends that it be referred in the form attached hereto as H.B. No. 769, H.D. 1 to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 130 Agriculture and Consumer Protection and Commerce on H.B. No. 697

The purpose of this bill is to make illegal the sale and distribution of misbranded devices which are ineffective for the purpose of mitigating pest problems and to change the duration of a pesticide license from a period of one year to a period of three years.

A number of devices, including electromagnetic devices, have been offered for sale in Hawaii to control pests such as termites, roaches, mice and rats, without affecting beneficial organisms. However, subsequent tests of these devices have shown them to be totally ineffective for the purposes claimed. The addition of the word "device" to Sections 149A-11 and 149A-19, Hawaii Revised Statutes, will make the sale and distribution of such misbranded products an illegal act under Hawaii Pesticides Law.

The practice of annual pesticide license renewal is resource intensive for both the Department of Agriculture and firms licensing products (approximately 3,000 per year) for sale in Hawaii. A three year licensing period will allow for more efficient cost and personnel utilization in the Department of Agriculture. Your committees have received and are in agreement with the written and oral testimony from the Department of Agriculture recommending the above amendments to the Hawaii Revised Statutes for the reasons given hereinabove.

Your Committees on Agriculture and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 697 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 131 Ocean and Marine Resources and Agriculture on H.B. No. 770
(Majority)

The purpose of this Act is to amend Section 171-113, Hawaii Revised Statutes, by broadening the definition of "agricultural park" to include aquacultural activities.

The State of Hawaii is committed to developing aquaculture as a major economic activity through the implementation of the State aquaculture plan, "Aquaculture Development for Hawaii", published in 1978.

Your Committees find that land is Hawaii's most precious resource. The land availability problem faces all farmers in the State, whatever the commodity or wherever the location. Your Committees further find that the State development of aquaculture parks could be structured after existing agriculture parks and benefits to aquafarmers would be similar to those derived by agricultural farmers in such areas as: (a) long-term leases at reasonable rates, and (b) certain exemptions from regulations relating to zoning, construction, and building standards.

Your Committees have heard testimony from several sources including the Chairperson of the Department of Land and Natural Resources and the Chairperson of the Department of Agriculture. All testimony received strongly supports or expresses general accord with the intent and purposes of this bill.

Your Committees on Ocean and Marine Resources and Agriculture are in accord with the intent and purpose of H.B. No. 770 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 132 Culture and the Arts and Education on H.B. No. 1017

The purpose of this bill is to provide \$3,100 to the Department of Education to enable the student selected as the Hallmark Award winner, together with that student's teacher, to attend the Special Preview Reception in New York City where the top award winning entries from fifty regions are exhibited at the National Scholastic Art Exhibit.

Your Committees on Culture and the Arts and Education are in accord with the intent and purpose of H.B. No. 1017 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 133 Ocean and Marine Resources on H.B. No. 761

The purpose of this Act is to amend Chapter 190, Hawaii Revised Statutes, to make it consistent with current management needs and practices of the Department of Land and Natural Resources.

The need for amending chapter 190, Hawaii Revised Statutes, arises from the growing recognition of the importance of specially protecting particular areas, and the desirability of simplification and clarification of the statutory provisions.

Testimony presented before your Committee by the chairperson of the Department of Land and Natural Resources strongly supports the intent and purposes of this bill.

Your Committee finds that the amendments proposed to chapter 190, Hawaii Revised Statutes, are consistent with the policies and practices of the Department of Land and Natural Resources.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 761 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 134 Agriculture on H.B. No. 1248

The purpose of this bill is to accomplish the following: provide that loans made under the agricultural loans law shall be authorized only if such loans cannot be made by the Farmers Home Administration; allow the Department of Agriculture to set interest rates on direct loans up to a maximum of eight percent a year or one percent over the cost of money borrowed, whichever is greater; increase the maximum amount of loans for various classes of loans; appropriate funds for agricultural loans.

Your Committee finds that delays in processing applications and consequent hardships to loan applicants have been caused by the requirement that borrowers must first seek financing from two private lenders and the applicable Farm Credit Bank, in addition to the Farmers Home Administration.

Your Committee also finds that allowing the Department of Agriculture to set interest rates within designated ceilings would provide needed flexibility under varying money and interest rate conditions.

Your Committee also finds that present loan ceilings may be too restrictive as a result of increases in agricultural costs for land, improvements, equipment, and operations over the last few years.

Your Committee has adopted the recommendation of the Department of Agriculture to amend Section 1 of the bill by adding two new items after item 2 on page 4 of the bill to read as follows:

"3. Section 155-5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Loans insured under this section shall be limited by the provisions of sections 155-9 through 155-13 for purposes of class "A" through class ["E"] "F"."

4. Section 155-6, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Participating loans under this section shall be limited by sections 155-9 to 155-13 for purposes of class "A" through class ["E"] "F", the department's share not to exceed the amounts specified therefor."

Your Committee has also amended section 1 of the bill to correct a typographical error on page 10, line 17, by deleting "or" and replacing it with "to" to restore the current language as appearing in Section 155-9(6)(B), Hawaii Revised Statutes.

Your Committee has also adopted the recommendation of the Department of Agriculture to further amend section 1 of the bill by adding a new item after item 4 in the bill to read as follows:

"7. Section 155-13, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) For loans in class "C" which are made to plant and cultivate land used for crops requiring eighteen months or more before first maturing, the department of agriculture may defer the first payment of principle until the crop first matures, not to exceed a period of [five] seven years."

For purposes of consistency, your Committee has further amended section 1 of the bill by renumbering items 3 and 4 to items 5 and 6 respectively.

Your Committee has further amended section 2 of the bill by appropriating the sum of \$1,015,000 for fiscal year 1981-1982 and \$15,000 for fiscal year 1982-1983 for the agricultural loans program.

Your Committee has further amended section 3 of the bill to read as follows:

"SECTION 3. The sum appropriated shall be expended by the department of agriculture for the purposes of this Act; provided that the sum of \$15,000, or so much thereof as may be necessary for fiscal year 1981-1982, and the sum of \$15,000, or so much thereof as may be necessary for fiscal year 1982-1983, shall be expended for follow-up consultative services to strengthen the agricultural loan program."

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1248, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1248, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 135 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 722

The purpose of this bill is to amend section 127-11, Hawaii Revised Statutes, to increase the amount of money the Governor may expend from the Major Disaster Fund for the immediate relief of any single major disaster from \$500,000 to \$1,000,000.

Your Committee finds that the current limit of \$500,000 for the immediate relief of any single major disaster is inadequate to provide an acceptable level of State disaster assistance due to, among other things, increasing construction costs.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 722 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 136 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 511

The purpose of this bill is to authorize the Board of Land and Natural Resources to lease lands for residential use under certain limited conditions, within a state park or forest reserve or within an area set aside by executive order.

H.B. No. 511 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.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 511 as amended herein, and recommends that it be recommitted to the Committee on Water, Land Use, Development, and Hawaiian Affairs for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 511, H.D. 1.

Signed by all members of the Committee.

SCRep. 137 Ocean and Marine Resources on H.B. No. 1469

The purpose of this bill is to provide the Department of Land and Natural Resources with the authority to establish rules relating to the continued development, improvement, use, and enforcement of Fish Aggregating Devices.

Fishermen have long known that any floating object in the ocean, such as a log, driftwood or even debris, will attract and congregate tunas and certain pelagic fishes. However, encountering such flotsam in the expansive ocean is a matter of chance or "luck". In order to change such encounters from the realm of chance to certainty, enterprising fishers in the mediterranean and the eastern Pacific have used floating rafts to attract fish. These structures placed at various locations frequently produce excellent catches of fish.

In December 1978, Governor Ariyoshi presented the STATEWIDE FISH AGGREGATING SYSTEM report to the Tenth State Legislature. The report pointed to the success of the Federal National Marine Fisheries Service's experimental buoys placed Hawaiian waters, and proposed a 5-year project in which the State would construct, deploy, monitor, and maintain Fish Aggregating Devices (FADs) in waters around the Hawaiian Islands. Realizing the great potentials of the FADs, funds were appropriated by the Legislature to implement the Statewide Fish Aggregating System beginning July 1979.

Your Committee finds that under a contract from the Department of Land and Natural Resources, 26 Fish Aggregating Devices were fabricated at the University of Hawaii Marine Center, commonly known as Snug Harbor, located at pier 45 in Honolulu Harbor. Your Committee further finds that the Department of Land and Natural Resources, after a series of public meetings held with local fishermen in all the counties and coordinated among State, Federal, and military agencies, 26 Fish Aggregating Devices (FADs) sites were selected and in May 1980 the FADs were anchored in depths ranging from 200-1,000 fathoms and located 3-25 miles from shore.

Your Committee further finds that, although overshadowed by the great benefits derived from the FADs, potential problems associated with the project include vandalism and competing uses of FADs by fishermen at certain locations. Although there is no report of FADs having been shot with firearms (an earlier concern), two nigh navigational lights have been lost. In addition, your Committee finds fishing boats are also reportedly tying up to the FADs, causing undue strain on the anchor line and obstructing free access and displacement of other boats fishing in the vicinity of the FADs.

Testimony presented before your Committee by the Chairperson of the Department of Land and Natural Resources strongly supports the intent and purpose of this bill.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1469 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.

SCRep. 138 Ocean and Marine Resources on H.B. No. 1819

The purpose of this bill is to provide additional funding for the continuation of the Mokauea fishpond project, a project of the marine option program of the University of Hawaii which has been instrumental in the rehabilitation of a subsistence level Hawaiian fishing village on Mokauea island in Keehi Lagoon, Oahu.

It has been reported, that three hundred and sixty fishponds flourished in the Islands prior to Captain Cooke's arrival. However, most of these ponds appear to have been destroyed or neglected, thus leaving the art and methods of utilizing Hawaiian fishponds for aquaculture with little documentation.

Your Committee finds that the objectives of the Mokauea fishpond project are: (a) to assist the Mokauea Fishermen's Association in creating a contemporary Hawaiian fishing village by restoring, preparing, and stocking Mokauea fishpond; (b) to develop a system of pond management; (c) to document methods of pond construction, stocking and fish grow-out; (d) to record water quality and meteorological measurements relating to fishpond aquaculture practices; and (e) to sample the water column and pond biota. Your Committee further finds that the Aquaculture Development Program office has received numerous requests from persons interested in restoring Hawaiian fishpond for either educational or commercial purpose. Additionally, your Committee finds that the major constraint to restoration of fishponds has been a lack of knowledge of the techniques of successful pond management.

Your Committee has received testimony from the Marine Affairs Coordinator, Chairperson of the Department of Land and Natural Resources, Chancellor of the University of Hawaii at Manoa, and Dwight Kondo, Mokauea Fishpond Project member, in support of this bill.

Your Committee has amended section 2 of this bill by providing for an appropriation of \$20,000 to the Office of Marine Affairs Coordinator (PED 109) and that any unexpended or unencumbered balance of any appropriation made by this Act as of the close of business on June 30, 1982 shall lapse into the general fund.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1819, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 139 Ocean and Marine Resources on H.B. No. 1810

The purpose of this bill is to appropriate \$20,000 to provide continuing support for the marine extension agent program for the Leeward district, Oahu.

The Marine Extension Program was initiated in 1980 as a pilot program through the coordinated efforts of the University of Hawaii Sea Grant Program, the State of Hawaii Office of Marine Affairs Coordinator, the Office of the Governor Progressive Neighborhood Program, and the Waianae Coast Community, through the Aina Ko'e Foundation.

Your Committee finds that the 30,000 residents of Oahu's Leeward district should have an on-going marine extension service, the same as other counties in the State. Your Committee further finds that the purposes of the marine extension program include helping to coordinate the marine activities of the Leeward district and provide the linkage between the community and the University, as well as various other marine-related agencies and organizations.

Supportive testimony was received by your Committee from the Marine Affairs Coordinator, the Chancellor of the University of Hawaii at Manoa, and the Aina Ko'e Foundation.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1810 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 140 Finance on H.B. No. 794

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. 794, as amended herein, and recommends that it be recommitted to the Committee on Finance in the form attached hereto as H.B. No. 794, H.D. 1, for further consideration.

Signed by all members of the Committee except Representatives Andrews, Levin, Morioka, Okamura and Lacy.

SCRep. 141 Culture and the Arts on H.B. No. 1705

The purpose of this bill is to provide an appropriation to enable the continuing operation and development of the ethnic studies oral history project.

Since its inception in 1975, the accomplishments of the Ethnic Studies Oral History Project (ESOHP) have included the completion of eight oral histories. The Legislature has demonstrated its support for the continuing operation and development of the project as evidenced by the growing amount of funds appropriated to the project since 1975. Your Committee finds and concludes that ESOHP is an important program which is deserving of continuing legislative support.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1705 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 142 Culture and the Arts on H.B. No. 1209

The purpose of this bill is to provide an appropriation from the general revenues of the State of Hawaii, the sum of \$100,000 for plans and construction of a Community Performing Arts Center, Maui.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1209 and recommends that it pass Second Reading and be referred to the

Committee on Finance.

Signed by all members of the Committee.

SCRep. 143 Culture and the Arts on H.B. No. 834

The purpose of this bill is to provide a grant-in-aid for purposes relating to a language arts multi-cultural program (LAMP) for operations.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 834 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 144 Culture and the Arts on H.B. No. 1197

The purpose of this bill is to provide a grant-in-aid to the Kalihi-Palama Culture and Arts Society to continue its community services for fiscal year 1981-1982.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1197 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 145 Culture and the Arts on H.B. No. 1663

The purpose of this bill is to provide an appropriation from the general revenues of the State of Hawaii, the sum of \$75,000 for fiscal year 1981-1982, of which \$25,000 shall be used for celebration planning and \$50,000 for celebration programs, or so much thereof as may be necessary, for the King Kalakaua Aloha Centennial Celebration.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1663 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 146 Employment Opportunities and Labor Relations on H.B. No. 622

The purpose of this bill is to amend the workers' compensation medical fee schedule by eliminating dollar values and substituting instead a listing or codification of medical procedures with unit values and requires annual publication of a list or schedule of conversion factors to reflect changes in the Consumer Price Index. The dollar value or charge is to be determined by multiplying the unit value by the conversion factor.

Under present law the Department of Labor and Industrial Relations publishes a workers' compensation medical fee schedule set in actual dollar amounts for medical care, services and supplies. These fees are adjusted annually to reflect increases or decreases in the Consumer Price Index for the Honolulu region.

The method of determining an employer's liability proposed by this bill could appreciably reduce the many difficulties and problems which makes the establishing of reasonable fees an almost impossible task.

Your Committee has amended this bill to reflect the Department of Labor and Industrial Relations' change of its Regulation XXXI to "Title 12, Chapter 13, Workers' Compensation Medical Fee Schedule."

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 622 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 622, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews and Ikeda.

SCRep. 147 Employment Opportunities and Labor Relations on H.B. No. 1451

The purpose of this bill is to assist displaced homemakers through the establishment of a center to provide a multitude of activities and services for individuals who meet the eligibility criteria.

A displaced homemaker center would be a most valuable assistance tool available to women and men, caught in the middle years trauma--divorced, widowed, separated or deserted.

Your Committee has amended this bill to add an appropriation clause calling for the sum of \$140,000 for biennium 1981-1983 to carry out the purposes of this bill.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1451, H.D.1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews and Ikeda.

SCRep. 148 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 727

The purpose of this bill is to remove the State as a guarantor when its interests in lands which are leased are subjected, by the lessee, to a security interest and to clarify the statutory requirements of dispositions by negotiation.

Under present law, a lessee of public land is authorized, with the consent of the Board of Land and Natural Resources, to subject its leasehold interest to a security interest. In the event of a breach or default of the lease, the Board must notify the lessee and the security holder of the breach or default. Failure to cure or remedy the breach or default by the lessee or security holder would terminate the lease and any interest thereunder.

However under the present law, the termination of the lease does not terminate the security interest. The lender is assured of either securing payment in full prior to or upon foreclosure or, upon redispotion by the Board, having the new lessee assume the lease subject to the existing security interest.

In effect, your Committee finds that the State, through its Departments of Land and Natural Resources and Hawaiian Home Lands, acts as an insurer or guarantor to any lender of any default by the lessee. Your Committee finds that this is an inappropriate role for the State and that the security holder for public land leases should bear the same risks as the private sector. The proposed bill amends the law to require the lender to cure or, if not curable, to perform or undertake in writing to perform the terms, conditions, and covenants of the lease. Failure to do so will result in termination of the leasehold estate and any interest created thereunder.

In regards to disposition by negotiation, the proposed bill clarifies an existing ambiguity in the existing law relating to the time of filing applications by repealing the 45-day requirement of section 171-59, Hawaii Revised Statutes, and retaining the 30-day requirement of section 171-16(c), 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. 727 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 149 Energy, Ecology and Environmental Protection and State General Planning on H.B. No. 269

The purpose of this bill is to amend Chapter 46, Hawaii Revised Statutes, by authorizing the counties, through exercise of their land use controls, to encourage the installation and use of solar energy systems.

Your Committees are in agreement that the use of solar energy systems offers an economically feasible and environmentally preferable alternative to imported fuels and that

the implementation and utilization of such systems should be encouraged by the State.

Testimony supporting H.B. No. 269 was presented by the Department of Planning and Economic Development; administration of the City and County of Honolulu; representatives from the Environmental Center-University of Hawaii; and the Hawaii Solar Energy Association.

Your Committees have amended H.B. No. 269 by deleting the word "condominium" from page 2, line 11, and from page 3, line 22. Testimony indicated that "condominium" refers to a type of ownership and not, as previously used in this bill, to a structural design. This amendment will not alter the intent or purpose of this bill.

Your Committees have also made technical, nonsubstantive amendments to H.B. No. 269.

Your Committees on Energy, Ecology and Environmental Protection and State General Planning are in accord with the intent and purpose of H.B. No. 269, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 269, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Ikeda.

SCRep. 150 Consumer Protection and Commerce and Judiciary on H.B. No. 781

The purpose of this bill is to provide the Department of Regulatory Agencies with general subpoena powers relating to investigations, and to provide its investigators with the powers and authority of a police officer or deputy sheriff.

Under present law, the Department is provided with subpoena powers only pursuant to the conduct of administrative hearings. Your Committees find from testimony presented by the Department that its investigators, formerly assigned to the Professional and Vocational Licensing Division, are now assigned to the Regulated Industries Complaints Office where investigations are conducted on a department-wide basis. Your Committees find that subpoena power will aid the investigatory process and the preparation of cases for hearing.

Service of subpoenas, injunctive orders, notice and other documents, is presently carried out by the Sheriff's Office. Your Committees find that the addition of the powers and authority of a police officer or deputy sheriff will also aid in the administrative complaint and hearing process.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 781 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 Ikeda.

SCRep. 151 Judiciary on H.B. No. 585

The purpose of this bill is to clarify the present law concerning guardianships by trust companies or banks. The purpose is accomplished by addition of the language, "of the property."

Under the current law, banks and trust companies may act as a "guardian." Your Committee recognizes that confusion may arise because of such language. Presently, not only may banks and trust companies act as "guardians of property," but also "guardians of the person."

This bill eliminates any doubt and clearly indicates the intent of the legislature that banks and trust companies may act as "guardians of property" only. Consequently, your Committee recommends passage of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 585, and recommends it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 152 Judiciary on H.B. No. 582

The bill mandates that the court require a guardian to file a report on the status of a ward "not less frequently than annually."

Under the present law, the court has the discretion whether to require a report on the status of a ward, as well as the time and frequency of such a report. In practice, the court rarely requires any reports from the guardian.

Your Committee is cognizant of the necessity of frequently monitoring a ward's status. Your Committee therefore recommends passage of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 582 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 Ikeda.

SCRep. 153 Water, Land Use, Development and Hawaiian Affairs and Agriculture on H.B. No. 753

The purpose of this bill is to amend section 174-11, Hawaii Revised Statutes, to allow the Board of Land and Natural Resources (BLNR) discretion in fixing and adjusting irrigation system rates and charges.

Under present law, BLNR is required to fix and adjust rates and charges for irrigation water from State irrigation systems so that the revenues are sufficient to cover the cost of operation, maintenance, and replacement of said systems. Should BLNR fix the rates and charges as prescribed under present law, the cost of water to farmers may be too high for economical farming and force farmers to go out of business.

Your Committees find that the effect of this bill will be to allow BLNR discretion in fixing and adjusting irrigation system rates and charges, and is consistent with the State's policy of promoting and encouraging agriculture in the State.

Your Committees on Water, Land Use, Development, and Hawaiian Affairs and Agriculture are in accord with the intent and purpose of H.B. No. 753 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 154 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 923

The purpose of this bill is to appropriately amend the Hawaiian Homes Commission Act, 1920 (as amended), in order to enable the Department of Hawaiian Home Lands (DHHL) to effectively administer the Native Hawaiian Rehabilitation Fund which was constitutionally established through a 1978 amendment to the State Constitution. (See Article XII, Sections 1 and 3, and the Hawaiian Homes Commission Act, section 213(b)(8).) The purpose of the Fund is to finance programs for the rehabilitation of native Hawaiians, including but not limited to programs to improve the educational, economic, political, social, and cultural processes which affect the lives of native Hawaiians.

This bill amends sections 213 and 225 of the Hawaiian Homes Commission Act. In the main, the amendments will:

- (1) Authorize DHHL to adopt necessary rules to administer the Native Hawaiian Rehabilitation Fund and programs financed by the Fund;
- (2) Allow DHHL to administer the Rehabilitation Fund and the related rehabilitation programs separate and apart from the requirements and guidelines contained in other sections of the Act which apply to loans and loan funds, and which requirements would not be particularly appropriate for the kind of loans which might be made under the Rehabilitation Fund; and
- (3) Require the crediting and depositing of any interest and earnings derived from the Rehabilitation Fund back into the Fund so that the intent or purpose of the Fund can be furthered.

Your Committee agrees with testimony presented by DHHL that these amendments are necessary for DHHL to effectively administer the Rehabilitation Fund and rehabilitation programs financed by the Fund.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 923 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 155 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 266
(Majority)

The purpose of this bill is to clarify State ownership of geothermal resources within the State.

Your Committee finds that the importance of geothermal resources to the State's economy makes it crucial that the question of ownership be resolved.

Your Committee also finds that the State has ownership rights under mineral reservations under section 182-1, Hawaii Revised Statutes, but that some lands have been conveyed without mineral right reservation to the State. This makes the question of ownership of geothermal resources under these lands unclear.

Your Committee further finds that because of the current energy problems and the resulting need to develop additional sources of energy it is in the public interest to claim State ownership of geothermal resources wherever located in the State.

Your Committee further finds that the State, as the sovereign, does in fact own all geothermal resources in the State, and that this bill, if enacted into law, does not constitute the taking of private property rights by the State.

Your Committee has consulted with the office of the Attorney General and was informed that their office has no objection to this bill.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 266 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.
(Representatives Isbell and Monahan did not concur.)

SCRep. 156 Judiciary on H.B. No. 459

The purpose of this bill is to amend Section 708-801 of the the Hawaii Revised Statutes to use the face value, par value or cost of an item as well as its market value in determining the value of the item, for the purpose of fixing the degree of an offense.

The present statute provides that the value of an item of property or services is the market value at the time and place of the offense. The proposed change to the existing statute would expand the methods that may be used to determine the value of an item of property or services for purposes of fixing the relative degree of the offense.

Your Committee is of the opinion that this bill will provide law enforcement officials the necessary flexibility to set values on property and services.

In most cases, the fair market value approach will produce the value sought. However, in the case where the fair market value is difficult to determine the other readily identifiable basis for valuation should be permitted. For example, the face value of a stock certificate will be useful in determining its value when fair market value thereof is difficult to ascertain.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 459, 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 Ikeda.

SCRep. 157 Employment Opportunities and Labor Relations on H.B. No. 1357

The purpose of this administration bill is to permit the department to apply Hawaii's pension offset in Section 383-23.5, Hawaii Revised Statutes, in a more equitable manner and to conform more precisely the language of Hawaii's law to the federal law.

Effective September 26, 1980, Public Law 96-364 amended Section 3304(a)(15), the Federal Unemployment Tax Act, to allow states to apply a less stringent standard than originally enacted in 1976. Under the less stringent standard, a state may limit pension offset to only pensions received from a base period or chargeable employer and to take into account contributions made by a worker to the pension plan. In addition, with the exception of social security pension and railroad retirement payments, no offset is applicable unless the worker's base period services or remunerations affected entitlement to the pension or increased the pension.

Hawaii's current pension offset law is in substantial compliance with the federal law. However, your Committee recommends passage of this bill so that Hawaii's law will conform to federal law to the fullest extent possible.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1357 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 158 Employment Opportunities and Labor Relations on H.B. No. 991

The purpose of this bill is to add a new section to Chapter 235 of the Hawaii Revised Statutes to provide that resident individual and corporate taxpayers may claim a credit against income tax liability equal to fees paid to licensed employment agencies, provided the credit not exceed \$500. The credit is available to employers paying the employment agency service fee on behalf of an individual as well as to individuals paying such a fee on their behalf. Such employment agencies must be licensed by the department of regulatory agencies. The bill provides that a refund shall be made when the credit claimed by the taxpayer exceeds tax liability or where the taxpayer has no income tax liability. Claims for the credit must be filed on or before the end of the 12th month following the close of the taxable year for which the credit may be claimed. Failure to file for the credit within the allotted time period shall constitute a waiver of the right to claim the credit.

By allowing a tax credit for fees paid to a commercial employment agency, this measure would reduce one of the costs of job hunting. It will encourage job seekers to use an employment agency when the cost might otherwise discourage them from using this means to look for work. This measure would also provide an incentive for employers to list with commercial placement services.

Under the Federal Internal Revenue Code and State tax law, employers paying the employment agency service fee on behalf of an individual are allowed to deduct it as a trade or business expense. The addition of a tax credit for the same purpose would allow the employer to take the same item into account twice in computing income tax liability. Therefore, your Committee has amended this bill to allow the tax credit only to individuals paying the employment agency service fee.

Your Committee is in accord with the intent and purpose of H.B. No. 991, as amended herein, and recommend that it pass Second Reading in the form attached hereto, as HB. No. 991, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 159 Employment Opportunities and Labor Relations on H.B. No. 830

The purpose of this bill is to include all reported tips or gratuities in the definition of "wages" for computing unemployment insurance benefits by amending Section 383-10 of the Hawaii Revised Statutes.

Under current law, the only kind of tips or gratuities credited to "wages" are predetermined service charges. These are those kinds of tips or gratuities which the company charges as part of the customer's tab and which the company collects and divides as necessary

among the applicable employees and are subsequently reflected on the employees' payroll statement as wages.

On the other hand, tips and gratuities which are not company established or imposed predetermined service charges but are voluntarily left by customers and independently collected, are not included in determining "wages."

Your Committee finds that unemployment insurance benefits are intended as wage replacement. The exclusion of independently collected tips from "wages" means that tipped employees who become unemployed must accept a wage replacement which is substantially less than they regularly earn in combined tips and wages.

Your Committee also notes that both State and Federal income tax laws consider all reported tips and gratuities to be income or earnings and therefore taxable. However, tipped workers, if they become unemployed, receive credit as "wages" for only part of their taxed income. This is inequitable and unjust. If all tips and gratuities are to be taxed, they should be credited to "wages" for the purpose of computing unemployment insurance benefits.

In previous years, the Legislature has resolved similar inconsistencies in both the Workers' Compensation and Temporary Disability Insurance laws.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 830 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 160 Employment Opportunities and Labor Relations on H.B. No. 1472

The purpose of this bill is to extend workers' compensation coverage to students who are enrolled and regularly attending classes and who perform service for a school, college, university, college club, fraternity, or sorority in return for board, lodging, or tuition.

Your Committee believes that students performing service to their school, college, or college-related organization and who are compensated in-kind or in return for board, lodging, or tuition are not essentially different from and should therefore receive the same coverage under the workers' compensation law as students who work for a salary or wage. The proposed bill remedies the existing disparity by amending the definition of "employment" in section 386-1, Hawaii Revised Statutes, which now specifically excludes school and college students who are compensated in-kind for their services from coverage under the workers' compensation law.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1472 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 161 Employment Opportunities and Labor Relations on H.B. No. 1354
(Majority)

The purpose of this bill is to provide uniformity in the amount of permanent partial disability benefits to be awarded claimants.

Presently those claimants who sustain compensable work accidents and are permanently partially disabled receive benefits which are not uniform. The total benefit amount a claimant receives depends upon his average weekly wage. Therefore, employees who are paid at a lower wage rate receive less benefits than employees who receive higher wages.

The bill as written would not accomplish the desired purpose. This bill would actually deny full benefits to workers whose compensation rate is equal to the maximum weekly benefit and would allow payment of only two-thirds of the effective maximum weekly benefit rate.

Your Committee has therefore amended this bill to provide that permanent partial

disability benefit amounts be determined at the rate of the effective maximum weekly benefit rate.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 1354 as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1354, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

(Representatives Anderson, Ikeda, Marumoto and Medeiros did not concur.)

SCRep. 162 Agriculture on H.B. No. 1532

The purpose of this bill is to support the development of agriculture by appropriating \$350,000 for planning, design, and construction of facilities in the West-Hawaii district of the island of Hawaii so that agricultural products from surrounding areas may be brought for consolidation and shipment. The bill authorizes all activities necessary to build the facility, and all purchases of necessary equipment and the hiring of necessary staff to make the facility operational.

Your Committee has amended the purpose in Section 1 of this bill to provide a consolidation facility for the island of Hawaii by adding the phrase "for the island of Hawaii" after the word "facilities" found on page one, line three, and by deleting the following sentence:

"The purpose of this Act is consistent with Section 111 -A-1 of Act 197 Session Laws of Hawaii 1971 relating to the construction of a multi-purpose shed, treatment and storage facility for West Hawaii."

Your Committee has further amended this bill by deleting section 2 of the bill.

Your Committee has further amended page two, line twelve, of this bill for the purpose of correcting a drafting error by renumbering the first section 5 to section 4.

Your Committee has further amended the bill by deleting the second section 7 of the bill beginning on page three, line twenty-one, and replacing it with a new section 8 as follows:

"SECTION 8. Any unexpended or unencumbered balance of any appropriation made by this Act shall lapse as of the close of business on June 30, 1983."

For purposes of consistency, your Committee has further amended the bill by renumbering sections 3, 4, and 8 to sections 2, 3, and 9 respectively.

Your Committee has further amended the bill on page two, line eight, to change "Section 3" to "Section 2" and page two, line fourteen, to change "Section 3" to "Section 2", for the purpose of remaining consistent with the renumbering of the section referred to.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1532, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1532, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 163 Culture and the Arts and Tourism on H.B. No. 1132

The purpose of this bill is to provide \$50,000 for a promotional tour to Japan in commemoration of the 100th anniversary of King Kalakaua's visit to Japan and in encouragement of eastbound visitor growth to Hawaii. The promotional tour shall include, but not be limited to, a program of Hawaiian entertainment and cultural activities.

Your Committees on Culture and the Arts and Tourism are in accord with the intent and purpose of H.B. No. 1132 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 164 Culture and the Arts on H.B. No. 1446

The purpose of this bill is to provide an appropriation from the general revenues of the State of Hawaii, the sum of \$50,000 for fiscal year 1981-1982 to the Hawaii Council on Portuguese Heritage.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1446 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 165 Consumer Protection and Commerce on H.B. No. 1048

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds for the furnishing of electric energy.

Your Committee has previously heard testimony in favor of the concept and enabling legislation for the issuance of special purpose revenue bonds. This bill provides for the specific total amount available for the issuance of revenue bonds by the electric utility companies. Under this bill, the total authorized amount will not exceed \$160.56 million for capital improvement programs of the utilities, or, according to testimony presented by the Public Utilities Commission, approximately 50 percent of the projected capital expenditure program for the utilities.

While in agreement with the general intent of the bill, your Committee feels that Section 3 of the bill should be clarified to specifically provide that certain information be included in the reporting requirement. Accordingly, Section 3 has been amended to require that the cost differential to the utility of financing by special purpose bonds, compared with conventional bonds, be reported and that a listing of proposed projects to be financed by proceeds from the bonds be submitted by the Public Utilities Commission with its annual report. Your Committee feels that this information is essential to the review process of the legislature that is part of the special purpose revenue bond issuance procedure.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1048, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1048, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 166 Health on H.B. No. 1448

The purpose of this bill is to authorize the Department of Health to establish a special fund, to be known as the State Hospital Special Fund, for the deposit of all revenues received or generated by, or moneys otherwise made available to, the State Hospital, and from which the Department may expend for the purposes of operating and maintaining the hospital.

Your Committee finds that the mechanism of a special fund has been used successfully by the Department of Health for the payment of the lawful expenditures of the various county /state hospitals over the past several years.

Your Committee finds that the establishment of a special fund for the State Hospital will permit approximately \$400,000 in State general revenue funds to be appropriated for other urgent health care needs throughout the State. Funds could therefore be appropriated by the Legislature to replace diverted Title XX federal funds for certain community health services currently provided under a purchase of service agreement with the Department of Social Services and Housing. Such an arrangement would allow for the continuation of necessary community health services and programs while still allowing the State to remain within the general fund expenditure ceiling as mandated by Article VII, section 9 of the Hawaii State Constitution.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1448 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 167 Health on H.B. No. 774

The purpose of this bill is to amend section 453-8.3, Hawaii Revised Statutes, to permit the Board of Medical Examiners to give an affirmative or negative reply to a hospital or health care facility, on request, as to whether a report of an adverse peer review committee report against a physician is on file with the Board.

Testimonies received by the Department of Health, the Hawaii Medical Association, and the Department of Regulatory Agencies indicate that the proposed amendment would allow hospitals or health care facilities to more effectively review and evaluate the credentials of a physician prior to granting privileges to practice.

Your Committee concurs with the Hawaii Medical Association and the Departments of Health and Regulatory Agencies, but also finds that the physician's right to privacy and confidentiality of adverse decisions must be protected against unwarranted disclosures. Your Committee has therefore amended section 1 of the bill to provide that the Board of Medical Examiners may give a written affirmative or negative reply pursuant to a written inquiry by a hospital or health care facility.

Your Committee on Health is in accord with the intent and purpose of H.B. 774, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.B. 774, H.D. 1.

Signed by all members of the Committee.

SCRep. 168 Health on H.B. No. 849

The purpose of this bill, as received by your Committee, is to appropriate \$271,800 for fiscal years 1981-82 and 1982-83 to the Department of Health for the diagnosis, treatment, recommendation, self-care instruction, and referral services for victims of arthritis.

Testimony presented to your Committee indicated that the Department will be contracting with the Arthritis Center for the providing of such services.

Your Committee finds that although State-supported services for victims of arthritis are necessary because Federal funds do not cover arthritis patient services clinics, the requested sum of \$271,800, which properly includes the amount necessary for diagnosis, treatment recommendation, self-care instruction, and referral services also includes administrative costs (e.g., salary costs) for the Arthritis Center.

Your Committee has therefore amended section 1 of the bill by (1) decreasing the total amount of the appropriation from \$271,800 to \$100,000 and by limiting the appropriation to only one fiscal year, 1981-1982; (2) making it clear that the State agency to which the appropriation is being made is the Department of Health; (3) deleting the comma between "treatment" and "recommendation"; and (4) making other appropriate but minor changes.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 849, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 849, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 169 Health on H.B. No. 925

The primary purpose of this bill is to expand the scope of the Kula Hospital modernization and renovation project to also include the addition of a new building for the ICF/MR (intermediate care facility/mental retardation) by amending section 120, item E.12-A of Act 214, Session Laws of Hawaii 1979, as added by section 7 of Act 300, Session Laws of Hawaii 1980.

Testimony presented by the Department of Health indicates that under the above cited Acts, the scope of the Kula Hospital project is limited only to the modernization and renovation of the facility to correct code deficiencies. However, provisions for continued Medicaid certification of the facility by the federal Title XIX agency (the U.S. Department of Health and Human Services) stipulate that a new ICF/MR building must also be built in conjunction with the modernization project. According to the Department of Accounting

and General Services, no additional funding would be required.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 925 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 170 Health on H.B. No. 936

The purpose of this bill is to amend section 27-21, Hawaii Revised Statutes, to permit the State to arrange for joint purchasing agreements between the state/county hospitals and related medical facilities under its jurisdiction and any nonprofit hospital or related nonprofit medical facility.

Your Committee finds that joint purchasing agreements should help decrease health care costs by allowing large volumes of hospital supplies and equipment to be purchased at lower cost than would otherwise be possible.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 936 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 171 Health on H.B. No. 740

The purpose of this bill is to specify that following legitimation of a child, pursuant to the Uniform Parentage Act, Chapter 584 of the Hawaii Revised Statutes, a child shall take the surname of the mother rather than the father if the parents do not agree on the child's surname.

Your Committee has received testimony from the Department of Health in support of this measure. The Department indicated that in a fairly high proportion of cases involving the selection of a legitimated child's surname, the father cannot be located, and the legitimated child acquires the father's surname by default. In such cases, most mothers apparently prefer the child to have their surname rather than the surname of the absent father.

Your Committee finds that it is advantageous for the child to have the same surname as the parent who has custody of the child, or if neither parent has custody, for the child to have the mother's surname. Your Committee intends that the term "custodial parent" refers to the biological parent who has legal custody of the child as awarded or determined by a court of competent jurisdiction.

Your Committee has therefore amended section 1 of the bill by deleting the word "mother" in line 12, page 1 of the bill, and inserting the phrase "custodial parent or the mother if neither parent has custody" in its place. The purpose of the amendment is to provide greater discretion in specifying the surname of the parent who has legal custody of the child.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 740, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 172 Health on H.B. No. 942

The purpose of this bill is to make an appropriation of \$219,732 for mental health-related programs in the State; provided that of the total appropriation, \$20,537 shall be for The House, Inc.; \$25,897 for Lanakila Rehabilitation Center, Inc.; \$13,838 for GROW Hawaii; \$24,241 for Child and Family Service; \$61,244 for Volunteer, Information & Referral Service/Crisis Intervention Center; \$38,812 for Catholic Social Service; \$10,900 for Maui Kokua Services, Inc.; and \$24,263 for Hale Ho'o Huli (Hilo Halfway House, Inc.).

Your Committee finds that the availability of a mix of public and private community resources providing mental health-related services to persons requiring such services

are essential components of the total statewide mental health service system.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 942 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 173 Health on H.B. No. 1002

The purpose of this bill is to make an appropriation of \$618,181 for a grant-in-aid to the following publicly funded family planning providers in the State who have been affected by the loss of Title XX funding for the fiscal years 1981-1982 and 1982-1983: Hawaii Planned Parenthood; Kapiolani Hospital Family Planning Center; Maternity and Infant Care; Hale Ho'ola Hou; the family planning clinics of the Department of Health; and the University of Hawaii Family Planning Clinic.

Testimonies presented to your Committee indicate that the above cited family planning programs will not be funded under a purchase of service agreement with the Department of Social Services and Housing for fiscal years 1981-1982 and 1982-1983 because of limited Title XX federal funds available for basic social services in the State. Faced with a 79 percent reduction in current funding levels, these programs may be forced to cutback over a third of their present ability to service needy patients unless State general funds are appropriated to replace the anticipated loss of federal funds.

Your Committee concurs that these programs provide needed family planning services to residents of the State, including services relating to contraception, counseling and education about fertility options, medical referral services, and cancer detection, and has included appropriations for these providers in its Executive Budget recommendations to the Committee on Finance. Your Committee highly recommends that the total requested appropriation be made to allow the continuation of current levels of family planning services in the State.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1002 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 174 Health on H.B. No. 1128

The purpose of this bill, as received by your Committee, is to make an appropriation, in an unspecified amount, for a grant-in-aid to the Hawaii Poison Center for the continued operation of a statewide poison information service.

Your Committee finds that the Hawaii Poison Center provides an invaluable free informational service to residents of the State about emergency "at-home" treatment of accidental poisonings. The Center also offers educational services to physicians and the lay public regarding poison prevention, treatment, and management.

Testimony presented to your Committee indicates that the sum of \$167,546 requested by the Hawaii Poison Center to continue the operation of its poison information service also includes items that are not directly related to operational expenses. Your Committee has therefore amended section 2 of the bill by inserting \$100,000 (not \$167,546) as the amount appropriated to the Hawaii Poison Center.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1128, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1128, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 175 Health on H.B. No. 1328

The purpose of this bill is to authorize the Department of Health to establish a special fund, to be known as the Waimano Training School and Hospital Special Fund, for the deposit of all revenues received or generated by, or moneys otherwise made available to, the Waimano Training School and Hospital, and from which the Department may expend for the purposes of operating and maintaining the hospital.

Your Committee finds that the mechanism of a special fund has been used successfully by the Department of Health for the payment of the lawful expenditures of the various county/state hospitals over the past several years.

Your Committee finds that the establishment of a special fund for the Waimano Training School and Hospital will permit approximately \$2.7 million in State general revenue funds to be appropriated for other urgent health care needs throughout the State. Funds could therefore be appropriated by the Legislature to replace diverted Title XX federal funds for certain community health services currently provided under a purchase of service agreement with the Department of Social Services and Housing. Such an arrangement would allow for the continuation of necessary community health services and programs while still allowing the State to remain within the general fund expenditure ceiling as mandated by Article VII, section 9 of the Hawaii State Constitution.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1328 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 176 Public Assistance and Human Services on H.B. No. 912

The purpose of this bill is to continue DSSH general assistance to a recipient who has been referred to another state agency for vocational rehabilitation until that state agency submits an evaluation report to DSSH setting forth the conditions which the recipient violated and which justify the termination of general assistance payments.

Additionally, the bill provided that psychologists as well as physicians could certify recipients as physically or mentally impaired or both.

Your Committee agrees that the best interests of the recipient would be better served if assistance continues until the state agency to whom the recipient has been referred finds that the recipient is no longer eligible to receive such assistance.

Your Committee disagrees with the subsection of the bill that authorizes psychologists as well as physicians to certify a recipient as mentally or physically disabled or both. Your Committee finds that such certification more appropriately falls within the purview of a licensed psychiatrist, as defined in Chapter 453, Hawaii Revised Statutes, as a psychiatrist is a licensed physician in the practice of medicine. Therefore, your committee has amended H. B. No. 912 by deleting therefrom the underscored portions appearing on Page 1, lines 14 and 16 of this Act and inserting the word "psychiatrist" instead.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 912, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 912, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 177 Public Assistance and Human Services on H.B. No. 1193

The purpose of this bill is to amend certain established guidelines in determining medical care payments allowed to individual providers and the method by which the medical care appropriations are made.

Under the present law, compensation to medical care providers is based upon the profile, or adjusted profile, of usual and customary fees selected by the legislature as the basis of the appropriation for such care in any fiscal year.

This bill would provide that compensation to medical care providers be based upon the most current edition of Current Procedural Terminology published by either the American Medical Association or the Hawaii Medical Association.

The remaining amendments to HRS 346-59, as contained in this bill, pertain to the appropriation for such compensation.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1193 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 178 Public Assistance and Human Services on H.B. No. 785

The purpose of this bill is to clarify the language in Section 346-71, General Assistance, by holding parents liable for support of their minor children and each other whether or not the parents are married to each other.

This proposal is consistent with the federal program of Aid to Families with Dependent Children (AFDC). In AFDC, if natural parents, whether married to each other or not, are living with their natural children, the Department enforces support liability on both parents.

The proposed legislation closes the loophole; whereas, currently, the General Assistance law does not clearly allow the Department to include both parents as applicants in behalf of their children and fully consider the income and resources of both parents living in the same household.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 785 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 179 Culture and the Arts on H.B. No. 187

The purpose of this bill is to provide a grant-in-aid to the Honolulu Symphony Society to help support the Society's youth and keiki concerts, music programs in the schools, and concert tours of the neighbor islands.

In the past, the Legislature has provided appropriations to the Society which were used exclusively to support the Society's Youth Concerts and Ensemble presentations in the schools on Oahu and the neighbor islands. Your Committee is in agreement that these performances are an important adjunct to the music education programs of the Department of Education. Unfortunately, the Youth Concert series has thus far not been able to serve students from grades 7 through college because of insufficient resources. Your Committee therefore amends the bill by inserting the sum of \$300,000 which will ensure the continuation of the Society's Youth Concert program and expand the program to students in junior high, high school, and college.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 187, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 187, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 180 Culture and the Arts on H.B. No. 1902

The purpose of this bill is to study the feasibility of building a Samoan community center in the Kalihi-downtown area, Oahu.

Testimony submitted by the director of the Amerika Samoa Office-Hawaii indicated that a visible, centralized Samoan community center located in the downtown area would serve as a place where:

- (1) Samoans could meet and jointly pursue the maintenance of their traditional culture.
- (2) The Hawaii-based Samoan would feel an on-going identity and ethnic pride.
- (3) Intercultural programs could be held to enhance understanding between Samoans and their neighbors.

Your Committee has amended this bill to provide \$1,000 for the feasibility study.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1902, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1902 H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 181 Energy, Ecology and Environmental Protection and Health on
H.B. No. 910

The purpose of this bill is to appropriate \$130,000 to fund the core staff necessary for the continued operation of the Pesticide Hazard Assessment Project (PHAP).

Your Committees are in agreement that the PHAP provides an integral statewide service by compiling data on pesticide usage throughout Hawaii, monitoring human exposure to pesticides, providing essential assistance and support to the Departments of Agriculture and Health, and working cooperatively with the Hawaii Poison Control Center and the medical community during pesticide related incidents. Your Committees are also in agreement that the loss of this project due to endangered federal funds would be detrimental to the public welfare of our citizens and to the continued growth of Hawaii's agriculture industry.

Your Committees on Energy, Ecology and Environmental Protection and Health are in accord with the intent and purpose of H.B. No. 910 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 182 Energy, Ecology and Environmental Protection on H.B. No. 1029

The purpose of this bill is to amend Chapter 235, Hawaii Revised Statutes, by providing a tax credit of not more than \$50 for the purchase and installation of a timer for electric water heaters provided the timer device is installed and in service after December 31, 1980, but before December 31, 1985.

Your Committee is in agreement that the conservation of energy remains of paramount interest to the State and should be encouraged. Timers can help conserve energy by preventing water heaters from turning on at times of low demand. Just as the State now provides a tax credit for the insulation of water heater tanks and pipes, this tax credit for timers will help reduce energy waste. This tax credit will be especially useful since water heating usually accounts for the single largest energy use in the home.

H.B. No. 1029 has been amended by allowing a \$30 maximum tax credit for the purchase and installation of a timer for electric water heaters. This tax credit conforms with the present tax credit provided by the State for the insulation of water heater tanks and pipes.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 1029, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1029, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 183 Energy, Ecology and Environmental Protection on H.B. No. 1597

The purpose of this bill is to provide an income tax credit of not more than ten per cent for alternate energy systems. The tax credit applies to alternate energy systems which are installed and placed in service after December 31, 1980, but before December 31, 1990. This bill allows a taxpayer to claim a tax credit for more than one alternate energy system during any taxable year.

Under current law, tax credits are provided for the purchase and installation of solar energy devices. Your Committee is in agreement that extending this tax credit to include "alternate energy systems" will encourage our citizens to install and utilize these energy-saving devices and will help reduce Hawaii's dependence on scarce fossil fuels.

An "alternate energy system" is defined as any new identifiable facility, equipment, apparatus, or the like which produces electric energy wholly or primarily from nonfossil fuel renewable energy sources. It includes geothermal, wind, solid waste, hydro-electric, ocean waves, tides or currents but not nuclear fission or solar.

H.B. No. 1597 has been amended by making grammatical and spelling corrections to the bill.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 1597, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1597, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 184 Energy, Ecology and Environmental Protection on H.B. No. 864

The purpose of this bill is to appropriate funding for a study on the feasibility of instituting a utility-financed solar water heater program in Hawaii.

Your Committee is in agreement that energy self-sufficiency represents one of the State's primary objective and that the State should be exploring all avenues to promote the development and use of its renewable alternate energy resources.

The State of California has recently instituted an innovative program to promote the use of solar energy. The California Public Utilities Commission has established a \$183 million program under which utilities will finance home installation of solar water heaters.

Your Committee is in agreement that a program similar to the one implemented in California would be beneficial to the State. Before the Legislature mandates the implementation of such a program, however, additional information on the feasibility of such a program in Hawaii is necessary.

Your Committee has amended H.B. No. 864 by inserting the sum of \$50,000 for the study.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 864, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 864, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 185 Energy, Ecology and Environmental Protection on H.B. No. 1291

The purpose of this bill is to provide an appropriation of \$104,200 for a grant-in-aid to the City and County of Honolulu for the continuation of the Energy-Conservation Development Regulations Project, Phase II.

Your Committee is in agreement that the conservation of energy remains of paramount interest to the State and should be encouraged. In April, 1980, the City and County of Honolulu was one of eight cities chosen to study "energy-conserving development regulations". This project, funded by the U.S. Department of Energy, is aimed at finding ways in which energy can be conserved through local government control of land use.

The first phase of the study is the development of modifications to existing regulations and the drafting of new regulations to improve the energy-efficiency of land use. Phase II is the public hearing and adoption process for the final recommendations evolving from Phase I. Although Phase I of the project has been federally funded, no such funding will be provided for Phase II.

Your Committee is in agreement that completion of this project is in the public interest and will contribute significantly to the State's energy conservation program.

H.B. No. 1291 has been amended on page 1, line 4, correcting the spelling of the word "United".

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 1291, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1291, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 186 Energy, Ecology and Environmental Protection on H.B. No. 1876

The purpose of this bill is to provide incentives to encourage the production and purchase of gasohol by extending the tax exemption for gasohol from its present termination date of July 1, 1985, to June 30, 1992. This bill also removes the termination provisions empowering the Director of Taxation to reduce or terminate this tax exemption upon determination that the exemption is no longer needed as an incentive to market gasohol. This bill also includes a provision ensuring that the tax exemption provided is passed on to the consumer through the price of gasohol sold.

Your Committee is in agreement that extending the tax exemption termination date gives further assurance to the private sector of the State's firm commitment to encourage the development of alternate energy sources. The extended termination date conforms with the federal exemption which expires on September 30, 1992.

Your Committee has amended H.B. No. 1876 by extending the tax exemption to gasohol distributors who provide direct retail sales of gasohol. Under current law, the exemption from general excise tax on the sale of gasohol is limited to retail dealers. The Department of Taxation is currently interpreting "retail dealer" to be one who dispenses gasoline at a service station. Consequently, a gasohol distributor cannot qualify for the tax exemption even though the purchaser may be the end user. This interpretation of the law controverts the original intent and purpose of the law.

Nonsubstantive, grammatical corrections have also been made to H.B. No. 1876.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 1876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1876, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 187 Energy, Ecology and Environmental Protection on H.B. No. 1592

The purpose of this bill is to appropriate the monies needed to continue an important project presently contracted through the Department of Health. This involves the environmental monitoring for radioactivity in the civilian populated areas near Pearl Harbor, at least quarterly.

The current project, half completed, has centered its activities to the analysis of marine life, harbor sediment, surface soils and air for fission or activation products such as Cesium-137, Cobalt-60, and Plutonium-239. Parallel to this monitoring has been the initiation of the State Advisory Committee on Radiological Safety whose responsibilities include investigation and making recommendations on the radiological safety issues concerning Hawaii. Without this appropriation, the monitoring program will cease thus denying the information needed by the Advisory Committee and the Department of Health.

Your Committee believes the Advisory Committee needs to take a more active role in the designation of areas of study and analysis of the data and that the areas outlined may be too restrictive for the intent of this bill. Your Committee has amended this bill to include the State Advisory Committee in the process of setting priority areas for study.

For the purpose of consistency, your Committee has also amended the analysis of Plutonium-239 to also include marine life, harbor sediment as well as surface soils and air.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 1592, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1592, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 188 Energy, Ecology and Environmental Protection on H.B. No. 1814

The purpose of this bill is to provide for studies and other actions related to the

endangered species of plants and animals in Hawaii. These species contribute to Hawaii's beauty and economy through expenditures from scientific, recreational, esthetic, and tourism interests.

The bill has been amended to reflect the intent of the Committee and to include the appropriation amount be designated for the proposed two year study and action program. \$50,000 is the amount deemed appropriate for this act.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 1814, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1814, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 189 Energy, Ecology and Environmental Protection on H.B. No. 1825

The purpose of this bill is to improve the Hawaii Natural Energy Institute (HNEI) at the University of Hawaii.

This organization is at the forefront of alternate energy research in Hawaii and it merits the support of this Legislature. This research and related activity is essential in the movement to reduce this State's dependency on oil based energy sources.

The bill has been amended to include a \$50,000 appropriation for continued energy research and development activities.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 1825, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1825, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 190 Transportation on H.B. No. 410

The purpose of this bill is to amend Chapter 235 of the Hawaii Revised Statutes by adding a new section allowing owners of low-powered energy efficient vehicles to claim a tax credit against their state income tax liability, in conforming with existing tax credits for solar energy devices. Low-powered vehicles include bicycles, mopeds, motorcycles, and motor scooters as defined in Section 286-2.

Your Committee is in agreement that providing tax credits for energy efficient vehicles will encourage Hawaii's citizens to utilize these vehicles and thereby promote energy conservation.

Your Committee has amended H.B. No. 410 by limiting the low-powered vehicle tax credit to not more than 10 percent of the total cost of the vehicle provided that the tax audit shall apply only to the actual cost of the low-powered vehicle. The credit shall be for the year the low-powered vehicle was purchased and placed in use, provided that the vehicle was purchased and placed in use after December 31, 1980 but not before December 31, 1985.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 410, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 410, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 191 Transportation on H.B. No. 1691

The purpose of this bill is to appropriate \$2 million for the widening of Kamehameha Highway between Mililani Memorial Park and the Waipahu Interchange, Oahu.

Your Committee has received testimony from the Department of Transportation indicating that the total cost for a four-lane divided highway between Mililani Memorial Park

and the Waipahu Interchange is estimated at \$4 million (1981 dollars) and that only \$360,000 need be appropriated for design activities for this project.

Your Committee concurs with the Department's recommendation and has amended Section 1 of the bill to reduce the amount appropriated from \$2 million to \$360,000 and to specify that the highway special fund shall be the source of funding.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1691, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1691, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 192 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1236
(Majority)

The purpose of this bill is to appropriate from the general revenues of the State of Hawaii an unspecified sum, or so much thereof as may be necessary for the land acquisition by purchase or exchange of parcels of all that tract of land owned by the Bishop Museum, situated at Waipio in the district of Hamakua, island of Hawaii.

The appropriated sum shall be expended by the Department of Land and Natural Resources for historical, agricultural, and recreational purposes as well as for the open space plan as contained in the Udall report of 1972, entitled "From the Mountain to the Sea, State of Hawaii Open Space Plan".

Your Committee has amended section 1 of the bill by inserting the sum of "\$4,250,000," which is the estimated cost of purchasing the subject property.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1236, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 193 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1233

The purpose of this bill is to amend section 10 -11, Hawaii Revised Statutes, to authorize the Board of Trustees of the Office of Hawaiian Affairs to establish the salary of the administrator of the Office of Hawaiian Affairs; provided that such salary shall not exceed the salary of the highest paid State Department head or director.

Your Committee finds that under present law the salary of the administrator of the Office of Hawaiian Affairs is set at \$30,000, and that this salary is not sufficient to compensate the administrator of the Office of Hawaiian Affairs who has responsibilities and duties which are similar in nature to those of a State department head or director.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1233 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 194 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 728

The purpose of this bill is to establish a buy back provision to curb speculation and keep down escalating costs of surrendered homes by amending Section 209, Hawaiian Homes Act, 1920, as amended.

Presently, the homesteader who surrenders his homestead is given the appraised value determined by independent appraisal. This arrangement has made it difficult for the new lessee to acquire the surrendered homestead because of the escalated cost. Proposal I-8 (81) is designed to dampen the buy back cost of homes that are surrendered and make them more accessible to the new lessee. It should also act as

a curb against speculation.

Your Committee is in agreement with the recommendation of the Department of Hawaiian Home Lands Section 209, Hawaiian Homes Act 1920, as amended should establish a buy back provision to avoid speculation and the attendant escalating costs.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 728 and recommends that it pass Second Reading in the form attached hereto as H.B. No. 728 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 195 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 822

The purpose of this bill is to amend section 171-20, Hawaii Revised Statutes, to reduce the time period for the State to take action because of failure by any lessee of State lands to make timely payments on their lease agreements. A further purpose of the bill is to recognize the special benefit that is conferred upon a recipient of a lease for State land by inserting the word "privilege" into appropriate portions of section 171-21, Hawaii Revised Statutes.

Under the existing laws, the State must give sixty days written notice to a party upon the default of any term, covenant, restriction, or condition of any lease, patent, license, agreement, or other instrument. According to testimony received by your Committee on Water, Land Use, Development, and Hawaiian Affairs from the Department of Transportation the present law, as the result of the slowness in identifying delinquent accounts, has allowed delinquencies to continue for nearly four months before termination proceedings are initiated. The effect of this bill is to allow the State to take action because of the failure of a lessee of State lands to make timely payments on a lease agreement in less than sixty days after receipt of a written notice of such a failure by the lessee.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 822 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 196 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1420

The purpose of this bill is 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 for fiscal year 1981-1982, for the purpose of increasing and improving the number and quality of game animals and game birds within the County of Kaua'i.

The appropriated sum is to be expended by the Department of Land and Natural Resources.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1420 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 197 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1878

The purpose of this bill is to lapse certain cash capital improvement appropriations which were made to the Department of Land and Natural Resources in Act 214, Session Laws of Hawaii 1979 and Act 300 Session Laws of Hawaii 1980 for fiscal year 1981.

Your Committee finds that the appropriations were made for the fiscal year 1981 but cannot be implemented within the year; and, the administration is in need of a cash cushion to pay for certain legislative claims and expenditure requirements without exceeding the operational expenditure ceiling.

Your Committee notes that testimony received from the Department of Budget and

Finance indicates that all of the proposed lapses are included in their capital improvement recommendations for the fiscal year 1983.

Your Committee has also received information to the effect that the legislative claims and other expenditures (supplemental requests) can be accommodated with the \$6,240,000 in cash appropriation being lapsed by this bill.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in record with the intent and purpose of H.B. No. 1878, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

SCRep. 198 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1255

The purposes of this bill are (1) to allow the registration affidavit of an Office of Hawaiian Affairs (OHA) voter to also apply to all elections, primary, special primary, general, special general, special, or county, held in the State, and (2) to require the election clerk to purge the OHA voter registration list of any voter who fails to vote in the OHA election if he also failed to vote in the general election held in conjunction with the OHA election and the preceding primary election.

Your Committee finds that under present law the registration of a voter for the OHA election is a separate registration apart from the registration for the regular elections. In order to keep these two registrations separate and distinct, our present system provides for two separate registration forms. This has resulted in confusion among the voters registered for only the OHA election during the last general election because many of these voters were under the impression that they were also registered to vote in the regular general election. The effect of this bill will be to allow the OHA voter to subscribe to one affidavit as his application for all elections permitted under Title II of the election laws.

Your Committee further finds the present practice of election clerks in the State is to purge the registration list of voters every two years in order to maintain a current and updated list of voters. The effect of this bill is to require the appropriate clerk to purge the OHA voter registration list of any voter who fails to vote in the OHA election if he also failed to vote in the general election and the preceding primary election, and is consistent with current practices of election clerks.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1255 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 199 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1498

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii an unspecified sum, or so much thereof as may be necessary for fiscal years 1981-1982, 1982-1983, and 1983-1984, for encouraging and assisting the development and further expansion of high technology industries in Hawaii.

The appropriated sum is to be expended by the Department of Planning and Economic Development.

Your Committee has amended section 1 of the bill by inserting the sum of "\$275,000," which is the amount the Department of Planning and Economic Development testified was needed to carry out the purposes 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. 1498, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1498, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 200 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 721

The purpose of this bill is to transfer the duties of the Pacific War Memorial Commission to the Department of Land and Natural Resources. Currently, the Pacific War Memorial Commission is under the Department of Defense for administrative purposes only.

To accomplish this transition, the Hawaii Revised Statutes needs to be amended.

The 1979 Legislature through Section 52 of Act 214 requested the Department of Budget and Finance to undertake a study on the Commission regarding its duties and responsibilities. The department transmitted its report through the Governor's Message No. 11 this year and recommended abolishment of the Commission and transferring of its duties and responsibilities to the Department of Land and Natural Resources. The report found that the original purpose of establishing such war memorials had been completed. Presently, the Commission's duties are related to the maintenance of existing memorials and consultation to private, state and federal organizations with similar objectives. It was decided that these functions could be accomplished by the Department of Land and Natural Resources without jeopardizing the State's objectives for the furtherance of the war memorial system.

Your Committee is in agreement with the Department of Defense, under whose purview the Pacific War Memorial Commission presently exists, that the duties of the Commission be transferred to the Department of Land and Natural Resources.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 721, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 721, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 201 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 483

The purpose of this bill is to increase the period during which the provisions of the State's natural disaster tax relief law can be used after a disaster.

Your Committee finds that the severe drought in 1977 continues to affect adversely individual farmers and farm groups in certain areas of the State. Crop losses and related financial losses in farming enterprises have caused severe economic hardship to those in the drought area.

Your Committee finds that an effective method to assist the affected farmers is to increase the time period during which natural disaster tax relief provisions may be used. An increase from five years to ten years appears to be reasonable. This bill provides for this increase.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 483 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 202 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 729

The purpose of this bill is to amend section 213 of the Hawaiian Homes Commission Act, 1920, as amended, to allow the granting of loans from the Hawaiian Home replacement loan fund for homes located on agricultural and pastoral lands.

Under present law the construction of replacement homes is restricted to Hawaiian homestead residential lots. The effect of this bill will be to allow the construction of replacement homes on Hawaiian homestead agricultural and pastoral lots.

Your Committee finds that this bill is in line with other provisions of the Hawaiian Homes Commission Act, 1920, as amended, that allow the construction of new dwellings as well as the repair of existing homes on agricultural and pastoral lots.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord .

with the intent and purpose of H.B. No. 729 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 203 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 726

The purpose of this bill is to amend sections 213, 214, and 215 of the Hawaiian Homes Commission Act, 1920, as amended, by increasing the ceiling on loans to Hawaiian homestead lessees for the construction of new homes from \$35,000 to \$50,000 and for the repair of existing homes from \$10,000 to \$15,000.

Your Committee is in agreement with testimony received from the Department of Hawaiian Home Lands that the existing ceilings on loans to Hawaiian homestead lessees for the construction and repair of homes should be increased to, respectively, meet increasing building costs and reduce the constraints on the scope of repairs that can be accommodated under the existing ceiling.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 726 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 204 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 66

The purpose of this bill is to make an appropriation to the Office of Hawaiian Affairs to pay its administrative expenses.

Your Committee finds that although the Office of Hawaiian Affairs has a guaranteed source of revenues (20% of the income credited to the Public Land Trust Fund), those moneys may be used to benefit "native Hawaiians" only. The Office of Hawaiian Affairs on the other hand, has responsibilities for other Hawaiians as well. The appropriation request is, in fact, to pay for the "other Hawaiians" share of OHA's administrative costs--to be matched by that agency's own income.

Your Committee has had numerous meetings and hearings to discuss OHA's operational plans for the coming year. Included in these discussions were intensive reviews of their proposed activities in their Education Program, Economic Development Program, Land and Natural Resource Program and Culture Program. Also reviewed in detail were OHA's operational budget.

Your Committee finds that the operational plans of OHA for the coming year justify the operational budget request submitted by that agency.

Your Committee has amended section 2 of the bill to insert the figure \$410,466 in the appropriate space and has further amended the bill to provide that OHA, with the approval of its chairperson, may use up to \$5,000 for "protocol" purposes. This provision is deemed necessary because of the many legitimate demands upon that agency's internal affairs expenditure requirements. Section 2 of the bill was also amended to provide that the appropriated funds include the funding of up to 32 staff positions within OHA.

Your Committee has amended section 3 to provide that OHA shall match the appropriation in a one-to-one basis and a new section 4 has been added to provide an effective date for the Act.

Your Committee on Water, Land Use Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 66, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 66, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 205 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 691
(Majority)

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii an unspecified sum of money, for fiscal year 1981-1982, for the construction of a wrought iron fence with a padlocked gate around the statue of King Kamehameha located in front of Aliiolani Hale, Honolulu, Oahu, in order to protect and provide additional security for this statue.

Your Committee received testimony from the King Kamehameha Celebration Committee indicating that recently there have been several incidents of damage and general abuse to the statue of King Kamehameha. The effect of this bill will be to prevent any further damage, and to assure the respect due Kamehameha by providing an unspecified amount of funds to be used for the construction of a wrought iron fence around the statue. Although, your Committee realizes that a fence surrounding the statue will not be aesthetically pleasing, such a fence is necessary to provide additional security to the statue.

Your Committee adopted the recommendation of the King Kamehameha Celebration Commission by amending section 2 of the bill by inserting the sum of "\$25,000."

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 691, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 691, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives G. Hagino and Monahan did not concur.)

SCRep. 206 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 762

The purpose of this bill is to amend Chapter 192, Hawaii Revised Statutes, by (1) requiring that persons convicted of violating this Chapter be found guilty of a petty misdemeanor; (2) increasing the maximum penalty for fines for violations of this Chapter from \$100 to \$500; and (3) reducing the maximum imprisonment penalty for violations of this Chapter from three months to thirty days to conform with the Hawaii Penal Code.

Your Committee finds that under present law the penalty provisions for violations relating to the breeding, raising, and selling of game birds have not been sufficient in deterring violations of Chapter 192, Hawaii Revised Statutes. The effect of this bill will be to deter violations of and promote meaningful enforcement of the provisions of Chapter 192, 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. 762 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 207 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1503

The purpose of this bill is to make available state funds for historic preservation projects. One-half of one per cent of all appropriations for the original construction of any state building is provided for this purpose.

Your Committee finds that this bill is timely in that Federal support in this areas may be reduced. State support for government owned historic resources have heretofore been provided but privately owned historic resources have needed the kinds of assistance this bill will permit.

Your Committee has amended the bill to provide that the funds accruing annually to the program will not lapse even though not spent during the year. This is same kind of provision made for the moneys accruing to the culture and art program. A new 103-8(2)(B) is added and the present (B) renumbered to (C) for this purpose.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1503, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1503, H.D. 1., and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 208 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1883

The purpose of this bill is to amend section 199-4, Hawaii Revised Statutes, to allow the Board of Land and Natural Resources to appoint and commission enforcement officers within the conservation and resources enforcement program with the legal authority to act with full police powers within all State lands and county parks.

Under present law, conservation and resources enforcement officers are empowered to enforce State laws only within areas under the jurisdiction of the Department of Land and Natural Resources. The effect of this bill will be to expand the areas within which conservation and resources enforcement officers are empowered to enforce State laws and ordinances, to include all State and county parks and beach areas. This bill recognizes and states that the primary responsibility of conservation and resources enforcement officers will be to enforce the provisions of Title 12 of the Hawaii Revised Statutes, and the rules promulgated thereunder, within those areas under the jurisdiction of the Department of Land and Natural Resources.

Your Committee has amended section 1 of the bill to (1) enable conservation and resources enforcement officers to enforce State rules, and (2) further expand the areas within which conservation and resources enforcement officers are empowered to enforce State laws and rules, and county ordinances, to include all State shorewaters and shores.

The purpose of this amendment is to empower conservation and resources enforcement officers to enforce any new or existing rules of the Department of Transportation, relating to the State's shorewaters and shores, including but not limited to rules relating to the restriction of surfing in designated shorewaters and shores of the State.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1883, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1883, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 209 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 432

The purpose of this bill is to prohibit discrimination on the basis of sex by any person or activity for which public land is disposed to or is granted the use thereof.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 432 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 210 Energy, Ecology and Environmental Protection and Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1408

The purpose of this bill is to provide an appropriation of \$250,000 for use in Hawaii County for the demonstration and commercialization of geothermal energy.

Your Committees are in agreement that it is in the best interest of the State to reduce its dependence upon fossil fuels for its energy needs. Diversified and alternate energy facilities can help ensure an adequate and reliable energy source for Hawaii. Geothermal energy represents a viable, non-polluting, and renewable energy source for the State, and its development should be encouraged.

Your Committees on Energy, Ecology and Environmental Protection and Water, Land Use Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1408 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 211 Tourism, Transportation, and Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1063

The purpose of this bill is to issue general obligation bonds in the sum of \$6,084,000 for Waikiki improvements, provided that the City and County of Honolulu provide 20 per cent of the project's costs.

Testimony indicated the need for cooperation among the City and State governments and the visitor industry in pooling their resources to create the kind of Waikiki that is safe, attractive, and family-oriented. Joint efforts should be based on resolving the problems of Waikiki through a total-concept approach. The city mayor will be requesting from the Honolulu council the city's share of funding for Waikiki improvements. In previous years, the Legislature has appropriated funds for projects as noted below.

Your Committees find that during the past several years the State has appropriated sizable sums for CIP improvement projects in Waikiki. Excluding appropriations for Jefferson and Waikiki elementary schools, the Waikiki-Kapahulu library, and the Honolulu zoo, the total state appropriations were: \$3,863,000 for state CIP projects, of which 64.2% was actually allotted; and \$18,378,000 for city and county of Honolulu projects, of which 44.4% was actually allotted. Of these appropriations for Waikiki improvements, a total of \$4,772,367 was earmarked for Kuhio Avenue projects, including widening and storm drainage construction, of which 95.3% was actually allotted.

Your Committees consider the sum of \$6,084,000 in H.B. No. 1063 as overlapping with other appropriations for similar purposes, during the past several years and for the fiscal year 1981-1982, and therefore recommend that H.B. No. 1063 be amended such that general obligation bonds be issued in the sum of \$2,100,000. This bill provides for funding for six improvement projects, of which three should be considered of lower priority and outside of the immediate Waikiki environment in greatest need of funding support. In effect, the following should be deleted:

1. Section 2 (page 1, lines 13-16): the specific project "Kuhio Avenue Widening from Kaiulani to Paoakalani Avenue (widen avenue to 70 feet providing 56 feet for five-car lanes): \$4,000,000(C) and \$1,000,000(S)";
2. Section 2 (page 2, lines 10-17): the specific project "Kapiolani Beach Park (close existing parking in Queen Surf area--grassing, landscaping, sprinkler system. Close mauka lane of Kalakaua Avenue through Paki and Monsarrat as a through street and convert to diagonal parking): \$160,000 (C) and \$40,000(S)"; and
3. Section 2 (page 2, lines 18-21): the specific project "Queen Kapiolani Regional Park (install sprinkler system to connect to new Board of Water Supply well): \$160,000 (C) and \$40,000(S)".

Moreover, your Committees do not consider necessary, in light of the testimony, the proviso in Section 1, H.B. No. 1063, that the City and County of Honolulu provide 20 per cent of the project's costs. Therefore, the following phrase will be deleted (lines 4-6):

"provided that no funds shall be made available under this Act unless the City and County of Honolulu provides 20 per cent of the project's costs".

Your Committees further recommend that each of the remaining three projects listed in H.B. No. 1063 not be restricted by amount of general obligation bonds to be issued. For this reason, the general obligation bonds to be issued in the sum of \$2,100,000 will cover the three remaining projects as a whole.

The final amendment to H.B. No. 1063 is to streamline the language of Sections 1, 3, and 4, more in line with the guidelines for drafting appropriation bills in the Hawaii Legislative Drafting Manual, Fifth Edition.

Your Committees on Tourism, Transportation, and Water, Land Use Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1063, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1063, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Baker, de Heer, Fukunaga, G. Hagino, Monahan and Narvaes.

SCRep. 212 Ocean and Marine Resources on H.B. No. 76

The purpose of this bill is to support fisheries development by providing for the

operation of a vessel as a fuel supply and catch storage facility.

Your Committee finds that the future of Hawaii's commercial fishing industry lies in the development of the vast fishing resources in the area north of Midway, including the Northwest Hawaiian chain, as well as the Western and Central Pacific areas, through the use of long-range fishing vessels.

Testimony before your Committee by the Department of Land and Natural Resources reveals that some of the major problems in the fishery industry are the lack of a fisheries base at Midway Islands, and the great distance between albacore fishing ground to the nearest cannery (Honolulu, 1,300 miles) which contribute to the marginal economic viability of long-range fishing activities based in Honolulu. The albacore vessels would have to travel 20 days per round trip to unload their catch during the short four to five month fishing season, thereby reducing their potential average catch from 80 tons per vessel per season to about 40 tons.

Your Committee finds that the use of a mothership to replenish fuel and supplies, and to provide necessary and adequate refrigeration storage facilities may present a viable alternative for the fishery industry. Your Committee further finds that the United States Navy has a surplus yard tanker and a (LSD-27) U.S.S. Wetstone which appears to be an appropriate vessel to demonstrate the feasibility of the mothership concept and to be used for dry dock.

Your Committee has amended this bill by replacing Section 2, relating to "means", with the appropriation clause previously reported as Section 3.

Your Committee has further amended this bill by inserting a new Section 3 providing for a "special vessel lease."

Your Committee has further amended this bill by providing an appropriation of \$1,400,000, of which up to \$1,000,000 may be expended to acquire and recondition a vessel for the purposes of this bill, and up to \$400,000 may be expended for the required refrigeration system, to the department of land and natural resources as the expending agency and that any unexpended or unencumbered balance of any appropriation made by this Act as of the close of business on June 30, 1983 shall lapse into the general fund.

Your Committee also added language to the Section 2 appropriation clause of this bill to provide that the designated expending agency, the department of land and natural resources, is authorized to delegate to other state or county or private industry the power to expend funds provided by this bill, when it deems it more advantageous to do so.

Your Committee is in accord with the intent and purpose of H.B. No. 76, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 76, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 213 Ocean and Marine Resources on H.B. No. 957

The purpose of this bill is to amend the Hawaii Revised Statutes by inserting a new chapter to establish an Aquaculture and Mariculture Coordinating Committee in the Office of the Governor. In addition, this bill provides for membership for the Committee, and provides the Committee with wide-ranging powers and duties to coordinate, guide, and direct aquaculture and mariculture development in the State.

Your Committee finds, that the research, development, and demonstration of viable energy, aquaculture, mariculture, and ocean-related technologies is moving rapidly in the State. Prospects for private commercial investment for Ocean Thermal Energy Conversion, manganese nodules, floating and submerged sea-farming operation is a reality.

Your Committee further finds that Article XI of the Constitution of Hawaii clearly mandates the conservation, protection, and development of marine resources in the State. The proposed aquaculture and mariculture coordinating committee is viewed as a viable and effective mean to enhance fulfillment of this significant constitutional mandate.

Testimony before your Committee by the Attorney General recommended that the Aqua-

culture and Mariculture Coordinating Committee be established within the Department of Land and Natural Resources rather than in the Governor's office because Article V, Section 6 of the Hawaii State Constitution mandates that all executive and administrative offices, departments, and instrumentalities of the state government, shall be allocated among and within the principal departments according to common purposes and related functions.

Your Committee has duly noted and considered the recommendation of the attorney general's office. Your Committee has addressed the reasons for the attorney general's recommendations and finds as follows:

1. That the attorney general's concern relating to the chairperson of the committee also being the chairperson of the board of land and natural resources is remedied by deleting that requirement.
2. That the attorney general's concern that staff support of the committee is the staff of the department of land and natural resources is remedied by requiring the governor to direct the department to provide support as needed which the governor is now empowered to do.
3. That the attorney general's concern that the mission of the committee is similar to that of the department of the land and natural resources does not address the main intent of this bill which is to provide independent technical expertise to the governor and the chairperson of the department of land and natural resources.
4. That H.B. No. 957, H.D. 1 specifically deems the Governor's Aquaculture and Mariculture Coordinating Committee as an agency for a special purpose which is an exception to the requirements of Article V, Section 6 of the Hawaii State Constitution upon which the attorney general's recommendations rely.
5. That the independence of a technical advisory agency for the special purpose of coordinating aquaculture and mariculture development in the State is essential to any prudent compliance with Article XI of the Constitution of Hawaii.

Therefore, notwithstanding the recommendation of the attorney general's office, your Committee finds that the Governor's Aquaculture and Mariculture Coordinating Committee must be placed under the Governor's office as an agency for a special purpose.

Your Committee also received testimony from the Chairperson of the Department of Land and Natural Resources generally in support of this bill.

Your Committee, upon consideration, has amended the bill as follows:

Section 1 of the bill has been amended to state that the Governor's Aquaculture and Mariculture Coordinating Committee has been established within the Governor's office as an agency for the special purpose of administering and Coordinating State aquaculture and mariculture activities; delete the requirement that the Chairperson of the Board of Land and Natural Resources shall serve as the coordinating committee chairperson; delete the requirement that the dean of the University of Hawaii marine program, the director of the Sea Grant program and the director of the National Marine Fisheries Service, Southwest Fisheries Center, Honolulu Laboratory shall serve as coordinating committee members; reduce the number of members who are aquatic farmers from three to one; add the Chairperson of the Board of Agriculture as a member of the coordinating committee; delete the requirement that at least one person appointed by the Governor to the coordinating committee shall represent a recognized nonprofit association of aquatic farmers; and require the Governor to select the coordinating committee chairperson from among the coordinating committee's voting members.

Your Committee has further amended section 1 of the bill, section -2(1) to include product development and promotion as part of the State Aquaculture and Mariculture Development Plan and Policy; by making conforming amendments to section -2(2); by amending section -2(9) to provide that the coordinating committee shall review and make recommendations to the governor and the Chairperson of the Board of Land and Natural Resources for all mariculture leases; by inserting a new section -2(10) to provide that the coordinating committee shall study, evaluate, and make recommendations to the governor and the Chairperson of the Board of Land and Natural Resources of State marine waters and submerged lands that can be designated for marine activities; by inserting a new section -2(11) to provide that the coordinating committee shall consult with specific resource personnel and appropriate agencies in matters relating to ocean-related conservation district use applications, mariculture leases, and the

designation of the State marine waters and submerged lands for marine activities; and by renumbering the existing sections -2(10) and -2(11) as sections -2(12) and -2(13) respectively.

Your Committee has also amended section 1 of the bill, section -4 of the proposed chapter, to require the Governor to instruct the Department of Land and Natural Resources to provide necessary staff support to the coordinating committee.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 957, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 957, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 214 Judiciary on H.B. No. 630

The purpose of this bill is to provide for the addition of a third circuit court judge for the Island of Hawaii (Third Circuit).

Your Committee finds that the case load in the Third Circuit has increased to a point where the addition of a third judge is justified.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 630, and recommends it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 215 Judiciary on H.B. No. 919

The purpose of this bill is to provide for payment of a judgment resulting from a settlement agreement in a lawsuit entitled Sylvia Gamino v. State of Hawaii v. Yukio Yamamoto and Yama's General Contractors, Civil No. 59095.

Your Committee heard testimony in this matter and believes that it is in the best interest of the State that an appropriation in the sum of 4.1 million dollars be made to fully satisfy the judgment.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 919 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 216 Judiciary on H.B. No. 988

The purpose of this bill is to provide State assistance through a grants-in-aid to establish or continue programs for resolution of minor disputes through mediation. The bill also provides for the allocation of the total sum of \$255,000 requested for the 1981-83 fiscal biennium among the four counties.

Your Committee finds that the Honolulu Neighborhood Justice Center, was established in November of 1979, as a non-profit organization, designed to mediate and settle dispute. During the first fifteen months of its operation, the center has processed over 1,000 cases and actually resolved some 475 cases. There is no charge assessed to the parties for the use of the services of the centers.

Currently, the Honolulu Neighborhood Justice is funded under a grant from the Law Enforcement Assistance Administration (LEAA).

Mediation services are also presently provided on Kauai, through Kauai Economic Opportunity, Inc. under a grant from the LEAA, and Maui and Hawaii are currently exploring the possibility of forming similar mediation services programs.

Your Committee believes that the type of mediation services currently offered to the community through organizations like the Honolulu Neighborhood Justice Center provide a less costly yet effective method for resolving certain types of disputes and provide

an important service to our community.

Your Committee is mindful, however, that the effectiveness of the mediation service is due to the close relationship that a community based non-profit organization can bring to bear in mediation through the use of community volunteers. Its effectiveness is also attributable to the non-judicial, non-adversarial setting in which the services are made available. This effectiveness may very well be lost if such a program were to be absorbed into state or county operation. Therefore, your Committee agrees that any state assistance to provide for community mediation services should be provided exclusively through grants-in-aid.

Your Committee is in accord with the intent and purpose of H.B. No. 988, and recommends it pass Second Reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 217 Judiciary on H.B. No. 1100

The purpose of this bill is to increase the statutory fee for an identification certificate from \$2.00 to \$6.00.

The present statutory fee of \$2.00 has not been amended since 1957. Pursuant to Section 92-28, Hawaii Revised Statutes, the fee was increased administratively by 50 percent to \$3.00 in 1974. Since that time, however, the fee has remained unchanged.

During the past sixteen years, the costs involved in providing identification certificates have greatly increased. Your Committee feels that the increase is necessary to meet rising costs of the program and to provide more efficient service.

Your Committee feels that the proposed increase is in is justified and necessary to meet these costs.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1100, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 218 Judiciary on H.B. No. 1377

The purpose of this bill is to reaffirm the appointment of the public defender as the primary counsel appointed to represent defendants who are unable to pay for private counsel, and provide for a schedule of fees promulgated by the Supreme Court to compensate counsel appointed in conflict or overload cases.

The present schedule of fees for payment to private counsel appointed by the court is governed by Section 611-5 of the Hawaii Revised Statutes. The existing schedule has remained unchanged since 1969.

The establishment of reasonable compensation will accomplish the following goals:

1. Competent attorneys now specializing in criminal cases will not be deterred from accepting court appointments, thereby providing indigent defendants with qualified and competent counsel.
2. Young attorneys will not be discouraged from entering the field of criminal litigation.
3. That a substantial criminal bar will be encouraged to supplement the public defender.

Your Committee feels that in establishing a new fee schedule, the Supreme Court should consider establishing a maximum rate per hour for attorney time, maximum compensation per attorney per case, and a provision for exceptions to the maximum compensation provisions.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1377 and recommends that it pass Second Reading and be referred to the Committee

on Finance.

Signed by all members of the Committee.

SCRep. 219 Public Employment and Government Operations on H.B. No. 1871

The purpose of this bill is to provide exclusive representatives of certain public employees bargaining units with another option to negotiate a model conversion plan. Act 253, Session Laws of Hawaii 1980, granted exclusive representatives the option to negotiate a model conversion plan regarding a reduction in the number of steps within the salary ranges under Chapter 77, Hawaii Revised Statutes. This option, however, expired on January 1, 1981.

Your Committee finds that of the nine bargaining units with positions covered under Chapter 77, HRS, bargaining units one, two, and nine have successfully negotiated model conversion plans before January 1, 1981. There are six remaining white-collar bargaining units without a model conversion plan. Exclusive representatives of these units have expressed a desire to have another option to negotiate a model conversion plan.

Your Committee is in agreement that the exclusive representatives of bargaining units three, four, ten, eleven, twelve, and thirteen be granted another option to negotiate a model conversion plan in accordance with the provision of this bill which allows for the redesignation of salary ranges in the publication of pay schedules and the exclusion of salary ranges which are not being used from respective pay schedules. The bill also clarifies that negotiations on model conversion plans shall be without resort to any impasse procedure. It also specifies that mutually agreed upon conversion plans shall remain in effect to serve as the bases for all subsequent wage negotiations.

Based on recent experience in negotiating model conversion plans, this bill contains amendments to the law so that: (1) pay schedules unique to each bargaining unit can be developed, (2) model conversion plans result from mutual agreement between the parties without third party assistance, and (3) model conversion plans remain in effect to serve as the bases for all subsequent wage negotiations.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1871 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 220 Public Employment and Government Operations on H.B. No. 1867

The purpose of this bill is to clarify and authorize the Survey Division of the Department of Accounting and General Services to sell copies of maps and plans of land that are under the custody and control of the Bureau of Conveyances.

Your Committee finds that none of the Hawaii Revised Statutes relating to the function and control of the Survey Division authorizes the Survey Division to print and sell copies of Land Court and File Plan maps that are under the custody of the Registrar of Conveyances at the Bureau of Conveyances. The Survey Division has been providing this service for over forty (40) years without interruption. Your Committee is in agreement that the termination of this service would cause great inconvenience to the public as well as certain government agencies and has therefore amended this bill by amending HRS 502-22 to authorize the Registrar of Conveyances to delegate this authority to the Survey Division. The addition of this new section to Chapter 501 will authorize the Division to sell the Land Court Maps.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1867 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 221 Public Employment and Government Operations on H.B. No. 1873

The purpose of this bill is to amend the existing statutes relating to shortage categories

in public employment as follows: (1) allows the entry salary for a shortage category to be adjusted by adding to the first step of an appropriate salary range a temporary shortage differential; (2) allows for similar adjustments in the entry salaries of other classes or groups of positions in classes if warranted to preserve internal relationships within the same series as the shortage category; (3) allows for adjustments in the pay of incumbents who are in a class or group of positions in a class where the entry salary has been adjusted so that no incumbent is paid below the adjusted entry salary; and (4) establishes procedures for phasing out shortage differentials whenever there are changes in the pay schedules or the entry salaries are lowered following a review of shortage category determinations.

Your Committee is in agreement that under the authority of Act 253, Session Laws of Hawaii 1980, model conversion plans regarding a reduction in the number of steps were negotiated for three bargaining units. Changes in the pay structures under these model conversion plans (i.e., fewer steps, larger percentage differences between steps, and a requirement that all employees be paid on step) prompted a review of the existing statutes on shortage categories. The review showed that amendments are necessary to: (1) restore flexibility in setting an appropriate entry salary for a shortage category; (2) preserve internal relationships within the series in which a shortage occurs; (3) assure that no incumbents are paid less than the adjusted entry salaries for their respective class or group of positions in a class; and (4) phase out shortage differentials which are provided as a temporary measure to alleviate recruitment problems.

These changes should provide more timely and appropriate adjustments in pay because of current labor shortages.

The bill also deletes the requirement for prior approval by a chief executive since more frequent adjustments are contemplated as labor market conditions or pay schedules change. Appropriate procedures for review by a chief executive can be developed administratively. The requirement for submission of an annual report to a legislative body is also being deleted. Compilation of such data on a year-to-year basis has been of limited value. The director is still required to maintain information on all recruitment above the first step and shortage category determinations. More useful and relevant reports, e.g., a historical trend of a particular shortage category as the nurses, can be generated at the request of the respective chief executive or legislative body.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1873 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 222 Public Employment and Government Operations on H.B. No. 1158

The purpose of this bill is to allow the Employees' Retirement System to increase the first mortgage loan-to-value ratio from the present 75 per cent to 90 per cent. Also, the bill provides the obligation to be insured or guaranteed against default or loss under a mortgage insurance policy issued by a casualty insured company licensed to do business in the state. The insurance has to cover no more than 75 per cent of the value, and shall remain in effect until the obligation is reduced to 75 per cent of the value, subject to cancellation by the Board.

Your Committee is in agreement that with the continuing rise in Hawaii real estate prices and double digit interest rates, it is difficult for persons to purchase a home. The present loan-to-value restrictions and corresponding high downpayment requirements prevent many young, first-time home buyers of the Retirement System from participating in the program. The proposed loan ratio increase of 90 per cent would help alleviate this problem. With people qualifying at a higher value, the mortgage payments may be higher. However, the system's underwriting standards would prevent people from participating in the program if it is determined that they can't meet the mortgage payments, and thus foreclose.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1158 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 223 Public Employment and Government Operations on H.B. No. 867

The purpose of this bill is to give the investigators of the Attorney General's Office the same benefits and privileges from the retirement system as the policemen and investigators of the county prosecutor's office.

Your Committee is in agreement that the (1) required duties and functions, (2) high risk factor, and (3) high stress-type situations of the Attorney General's investigators are equal to or greater than their counterparts at the county level. Duties and functions include being proficient and test qualified in the use of firearms, and providing security and protection services to government officials and official dignitaries. High risk and high stress situations include investigations of civil, administrative and criminal matters, investigations of arson, bomb threats, vandalism, sabotage, and contraband smuggling on state properties such as at prisons, airports and hospitals. Also, your Committee is in agreement that because of the small number of individuals involved, the additional cost of \$10,000 to the State will be minimal.

For such reasons, the investigators of the Attorney General's Office should be granted benefit and privilege parity with the policemen and investigators of the county prosecutor's office.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 867 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 224 Public Employment and Government Operations on H.B. No. 888

The purpose of this bill is to increase the cost of living bonus payments for persons who retired after June 30, 1970, but prior to July 1, 1975, and would add a new group of retirees who retired after June 30, 1975, but prior to July 1, 1979.

Your Committee is in agreement that the proposed group of retirees should receive an additional fifty cents (\$.50) from the present level of one dollar (\$1.00) a month for each year of credited service. Also, that a new group of retirees should be included to receive a cost of living bonus of one dollar (\$1.00) a month for each year of credited service.

The proposed bonus increases would enable retirees to cope more adequately with their living expenses which have escalated sharply because of runaway inflation. One of inflation's severest effects is upon those who depend on a fixed or semi-fixed income such as the retirees. In June, 1980, the consumer price index in Honolulu was 227.5, up 127.5 from 100 for the base year 1967. Thus, purchasing power has been reduced by about \$10.00 each year since 1967. Estimated cost for the proposal ranges from \$1.3 to \$1.5 million.

Your Committee believes that the proposal and cost is justified because of inflationary reasons, and the historical practice of granting adjustment to retirees when granting increases to active employees.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 888 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 225 Housing on H.B. No. 1556

The purpose of this bill is to transfer the Teachers' Housing program currently administered by the Hawaii Housing Authority to the Department of Education.

Your Committee finds that the Teachers' Housing program properly belongs under the jurisdiction of the Department of Education (DOE) as it is a support service for teachers in remote areas of the State where housing is not otherwise available. The DOE determines the need for housing units based upon requests from teachers and makes five-, ten-, and twenty-year plans for phase-out or replacement of these units while the Hawaii Housing Authority merely handles management functions.

Your Committee received supporting testimony from the Hawaii Housing Authority.

Your Committee has changed the effective date of this bill to July 1, 1981 to allow time for an orderly transfer of the program from the Hawaii Housing Authority to the Department of Education.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1556, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 226 Housing on H.B. No. 1686

The purpose of this bill is to provide funds for improvements to public housing facilities in the sixth representative district.

Your Committee received supporting testimony from the Hawaii Housing Authority and recommendations as to the necessary amounts for improvements in the Authority's projects on Maui.

Your Committee has made the following amendments to H.B. No. 1686:

1. Inserted \$257,000 as the amount to be spent for improvements to the David Malo and Kahekili housing projects.

2. Designated the Hawaii Housing Authority as the appropriate expending agency.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1686, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 227 Housing on H.B. No. 1557

The purpose of this bill is to authorize an additional \$25 million in general obligation bonds for the Hawaii Housing Authority's Dwelling Unit Revolving Fund (DURF).

Your Committee finds that the \$125 million originally authorized for DURF is rapidly being depleted. Current project development is tying up funds, preventing them from revolving and being used for other developments. This appropriation will allow production of 500 to 700 dwelling units for eligible low- and moderate-income residents and reestablish DURF as a viable interim loan fund which will provide construction loans at affordable rates.

Your Committee received supporting testimony from the Hawaii Housing Authority, the Construction Industry Legislative Organization and the Consumers' Housing Task Force.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1557 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 228 Housing on H.B. No. 1303

The purpose of this bill is to increase the conveyance tax on the transfer of real property in order to provide the counties with an additional source of funds for county housing programs.

Your Committee finds that while the State and County governments share responsibility for providing housing assistance to low- and moderate-income residents, county housing programs are severely limited by the counties' sources of revenue. This bill would increase the conveyance tax from five cents to fifteen cents per \$100 of consideration, and the amount of the increase would be disbursed to housing trust funds established by each county in the State. Each county would be able to determine how the funds

would best be used; however, your Committee does not intend that the funds be used for county housing department personnel, administrative or operating budget purposes. Revenues generated for the counties by the additional conveyance tax should be spent in their entirety for affordable housing.

Your Committee received supporting testimony from the Consumers' Housing Task Force, the Kokua Council for Senior Citizens and Territorial Savings and Loan Association. Those testifying asserted that the increased conveyance tax is not excessive and is an equitable means of generating revenues for the development of low- and moderate-income housing as the tax is spread across a broad base.

Your Committee has amended this bill by amending page 4, line 8 to read: "...where a county does not have a housing trust fund after six months following enactment of this measure, its share of the tax revenues for any quarter shall instead be paid into the general fund of the State."

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1303, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1303, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 229 Housing on H.B. No. 1312

The purpose of this bill is to provide deductions on gross income for contributions to a trust account established for saving toward a downpayment on the first principal residence of a taxpayer.

The individual housing account (IHA) established by this bill would operate like an individual retirement account. A maximum of \$5,000 a year could be contributed to an account and such contribution and interest generated would be deductible from the taxpayer's gross income. The total contributed to an IHA could not exceed \$25,000. Any amount paid out of an IHA would be included in gross income by the taxpayer for that taxable year unless the amount was used exclusively in connection with the purchase of a first principal residence in Hawaii.

Your Committee received much favorable testimony from the Hawaii League of Savings Associations, the Land Use Research Foundation, the Construction Industry Legislative Organization, the Consumers' Housing Task Force and many others. Those testifying attested to the difficulties many potential homebuyers have in saving enough money for a downpayment on a home. This bill would provide an excellent means of assisting these households as well as provide a source of funds which may be used to make mortgage loans in our capital-short State.

Your Committee recommends the following changes to H.B. No. 1312:

1. Provide a definition of "first principal residence" in section 2 of the bill which provides that the taxpayer shall not have owned any residential property prior to establishing an IHA. In addition, the first principal residence should be the taxpayer's residence for at least three years after purchase.
2. Establish a penalty if the residence purchased with the distribution from an IHA is sold within three years after purchase. Your Committee does not intend that a person use the tax shelter of an IHA and then be able to make a large capital gain upon quick resale of the residence.

Your Committee believes the bill clearly provides that the contributor to an IHA is the same person who will receive the distribution from the account and purchase a first principal residence. It is not your Committee's intent that parents, for example, be able to set up an IHA for the benefit of any children.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1312, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 230 Health on H.B. No. 1207

The purpose of this bill is to make an appropriation of \$38,000 for a grant-in-aid to the Hilo Association to Help Retarded Citizens for staff salaries and operational costs involved in providing services to four deaf/blind and multi-handicapped children.

Your Committee finds that the Hilo Association to Help Retarded Citizens' residential program provides an integral service which allows deaf/blind and multi-handicapped children to remain at home rather than in a more costly long-term care institution.

Your Committee is in accord with the intent and purpose of H.B. No. 1207 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 231 Health on H.B. No. 1039

The purpose of this bill is to make an appropriation of \$230,924 for a grant-in-aid to the Sex Abuse Treatment Center at Kapiolani-Children's Medical Center (Honolulu, Hawaii).

Testimonies presented to your Committee indicate that since the opening of the Sex Abuse Treatment Center in 1976, the community has responded with confidence to the Center and its program of medical, psychological, social, and legal services. This has been evidenced, in part, by the more than doubling of cases handled annually over the past four years. Your Committee agrees on the needs for State support for the Center to ensure that vital sexual assault support services be continued.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1039 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 232 Health on H.B. No. 1001

The purpose of this bill is to make an appropriation of \$75,000 for a grant-in-aid to the YWCA Sexual Assault Support Service in Hilo, Hawaii.

Your Committee finds that with the increasing incidence of sexual assaults in the State, sexual assault support services provide vital medical, legal, and social assistance to victims of assault at the time of crisis and thereafter.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1001 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 233 Health on H.B. No. 1004 (Majority)

The purpose of this bill is to provide an appropriation of \$850,000 for fiscal year 1981-82 for plans and construction of an additional occupational and physical therapy building at Kauai Veterans Memorial Hospital, Phase II.

Your Committee has amended this bill to increase the appropriation to \$950,000 in accord with the recommendations of the Department of Health. This bill is further amended by changing the expending agency from the Department of Health to the Department of Accounting and General Services.

Your Committee on Health is in accord with the intent and purpose of H.B. 1004, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 1004, H.D. 1.

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

SCRep. 234 Health on H.B. No. 1035

The purpose of this bill is to make an authorization to issue general obligation bonds and make an appropriation of \$45,000 for fiscal year 1981-82 for the construction of sewers to service the Hukilau-Ice Pond area to minimize contamination from cesspools to the swimming area.

Your Committee on Health is in accord with the intent and purpose of H.B. 1035 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 235 Health on H.B. No. 522

The purpose of this bill is to make an appropriation of \$120,000 for a grant-in-aid to Variety Club School, Honolulu, Hawaii, for the continuation of medical diagnostic and functional developmental assessment services for children between two and eleven years of age with suspected learning or developmental disabilities and for in-service training to parents of such children.

Your Committee finds that the Variety Club School provides a necessary, supplemental medical diagnostic and functional developmental assessment service for children between two and eleven years of age who may have learning or developmental disabilities but who may not be currently eligible for Department of Education special services.

Testimony presented to your Committee by the Department of Health, however, indicates that under Public Law 94-142, the Department of Education is mandated to provide special education and "related services" to all handicapped children three years of age and older. The term "related services" refers to such developmental, corrective, and other supportive services which are required to assist a handicapped child to benefit from special education and which includes early identification and assessment of disabilities, counseling services, and medical services for diagnostic or evaluation purposes.

Your Committee concurs with the Department and has therefore amended section 3 of the bill by changing the expending agency from the Department of Health to the Department of Education.

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

Signed by all members of the Committee.

SCRep. 236 Health on H.B. No. 738

The primary purpose of this bill is to amend section 321-52, Hawaii Revised Statutes, by designating the United States Secretary of Health and Human Services as the appropriate, responsible administrator for the Crippled Children's Program under Title V of the Social Security Act.

Your Committee finds that the amendment is necessary because the administrative responsibility for the Crippled Children's Program at the federal level has been transferred from the Secretary of Labor to the Secretary of Health and Human Services.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 738 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 237 Health on H.B. No. 848

The purpose of this bill is to appropriate \$110,000 for fiscal year 1981-82 as a grant-in-aid to the Hemophilia Foundation of Hawaii for assistance to persons suffering from hemophilia; provided that a maximum of \$5,000 of the total may be used for carrier detection, prenatal diagnosis, and genetic counseling.

Your Committee finds, through the testimony presented, that victims of hemophilia

can lead normal and self-supporting lives when funds are available to assist them with treatment and medical costs. Medical expenses average \$7,000 per year for each hemophilia patient, but expenses for some patients can exceed \$20,000 per year.

Your Committee further finds that although the number of hemophiliacs in Hawaii is not particularly high, those afflicted with this disorder are in great need of financial assistance for the medical treatment and services they require, and that the assistance provided to them through the Hemophilia Foundation, which has received financial support from the Legislature for the past several years, has made a genuine and positive difference in the lives of hemophiliacs in Hawaii.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 848 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 238 Transportation on H.B. No. 1760

The purpose of this bill is to provide the Hawaii Wing of the Civil Air Patrol the sum of \$250,000.00 for Phase II of the headquarters facilities which will also include fixtures and furnishings for the multi-purpose building and appurtenant fencing and parking facilities.

Your Committee has amended H.B. 1760 to provide that appropriations made by this bill be charged against monies in the Airport's Special Fund rather than against the General Revenues of the State of Hawaii.

Your Committee on Transportation is in accord with the intent and purpose of H.B. 1760 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1760, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 239 Youth and Elderly Affairs on H.B. No. 996

The purpose of this bill is to appropriate \$12,500 to continue the operation of the Maunaolu Youth Residential Shelter Program, Maui.

The Project Director of the Maunaolu Youth Residential Shelter testified that the shelter serves youths who do not require detention (which the Maui Live-In Center provides). The Maunaolu Youth Residential Shelter provides shelter for youths, 12-17 years of age, who are: (1) beyond parental control, (2) in need of emergency and short-term shelter, (3) in need of supervision, or (4) in a crisis situation in need of counseling.

The Project Director further testified that the amount of \$12,500 provided in the bill would not be sufficient to continue the operation of the Shelter through the next fiscal year. Due to a loss of approximately \$67,000 in federal funds the Shelter is requesting \$90,000 to fund the Shelter program.

Your Committee agrees with the Maunaolu Youth Residential Shelter and has amended the bill to provide an appropriation of \$90,000.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 996, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 996, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 240 Youth and Elderly Affairs on H.B. No. 828

The purpose of this bill is to appropriate \$25,000 to continue the operation of the Honolulu Youth Symphony.

The Honolulu Youth Symphony performs on the neighbor islands and, according to testimony submitted by the Association, a major portion of the State appropriation is used for travel to the neighbor islands, to cover the expense of travel and lodging for

the performing youth.

Testimony submitted by the Honolulu Youth Symphony Association indicates that the bill designates the Honolulu Youth Symphony Society as the expending agency. Society has been deleted and replaced with Association.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 828, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 828, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 241 Youth and Elderly Affairs on H.B. No. 1270

The purpose of this bill is to provide a grant-in-aid to the Hawaii County Economic Opportunity Council for its elderly transportation program.

In the past the transportation services of the Hawaii County Economic Opportunity Council have been funded by the Department of Social Services and Housing Title XX funds. Due to the termination of this funding the Hawaii County Economic Opportunity Council is requesting \$116,238 to provide transportation services to the disadvantaged.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1270, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 242 Energy, Ecology and Environmental Protection and Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1087

The purpose of this bill is to initiate the search for the biological control of Passiflora mollissima (Banana Poka) which is smothering extensive areas of native forests on Hawaii and Kauai. This vine has long been recognized as a serious problem which needs immediate action. This bill will provide funds to form a two-person team to conduct a search for locating suitable biological control candidates.

Your Committees intend that the departments of land and natural resources and agriculture work out a suitable agreement with the United States Department of the Interior and the National Park Service for the use of the greenhouse facility at the Hawaii Volcanoes National Park, at the earliest opportunity.

Your Committees on Energy, Ecology and Environmental Protection and Water, Land Use Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1087 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 243 Energy, Ecology and Environmental Protection on H.B. No. 1593

The purpose of this bill is to enable the department of health to hire, for one year, an individual with appropriate skills to be assigned to the State Advisory Committee on Radiological Safety for administrative and investigative activities.

The State Advisory Committee was created by the 1980 Legislature to investigate and make recommendations on radiological safety issues concerning Hawaii. It was not given any money for staff, however. This greatly reduces the abilities and therefore, effectiveness, of this Advisory Committee.

The individual hired under this Act will be assigned to the department of health, noise and radiation branch, to provide investigative and administrative support as directed by the Advisory Committee as well as provide continuity to all the programs involving radiological issues in the department of health.

Your Committee on Energy, Ecology and Environmental Protection is in accord with

the intent and purpose of H.B. No. 1593 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 244 Energy, Ecology and Environmental Protection on H.B. No. 1594

The purpose of this bill is to provide the monies needed by the department of health to contract with an individual for two years to aid in the implementation of the state's hazardous waste management program.

A nation-wide hazardous waste management program went into effect in late 1980. Hawaii's program is currently being run by the U.S. Environmental Protection Agency from its regional office in San Francisco. The State already has the responsibility for the safe handling and disposal of hazardous materials generated in Hawaii and it is expected that the complete program will soon be delegated to the State. The department of health is now faced with responsibility it cannot fulfill because of lack of staff and the distance from the E.P.A. regional center. There are Federal funds available for the initiation of this program in Hawaii, however, they cannot be utilized until matching State funds are provided. It is important therefore that these State funds be provided so the department of health can avail itself of the Federal funds while they are still available and begin this important program.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 1594 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 245 Employment Opportunities and Labor Relations and Education on
H.B. No. 1576

This bill calls for the Department of Labor and Industrial Relations (DLIR) to establish Career Resource Centers (CRC) in each of the seven school districts across the state. The two existing CRC located at Kaimuki and Waialua High Schools shall serve as models. Additionally, the DLIR shall maintain close coordination and cooperation with the Department of Education (DOE) in establishing and maintaining the centers.

The bill appropriates \$455,000 for fiscal 1981-82 and the same for fiscal 1982-83. The sum is to be expended by the DLIR for the purposes of the Act.

Your Committee finds that there is a clear need to link education with entry into the labor market. A lack of complete and appropriate guidance at critical points in youths' lives can contribute to an already lengthy list of social and economic ills.

The State of Hawaii has recognized this need and has evolved program philosophies to deal with it. For example, the DOE has adopted the following, "To recognize and pursue career development as an integral part of personal growth and development" as one of the eight Foundation Program Objectives (FPO) established to serve as the basis for curriculum and instruction in the public schools. Similarly, the State Plan for Career Education in Hawaii, K-12, November, 1978, includes Objective II-F, "To provide students with services in career counseling, guidance, career information, planning, and placement." Also, "That career resource centers be established in secondary schools to provide teachers, parents and students with information on areas where high employment growth is expected," is included in the State Education Plan and Technical Reference Document, September, 1980.

The two pilot CRC, established at Kaimuki and Waialua High Schools, are concrete implementation of these program philosophies. They provide services to secondary school students including information on career fields, occupations and preparation as well as group workshops and individual counseling, training in job-seeking skills, career exploration activities, and workstudy and placement activities. Additionally, they help faculty to include career information and education in their teaching. Using the modern technology of the computer, they allow the student the greatest degree of flexibility and freedom.

The program has been funded for the last two years by CETA monies funneled through the DOE's cooperative agreement with the City and County of Honolulu's Office of Human

Resources (OHR). Due to the drastic reduction in CETA funds, the CRC's will be terminated effective June 30, 1981.

This is unfortunate as the DOE has recommended continuation of the CRC's and noted that they "were very successful in achieving their project objectives." The OHR has also endorsed the continuation of the project, noting that there has been a "phenomenal response to a service that filled a critical need among the young people of Hawaii..." and that it is "one of the most cost effective programs produced under CETA funding."

Your Committee has also received a massive amount of testimony from the DLIR, the DOE Honolulu District Superintendent, the Principal of Waialua High School, the Vice Principal of Kaimuki High School, numerous teachers, counselors, students, businesses, etc. that have participated in the program.

Your Committees on Employment Opportunities and Labor Relations and Education are in accord with the intent and purpose of H.B. No. 1576 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 246 Employment Opportunities and Labor Relations on H.B. No. 907
(Majority)

The purpose of this bill, by amending Chapter 386-86 of the Hawaii Revised Statutes, is to allow reasonable attorneys' fees to be awarded in addition to medical costs in cases heard before the Disability Compensation Division of the Department of Labor and Industrial Relations and found in favor of the injured party. The additional cost shall be incurred by the party liable for the medical cost compensation.

Under current law, in the event of a dispute as to costs incurred by an injured party for medical care, services, or supplies heard before the Disability Compensation Division, and in the event of a decision for the injured party, the award can only include the costs of medical care, services or supplies. Cost of the claimant's counsel must be borne by the claimant.

Your Committee finds that this "out of pocket" expense creates an undue hardship on the claimant. Further, by, in effect, imposing a cost on obtaining the award, the full intent of compensation for medical and rehabilitation benefits is not carried out.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 907 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.
(Representatives Dods, Anderson and Marumoto did not concur.)

SCRep. 247 Consumer Protection and Commerce on H.B. No. 1770 (Majority)

The purpose of this bill is to amend various provisions of Chapter 468K, Hawaii Revised Statutes, relating to the travel agency recovery fund.

Chapter 468K, Hawaii Revised Statutes, was enacted as Act 290, 1980 and became effective January 1, 1981. This bill would amend the chapter in the following substantive manner: (1) limit recovery to those acts committed by only registered travel agents or sales representatives, (2) lower individual recovery limits from \$10,000 to \$5,000, (3) provide a definition of "aggrieved person", (4) limit payment into the fund to one payment at initial registration, (5) limit additional payments to the fund at only even numbered years, (6) increase the interest rate on repayments to the fund from six to twelve per cent, and (7) lower the limit on maximum liability of the fund from \$10,000 to \$5,000.

Your Committee finds from the testimony presented that the changes suggested by the bill should clarify the original intent of the law. Your Committee notes that most recoveries against travel agencies do not exceed \$1,500 and a lowering of liability limitations to \$5,000 should not adversely affect the rights of consumers.

Your Committee has, however, amended the bill to retain the requirement that assessments can be made in any year that the fund falls below \$30,000. There appears to be no

compelling reason why assessments should not be made on an annual basis since the fund can be depleted at any time.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1770, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1770, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 248 Consumer Protection and Commerce on H.B. No. 1008

The purpose of this bill is to reduce the financial burdens imposed by statute on small organizations which solicit funds from the public while at the same time protect the public from unethical solicitation of funds for other than charitable purposes.

Under present law, charitable organizations are required to file a statement with the Department of Regulatory Agencies including a copy of a financial statement audited by a public accountant. Your Committee finds that this requirement has proven to be a financial burden on smaller organizations which find that the cost of an audited statement is nearly prohibitive.

This bill would address this problem by requiring that audited statements are required for only those organizations that receive contributions in excess of \$10,000 during the year. Organizations that receive contributions in excess of \$4,000 but less than \$10,000 during the year need only file an unaudited statement. Organizations receiving less than \$4,000 need not file any financial statement. Additionally, a provision authorizing the Department to audit any statement when it deems necessary has been included.

Your Committee feels that this bill will resolve the financial problems now felt by smaller charitable organizations. Your Committee has made several clarifying and organizational amendments and has added a new section authorizing the Department to promulgate rules relating to charitable organizations.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1008, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1008, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 249 Consumer Protection and Commerce on H.B. No. 806

The purpose of this bill is to clarify any ambiguities relating to the tax rate applicable to producers of electricity generated from alternate energy sources.

Under the present Section 237-13.5, Hawaii Revised Statutes, enacted in 1980 as Act 78, sale of electricity generated from non-fossil fuel sources to a public utility is taxed at the rate of one-half of one percent. Your Committee notes that this favorable tax rate was intended to apply to producers of electric energy generated from primarily non-fuel oil sources who sell power to public utilities in order to encourage use of non-fossil fuels. Your Committee finds, however, that such producers regularly use varying amounts of fuel oil as part of the production process. Testimony presented states that separating the amount of energy produced from non-fossil fuel sources and the amount produced from fuel oil sources is not feasible on a cost-efficient basis for purposes of the general excise tax.

Your Committee is in agreement with the purpose of this bill to further implement the original intent of Section 237-13.5. Your Committee has therefore amended the bill and section to provide that all sales of electricity to a public utility for resale to the general public be taxed at the wholesale rate of one-half of one percent of gross revenue. Your Committee feels that this approach will best apply the intent of Act 78, 1980 to sellers of electricity to public utilities.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 806, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 806, H.D. 1, and be referred to the

Committee on Finance.

Signed by all members of the Committee.

SCRep. 250 Education on H.B. No. 1053

The purpose of this bill is to provide an appropriation for the provision of hourly pay for adult education teachers.

Your Committee finds a need to provide educational services to the adult and community education target group of persons 18 years of age and older. Your Committee has heard testimony that demands for adult education services have continued to grow at the rate of 5 percent per year. An additional appropriation is needed to accommodate the anticipated growth.

Your Committee has amended this bill by inserting the sum of \$77,870 to carry out the purpose of this Act.

Your Committee on Education is in accord with the intent and purpose of H.B. 1053, as amended herein, and recommends it pass second reading in the form attached hereto as H.B. No. 1053, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 251 Education on H.B. No. 1441

The purpose of this bill is to make an appropriation to upgrade and modernize vocational education equipment in the State.

The vocational education programs are severely handicapped due to the lack of modern equipment in working order sufficient to meet even minimal program requirements.

Your Committee believes there is a need to replace and upgrade equipment which is obsolete, worn-out, or damaged beyond repair but which has been retained for use in the State's Vocational Education programs for lack of sufficient resources to remedy this problem.

Your Committee has amended the bill by changing the amount of the appropriation to \$478,594 to carry out the purpose of this bill. Your Committee has also deleted the example described in Section 1, lines 7 to 10.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1441, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1441, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 252 Education on H.B. No. 1485

The purpose of this bill is to establish a system whereby the Department of Education shall request special needs funds for each school and whereby each school shall decide how the special needs funds will be expended.

Special need funds are funds provided to each public school based on a formula determined by the Legislature for its special and unique needs, as determined by each school, to benefit students and improve the instructional program of the schools.

In the past, such funds were provided to the schools each fiscal year by inserting an appropriate authorizing proviso in the state budget for education. In view of the effectiveness of the special needs fund appropriations in meeting the special needs of each school, your Committee believes that such an appropriation should be maintained as an ongoing item in the Department of Education's biennial operating budget request.

Your Committee has amended this bill to specify that special needs funds requests by the Board of Education shall be exempt from reviews by the Department of Budget and Finance and the Governor. Your Committee concurs with testimony given by the Department of Education that such exemption is necessary because special needs funds

derive their effectiveness from the flexibility afforded by allowing each school to decide on the use of those funds at the time such funds are received and according to its unique needs which prevail. Your Committee finds that this flexibility and responsiveness would be lost if special needs funds were subjected to the same advance justification requirements imposed on other regular expenditures.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1485, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 253 Culture and the Arts on H.B. No. 1141

The purpose of this bill is to provide an appropriation for cultural facilities and services in the 19th Representative District.

This bill is amended by inserting the sum of \$25,000 and by designating the department of accounting and general services as the expending agency.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1141, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 254 Culture and the Arts on H.B. No. 1000

The purpose of this bill is to provide a grant-in-aid to the Concordium Hawaii to fund the development of a play based on the life of Princess Kaiulani.

This bill is amended by inserting the sum of \$27,000.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1000, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1000, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 255 Culture and the Arts on H.B. No. 1005

The purpose of this bill is to provide a grant-in-aid to support the preservation of the socio-cultural, historical, and closely allied traditions, assets, and programs of the Sun Yat Sen School in Honolulu, Hawaii.

This bill is amended by inserting the sum of \$65,000.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1005, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1005, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 256 Culture and the Arts on H.B. No. 1010

The purpose of this bill is to provide a grant-in-aid to the Hawaii Youth Symphony.

This bill is amended by inserting the sum of \$25,000.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1010, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1010, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 257 Culture and the Arts on H.B. No. 1009

The purpose of this bill is to provide a grant-in-aid to the Hawaii Performing Arts Company, Inc.

This bill is amended by inserting the sum of \$50,000.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1009, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 258 Judiciary on H.B. No. 1124

The purpose of this bill is to provide for the orderly transfer of personnel, equipment, obligations, and other property of the Hawaii Criminal Justice Data Center from the Judiciary to the Department of the Attorney General.

Act 269, Session Laws of Hawaii, 1980, provided that the data center be attached to the Department of the Attorney General for administrative purposes after July 1, 1981. However, Act 269, failed to provide for the transfer of personnel, equipment, appropriations, authorization or other property. This bill would remedy the oversight and insure an orderly transfer between the Judiciary and the Department of the Attorney General.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1124 and recommend it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 259 Judiciary on H.B. No. 639

The purpose of this bill is to amend section 23G-13 of the Hawaii Revised Statutes to require that each published Session Laws of Hawaii contain certain information to include inter alia, the number, including the draft number, of each bill enacted into law and citations of all legislative committee reports relating to the bills enacted.

Your Committee finds that inclusion of additional information in the Session Laws will be of great assistance in researching the legislative history of any act.

The bill has been amended to require that the Revisor of Statute also retain the underscoring and brackets contained in the bills enacted into law, but that such brackets and underscoring need not be retained in printing of the Hawaii Revised Statutes, replacement volumes or supplements thereto.

Under present law, the Revisor of Statutes need not retain the underscoring and brackets used in the Ramseyer format contained in Acts when he prints the Session Laws. Primarily for reasons of cost, the Revisor currently does not retain the Ramseyer format. This bill would require him to do so, except in cases in which whole sections or subsections have been repealed. In the latter cases, the present practice of specifying the repealed section or subsection would suffice.

Your Committee finds that the task of locating specific amendments to statutes contained in the Session Laws is a tedious and cumbersome chore due to the fact that absent the Ramseyer format, there are no means of locating such amendments short of a line by line, word by word comparison of the old and new law. This situation would be remedied by requiring the Revisor of Statutes to retain the Ramseyer format.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 639 as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. No. 639, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 260 Judiciary on H.B. No. 337

The purpose of this bill is to amend five different sections of the existing elections laws, to clarify and update the elections statutes.

Section 1 (a) would make it clear that the employer is required to grant time off to permit two consecutive hours for an employee to vote.

Section 1 (b) provides for the repeal of the existing requirement that specimen ballots be posted in each voting booth and at conspicuous places outside, and to amend the section dealing with spoiled ballots to permit the chief election officer to promulgate the procedures to maintain the secrecy of spoiled ballots.

Section 2 proposes several changes to the law relating to presidential elections, the major change being to include the nomination of electors from groups other than the democratic and republican parties.

Section 3 attempts to clarify the law as it relates to filling of vacancies on the Board of Education.

Your Committee heard testimony from the Office of the Lieutenant Governor, and the Association of Clerks and Elections Officers, recommending passage of the proposed change.

Although your Committee finds that most of the changes suggested are desirable, the section dealing with the vacancies on the Board of Education is unclear and may lead to further confusion rather than to clarify the existing wording as intended. Therefore, Section 4 of the bill has been deleted in its entirety.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 337 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 337, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 261 Judiciary on H.B. No. 1524

The purpose of this bill is to authorize the chief election officer to produce a voter information pamphlet before each election, and to appropriate out of the general revenues of the State of Hawaii for fiscal year 1982-1983 an amount sufficient to carry out the purposes of the bill.

In short, the bill provides for the following:

1. A voter information pamphlet before the primary and general election.
2. A photograph, biographical information and responses to two questions relevant to campaign issues which are included in the pamphlet.
3. That libelous and defamatory matter or any language or matter prohibited from circulation through the mails be excluded from the pamphlet.
4. Provision to prevent an effort to stop publication of the pamphlet on the basis of the material it contained.
5. That costs be excluded from campaign expending limits and reporting.
6. That only the names and pictures of candidates could be included in the pamphlet.
7. That candidates for the office of Hawaiian Affairs Board of Trustees and the Board of Education be included in the pamphlet.
8. Neutral descriptions of State ballot propositions would also be included in the pamphlet.

The Lieutenant Governor of the State of Hawaii, League of Women Voters, Common Cause/Hawaii, Committee on the Status of Women (City & County of Honolulu), Hawaii State Teachers Association, and the Election Advisory Committee testified in favor of

the bill before your Committee.

Your Committee recognizes that the voter information pamphlet will provide a fair method in which to disseminate information about candidates in an election for public office. Your Committee also recognizes that the pamphlet will permit the electorate to make comparisons of the backgrounds of the candidates, to learn the various issues, and enable them to make informed decisions. Furthermore, your Committee feels that because of the pamphlets and knowledge gained therefrom, there will be a greater participation by the electorate in all elections.

Your Committee has amended the bill to provide that the information pamphlets be mailed not less than twenty days before an election. This amendment to the bill will insure that the electorate has an adequate time to study and review the information contained in the pamphlets prior to the election day.

Your Committee recommends that the sum of \$178,000 be appropriated for the fiscal year 1982-83 from the general revenues of the State of Hawaii to carry out the purposes of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1524, as amended herein, and that it pass Second Reading in the form attached hereto as H.B. No. 1524, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 262 Judiciary on H.B. No. 1558

The purpose of this bill is to provide an increase of \$10.00 to the compensation of precinct officials, and a ten percent increase added to the amount beginning in 1984 and each even numbered year thereafter at the discretion of the chief election officer.

The Association of Clerks and Election Officers of Hawaii testified in behalf of the bill. The association is comprised of the county clerks of each county and the Lieutenant Governor of the State of Hawaii.

Testimony presented indicated that the fee now paid to precinct officials breaks down to approximately \$2.58 per hour. Your Committee recognizes that the said amount is much less than the current minimum wage of \$3.30 per hour and should be adjusted.

Your Committee has amended the bill to eliminate subsection (c) of the bill which relates to a ten percent increase in 1984 and each even numbered year thereafter at the discretion of the chief election officer. Your Committee feels that the legislature rather than the chief election officer should evaluate the matter and provide for any future increases in fees paid to precinct workers.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1558, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1558, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 263 Judiciary on H.B. No. 1866

The purpose of this bill is to increase the fee which a court reporter may charge for services rendered in making copies of transcripts and proceedings from \$1.25 to \$1.50 per twenty-five line page and from \$.50 to \$.60 per carbon copy thereof;

Your Committee finds that the increase is reasonable and fair and is, therefore, in favor of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1866, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 264 Judiciary on H.B. No. 237 (Majority)

The purpose of this bill is to implement Article III, Section 9, of the Constitution of the State of Hawaii to provide for payment of the annual salary of any legislator in equal semi-monthly amounts.

Your Committee recognizes that the current legislative salary plan is inequitable with relation to the deduction of taxes and the smaller amounts paid during the non-session months. The bill will provide a more reasonable method of payment.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 237 and recommends that it pass Second Reading and it be referred to the Committee on Finance.

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

SCRep. 265 Judiciary on H.B. No. 926

The purpose of this bill is to make all material and information provided on general excise tax returns confidential.

Your Committee is aware that under Section 235-116 of the Hawaii Revised Statutes, information on net income tax returns is made confidential, and recognizes that the same requirement of confidentiality should be accorded to general excise tax returns. Information contained on both types of returns are highly personal and should be accorded the same protection.

The Department of Taxation testified in favor of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 926 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 266 Education on H.B. No. 1880

The purpose of this bill is to provide the Department of Education statutory authority to assess and collect special fees and charges from pupils for co-curricular activities.

Under present law, the Department may only assess fees and charges against students who negligently break, damage, lose, or destroy equipment and supplies. Students who break, destroy, lose or damage school books are also required to make restitution. However, the Department currently lacks the statutory authority to assess special fees and charges from students for co-curricular activities such as student councils, other student organizations, and class activities. Your Committee feels appropriate statutory authority is needed to ensure the continuation of these co-curricular activities.

Upon the recommendation of the Department, your Committee amends this bill by deleting subsection (e) and inserting two subsections which, in the main, provide that special fees and charges collected for co-curricular activities shall be deposited into a commercial bank, and that special fees and charges collected as a result of negligent damage or loss of equipment, supplies, or books shall be deposited in a special fund.

Your Committee has also made other non-substantive amendments to this bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1880, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Anderson.

SCRep. 267 Education on H.B. No. 723 (Majority)

The purpose of this bill is to authorize the chairperson of the Department of Education's District Complaint Board who presides over a civil rights complaint hearing conducted in accordance with the rules and regulations promulgated by the Department, to issue

subpoenas to compel the attendance of witnesses and the production of documents.

Under the Department's Rule 52, each of the seven school districts in the State has established a District Complaint Board to receive, hear, and decide on the merits of discrimination complaints filed by public school students or their parents. These boards presently lack the power to compel the attendance of witnesses in a complaint hearing. Without such power, the testimony of key witnesses may be absent; the loss of such information may then, on occasion, prevent the District Complaint Board from reaching findings of fact and from issuing a declaratory decision on the merits of the charges. Your Committee agrees that subpoena powers are needed by the District Complaint Boards to facilitate the disposition of civil rights complaints heard.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 723 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 268 Education on H.B. No. 405

The purpose of this bill is to provide an appropriation to establish a preschool program on the Island of Lanai, including the hiring of necessary staff, to be administered through Lanai High and Elementary School.

Testimony was given by the Head Start Director of Maui Economic Opportunity, Inc., stating that the community of Lanai lost its Title I Emergency School Assistance Act preschool program in September, 1980, due to a shift in the Department of Education's funding priorities. Since that time, Lanai has been without any preschool program serving children aged 3 and 4. Your Committee believes that, whenever resources permit, preschool programs should be made available to children at such critical ages to improve their learning ability for the future.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 405 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 269 Culture and the Arts on H.B. No. 1011

The purpose of this bill is to provide a grant-in-aid to the Honolulu Theatre for Youth.

This bill is amended by inserting the sum of \$90,000.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1011, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1011, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 270 Culture and the Arts on H.B. No. 1012

The purpose of this bill is to provide a grant-in-aid to the Fetu Ao Organization for a cultural program aimed at making a smoother integration of Samoans into Hawaii's community.

This bill is amended by inserting the sum of \$20,000.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1012, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1012, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 271 Culture and the Arts on H.B. No. 1014

The purpose of this bill is to provide a grant-in-aid to the Bernice P. Bishop Museum.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1014 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 272 Culture and the Arts on H.B. No. 1013

The purpose of this bill is to provide a grant-in-aid to the Hawaii Ballet Theatre for Youth.

This bill is amended by inserting the sum of \$35,000.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1013, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1013, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 273 Culture and the Arts on H.B. No. 1703

The purpose of this bill is to provide a grant-in-aid to the Opera Players of Hawaii.

This bill is amended by inserting the sum of \$10,000.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1703, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1703, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 274 Culture and the Arts on H.B. No. 1706

The purpose of this bill is to provide an appropriation to sustain the uniquely important educational and cultural exhibit programs of the Hawaii Multi-Cultural Center.

This bill is amended by inserting the sum of \$40,000.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1706, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1706, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 275 Culture and the Arts on H.B. No. 1773

The purpose of this bill is to provide an appropriation for planning activities relating to Hawaii's participation in hosting the 1988 South Pacific Arts Festival.

This bill is amended by inserting the sum of \$5,000 and by inserting the words "planning activities relating to" at the end of line 3 of the bill as received and by designating the fiscal year as 1981-1982.

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

Signed by all members of the Committee.

SCRep. 276 Culture and the Arts on H.B. No. 1778

The purpose of this bill is to provide an appropriation to offset the cost of sending Hawaii's representatives to the South Pacific Arts Festival in New Caledonia in 1984.

This bill is amended by inserting the sum of \$50,000 and by designating the fiscal year as 1981-1982.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1778, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1778, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 277 Consumer Protection and Commerce on H.B. No. 370

The purpose of this bill is to establish a review program for foreign nurse applicants to assist them in obtaining licensure as registered or practical nurses.

Your Committee heard testimony stating that there is currently a shortage of qualified nurses in the State and that this problem may be eased somewhat if a program existed to assist applicants in preparing for the National Nursing Board Examination.

This bill would establish an intensive review program for foreign applicants to assist them in various phases of nursing in preparation for the examination.

While in agreement with the intent of the bill to address the nursing shortage, your Committee has, however, heard testimony objecting to the limitation of the program to foreign applicants, the examination waiver provision, and other provisions of the bill. Your Committee has therefore amended the bill to include only an appropriation recommendation and a direction to the Department of Health to establish or contract for the establishment of the envisioned program.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 370, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 370, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakamura, Liu and Medeiros.

SCRep. 278 Judiciary on H.B. No. 1604

The purpose of this bill is to simplify the state income tax reporting provisions for contributors to political campaigns.

Under the present law, contributors to political campaigns must file an official tax deduction receipt form with their state income tax return in order to receive a deduction for their campaign contributions. The campaign contribution deduction is the only deduction which is subject to a special reporting provision.

The Campaign Spending Commission, which enforces the campaign spending laws, testified that the reporting provisions of this section should be simplified to provide an incentive for candidates to voluntarily abide by the guidelines set for campaign expenditures and to simplify the income tax reporting procedure for contributors.

Accordingly, your Committee has amended the bill by deleting that subsection that requires contributors to political campaigns to file a official tax deduction receipt with their state income tax returns in order to qualify for an income tax deduction for the contribution.

This bill, as amended, would permit campaign contributors to list campaign contributions as deductions on their state income tax returns without having to attach an official tax deduction receipt form, thus expediting the tax return procedures for campaign contributors.

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

1604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1604, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 279 Public Assistance and Human Services and Youth and Elderly Affairs
on H.B. No. 439

The purpose of this bill is to allow a tax deduction from the adjusted gross income for any amounts paid to a nonprofit child care center located at a taxpayer's place of business.

Testimony presented to your Committee indicates that business tax credits and charitable deductions would encourage the private sector to establish day care facilities for the children of its employees by providing: (1) income tax credit equal to 25% of the costs incurred in establishing a day care center and the same percent of the ongoing maintenance costs each year thereafter, and (2) a charitable deduction from the adjusted gross income of 50% percent of the costs incurred in establishing such a center, up to a maximum of \$100,000, and 50% of the ongoing maintenance costs each year thereafter, up to a maximum of \$20,000.

Testimony presented by the Department of Taxation, however, raised a concern that only one deduction should be given rather than two. Your Committees have therefore amended section 1 of the bill by: (1) deleting the income tax credit for start-up and maintenance costs for a private nonprofit day care center in the taxable year; (2) providing that a charitable deduction may be allowed for amounts paid to a nonprofit child care center only up to and including 50% of start-up costs incurred in the taxable year, to a maximum of \$100,000; and (3) deleting the definition of "maintenance costs."

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. 439, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 439, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 280 Public Assistance and Human Services on H.B. No. 982

The purpose of this bill is to appropriate \$66,551 to continue the social rehabilitation service program at Molokai and Maui.

Your Committee received testimony in support of this bill from the Maui Rehabilitation Center, the Department of Health, the State Commission on the Handicapped, and the State Planning Council on Developmental Disabilities. All are in agreement that the social rehabilitation services now being provided are vital to the integration of disabled persons into the community. The requested appropriation would compensate for the loss of Title XX funding and would allow for the continuation of these services.

Your Committee has been advised that the bill inadvertently omitted \$32,131 needed to continue services on Molokai; the requested appropriation of \$66,551 meets only Maui's needs. Therefore, your Committee has accordingly amended H.B. No. 982 to include the sum of \$66,551 for Maui and \$32,131 for Molokai to continue social rehabilitation services program. Your Committee has also amended this bill by including the appropriate fiscal years and by inserting a lapsing clause. For purposes of consistency the lapsing clause has been numbered Section 3 and the effective date clause has been renumbered Section 4.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 982, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 982, H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 281 Public Assistance and Human Services on H.B. No. 971

The purpose of this bill is to appropriate \$80,000 for grants-in-aid to the Welfare

Recipient Advisory Council for their neighbor island programs for fiscal year 1981-1982.

The Welfare Recipient Advisory Council advises and educates welfare recipients about the complexities of the public assistance system, providing referral and advocacy services when needed. Expansion to the neighbor islands will render these services available to welfare recipients on a statewide basis.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 971 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 282 Public Employment and Government Operations on H.B. No. 709

The purpose of this bill is to provide fund authorizations and appropriations for Collective Bargaining Unit 1 cost items, including the cost of salary adjustments negotiated between the state and the bargaining unit representative for the fiscal biennium 1981-83.

Your Committee is in agreement that fund authorizations and appropriations by the legislature are necessary, in accordance with section 89-10(b), HRS (written agreements; appropriations for implementation; enforcement) to cover the expected cost of implementing collective bargaining agreements negotiated between the State and the respective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1981.

Section 89-10(b) stipulates that when the legislature is not in session, the cost items contained in a ratified agreement shall be submitted for inclusion in the Governor's next operating budget within 10 days after the date on which the agreement is ratified. Since this agreement was not ratified in time for inclusion in the 1981-83 operating budget, a separate measure is proposed for submittal to the legislature.

The bill provides for the following appropriations to cover the expected cost of implementing the collective bargaining agreements negotiated between the State and Bargaining Unit 1:

General Funds	\$ 11,341,553
Special Funds	4,678,209
Federal Funds	269,988
Other Funds	104,639

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 709 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 283 Public Employment and Government Operations on H.B. No. 710

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost of salary adjustments, negotiated between the state and the bargaining units representing state public officers and employees for the Fiscal Biennium 1981-83.

Your Committee is in agreement that fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), Written agreements; appropriations for implementation; enforcement, HRS, to cover the expected cost of implementing collective bargaining agreements negotiated between the state and the respective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1981.

Section 89-10(b) requires that all cost items shall be submitted to the legislature within 10 days of the ratification of the agreement by the employees. As a consequence of this time constraint, separate measures for each bargaining unit is being proposed.

This bill provides for the fund authorizations and appropriations for collective bargaining cost items negotiated between the State of Hawaii and Bargaining Unit 2.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 710 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 284 Public Employment and Government Operations on H.B. No. 711

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost of salary adjustments, negotiated between the state and the bargaining units representing state public officers and employees for the Fiscal Biennium 1981-83.

Your Committee is in agreement that fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), Written agreements; appropriations for implementation; enforcement, HRS, to cover the expected cost of implementing collective bargaining agreements negotiated between the state and the respective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1981.

Section 89-10(b) requires that all cost items shall be submitted to the legislature within 10 days of the ratification of the agreement by the employees. As a consequence of this time constraint, separate measures for each bargaining unit is being proposed.

This bill provides for the fund authorizations and appropriations for collective bargaining cost items negotiated between the State of Hawaii and Bargaining Unit 3.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 711 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 285 Public Employment and Government Operations on H.B. No. 712

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost of salary adjustments, negotiated between the state and the bargaining units representing state public officers and employees for the Fiscal Biennium 1981-83.

Your Committee is in agreement that fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), Written agreements; appropriations for implementation; enforcement, HRS, to cover the expected cost of implementing collective bargaining agreements negotiated between the state and the respective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1981.

Section 89-10(b) requires that all cost items shall be submitted to the legislature within 10 days of the ratification of the agreement by the employees. As a consequence of this time constraint, separate measures for each bargaining unit is being proposed.

This bill provides for the fund authorizations and appropriations for collective bargaining cost items negotiated between the State of Hawaii and Bargaining Unit 4.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 712 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 286 Public Employment and Government Operations on H.B. No. 713

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost of salary adjustments, negotiated between

the state and the bargaining units representing state public officers and employees for the Fiscal Biennium 1981-83.

Your Committee is in agreement that fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), Written agreements; appropriations for implementation; enforcement, HRS, to cover the expected cost of implementing collective bargaining agreements negotiated between the state and the respective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1981.

Section 89-10(b) requires that all cost items shall be submitted to the legislature within 10 days of the ratification of the agreement by the employees. As a consequence of this time constraint, separate measures for each bargaining unit is being proposed.

This bill provides for the fund authorizations and appropriations for collective bargaining cost items negotiated between the State of Hawaii and Bargaining Unit 5.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 713 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 287 Public Employment and Government Operations on H.B. No. 714

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost of salary adjustments, negotiated between the state and the bargaining units representing state public officers and employees for the Fiscal Biennium 1981-83.

Your Committee is in agreement that fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), Written agreements; appropriations for implementation; enforcement, HRS, to cover the expected cost of implementing collective bargaining agreements negotiated between the state and the respective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1981.

Section 89-10(b) requires that all cost items shall be submitted to the legislature within 10 days of the ratification of the agreement by the employees. As a consequence of this time constraint, separate measures for each bargaining unit is being proposed.

This bill provides for the fund authorizations and appropriations for collective bargaining cost items negotiated between the State of Hawaii and Bargaining Unit 6.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 714 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 288 Public Employment and Government Operations on H.B. No. 715

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost of salary adjustments, negotiated between the state and the bargaining units representing state public officers and employees for the Fiscal Biennium 1981-83.

Your Committee is in agreement that fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), Written agreements; appropriations for implementation; enforcement, HRS, to cover the expected cost of implementing collective bargaining agreements negotiated between the state and the respective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1981.

Section 89-10(b) requires that all cost items shall be submitted to the legislature within 10 days of the ratification of the agreement by the employees. As a consequence of this time constraint, separate measures for each bargaining unit is being proposed.

This bill provides for the fund authorizations and appropriations for collective bargaining cost items negotiated between the State of Hawaii and Bargaining Unit 7.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 715 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 289 Public Employment and Government Operations on H.B. No. 716

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost of salary adjustments, negotiated between the state and the bargaining units representing state public officers and employees for the Fiscal Biennium 1981-83.

Your Committee is in agreement that fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), Written agreements; appropriations for implementation; enforcement, HRS, to cover the expected cost of implementing collective bargaining agreements negotiated between the state and the respective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1981.

Section 89-10(b) requires that all cost items shall be submitted to the legislature within 10 days of the ratification of the agreement by the employees. As a consequence of this time constraint, separate measures for each bargaining unit is being proposed.

This bill provides for the fund authorizations and appropriations for collective bargaining cost items negotiated between the State of Hawaii and Bargaining Unit 8.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 716 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 290 Public Employment and Government Operations on H.B. No. 717

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost of salary adjustments, negotiated between the state and the bargaining units representing state public officers and employees for the Fiscal Biennium 1981-83.

Your Committee is in agreement that fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), Written agreements; appropriations for implementation; enforcement, HRS, to cover the expected cost of implementing collective bargaining agreements negotiated between the state and the respective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1981.

Section 89-10(b) requires that all cost items shall be submitted to the legislature within 10 days of the ratification of the agreement by the employees. As a consequence of this time constraint, separate measures for each bargaining unit is being proposed.

This bill provides for the fund authorizations and appropriations for collective bargaining cost items negotiated between the State of Hawaii and Bargaining Unit 9.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 717 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 291 Public Employment and Government Operations on H.B. No. 718

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost of salary adjustments, negotiated between

the state and the bargaining units representing state public officers and employees for the Fiscal Biennium 1981-83.

Your Committee is in agreement that fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), Written agreements; appropriations for implementation; enforcement, HRS, to cover the expected cost of implementing collective bargaining agreements negotiated between the state and the respective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1981.

Section 89-10(b) requires that all cost items shall be submitted to the legislature within 10 days of the ratification of the agreement by the employees. As a consequence of this time constraint, separate measures for each bargaining unit is being proposed.

This bill provides for the fund authorizations and appropriations for collective bargaining cost items negotiated between the State of Hawaii and Bargaining Unit 10.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 718 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 292 Public Employment and Government Operations on H.B. No. 719

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost of salary adjustments, negotiated between the state and the bargaining units representing state public officers and employees for the Fiscal Biennium 1981-83.

Your Committee is in agreement that fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), Written agreements; appropriations for implementation; enforcement, HRS, to cover the expected cost of implementing collective bargaining agreements negotiated between the state and the respective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1981.

Section 89-10(b) requires that all cost items shall be submitted to the legislature within 10 days of the ratification of the agreement by the employees. As a consequence of this time constraint, separate measures for each bargaining unit is being proposed.

This bill provides for the fund authorizations and appropriations for collective bargaining cost items negotiated between the State of Hawaii and Bargaining Unit 11.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 719 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 293 Public Employment and Government Operations on H.B. No. 720

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost of salary adjustments, negotiated between the state and the bargaining units representing state public officers and employees for the Fiscal Biennium 1981-83.

Your Committee is in agreement that fund authorizations and appropriations by the legislature are necessary, in accordance with Section 89-10(b), Written agreements; appropriations for implementation; enforcement, HRS, to cover the expected cost of implementing collective bargaining agreements negotiated between the state and the respective bargaining units representing state public officers and employees for the fiscal biennium commencing July 1, 1981.

Section 89-10(b) requires that all cost items shall be submitted to the legislature within 10 days of the ratification of the agreement by the employees. As a consequence of this time constraint, separate measures for each bargaining unit is being proposed.

This bill provides for the fund authorizations and appropriations for collective bargain-

ing cost items negotiated between the State of Hawaii and Bargaining Unit 13.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 720 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 294 Public Employment and Government Operations on H.B. No. 1148

The purpose of this bill is to give the Board of Trustees the authority to enter into security loan agreements with financially responsible banks, stock or bond brokerage firms or similar financial institutions (borrowers).

To protect the system from any loss, the following loan conditions are proposed for the Board and borrowers:

- (1) The borrower shall deliver collateral in the form of cash, letters of credit, bonds, interest-bearing notes, and obligations of the U.S. Government in an amount not less than 102 per cent, and
- (2) The market value of the loaned securities shall be monitored daily, and the borrower shall immediately deposit additional collateral should the amount fall under 102 per cent.

Also, the term of loan shall not exceed one year, the Board may use or invest the collateral and retain any income and profits earned on the collateral for the benefit of the system.

Your Committee is in agreement that the system's securities are earning no income other than dividends paid by the issuers. Also, that brokerage firms would rather borrow securities than purchase them on the open market in cases of short sales and failure to receive securities that they are required to deliver. The proposed bill would make the system's securities available for such loans, and would earn an additional \$250,000 annually with a minimum risk of loss.

Your Committee has made a technical amendment in section 88-4 of the proposed bill by changing "an" to "and".

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1148, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 295 Public Employment and Government Operations on H.B. No. 805

The purpose of this bill is to more explicitly set forth the transfer of the real property tax appeal function to the counties by requiring, in the main, that each county shall create a tax appeals board by ordinance.

Your Committee finds that the Constitution of the State of Hawaii has been amended to provide that all functions, powers, and duties relating to the taxation of real property shall be transferred from the State to the four counties effective July 1, 1981. To provide for the orderly transfer of functions, the Legislature enacted the transfer bill as Act 279, 1980 session. However, the law is not clear as to whether each county by ordinance shall establish its own board of review. Enactment of this legislation will clarify this point.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 805 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 296 Public Employment and Government Operations and Agriculture on
H.B. No. 699

The purpose of this bill is to provide civil service coverage to certain employees in the Milk Control Division of the Department of Agriculture.

Your Committees are in agreement that employees covered by this bill have provided services to the Division and Department for many years in a creditable manner. The purpose of this bill is to afford them the degree of security enjoyed by other employees in the Department. Civil service status would also ensure a more stable workforce and add continuity to the program. This bill does not provide for civil service coverage of the Milk Commissioner or the Assistant Milk Commissioner.

Your Committees on Public Employment and Government Operations and Agriculture are in accord with the intent and purpose of H.B. No. 699 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 297 Health on H.B. No. 832

The purpose of this bill is to provide a grant-in-aid of \$58,370 for fiscal year 1981-82 to Brantley Center to support a sheltered workshop for handicapped persons in Honokaa, Hawaii.

Your Committee finds that this center provides the only vocational and social rehabilitation services for disabled individuals in the North and South Kohala and Hamakua areas and enables deinstitutionalization of adults in this area, allowing them to become active members of society.

Of this \$58,370 appropriation, \$25,000 represents a grant-in-aid operating subsidy to the center while the remaining \$33,370 is an appropriation to replace monies lost in the Title XX fund reallocation made this year.

Your Committee on Health is in accord with the intent and purpose of this bill and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 298 Health on H.B. No. 1414

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii an unspecified sum for fiscal year 1981-1982, for the hiring of 26 temporary personnel for the county/state hospitals located on the island of Hawaii to provide 24-hour emergency medical services. The appropriated sum is to be expended by the Department of Health (DOH).

Your Committee received testimony from DOH that this bill will enable the County of Hawaii Fire Department and the county/state hospitals of DOH to provide 24-hour emergency ambulance services.

Your Committee has amended section 1 of the bill by inserting the sum of "\$221,760" and by changing the number of temporary personnel to be hired from 26 to 20. According to testimony submitted by DOH, the appropriated sum of \$259,500 is the estimated cost of providing 90% of the required funding necessary to hire the 20 temporary personnel effective July 1, 1981.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1414, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 299 Health on H.B. No. 1681

The purpose of this bill is to appropriate an unspecified amount as grants-in-aid to eighteen agencies providing substance abuse related services in the State of Hawaii.

Testimony presented by the Department of Health indicates that a recent statewide survey has determined that there are more than 100,000 individuals with significant alcohol abuse problems throughout the State, and many more who are addicted to various drugs. There is also evidence which links substance abuse to crime, child abuse, family breakdown, unemployment, and other social problems.

To date, the Department of Health has relied almost completely on the private agency network of alcohol and drug abuse services, and does not have the necessary resources to assume the full responsibility for the provision of such services. According to testimonies presented to your Committee, many of these agencies have been significantly affected by the loss of federal Title XX funding for the fiscal years 1981-1982 and 1982-1983, and will therefore not be funded under purchase of service agreements with the Department of Social Services and Housing. Faced with significant reductions in current funding levels, these agencies may be forced to cutback their programs unless State general funds are appropriated to replace the loss of federal funds.

Your Committee agrees that these programs provide essential and necessary substance abuse treatment services to residents of the State, including services relating to outreach, evaluation, assessment, preventive education, outpatient services, short-term residential, long-term residential, and other ancillary services.

Your Committee has therefore amended section 2 of the bill by inserting the sum of \$2,416,384 as the appropriation for substance abuse related programs in the State of Hawaii; provided that of the total appropriation, the following agencies shall receive:

Oahu

Alcohol Rehabilitation Services of Hawaii	\$ 77,765
Salvation Army Alcohol Treatment Facility	708,548
Catholic Social Services	141,732
Drug Addiction Services of Hawaii	235,809
Habilitat	330,000
Hawaii Alcohol Foundation - Sand Island	77,618
Hawaii Committee on Alcoholism	105,170
Hale O'Ulu - Child and Family Service	60,546
Palama Settlement	35,316
Women's Alcohol Treatment Center - Saint Francis Hospital	91,744
Waianae Rap Center - John Howard Association	138,864
Kalihi YMCA - Alternatives for Youth	106,845
Nuuanu YMCA - Detached Counselors Program	102,624

Neighbor Islands

Awareness House (Hawaii)	\$ 59,092
Big Island Council on Alcoholism (BICA)	50,200
Aloha House (Maui)	56,015
Serenity House (Kauai)	38,496

Your Committee finds that the agency providing substance abuse services in Kauai County (The Shelter) has requested funding through another bill (H.B. No. 847), and has therefore also amended the bill to delete the appropriation to that agency.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1681, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1681, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 300 Health on H.B. No. 1767

The purpose of this bill is to appropriate \$100,000 as a grant-in-aid to the G.N. Wilcox Memorial Hospital and Health Center to upgrade plumbing and electrical systems in the long-term care building, including the purchase of equipment.

Your Committee finds that the request for a grant-in-aid in the amount of \$100,000 is necessary to increase patient safety at the long-term care building of the G.N. Wilcox Memorial Hospital and Health Center.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1767 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 301 Health on H.B. No. 1326

The purpose of this bill is to amend section 333E-4, Hawaii Revised Statutes, to increase the membership of the Developmental Disabilities Council from 15 to 25 voting members.

Testimony presented to your Committee indicates that an increase in the Council's membership would incur minimal additional operating costs; facilitate greater participation by the consumers of services which are provided to the developmentally disabled; and allow for broader discussion of issues relating to developmental disabilities. In addition, the Executive Director of the Council has testified that such an increase complies with mandatory federal membership requirements.

Upon recommendation by the Council, your Committee has amended the bill by deleting section 2 which contains redundant statements relating to the purpose of the bill. For purposes of consistency, your Committee has also amended the bill by renumbering sections 3, 4, and 5 to sections 2, 3, and 4 respectively.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1326, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1326, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 302 Health on H.B. No. 1308

The purpose of this bill is to appropriate \$115,000 as a grant-in-aid to Pearlridge Hospital for replacement equipment in radiology and cardiac monitoring.

Testimony presented to your Committee by the Pearlridge Hospital indicates that of the total appropriation, \$20,000 is for the purchase of new equipment for the post anesthetic unit (Recovery Room); \$95,000 is for the replacement and upgrading of cardiac monitoring equipment; and \$45,000 is for the purchase of a new mobile X-ray unit and new X-ray processor to replace equipment over ten years old.

Your Committee concurs with the request for a grant-in-aid to replace the facility's aging X-ray equipment but finds that there may be other more appropriate sources to fund the purchase of new cardiac monitoring equipment. Your Committee has therefore amended section 1 of the bill by decreasing the appropriation of \$115,000 to \$45,000 for a grant-in-aid for the purpose of replacing only the radiology equipment.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1308, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1308, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 303 Health on H.B. No. 215

The purpose of this bill is to make an appropriation of \$125,000 for a statewide mosquito control program.

Testimony presented by the Department of Health indicates that the appropriation of \$125,000 will provide the Department's Vector Control program with the additional resources necessary to more effectively control the problem of extensive, new mosquito production which has inadvertently resulted from the sugar industry's effort to comply with State water pollution regulations.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 215 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 304 Health on H.B. No. 1301

The purpose of this bill is to make an appropriation of \$30,000 for the expansion of Emergency Room Services at the Waianae Coast Comprehensive Health Center.

Testimonies presented to your Committee indicate that the expansion of emergency room services at the Waianae Coast Comprehensive Health Center is necessary for the following primary reasons: (1) the Waianae Coast Comprehensive Health Center operates the only emergency room service along the Waianae Coast and (2) Waianae residents do not have access to 24-hour emergency room coverage.

The proposed appropriation of \$30,000 would be used as "seed money" for personnel, to expand the hours of staffing of the Emergency Room at the Center. Such expanded staffing would allow the service to be available on weekends from 8:00 a.m. Friday through midnight Monday to those individuals requiring emergency services. Without the appropriation, the weekend coverage will be limited to only 8:00 a.m. Saturday to midnight Sunday.

According to testimony received from the Waianae Coast Comprehensive Health Center, an additional \$5,375 would be needed to expand its emergency room services as intended. Your Committee is in agreement and has therefore amended section 1 of the bill by increasing the appropriation from \$30,000 to \$35,375.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1301, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 305 Health on H.B. No. 1279

The purpose of this bill is to authorize the issuance of general obligation bonds in the sum of \$330,000, and to appropriate the same sum, for the following projects at Ka'u Hospital on the island of Hawaii: (1) \$250,000 for the renovation of the basement of the facility to serve as a storage area and health office and (2) \$80,000 for the design and construction of an employee cottage to alleviate staff recruitment problems.

Testimony presented by the Department of Health indicates that the construction of an employee cottage is of high priority. Plantation housing for rental by hospital employees is no longer available and the recruitment of nurses, x-ray technicians, medical technologists, and other essential staff will be problematic unless more accessible housing is provided. According to the Department, sufficient land and access to utilities are available for this project.

Your Committee finds that funds for the renovation of Ka'u Hospital are included in the current Executive Budget request. Your Committee has therefore amended section 1 of the bill by deleting the appropriation of \$250,000 for the renovation of the Ka'u Hospital basement area, thereby decreasing the total appropriation to \$80,000.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1279, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 306 Health on H.B. No. 1054

The purpose of this bill is to appropriate \$907,256 for the provision of Emergency Ambulance Services for Oahu, for fiscal year 1980-81.

Your Committee finds that as a result of recent ambulance purchases and excessive overtime costs, the Emergency Medical Services budget for the fiscal year 1980-81 has exceeded the budget request by the Department for the fiscal year 1981-82. Therefore, a supplemental appropriation is necessary.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1054, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 307 Health on H.B. No. 1050

The purpose of this bill is to appropriate \$86,000 to the Northern Koolau Community Health Education Program for the continuance of health education services to the community.

Your Committee finds that this program provides health education and health promotion services to the North Koolau Community which the State cannot provide for at this time.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1050, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1050, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 308 Health on H.B. No. 938

The purpose of this bill is to appropriate \$500,000 as a grant-in-aid for purposes related to the programs and operation of the G.N. Wilcox Memorial Hospital and Health Center, Kauai.

Your Committee finds that the request for grant-in-aid in the amount of \$500,000 is necessary to maintain adequate services to the residents of Kauai.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 938 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 309 Health on H.B. No. 837

The purpose of this bill, as received by your Committee, is to make an appropriation, in an unspecified amount, for the control of yellow jackets by the Department of Health with the assistance of the Department of Agriculture.

Testimony presented by the Department of Health indicates that yellow jackets are widely found throughout the State and that the incidence of persons who are stung by these insects is increasing. The Department proposes to test various insecticides to poison bait which would be carried back to underground nests by the yellow jackets. It is estimated that the one-year experimental program to control yellow jackets would cost \$12,500.

Your Committee concurs with the Department and has therefore amended section 1 of the bill by inserting the sum of \$12,300.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 837, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 310 Public Assistance and Human Services and Youth and Elderly Affairs
on H.B. No. 438

The purpose of this bill, as received by your Committees, is to authorize the Department of Social Services and Housing to lease facilities in any state building for the purpose of establishing non-profit, licensed day care centers by amending Chapter 103, Hawaii Revised Statutes.

Your Committees have received testimony in favor of this bill. The establishment and operation of day care centers in office buildings for children of employees is a growing national trend as more women enter the employment market. Day care centers in state buildings on the mainland have proven to be beneficial to both employers and employees. The increase in parent/child interaction contributes to family cohesiveness. Further, there is less employee absenteeism and sudden calls away from work due to family emergencies.

Your Committees agree with the general purpose and intent of the bill and has amended section 1 of the bill by:

- (1) Providing that the Department of Accounting and General Services, rather than the Department of Social Services and Housing, is the State agency which may enter into lease agreements for day care center purposes;
- (2) Deleting the words "with any person" in line 6, page 1;
- (3) Deleting lines 11-12, page 1 and inserting the following phrase: "It shall comply with any law or duly adopted rule or regulation governing the licensing and operation of day care centers";
- (4) Providing that the Department of Accounting and General Services, rather than the Department of Social Services and Housing, is the State Agency which shall agree to the amount of liability insurance to be provided by the lessee;
- (5) Deleting lines 1-4 of page 2;
- (6) Providing that an annual lease rental shall not be less than five percent of the annual gross income of the day care center, instead of twenty percent (line 11, page 2);
- (7) Adding the word "such" before the word "lease" in line 14 of page 2;
- (8) Adding the phrase "prior to the construction and leasing of" before "any" on line 16, page 2;
- (9) Deleting lines 17-22 on page 2 and adding the following phrases after the word "section" on line 17: "the department of accounting and general services shall consider the feasibility and desirability of including facilities for a day care center in such a building. If it is determined that a day care center would be feasible and desirable in the building, the building may be designed to accommodate a day care center to be used pursuant to this section.";
- (10) Adding the phrase "this section shall not apply to buildings in the planning and design stage as of July 1, 1981" after part (b) on page 2;
- (11) Replacing the Director of Social Services with the Department of Accounting and General Services (line 23, page 2);
- (12) Adding the phrase "including provisions limiting compensation and benefits for those associated with non-profit entities" after the words "chapter 91" on line 24, page 2; and
- (13) Making other nonsubstantive changes.

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. 438, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 438, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 311 Public Assistance and Human Services on H.B. No. 1374

The purpose of this bill, as received by your Committee, is to appropriate an unspecified amount to support the operations of Goodwill Industries for the fiscal years 1981-1982 and 1982-1983.

Testimony was presented by the Goodwill Industries of Honolulu, Inc. which indicates that the sum of \$157,000 is necessary for start-up costs for the first year of operation of its Extended Sheltered Workshop at Shafter Flats. The program is expected to be self-supporting after the first year.

Therefore, your Committee has amended Section 1 of this bill by: (1) inserting \$157,000 as the sum to be appropriated to Goodwill Industries and, (2) limiting the appropriation to only one fiscal year, 1981-1982.

Inasmuch as the appropriation or grant-in-aid is for start-up costs to assist Goodwill's program to become self-supporting, your Committee expects that Goodwill Industries will make a maximum, good faith effort to repay the State after it has become operationally

self-sufficient.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1374, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1367, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 312 Public Assistance and Human Services on H.B. No. 678

The purpose of this bill is to provide an appropriation of \$500,000 for fiscal year 1981-92 to Kauai Economic Opportunity, Inc. for the construction of new facilities to replace existing facilities which are unsafe due to deterioration and old age.

Your Committee finds, after hearing testimony from the district engineer of the Department of Accounting and General Services, that the buildings currently occupied by Kauai Economic Opportunity, Inc., are 58 years old and are unsafe and beyond repair because of extensive termite damage.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 678 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 313 Public Assistance and Human Services on H.B. No. 1180

The purpose of this bill is to appropriate \$104,000 to provide limited and non-English speakers with direct social services assistance that are available through Federal, State, County, and private nonprofit agencies; provided that of the total appropriation, \$35,000 shall be for the Susannah Wesley Community Center; \$10,000 for the Leeward Area YWCA immigrant services component; \$30,000 for the Kauai, Maui, and Hawaii counties; \$20,000 for the Airport Emergency Assistance for incoming immigrants, and \$9,000 for a temporary administrative support clerk-typist position.

Your Committee is in agreement that there is a need to assist persons such as immigrants, refugees, American nationals, and naturalized citizens who, because of a language barrier, are prevented from receiving available social services provided through Federal, State, County, and private nonprofit agencies. Furthermore, these services are essential if these persons are to become an integral part of our community.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1180 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 314 Public Assistance and Human Services on H.B. No. 985

The purpose of this bill is to amend Chapter 346, Hawaii Revised Statutes by adding a new section, Insurance for Foster Parents, whereby the Department of Social Services and Housing shall provide general casualty insurance for each foster parent who operates a licensed foster boarding home.

Your Committee finds that there are some 450 foster family boarding homes providing care to approximately 700 children under supervision of DSSH and other licensed child placing agencies. In opening up their homes to care for children not legally theirs, foster parents are exposed to liability suits, personal injury or property damage caused or sustained by a foster child. Alienation of affection sustained by the natural parents or legal guardians while the child is in the care and custody of the foster parents represents another potential basis for suit.

Testimony before your Committee by the Department of Social Services and Housing and the Hawaii State Foster Parents Association indicates that the provision of general casualty insurance for foster family boarding homes for children will further aid child-placing agencies in their recruitment efforts for substitute care arrangements.

Your Committee has adopted the recommendation of the Department of Social Services and Housing to amend the definition of a "foster child" in Section 2, page 3, lines 11-13, to read as follows:

(4) "Foster child" is a minor child who is placed in a licensed foster boarding home by the department or its authorized agent and is not related to the caretaker by blood, marriage, or adoption."

Your Committee is in accord with the intent and purpose of H.B. No. 985, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 985, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 315 Public Assistance and Human Services on H.B. No. 980

The purpose of this bill is to appropriate \$894,000 for the plans and construction, including equipment, of the Molokai Rehabilitation Facility at Kaunakakai, Molokai.

Your Committee has received testimony in support of H.B. No. 980 from the Department of Social Services, the State Commission on the Handicapped and the State Planning Council on Developmental Disabilities. All concurred that there is need for a new rehabilitation facility in Molokai. The present facility is old, inadequate, and slated for demolition under the Maui Master Plan.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 980 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 316 Public Assistance and Human Services on H.B. No. 851

The purpose of this bill is to appropriate \$86,250 as a grant-in-aid to the Salvation Army Hilo Interim Home Project for the County of Hawaii, for fiscal year 1981-1982.

Your Committee finds that the Hilo Interim Home provides a vital service to the Hilo area by offering emergency and short-term shelter care and counseling to troubled adolescents. This program has tremendous value as an alternative to institutionalization.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 851 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 317 Public Assistance and Human Services on H.B. No. 679

The purpose of this bill is to appropriate the sum of \$50,000 for the planning and design of new facilities for Kauai Economic Opportunity, Inc. to replace existing facilities.

Your Committee finds the current facilities are unsafe and beyond repair due to extensive termite infestation and old age.

Your Committee is in accord with the intent and purpose of H.B. No. 679 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 318 Public Assistance and Human Services on H.B. No. 633

The purpose of this bill is to appropriate the sum of \$75,000 for fiscal years 1981-1983 to continue the operation of Hale 'Opio, Kauai, Inc. For fiscal year 1981-1982, \$25,000 shall be appropriated. For fiscal year 1982-1983, \$50,000 shall be appropriated.

Testimony before your Committee indicates that Hale 'Opio fills a gap in Kauai where

in-community residential foster care and therapeutic services for troubled youths and their families are in short supply. It provides a viable alternative to incarceration, and has emphasized integrating these youths back into the mainstream of society.

Your Committee is in accord with the intent and purpose of H.B. No. 633 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 319 Public Assistance and Human Services on H.B. No. 984

The purpose of this bill is to appropriate \$8,000 for the fiscal year 1981-1982 to provide general casualty insurance for each foster parent who operates a licensed foster boarding home.

Based on a projected annual premium rate of \$16 per home, the insurance will cover 500 foster family boarding homes. The limit of coverage is up to \$500,000 for claim and \$500,000 for aggregate claims.

Your Committee has recommended appropriating \$16,000 for the 1981-1983 biennium.

Your Committee is in accord with the intent and purpose of H.B. No. 984, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 984, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 320 Public Assistance and Human Services on H.B. No. 677

The purpose of this bill is to appropriate \$77,522 for the operation and programs of the Kauai Economic Opportunity, Inc.

The monies requested in this bill provide matching funds for Title XX support of day care and after school care programs, Head Start, and adult work activity programs. These programs serve the low-income and handicapped children and adults on Kauai.

Your Committee on Public Assistance and Human Services is in accord with the intent and purposes of H.B. No. 677 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 321 Public Assistance and Human Services on H.B. No. 973

The purpose of this bill is to appropriate \$83,000 for transportation services to the elderly, disabled, handicapped, and other disadvantaged persons including preschool children in Maui County for fiscal year 1981-82.

Your Committee has received testimony in support of H.B. No. 973 from Maui Economic Opportunity, Inc. and the State Planning Council on Developmental Disabilities. Both organizations report that disadvantaged persons have demonstrated a need for transportation services, and the requested appropriation is necessary for the continuation of current service levels due to expected reductions in county funding.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 973 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 322 Judiciary on H.B. No. 1854

The purpose of this bill is to provide funds for the establishment and operation of an advocacy training program for attorneys in the offices of the county prosecuting attorneys.

The Department of the Attorney General and Department of the Prosecuting Attorney

of the City and County of Honolulu testified before your Committee.

Your Committee finds that the program, which provides training for deputy prosecuting attorneys, was funded by the federal Law Enforcement Assistance Administration (LEAA) until December 1980. Your Committee recognizes that in spite of the termination of funds, the need for in-service training still exists so that the deputy prosecuting attorneys will be more effective in their prosecutorial functions.

Your Committee is in favor of the bill; however, your Committee believes that an amendment is necessary to include deputies of the Department of the Attorney General. The above mentioned deputies are equally in need of training as they too prosecute cases.

Your Committee has also amended the bill to provide that the State contribute the sum of \$20,000 in matching funds to be matched by the respective counties.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1854, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1854, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 323 Judiciary and Public Assistance and Human Services on H.B. No. 939

The purpose of this bill is to provide funds for the fiscal year 1981-82 for the statewide operations of the Protection and Advocacy Agency of Hawaii.

The protection and advocacy system was established by Executive Order 77-3 in 1977 and the purpose of the system is to provide advocate services for the developmentally disabled individuals in the State.

Your Committees recognize that the services of the agency are critical, as many of the developmentally disabled are unable to "speak" effectively for themselves in securing their own services and rights. The bill will provide the sum of \$165,000 for the fiscal year 1981-82, and permit the continuation of the services for the developmentally disabled.

All persons who testified were in support of the bill.

Your Committees on Judiciary and Public Assistance/Human Services are in accord with the intent and purpose of H.B. No. 939, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 324 Education on H.B. No. 1037

The purpose of this bill is to provide an appropriation for operating costs and equipment to Project Holomua, an experience-based career education program designed to provide students with career exploration and life survival competencies while developing self-discipline, self-confidence, and self-concept.

Your Committee amends this bill by changing the amount of the appropriation to the sum of \$90,000, or so much thereof as may be necessary, for fiscal year 1981-1982.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1037, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1037, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 325 Transportation on H.B. No. 564

The purpose of this bill is to amend Chapter 249 of the Hawaii Revised Statutes by adding a new section that would provide a vehicle owner whose vehicle has been stolen, with a pro rata refund of the prepaid vehicular weight tax for the stolen vehicle. Specifically, the bill entitles the owner to a refund of 8 1/3 per cent of the total vehicle registration fee for each full month the vehicle was stolen, for the remainder of the registration

period. In effect, the owner would be required to pay the vehicular weight tax only from the time of registration to the time the vehicle was stolen.

The City and County of Honolulu and the Department of Finance submitted testimony in agreement with this bill. Presently, the State law provides a refund for vehicles that are stored or junked. Since the loss of a vehicle is beyond the control of the vehicle owner, the unused portion of the weight tax that was prepaid during the annual license renewal period, should be refunded to the stolen vehicle owner.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 564 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 326 Transportation on H.B. No. 1693

F The purpose of this bill is to provide a grant-in-aid to the City and County of Honolulu the sum of \$50,000, or so much thereof as may be necessary for fiscal year 1981-82, for the installation of a traffic signal at the intersection of Waipahu Street and Hoaeae Street, and also, a grant-in-aid to the City and County of Honolulu the sum of \$25,000, or so much thereof as may be necessary for Fiscal Year 1981-82 for plans and construction of an asphalt foot path on Hoaeae Street from Haaa Street to Honowai Street.

Your Committee is in agreement that this bill will benefit the community it serves by providing safe avenues of transportation for pedestrians and vehicular motorists.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1693 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 327 Transportation on H.B. No. 1219

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii, the sum of \$1,900,000.00, or so much thereof as may be necessary, for the acquisition of additional land and design of Haleakala Highway, which will be expended by the Department of Transportation.

The Department of Transportation testified in favor of this bill and your Committee agrees that a highway is needed in the Haleakala area and that land acquisition and design for the highway is a necessary and proper measure.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1219 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 328 Transportation on H.B. No. 1434 (Majority)

The purpose of this bill is to provide an insurance or bonding procedure applicable to domestic charter non-signator air carriers serving Hawaii. This bonding would provide funds for the general welfare (housing, food) of passengers stranded over eighteen hours, and pay for the passengers' return flight home at the regular fare, on a regularly scheduled air carrier which is a signatory to the existing airport-airline lease.

Your Committee has amended the bill in order to clarify the purpose and function of the special bond requirement, to specify the procedures for recovery, and to direct the department of transportation to implement internal policies thereto.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1434, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 329 Transportation on H.B. No. 1436

The purpose of this bill is to appropriate the sum of \$100,000 to the Oahu Metropolitan Planning Organization, for the fiscal year 1981-82 to update the transportation plan for Oahu.

Your Committee has amended H.B. 1436 to provide that appropriations made by this bill shall be charged against monies in the Highway's Special Fund rather than against the general revenues of the State of Hawaii.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1436, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1436 H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 330 Transportation on H.B. No. 1439 (Majority)

The purpose of this bill is to amend the use tax and public service companies tax laws to provide for equal treatment for inter-island passenger and freight carriers.

Testimony was received from Hawaiian Airlines and Young Brothers, Ltd., who supported the bill.

Existing law provides that aircraft owned by inter-island airlines and barges and equipment owned by shipping companies are assessed the 4 per cent use tax. However, for airlines at least, aircraft leased by inter-island airlines are exempt from use taxes.

This inequity in tax status results in the consumer paying higher airline fares and shipping costs. However, at the hearing, it was not determined whether savings made as a result of the proposed tax exemption would lower costs or prevent costs from rising at the fast rate that it has been, in the past.

Your Committee adopted the recommendations of Hawaiian Airlines by deleting the phrase "as a public utility as defined in chapter 269" from page 3, line 23 and page 4, lines 4-5.

This deletion was made to conform to H.B. No. 368, which previously passed out of the Consumer Protection Committee. H.B. 368 redefines "public utility" in chapter 269, of the Hawaii Revised Statutes to exclude airlines.

Your Committee also adopted the recommendation of Young Brothers, Ltd., by amending Section 2 of the bill referring to paragraph (7) to read as follows:

"The use of aircraft and any flight equipment in connection with such aircraft in the transportation of passengers and goods within the state and oceangoing vehicles, barges, or equipment in connection with such vehicles or barges for passenger or [passenger and] goods transportation from one point to another within the State [as a public utility as defined in chapter 269.] as a common carrier by water as defined in Chapter 271-G."

The purpose of this amendment is to conform the bill to the stated purpose of giving equal treatment for inter-island passenger and freight carriers in regard to the exclusion from the use tax.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1439, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1439, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives D. Hagino and Taniguchi did not concur.)

SCRep. 331 Youth and Elderly Affairs and Public Assistance and Human Services
on H.B. No. 1196

The purpose of this bill is to make an appropriation of \$62,780 for the Immigrant Youth Program of the Palama Interchurch Council.

The Immigrant Youth Program presently contracts with the Department of Education

to provide counseling and related bilingual services to immigrant students in the Honolulu District. The goal of the program is to reduce and prevent juvenile delinquency of Filipino, Korean, and Samoan youths by direct intervention to potential offenders through school counselors, teachers and administrators. The target group of the program is newly arrived Filipino, Korean, and Samoan youngsters, grades 7-12. The Immigrant Youth Program testified that 90.9% of their cases were successful, in that no further intervention was required.

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. 1196 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 332 Youth and Elderly Affairs and Health on H.B. No. 1571

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$37,500, or so much thereof as may be necessary for fiscal year 1981-1982, for the continuation of the "Pierre the Pelican" Project.

"Pierre the Pelican" Project is the mailing of a monthly newsletter designed to give first-time parents information on their child's social and behavioral development, while supporting the parents' emotional needs and expectations. Pierre the Pelican newsletters are mailed free by the Children's Mental Health Services Branch to over 6,000 new parents in Hawaii each year. The project began in October, 1978, through temporary funds from local trusts and foundations and from an appropriation by the 1978 Legislature.

The pilot project was so well-received by the parents that Pierre the Pelican is now an ongoing project of the Children's Mental Health Services Branch. First-time parents are enrolled through the birth registry of the Department of Health. Currently, in any one year, the project serves over 16,000 sets of parents. According to an evaluation survey, 94.5 percent of the respondents indicated that they wished to continue receiving the newsletter.

The appropriation is presently stipulated for fiscal year 1981-1982. Your Committees have amended this bill to read "1981-1983" for the purpose of appropriating funds for the biennium, since that is the projected cost of the newsletter for the biennium.

Your Committees recommend that the Children's Mental Health Services Branch look into the feasibility of having parents contribute to this worthy project.

Your Committees on Youth and Elderly Affairs and Health are in accord with the intent and purpose of H.B. No. 1571, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1571, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 333 Youth and Elderly Affairs and Housing on H.B. No. 1780

The purpose of this bill is to provide that amounts paid by holders of lifetime leases in multiunit residences used for retirement purposes who are granted an exemption for a home as defined in Section 246-27(7), for their proportionate share of the common expenses of maintenance and operation of the building, shall not be taxed.

Under present law, amounts received by a cooperative housing corporation, such as a coop or condominium, as reimbursement of funds paid by the corporation for expenses of operating and maintaining the cooperative land and improvements are not taxed. This bill would amend the present law by adding a section providing that amounts paid by holders of lifetime leases in multiunit residential residences used for retirement purposes who are granted an exemption for a home as defined in Section 246-27(7), Hawaii Revised Statutes, for their proportionate share of the common expenses of operation and maintenance of the residence shall not be taxed.

Your Committees on Youth and Elderly Affairs and Housing are in accord with the intent and purpose of H.B. No. 1780 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 334 Youth and Elderly Affairs on H.B. No. 1586

The purpose of this bill is to make an appropriation of \$60,000 to continue the operation of the Kapahulu Multi-Purpose Senior Center.

In the past, the Kapahulu Multi-Purpose Senior Center has been funded by a grant-in-aid included in "Part B" of the operating budget of the Executive Office on Aging. However, this year, the Center was not included in the Executive Budget request.

Your Committee is considering a proposal to change the funding structure of the Executive Office on Aging. This proposal is detailed in H.B. 1540 and would allot money to the counties on the basis of the number of elderly in each county. This bill would also completely delete the grants-in-aid programs under the Executive Office on Aging.

The Kapahulu Multi-Purpose Senior Center, if funded, would be funded under the grant-in-aid portion of the Executive Office on Aging budget.

Your Committee agrees with the need for a senior center in this area. Your Committee recommends that H.B. 1586 be enacted, provided that, should the above cited H.B. 1540 also be enacted, the Kapahulu Multi-Purpose Senior Center is deleted with all of the grants-in-aid programs.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1586, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 335 Youth and Elderly Affairs on H.B. No. 1272

The purpose of this bill is to make an appropriation of \$15,000 for Honua Hawaii.

Honua Hawaii is an environmental learning center which conducts programs on Hawaii's natural history and culture. Honua Hawaii has residential facilities for up to 50 people, and often accommodates school groups and tourist groups from other islands. Honua Hawaii also has 202 acres of Forest Reserve with labeled nature trails and self-guided study tours for learning to identify endemic, native and exotic plants of Hawaii.

Presently, Honua Hawaii receives funding from private donations, fund-raisers and fees charged for the programs. However, the program has been running a deficit for the past three years, in that the mortgage payments for the center are not being met. This one time appropriation to the center will enable it to become current on the mortgage payments and aid the Center in their goal to become self-sufficient by 1983.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. 1272 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 336 Corrections and Rehabilitation and Public Employment and Government Operations on H.B. No. 793

The purpose of this bill is to recognize and differentiate the role of the Oahu Intake Service Center Administrator from that of the State Intake Service Center Executive Director and to designate the managing subordinate directors as "administrators".

The proposed change is intended to clarify a general confusion in roles between the Executive Director and the subordinate "director" positions, and to clarify their appointment process pursuant to Chapters 76 and 77 of the Hawaii Revised Statutes.

Your Committees have received testimony from the Intake Service Center stating that these revisions will bring about clarity in the administrative line of responsibility and an accountability in service delivery.

Your Committees on Corrections and Rehabilitation and Public Employment and Government Operations are in accord with the intent and purpose of H.B. No. 793 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 337 Corrections and Rehabilitation on H.B. No. 1633

The purpose of this bill, as received by your Committee, is to appropriate to the Department of Social Services and Housing an unspecified amount, for fiscal year 1981-1982, for correctional programs to include, but not be limited to, programs of a vocational, educational, or recreational nature.

Based on testimony presented by the Department of Social Services and Housing, your Committee has amended the bill by inserting the sum of \$356,517 in section 1 of the bill.

Your Committee intends that the appropriation of \$356,517 be expended by the Department, as it indicated in its written testimony dated March 2, 1981, as follows:

- | | | |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| (1) | Program services for the Community Services Section, Hawaii Youth Correctional Facility. | \$ 135,400 |
| (2) | Substance abuse treatment services for inmates of the Oahu Community Correctional Center, High Security Facility, and Kulani Correctional Facility. | \$ 125,829 |
| (3) | Individual and group psychotherapy services for inmates of the High Security Facility and Oahu Community Correctional Facility. | \$ 57,600 |
| (4) | Reading, library materials, and audiovisual equipment and software for the various correctional facilities. | \$ 37,688 |

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 1633, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1633, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakamura and Medeiros.

SCRep. 338 Corrections and Rehabilitation on H.B. No. 1621

The purpose of this bill is to create and fund necessary personnel positions for the corrections system administered by the Department of Social Services and Housing.

The bill, as received by your Committee, does not designate the specific positions to be created and funded. Accordingly, your Committee has amended Section 2 of the bill in order to create and fund, for fiscal years 1981-1982 and 1982-1983, ten civil service positions for certain designated programs in the Corrections Division, Department of Social Services and Housing.

Your Committee has also amended the bill in the following respects:

(1) By amending the purpose section (Section 1) of the bill to more accurately reflect the official names or designations of the various correctional facilities enumerated in that section and to correctly reflect the amendments made to Section 2 of the bill; and

(2) By making a few amendments of a technical, non-substantive nature.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 1621, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1621, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakamura and Medeiros.

SCRep. 339 Public Employment and Government Operations and Education on
H.B. No. 724

The purpose of this bill is to allow more flexibility in the staffing of administrative, professional, and technical positions within the Department of Education. In the Legislative Auditor's Management Audit of the Department of Education, 1973, the Department was cited as being in violation of Section 76-16(11), HRS, in that the Department has hired more than 20 non-certificated employees on the educational officer's salary schedule. In supporting H.B. No. 724, your Committees concur with the Department that the statute should be amended to allow the Department to prudently exercise its managerial responsibilities and hire according to its needs.

Your Committees have amended page 4, line 8 by inserting "as determined by the department of education" after the word "education" to clarify the intent of the bill.

Your Committees on Public Employment and Government Operations and Education are in accord with the intent and purpose of H.B. No. 724, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 724, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 340 Public Employment and Government Operations on H.B. No. 922

The purpose of this bill is to clarify statutory provisions in Section 29-1 and 29-2 of the Hawaii Revised Statutes relating to the Office of the Federal Programs Coordinator and to provide for the establishment of a local federal program coordinator's office.

Your Committee finds that the Office of the Federal Programs Coordinator has never been established in Washington, D.C. since the enactment of Sections 29-1 and 29-2 in 1969. This is due mostly to the prohibitive cost of establishing such an office staffed with State employees. Recently, the State has fulfilled much of its responsibilities under this law through a Consultant Services Contract with a Washington, D.C. based firm. Currently, the responsibility for federal coordination is assigned to a member of the Governor's staff on a part-time basis. The tremendous upsurge in federal program information dissemination and coordination requirements, especially in light of the anticipated federal budget cuts and the increased competition for available federal funds, mandates an increased staff commitment to the program.

In this regard, the day-to-day federal coordination needs of State agencies will be best dealt with through a full-time, in-state, federal programs coordinator working in concert with the federal aids consultant. This would allow the most efficient conduct of the program in responding to such activities as Congressional inquiries, changes in rules and regulations of federal agencies, and federal grant announcements and applications.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 922 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 341 Public Employment and Government Operations on H.B. No. 866

The purpose of this bill is to allow negotiations on contributions for hospital, medical and surgical benefits under the Hawaii public employees health fund.

Presently, contributions to the public employees health fund and benefits are not negotiable items under the collective bargaining law. Benefits are set by the trustees of the health fund and negotiated with the various carriers. The legislature sets the level of the employer contribution and the employee must pay the difference.

Your Committee finds that the authority to negotiate on health plan coverage will give both management and labor the flexibility to balance wage increases against a larger contribution to the health plan.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 866 and recommends that it pass second reading

and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 342 Public Employment and Government Operations on H.B. No. 1584

The purpose of this bill is to provide a pay increase for enlisted personnel of the Army and Air National Guard while on active duty in service of the State.

Based on an eight hour day, the lowest pay and allowance for personnel is presently about \$28.74, or \$3.59 per hour. The State minimum wage is \$26.80 or \$3.35 per hour. The proposed increase of ten times the minimum wage would be \$33.50 per day or \$4.19 per hour. This would mainly benefit the three lowest enlisted grades of Privates and Airmen E1, E2, and Private First Class E3.

Your Committee finds that there are no provisions to compensate personnel for overtime when they are required to work more than the normal eight hour day. Thus, some of the lower ranking personnel have suffered a loss of income when the pay-per-hour falls under the State minimum of \$3.35.

Your Committee is in agreement that increasing the minimum active duty pay and allowance will help offset some of the loss and thus benefit the lower grade enlisted personnel. Also, your Committee believes that the proposed minimum will have little impact on the department's appropriation and expenditure.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1584 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 343 Public Employment and Government Operations on H.B. No. 1583

The purpose of this bill is to amend Section 76-16, Hawaii Revised Statutes, in order to authorize the addition of one more Deputy Director position to the Department of Planning and Economic Development.

Your Committee finds that since the establishment of the present Department of Planning and Economic Development in 1963, there has been a substantial change in the number of programs and functions assigned to it. The department is now responsible for a number of functional and organizational assignments, as well as nine programs in Economic Development and Government-Wide Support. Appropriations to this department this year total \$13.1 million. Further, the range and variety of assignments are also reflected in the fact that the Director serves on 11 boards, commissions, and other public bodies as required by statutes.

Despite the heavy workload on the department, there is only one Deputy Director position authorized at the present time. An additional Deputy Director would allow one person to be assigned to each of the major areas in the department, namely, research and planning programs and economic development programs. Besides providing help in the department's central administration, the Deputy Director could also provide another point of contact for the department's many and various groups. Services to the public and the carrying out of programs and projects would be greatly improved by the addition of the Deputy Director.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1583 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 344 Public Employment and Government Operations on H.B. No. 1493
(Majority)

The purpose of this bill is to more clearly define those public officials and employees who are excluded from the bargaining units established under the provisions of Chapter 89, Hawaii Revised Statutes. This bill would allow for a more appropriate balance

between management and labor and improve collective bargaining administration.

At present, the State and County governments do not have sufficient excluded employees to maintain minimum levels of essential operations in the event of strikes or other work stoppages. Under this bill, the number of excluded positions will increase by approximately 2,000 positions.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1493 and recommends that it pass second reading and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Tungpalan, Andrews, de Heer, Dods, Kiyabu,
Nakasato and Waihee did not concur.)

SCRep. 345 Public Employment and Government Operations on H.B. No. 557

The purpose of this bill is to provide for the replacement of reserve police officers' uniforms destroyed or damaged as the result of ordinary wear and tear during the performance of their duty. This is in addition to replacement of uniforms destroyed or damaged for other reasons, except negligence or wilful intent, while worn by officers in the performance of their duty.

Your Committee is in agreement that police reserves are an integral part of the county police departments. These reserves augment regular police services, and they also provide necessary services during emergencies.

At the present time, uniforms destroyed or damaged as a result of ordinary wear and tear are not replaced by the counties. However, it is felt that the respective councils of the several counties should provide for and make replacement of reserve police officers' uniforms which have become unserviceable through normal wear and tear while worn by the officers in the performance of their duty. This is only equitable since these reserve officers are rendering their services voluntarily and do not receive any compensation.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 557 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 346 Public Employment and Government Operations and Agriculture
on H.B. No. 698

The purpose of this bill is to provide the benefits and tenure of civil service coverage to employees in the Planning and Development Office, Department of Agriculture.

Your Committees are in agreement that all employees of the Department of Agriculture, except those in the Milk Control Division and the Planning and Development Office, are covered by civil service and enjoy the assurance of tenure and the benefits of regular status. 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. Employees of the Planning and Development Office perform such integral and ongoing functions of the Department of Agriculture as formulation and implementation of the State Agriculture Plan and plans for agricultural park projects, as well as review applications relating to use of agricultural lands. Program tenure dependent on the effective achievement of scheduled objectives, appears well assured from the executive and legislative viewpoints as evidenced by the Governor's proposed budget for FY 1981-83 and the apparent endorsement of the Legislature in recent sessions.

Your Committees on Public Employment and Government Operations and Agriculture are in accord with the intent and purpose of H.B. No. 698 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 347 Public Employment and Government Operations on H.B. No. 765

The purpose of this bill is to remove existing, outmoded salary limitation provisions that apply to excluded employees.

Your Committee is in agreement that sections 89C-2, 78-18 and 77-13(f)(4), Hawaii Revised Statutes, set statutory limitations on the compensation of public officers and employees. However, negotiated pay increases for employees included in several of the bargaining units have surpassed these limitations, whereas the limitations still apply to excluded employees. Maximum limitations for excluded employees conflict with merit pay principles when the same limitations no longer apply to included employees. This bill will allow for comparable adjustments in the compensation of officers and employees excluded from collective bargaining, which is consistent with legislative intent expressed in Chapter 89C, HRS.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 765 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 348 Public Employment and Government Operations on H.B. No. 329

The purpose of this bill is to place excluded and exempt employees of the legislative service agencies on an equal footing with their excluded counterparts in the executive and judicial branches. This bill provides that employees of the legislative service agencies, who are exempt from collective bargaining, will be accorded the same opportunity for adjustments in compensation, hours, terms and conditions of employment and other benefits which are currently accorded employees who are excluded from collective bargaining.

Existing law provides for such adjustments by the Governor and mayors, the Board of Education, the Board of Regents, and the Chief Justice for employees under their supervision, but provides for no such authority to the respective directors of the legislative service agencies.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 329 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 349 Public Employment and Government Operations on H.B. No. 350
(Majority)

The purpose of this bill is to streamline the classification plan by making technical adjustments based on a reassessment of the class content or to recognize substantial changes in the composition of classes. This bill further seeks to reduce the cost of making these adjustments by not granting a change in salary to the incumbents of the affected positions, even though these adjustments result in the assignment of a class to a different salary range or grade.

Under the present classification plan, a reclassification action based on technical structural factors rather than changes in position duties and responsibilities which result in assignment to a higher pay range will also require that an incumbent be paid a higher rate in accordance with the higher pay range. The possibility of increased costs due solely to changes in classification structure presently dampens the effort to restructure career ladders, revise criteria or make other technical improvements.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 350 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Tungpalan, Andrews, D. Hagino and Waihee did not concur.)

SCRep. 350 Public Employment and Government Operations on H.B. No. 356

The purpose of this bill is to facilitate public personnel transactions with respect to suspensions, demotions and dismissals. This bill clarifies the pay and benefit status of an employee who is removed from active duty while an investigation is conducted of certain charges brought against him; provides time limits for giving an employee a written statement of the reasons upon which a suspension, dismissal or demotion is based; and clarifies the reasons for filing a copy of the written statement with the Director of Personnel Services, which is for record keeping only.

This bill allows an appointing authority to place the employee on leave-without-pay pending the investigation of charges. This bill also delineates what actions, with respect to the employee's pay and benefit status, are necessary in the event the employee is cleared of all charges, some of the charges or if all of the charges are substantiated.

This bill further provides for a uniform time limit for giving an employee a written statement whether the action is a suspension, dismissal or demotion. Exceptions are provided for if the need for a particular action is immediate or if a leave-without-pay is being converted to a suspension.

Finally, the bill clarifies the intent of the provision which requires that a copy of the written statement given to an employee be filed with the Director of Personnel Services, which is for record keeping purposes only. There have been instances where the failure or omission to comply with the requirement have been relied upon as grounds to invalidate the disciplinary action.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 356 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 351 Public Employment and Government Operations on H.B. No. 1879

The purpose of this bill is to provide the necessary authorizations and appropriations for salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees excluded from collective bargaining for the fiscal biennium 1981-1983.

Under section 89C-5, HRS, salary and related adjustments made for state officers and employees excluded from collective bargaining which constitute cost items require legislative approval and appropriations.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1879 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 352 Public Employment and Government Operations on H.B. No. 695

The purpose of this bill is to provide express statutory authorization to pay on account of sickness. This bill would be of aid in obtaining the approval of the Social Security Administration in excluding sick pay from wages subject to FICA tax.

Under Section 209(b) of the U.S. Social Security Act, wage payments made on account of sickness or accident disability, if made under a plan or system established by the employer, can be excluded from wages subject to social security contributions (FICA tax). Rulings and interpretations of the Social Security Administration have been so restrictive, however, that few state or local government units could exclude such payments.

In 1979, the Social Security Administrations' Informational Release No. 17 appeared to make the exclusion of sick pay more feasible for government units by stating simply that payments made by state and local governments could be excluded if:

- (1) the government unit has legal authority to pay "on account of sickness",
and

- (2) the government unit provides evidence that shows the payments were made under that authority.

While Chapter 79 of the Hawaii Revised Statutes does make provision for the accumulation of sick leave credits by officers and employees of the state and county governments in Hawaii, there is no express statutory authorization to pay on account of sickness, nor is there an express statutory prohibition against making payments from sick leave credits for purposes other than sickness. These elements are considered essential in obtaining ultimate approval of the Social Security Administration to exclude sick pay from wages subject to FICA tax. Therefore, the bill proposes the following major changes to comply with the Social Security Administration's requirements:

Subsection (a) contains the basic policy statement that payments can be made only on account of sickness.

Subsection (b) provides that payments on account of sickness can be made from any appropriation not specifically excluding such payments. This is to provide express authorization to pay on account of sickness in a manner that is consistent with Hawaii's present pattern of making appropriations from which sick pay is paid.

Subsection (c) is for the purpose of assuring that the proposed new section does not alter the existing statutes, or the rules and regulations of the Department of Personnel Services, with regard to the amount of pay paid as sick pay.

Your Committee is in agreement with the estimation that at least \$1,000,000 might be saved by the State of Hawaii annually if it could, with the Social Security Administration's approval, exclude sick pay from wages subject to FICA tax. While the procedural elements of the exclusion remain to be negotiated with the Social Security Administration before its approval is obtained, the statutory elements appear to be firm requirements regardless of the procedures ultimately agreed upon. Further, the statutory elements contained in this proposal should aid in the development of acceptable procedures by obviating the need for separate sick pay appropriations and accounts that might otherwise be required.

Your Committee on Public Employment and Government Operations are in accord with the intent and purpose of H.B. No. 695 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 353 Public Employment and Government Operations on H.B. No. 1052
(Majority)

The purpose of this bill is to allow purchase of service time in the State Retirement System between the years 1949-1955 by regular State and county employees who rendered service to Federal defense agencies by taking a leave of absence without pay.

Under certain conditions, membership service shall be credited for any period for which the member makes the required contributions. Generally, the service allowed for purchase is when an employee was employed by the State or county prior to becoming a member of the retirement system; service to an agency that was subsequently transferred to the State or county; authorized professional improvement leave with or without pay; and service rendered in a congressional office or in a Federal defense agency if the employee was so directed by his employer.

This bill adds another situation under which membership service time may be purchased: when an employee who was a member and permanent employee of the State or county rendered service to a Federal defense agency between 1949-1955 (the era of the Korean War) on a leave of absence without pay, and subsequently returned to employment for the State or county.

Concern was expressed that the member may receive Federal retirement benefits based on his short term of service, and if so, it may not be fair to credit his Federal service to the State Retirement System when he has received or will receive Federal retirement benefits. In other words, the member may be using the same period of time as service time or credit in both the Federal and State or county retirement systems.

However, your Committee believes that the proposed bill is equitable to employees who rendered service to their country during the period of the Korean War. Your Committee

also believes that the bill will benefit a relatively small number of employees, and that the anticipated costs will therefore be minimal.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1052 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Anderson and Marumoto did not concur.)

SCRep. 354 Public Employment and Government Operations on H.B. No. 345

The purpose of this bill is to provide flexibility in the recruitment of certain essential personnel by the State. The flexibility is provided by: permitting the contracting of persons to perform services certified by the Director of Personnel Services as essential to the public interest; permitting appointing authorities to pay travel and transportation expenses for the recruitment of such personnel; allowing requisites for such personnel and providing monetary incentives for recruitment of such personnel.

The State encounters recruitment difficulties for certain positions, particularly in the area of medical services. The civil service law does not provide adequate recruitment flexibility and restricts the State's ability to compete and recruit persons with the requisite skills and qualifications. This bill is intended to alleviate these recruitment difficulties.

Your Committee has made a technical correction on page 8 in Section 77-16 by adding in lines 12 and 13:

"but not for the convenience or benefit of the government"

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 345, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 345, H.B. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 355 Public Employment and Government Operations on H.B. No. 920

The purpose of this bill is to give authority to all public employers, State and County, to advance the amount of their employee-beneficiaries' contributions to the Health Fund on or before the first day of each month.

Until recently, the Board of Trustees advanced premium payments for both State and county employees using State appropriations. However, the State Attorney General advised them that they did not have legislative authority to do so. They could only advance premiums for State employees.

Your Committee is in agreement that the amendment to the Health Fund Law will provide the legal basis and authority by which counties can advance premium payments. Both the State and counties will then be paying these funds uniformly. Also, the State and counties will recover the advances at each payroll date from their employees' salaries via payroll deduction.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 920 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 356 Public Employment and Government Operations on H.B. No. 1716

The purpose of this bill is to require the State and county public employers to contribute 50% of the total premium for a health benefit plan, and 100% of all the children's dental plan.

Presently, the employer contribution to the Health Fund is now set at \$14.14 for a single employee, \$45.08 for an employee with family coverage, and \$4.18 for the children

dental plan. When premiums are increased, the employees pay the entire increase until such time the Legislature increases the employer contribution.

Your Committee is in agreement that as health plan costs rise, the State and counties should pay a portion of the increase. Employees should not bear the entire cost of the increase. However, your Committee finds that the present method of setting annual employer medical contributions at specific amounts facilitates the State's budgetary process whereas the proposed percentage approach could create uncertainty in fiscal planning and revenue projections.

Your Committee has therefore amended the bill to reflect the following increases as proposed by the Board of Trustees:

1.	Employee	\$ 14.88
2.	Employee with Dependents	\$ 47.34
3.	Children Dental Plan	\$ 5.00

Your Committee has also made nonsubstantive, technical amendments.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1716, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1716, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 357 Public Employment and Government Operations on H.B. No. 1870

The purpose of this bill, as received by your Committee, is to provide for salary adjustments or increases for those elected or appointed officers of the Executive Branch of State government whose compensation is presently fixed or limited by statute. The proposed increases are based upon the recommendations of the Governor's Committee on Executive Salaries.

This bill, as received by your Committee, amends various sections of the Hawaii Revised Statutes which set or limit the annual salaries of certain higher level officers of the State, such as the Governor, the Lieutenant Governor, department heads and their deputies, and other administrators within the executive branch of government.

Your Committee finds that the last salary adjustments or increases for elected and appointed officers of the State were effectuated five years ago on January 1, 1976. Subsequently, there have been annual salary adjustments for subordinate employees, as a result of collective bargaining, which has culminated in salaries in excess of the limitation of 95 percent of the salary paid to a deputy to a department. Furthermore, the salaries of elected and appointed county officials have been adjusted more frequently and regularly than have the salaries of State officers.

Due to the aforementioned inequities, the Governor established a committee, comprised of members of the private sector, to review the salaries of public officers in the State Executive Branch. The committee reported that the purchasing power of the public officers has been substantially diminished, that the salary relationships with subordinates and county officials have been skewed, and that recruitment for higher-level State positions has been difficult. Therefore, the Salary Commission, in a report to the Governor, recommended certain salary adjustments which would become effective on July 1, 1981.

Your Committee concurs with the sentiment and concerns elaborated upon by the Executive Salary Commission. However, upon consideration, your Committee has amended this bill by removing reference to quasi-judicial officers from the proposed fixed limits in section 26-52. The nature of the jobs of officers who perform quasi-judicial functions is closely related to the nature of performance expected of circuit court judges. Thus, the existing provisions of sections 89-5, 269-2 and 371-4, which set the salaries of the Hawaii Public Employment Relations Board, the Public Utilities Commission, and the Labor and Industrial Relations Appeals Board, respectively, to be commensurate with, for the chairpersons of the boards, and proportionate to, for members of the boards, the salaries of circuit court judges, have been left unamended.

Your Committee has further amended this bill by correcting technical, nonsubstantive

errors.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1870, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1870, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 358 Public Employment and Government Operations on H.B. No. 1724

The purpose of this bill is to 1) increase the regular interest rate credited to employees from 4-1/2% to 5-1/4%, 2) eliminate the requirement of crediting excess earnings over the investment yield rate to the state and counties (employer) contribution, and 3) give the Board of Trustees the authority to set the investment yield rate presently set by statute at the regular interest rate.

The increase from 4-1/2% to 5-1/4% is hardly significant in light of interest rates presently being offered by financial institutions.

The proposal to retain excess investment interest earnings in the System instead of crediting the employer contribution is to produce a more level employer contribution in the future.

The present practice of crediting employer contributions results in a "double-reduction" causing uneven employer contributions. The excess earnings increases assets, produces an illusory actuarial gain, and thus reduces the total actuarially-determined appropriation. Then the excess is subtracted from the lower total appropriation requirement to determine the net contribution for employers.

It is also proposed to give the Board the authority to determine the investment yield rate. All other states have this authority, and it will make it easier to adopt and update assumptions to adjust to the experiences of the System.

Your Committee is in agreement that the regular interest rate should be raised from 4-1/2% to 5-1/4%. However, at this time, your Committee does not believe that the Board should have the authority to set the investment yield rate, and that excess earnings should remain in the System.

Your Committee has amended H.B. No. 1724 by removing the proposed brackets in Section 2. This returns Section 88-107 to its status quo of excess earnings being credited to the employer contribution.

In Section 3 your Committee has added to the proposed phrase, "the investment yield rate of 7% and such tables and factors." By adding a specific investment yield of 7%, the Board cannot adopt its own assumptions as proposed. Your Committee has also made technical non-substantive amendments.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1724, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1724, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 359 Public Employment and Government Operations on H.B. No. 1149

The purpose of this bill is to propose a number of amendments to Part II, Chapter 88 of the Hawaii Revised Statutes relating to the Employees' Retirement System. The amendments are the result of a directive from the System's Board of Trustees to review the statutes governing the System, and are intended to clarify the existing law as well as to fill certain gaps. While most of the amendments are merely housecleaning items and reflect current administrative practices, there are also a number of substantive changes which are as follows:

Section 1, subsection (1) amends Section 88-21, HRS, by more clearly defining the term "elective officer" and specifically excluding from such definition persons elected to the Constitutional Convention, members of the Board of Education, and the trustees

of the Office of Hawaiian Affairs. Such individuals will be excluded from membership because (1) as elective officers they do not have the option of membership and (2) under rules and regulations adopted by the System, employees of three months or less are excluded.

Section 2, subsection (2) redefines police officers and firefighters as "general employees" for the purpose of making them eligible for election to the Board of Trustees. Pursuant to HRS 88-102, members of the System are presently classified into four groups: general employees of the State; general employees of the counties; teachers; and police officers and firefighters. Under HRS 88-24, members of the System may elect three board members, two of whom must be "general employees" and one of whom must be a "teacher". The amendment therefore removes the current statutory prohibition barring police officers and firefighters from running for election.

Subsection (3) repeals HRS 88-32 relating to the independent medical review board. A recent Hawaii State Supreme Court decision held that appeals of adverse decisions to the board did not provide the member with the type of hearing required by the Administrative Procedures Act. Procedural rules were subsequently adopted by the Trustees to implement that ruling, thereby making the board an obsolete body.

Subsection (8) amends HRS 88-55 dealing with civilian employees of the Hawaii National Guard who had elected membership in the federal retirement system on January 1, 1969 and had later quit such employment to return to State or county employment. Excluded from membership service is the period these persons were under the federal system. It should be noted that many of these individuals were already members of the State Retirement System when they elected to join the federal retirement system.

Subsection (10) creates a new section under Chapter 88 relating to the membership of employees holding more than one position, appointment or office by limiting such individuals' membership to only one. However, where a person has two part-time positions of the same class, membership may be for both, provided that the two do not exceed 100 percent of full-time equivalence.

Subsection (11) amends HRS 88-58 by clarifying the provision dealing with per diem workers. In the early 1950's the retirement law was amended to provide membership to per diem county road workers who were at that time excluded because of the part-time nature of their work. Unfortunately, the law did not make clear that only county road workers were to be covered, so presently anyone who has been paid on a per diem basis may claim prior service. The amendment corrects this situation by restricting such prior service credit to only those per diem employees who had been county road maintenance workers after December 27, 1927.

Subsection (12) amends HRS 88-59 by allowing only those with five or more years of service to purchase their previous service through a lump sum payment. This change will prohibit anyone who has left service after ten years, withdrawn his contributions and subsequently returned to work, from purchasing all of his previous service and retiring after working only a few months. It should be noted that under current law, a member who does this will receive, under Option Five, a substantial monthly pension for life. This proposed amendment will apply only to future new members of the System.

Subsection (13) is a substantive change to HRS 88-62, relating to a former member's return to service. The section currently provides that when a former member returns to work after four years, all of his contributions to the System must be returned if he has not already withdrawn them. It further states that credit for previous service may be regained if he so desires by purchasing it in accordance with HRS 88-59; and that the service requirement must be fulfilled in order for him to qualify for any benefit. The aforesaid policy discriminates against those who have left with five or more years of service, did not withdraw their contributions and are therefore already vested. The amendment would change the law to cover only those with less than five years of service and provides that to be eligible for a retirement benefit after returning to work, the employee must meet the minimum service requirement without including any previous service that may have been purchased in accordance with HRS 88-59.

Subsection (15) amends HRS 88-96 and 88-97. Hawaii Revised Statutes 88-96 presently provides that the contribution of any separated member shall be returned upon request. It further states that no interest shall accrue to his account after four years, and that if he has five or more years of service he may attain "vested status" by filling out the proper forms within four years. "Vested status" makes him eligible for a service retirement at age 55 with benefits based on the formula existing at the time of his separation from service.

Hawaii Revised Statutes 88-97 deals with a separated individual who has attained such status and later returns to active service. The section states that (1) he shall become a member again; (2) he must fulfill the membership requirements in order to be eligible for a service retirement; and (3) his retirement benefit shall consist of his vested benefit plus whatever other benefit had accrued as a result of his new period of membership.

Such a situation creates an inequity when the member finally retires, particularly if his initial vested benefit had been based on a formula which produced an amount less than the current one in use. In the case of an individual who initially withdraws all of his contributions and later returns to service, pursuant to HRS 88-59 he can purchase all of his previous service and retire with all of it computed under the current formula. Moreover, the present law does not prohibit a vested person from attaining a refund of his contribution before he returns to service. For these reasons, members with five or more years of service often do not choose to attain vested status because it could actually be more disadvantageous to them.

The amendment to HRS 88-96 therefore provides that anyone with five or more years of service who had left his contributions in the System shall be deemed to have been vested without the necessity of filling out any forms for such purpose.

In addition, HRS 88-97 has been amended to provide that if a vested member returns to active service, his benefit shall be computed in accordance with the present statutes if he has less than five years of service after his return. However, if he has five or more years of service after his return, then all of his service shall be computed under the existing formula if the benefits so provided are greater than if computed in accordance with the present statutes.

Subsection (14) amends HRS 88-74 relating to the State's "25 years and out" retirement policy. As presently worded, the section may be misinterpreted to mean that a member with 25 years of any type of service is eligible for retirement without being penalized so long as he serves his last five years as a police officer, firefighter, corrections officer or sewer worker. The amendment seeks to clarify the situation by stating that any police officer, firefighter, corrections officer or sewer worker cannot retire with full benefits unless he has served 25 years in such a capacity, of which the last five must also be in such capacity.

Your Committee has made an amendment to the bill as received on page 19, section 88-96(b). It gives a member with five or more years of service four-calendar years, following termination, to withdraw his contribution. If not, then the member shall be deemed to have established vested benefits, and the contribution shall not be withdrawn thereafter. The present bill does not specify any time as to how long a member has to decide whether to withdraw or vest his contribution. Your Committee believes that this may cause unnecessary problems between the members and the Board. Your Committee has also 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. 1149, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1149, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 360 Public Employment and Government Operations on H.B. No. 1418

The purpose of this bill is to allow a former police officer to receive the same retirement allowance as provided for credited service of a firefighter, police officer, or corrections officer of two and a half percent of his average final compensation for each year or portion of a year the member of the retirement system worked as a police officer.

If this bill is enacted, the effect is that any member who was a former police officer, in addition to his regular retirement allowance of two percent per year, would receive an additional one-half percent per year for each year or portion of a year of credited service as a police officer.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1418 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 361 Public Employment and Government Operations on H.B. No. 880
(Majority)

The purpose of this bill is to accord all full-time employees not currently in civil service, except the state public defender, assistant public defenders, law clerks, and the secretary to the public defender, civil service status and all attendant rights, benefits, and privileges.

Your Committee finds that the Office of the Public Defender was created on July 1, 1971, and the investigative and clerical employees have been employed since that time with an exempt status. These employees perform their duties with competence, experience, knowledge, and specialized skills on a level similar to the civil service employees in the Office of the Attorney General and the Offices of the Prosecutor of the several counties.

Further, civil service status will tend to increase the morale of these employees and promote a continuity of employment in these vital staff support services in the Office of the Public Defender.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 880 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. 362 Public Employment and Government Operations on H.B. No. 767

The purpose of this bill is to authorize the establishment of a deferred compensation plan for public officers and employees of the State and counties.

Deferred compensation is basically an agreement whereby an employee authorizes his employer defer a portion of his gross pay until retirement, at which time he would most likely be subject to a lower tax burden. The deferred monies are invested by the State in accordance with various options permitted under the plan such as annuities, life insurance, saving accounts and mutual funds. The deferred monies, earned interest, and appreciation accruing to these deferred funds are not taxed until the employee receives them.

Participation is strictly voluntary, and the employer makes no contribution to the plan. Deferred compensation would not affect already existing retirement, pension, or social security benefits or plans, but would provide an additional source of income to participating officers and employees when they retire.

Deferred compensation in the public sector is a relatively recent phenomenon and has become an increasingly popular "non-cost" fringe benefit offered to public employees. Establishment of such a plan will make State and county government more attractive as employers, while lessening the pressure for benefits under the retirement system.

Some concern was expressed over the section of the bill stating that the plan shall bear all implementation and administrative costs, and the effect this would have on initial "start-up" costs. Your Committee believes that such costs are clerical and house-keeping in nature. The bill provides for the "start-up costs, but the plan will reimburse the State for these costs.

Concern was also expressed that the bill implied that counties could not establish their own plan because there was no provision of autonomy for the counties.

Your Committee has amended the bill to accommodate such concerns:

"S-14 County Deferred Compensation Plans.

The counties of Hawaii, Kauai, and Maui, and the city and county of Honolulu may establish deferred compensation plans for their respective employees. A plan so established shall not be subject to the other provisions of this Act, but shall be in compliance with applicable federal laws and regulations."

"S-15 Existing Deferred Compensation Plans.

The provisions in this chapter shall not affect any existing deferred compensation plan established under Section 457 of the United States Internal Revenue Code."

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 767 as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 767, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 363 Public Employment and Government Operations on H.B. No. 353

The purpose of this bill is to allow members of the State Retirement System who have rendered honorable military service to purchase credits for military service which is presently not creditable.

Under present statutes, two types of military service are recognized as membership: 1) when an employee is inducted into the armed forces while a member of the System, and 2) during the period of 1941-1949. Such service may be purchased up to four years. A third type of military service is proposed to be purchased as membership service. The proposal limits purchase to four years of service, but the following purchases would be permitted:

15 years of service - 2 years of military service

20 years of service - 3 years of military service

25 years of service - 4 years of military service

Your Committee finds that because employees have served in the armed forces, many of them have fewer years of government service. The proposal would recognize and permit those with long years of public employment to purchase a limited amount of military service credit. The exclusion of employees receiving military pensions, the fifteen year requirement, and the four year purchase limitation would prevent abuse by military retirees or short-term employees.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 353 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 364 Youth and Elderly Affairs on H.B. No. 440

The purpose of this bill is to increase the tax credit which a taxpayer may claim for qualified child or disabled dependent care. The expenses must be incurred to enable the taxpayer to be gainfully employed. The bill would increase the tax credit from five percent to twenty percent.

Presently, state law allows a tax credit of five percent of the qualifying expenses of child care if child care is necessary to enable the parents or a single parent to work. The federal government allows a tax credit of twenty percent of qualifying child care expenses.

The Department of Taxation submitted testimony opposing this bill because: (1) If passed, the total tax credit for persons qualifying would be forty percent (state and federal tax credits combined), amounting to a subsidy by the state and federal governments, (2) The federal government has not changed its provision of twenty percent since 1976, so a state change may not be necessary either, (3) Considering the difference in tax rates between the federal and state governments, a tax credit of the same amount as that allowed by the federal government would seem overly generous.

Testimony was also submitted by the Hawaii Women Lawyers, and the American Association of University Women to support the proposed increase and to testify to the need for such an increase since often both parents in a family must work and there are an increasing number of single parents.

Your Committee has amended the bill by recognizing the need for an increased tax credit, yet taking into consideration the concerns expressed by the Department of Taxation, by providing for a tax credit of ten percent.

Your Committee has further amended this bill to provide that the expenses must be incurred at licensed day care centers to encourage these centers to become licensed in the State of Hawaii.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 440, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 440, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakamura and Liu.

SCRep. 365 Youth and Elderly Affairs on H.B. No. 1136

The purpose of this bill is to provide funding for the Small Group Homes for the Older Adult project. This appropriation of \$144,723 would continue the present program and would expand it from six small group homes to sixteen small group homes.

The Small Group Homes program is a demonstration project which provides support services which allow older adults, who would otherwise need institutionalized care, to live independently in the community.

The project requires \$52,000 to fund the program as presently set up with six homes. The remainder of the appropriation would fund an additional ten homes.

Your Committee has included \$22,885 in the budget of the Executive Office on Aging for this program. Thus, the bill has been amended to take note of this amendment and to reflect the Committee's concern that the expansion of six to sixteen homes is too great for one year. The amended appropriation is \$70,000.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1136, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1136, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 366 Youth and Elderly Affairs and Health on H.B. No. 576

The purpose of this bill is to provide an appropriation for the City and County of Honolulu for the purposes of purchasing a multi-purpose community center for Waikiki, Oahu.

Waikiki presently does not have a centralized center in which to locate the services provided by private and state agencies. Many community organizations testified to the difficulty of finding a location for meetings or for delivery of services in Waikiki. Additionally, a centralized location for the agencies would enhance the service delivery and interagency coordination.

Your Committees have amended the bill to provide an appropriation of \$2.5 million to the City and County of Honolulu, to be equally matched by the City and County of Honolulu, to purchase a multi-purpose community center for Waikiki.

Your Committees on Youth and Elderly Affairs and Health are in accord with the intent and purpose of H.B. No. 576, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 576, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 367 Youth and Elderly Affairs and Public Assistance and Human Services
on H.B. No. 102

The purpose of this bill is to provide a tax credit to a resident taxpayer who cares

for an elderly, disabled or chronically ill person in their home. The taxpayer may not claim the deduction: (1) if the taxpayer provides care for these individuals for profit, (2) if the taxpayer provides child care services and claims it as a tax credit, (3) if the taxpayer is claiming the person as an exemption under HRS 235-54(a), (4) if the taxpayer is claimed or otherwise eligible to be claimed as a dependent by another taxpayer for federal or Hawaii individual income tax purposes. The individual cared for must be cared for or maintained in the person's home for nine months of the year the tax credit is claimed, their adjusted gross income may not be more than \$10,000, and the person cared for must be treated as a family member by the taxpayer.

The Department of Taxation expressed their concern that "cared for or maintained" is not defined in the bill and that the department does not have the staffing to make this determination, especially regarding whether the individual is treated as a family member.

Your Committees have amended this bill on page 4, line 4 to provide that the Department of Social Services and Housing shall prepare the proper forms to claim the credit, to require the proof of claim for the credit, and to adopt appropriate rules under Chapter 91. Thus, the Department of Social Services and Housing would make the determination if the person is treated as a family member, rather than the Department of Taxation.

Also, concern was expressed that the provision limiting the tax credit to individuals who would otherwise have to be cared for in an institution is too limiting. A tax credit of \$1,000 would not be sufficient to keep a person who really needed institutionalization in the home, according to testimony submitted by the State Planning Council on Developmental Disabilities. Your Committees agreed with this concern and amended the bill to provide that the tax credit is available if the individual would have to be cared for in a community placement or an institution.

Additional testimony pointed out that the individual cared for should not necessarily have to be a relative as the bill provides, but could be a friend. Your Committees agree and have deleted the section requiring the infirm individual to be a family member. The individual still must be treated as a family member by the taxpayer.

Page 3, line 3, provides that the tax credit is not available to anyone who operates a care service for profit. Since many care homes and boarding homes are non-profit, the word profit was deleted and replaced with the word "fee". This change signifies your Committees' concern that the tax credit only be available to those who care for an infirm individual who is a friend or family member.

Also, your Committees have deleted the age requirement of sixty-two years because the necessary requirements are listed in paragraph 2.

In addition, other nonsubstantive changes have been made in the bill for purposes of clarity.

Your Committees on Youth and Elderly Affairs and Public Assistance and Human Services are in accord with the intent and purpose of H.B. 102, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 102, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Nakamura.

SCRep. 368 Judiciary and Corrections and Rehabilitation on H.B. No. 1276

The purpose of this bill is to make an appropriation for needed capital improvements to the Ka'u Police Station on the island of Hawaii.

Your Committees on Judiciary and Corrections and Rehabilitation is in accord with the intent and purpose of H.B. 1276, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1276, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Baker, Kawakami and Liu.

SCRep. 369 Corrections and Rehabilitation on H.B. No. 1525

The purpose of this bill is to appropriate \$5,000 or so much thereof as may be necessary for the psychological treatment of inmates in the Hawaii State Correctional System.

The Department of Social Services and Housing testified in support of this bill and recognizes the need for psychological treatment for many inmates.

Your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.B. No. 1525 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Baker.

SCRep. 370 Corrections and Rehabilitation on H.B. No. 1655

The purpose of this bill is to increase the rates of compensation paid to inmates for work performed during their period of confinement by 40 percent.

The opportunity to legitimately earn money during an inmate's period of confinement serves useful pre-vocational training purposes in that it offers inmates an opportunity to learn appropriate work habits as well as providing inmates an opportunity to earn small amounts of money for purchasing small personal items such as cigarettes, snacks, etc., that the state does not otherwise provide for.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 1655, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1655, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 371 Judiciary and Public Employment and Government Operations
on H.B. No. 629 (Majority)

The purpose of this bill is to provide for salary adjustments or increases for officials of the Judiciary whose compensation is presently fixed or limited by statute. The salary increases would be applicable to the Chief Justice and associates justices of the Supreme Court, the Chief Judge and associate judges of the Intermediate Appellate Court, the various circuit court, district court, and district family court judges, the Administrative Director of the courts and his deputy, and the Sheriff and his first and second deputies.

This bill, as received by your Committees, amends various sections of the Hawaii Revised Statutes which set or limit the annual salaries of the above-enumerated positions within the Judiciary.

Your Committees find that the last salary adjustments or increases for officers of the Judiciary were effectuated five years ago on January 1, 1976, with the exception of the salaries for the judges of the Intermediate Appellate Court, which were set in 1979 upon the creation of the Intermediate Appellate Court. Because of frequent and regular salary adjustments, the salaries of public employees and appointed and elected county officials now exceed the salaries of higher level officers within the Judiciary.

Your Committees, after thorough review and consideration, have concluded that salary adjustments or increases for the Judiciary are justified. Therefore, your Committees have amended this bill by setting forth the compensation for the various positions within the Judiciary as follows:

- (1) Chief Justice of the Supreme Court - \$60,000 per year;
- (2) Associate justices of the Supreme Court - 95 percent of the annual salary of the Chief Justice;
- (3) Chief Judge of the Intermediate Appellate Court - 95 percent of the annual salary of the Chief Justice;
- (4) Associate judges of the Intermediate Appellate Court - 92.5 percent of the

annual salary of the Chief Justice;

- (5) Circuit court judges - 90 percent of the annual salary of the Chief Justice;
- (6) District court and district family judges - 85 percent of the annual salary of the Chief Justice;
- (7) Administrative Director - annual salary same as State department heads;
- (8) Sheriff and first and second deputy sheriffs - annual salaries to be set pursuant to position classification and compensation plan under Chapter 77.

Your Committees have set the annual salary of the Chief Justice of the Supreme Court at \$60,000, commensurate with the recommended salary for the Governor. Both positions, as titular and functional heads of the judiciary and executive branches of the State, are co-equal. Accordingly, the salary should be the same.

The salaries for the other high level positions within the Judiciary have been fixed in 1976 (and 1979 for the Intermediate Appellate Court positions), on a percentage basis, with the base being the salary of the Chief Justice. Your Committees feel that using the salary of the Chief Justice as the base results in consistent and equitable salary adjustments, taking into consideration the inflationary trend and concomitant rise in the cost of living.

Your Committees have amended this bill by removing the fixed salary for the position of the Administrative Director, and by providing that his salary shall be that of State department heads. The duties and responsibilities required of the position are similar to duties required of positions within the Executive Branch, and your Committees believe that the compensation should be comparable.

Your Committees have further amended this bill by providing that the Sheriff and his first and second deputies shall receive compensation pursuant to the plan for position classification and compensation contained in Chapter 77.

Finally, your Committees have further amended this bill by correcting technical, nonsubstantive errors.

Your Committees on Judiciary and Public Employment and Government Operations are in accord with the intent and purpose of H.B. No. 629, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 629, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 372 Higher Education on H.B. No. 221

The purpose of this bill is to establish a new chapter in the Hawaii Revised Statutes for an educational loan and employment internship program to benefit underrepresented members of ethnic minorities enrolled in institutions of higher education and in employment in government service. The bill also provides for a full or partial tuition waiver to low-income persons who qualify for the loan program. Furthermore, those persons who qualify for the loan program also would be eligible for a special internship period in government employment to gain practical experience.

After a hearing on the bill on which testimony was heard, your committee made minor technical amendments for clarification purposes.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 221, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 221, H.D. 1 and be referred to the Committee on Finance.

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

SCRep. 373 Higher Education on H.B. No. 1827

The purpose of this bill is to improve educational programs in the Leeward area of Oahu.

Your Committee has amended this bill by providing an appropriation of \$100,000 for fiscal years 1981-82 and 1982-83.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1827, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1827, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 374 Higher Education on H.B. No. 441

The purpose of this bill, as received by your Committee, is to provide an unspecified appropriation for fiscal year 1981-1982 for the University of Hawaii's Continuing Education for Women Program.

The Continuing Education for Women Program (CEW) provides counseling and other assistance in educational and career planning to adults, especially women, who are not currently enrolled in formal educational programs. Your Committee believes that the services offered by this program provide valuable, much-needed assistance to individuals in need of direction in exploring or achieving their educational, vocational, and career goals.

Your Committee also received testimony that this program also offers services to men. Your Committee therefore requests the Dean of the College of Continuing Education and Community Services, University of Hawaii at Manoa, to further publicize and inform the community at large that men as well as women are welcome to utilize CEW services.

Your Committee has amended the bill by inserting the sum of \$40,000 to fund the CEW program for another fiscal year.

Your Committee has also amended the bill so that the appropriation is made subject to the proviso that the College of Continuing Education and Community Services shall explore the feasibility of transferring the Continuing Education for Women Program to the Student Services Division, University of Hawaii at Manoa, in order that the program become more visible, accessible, and available to the University community and the public at large.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 441, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 441, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 375 Higher Education on H.B. No. 1808

The purpose of this bill, as received by your Committee, is to appropriate an unspecified sum for fiscal years 1981-1983, to establish a program for the study of the physical and biological features of the Hawaiian islands.

Your Committee received testimony that Hawaii's unique flora and fauna are of tremendous interest to scientists, and that the establishment of a program for the study of Hawaii's special biological features therefore warrants high merit. Testimony also indicated that the establishment of a Center for Hawaiian Biological Research, or a similar organizational entity, could serve to coordinate the efforts of local, mainland, and foreign biologists currently working in Hawaii in this area, attract additional researchers and funds into the State, and serve as the clearinghouse for the education and training of resident biologists and for the dissemination of information within and beyond the scientific community.

Accordingly, your Committee has amended Section 1 of the bill to clarify that the purpose of this bill is to establish a center at the University of Hawaii at Manoa, to

be known as the Center for Hawaiian Biological Research, to coordinate the dissemination of information and the study of the unique physical and biological features of the Hawaiian islands which serve as a natural laboratory for studying the dynamics of biological phenomenon.

Your Committee has also amended the bill by inserting the sum of \$100,000 as the appropriation; by making it clear that the sum appropriated may also be expended for the hiring of necessary staff; and by making technical, non-substantive amendments.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1808, as amended herein, and recommends that it pass Second Reading in the form attached hereto, as H.B. 1808, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 376 Higher Education on H.B. No. 1459

The purpose of this bill is to strengthen, improve, and modify the Hawaii Public Broadcasting Authority.

Your Committee has amended Section 2 of this bill to read: "There is appropriated out of the general funds of the State of Hawaii the sum of \$600,000 to be expended between the fiscal years of 1981-83 in the order that might most implement the purposes of this bill."

Your Committee has also amended Section 3 of this bill by naming the department of regulatory agencies as the expending agency for the purpose of this bill.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1459, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1459, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 377 Higher Education on H.B. No. 1807 (Majority)

The purpose of this bill is to improve vocational education programs for the State of Hawaii.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1807 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Takamine and Monahan.
(Representative Ige did not concur.)

SCRep. 378 Higher Education on H.B. No. 1800

The purpose of this bill is to provide for a fair rate of compensation for graduate students employed by the University of Hawaii, State of Hawaii.

Your Committee has amended this bill by providing an appropriation of \$178,000 for fiscal year 1981-82 and \$195,000 for fiscal year 1982-83, and that any unexpended or unencumbered balance made by this bill as of the close of business on June 30, 1983, shall lapse into the general fund.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1800, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1800, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 379 Higher Education on H.B. No. 995

The purpose of this bill is to make an appropriation for construction of needed educational facilities for Maui Community College.

Your Committee has amended Section 1 of this bill to correct a typographical error on line 4 which should read fiscal year 1981-82.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 995, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 995, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 380 Higher Education on H.B. No. 1726

The purpose of this bill is to make an appropriation for the construction of needed educational facilities for Maui Community College.

Your Committee is in agreement with this bill and understands that this project was approved by the Board of Regents as University System, priority No. 29 and is included in the Governor's budget for fiscal years 1981-83.

Your Committee has also amended this bill by correcting a typographical and grammatical error in the title to read: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS AND MAKING AN APPROPRIATION FOR MAUI COMMUNITY COLLEGE".

Your Committee has also amended this bill by indicating that this bill shall take effect upon its approval.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1726, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 381 Higher Education on H.B. No. 895

The purpose of this bill is to make an appropriation to study the feasibility of improved communications resources in the Pacific Basin.

Your Committee has amended this bill by indicating that the appropriation is to be expended in fiscal year 1981-82, and that any unexpended or unencumbered balance of any appropriation made by this bill as of the close of business on June 30, 1982, shall lapse into the general fund.

Your Committee also requests that the appropriate organizations report their findings and recommendations to the House of Representatives twenty days prior to the convening of the Eleventh State Legislature, Regular Session of 1982.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 895, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 895, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 382 Higher Education on H.B. No. 824

The purpose of this bill is to improve and clarify financial aid and scholarship units for the University of Hawaii.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 824 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 383 Water, Land Use, Development and Hawaiian Affairs and Transportation on H.B. No. 1875 (Majority)

The purpose of this bill is to authorize the issuance of revenue bonds, and to appropriate the receipts therefrom, to finance the public participation portion of the Aloha Tower Complex redevelopment project. The project is authorized by the provisions of H.B. No. 1875, H.D. 1.

Your Committees have received testimony to the effect that the original sum mentioned in the bill (\$31,000,000) is inadequate due to the anticipated inflation cost that will occur during the construction of the project. The new figure is \$33,260,000 which has been inserted in the bill as an amendment.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Transportation are in accord with the intent and purpose of H.B. No. 1875, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1875, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Takamine and Monahan.
(Representative Takitani did not concur.)

SCRep. 384 Transportation on H.B. No. 1885

The purpose of this bill is to amend Chapter 261 of the Hawaii Revised Statutes by adding new sections to the Chapter which grant the Director of Transportation authority to expeditiously and expeditiously remove abandoned aircraft on State airports, and to control and prevent instances of trespass to aircraft.

Your Committee concurs with testimony submitted by the Department of Transportation supporting this bill and recognizes that abandoned and derelict aircraft can pose serious problems and hazards detrimentally affecting the safety and efficiency of airport operations. Your Committee believes that this bill will provide the Department with the authority to promptly attend to abandoned aircraft in a manner similar to that granted by Chapters 267A and 267B, relating to abandoned vessels.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1885 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 385 Transportation on H.B. No. 1692

The purpose of this bill is to appropriate \$2 million for the design and construction of an interchange on Interstate Route H-2 in the vicinity of Mililani Memorial Road, Oahu.

Your Committee received testimony from the Department of Transportation supporting the appropriation of funds for this project. However, your Committee finds that the uncertain availability of federal funds for the project, anticipated to cost approximately \$5 million, requires a conservative approach to appropriating State funds for the project. Therefore, your Committee has amended section 1 of the bill by reducing the amount appropriated from \$2 million to \$500,000 in highway special fund monies, to be used only for the projects design. Your Committee has also amended section 1 to provide that funds appropriated are for fiscal years 1981-1982 and 1982-1983.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1692, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1692, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 386 Transportation on H.B. No. 1529

The purpose of this bill is to permit the Department of Transportation to issue Harbor revenue bonds in the sum of \$80,000, or so much thereof as necessary, and appropriating the same sum or so much thereof as may be necessary for fiscal years 1981-82, 82-83, and 1983-84 for the construction of an agricultural produce storage facility at Kawaihae Harbor, Hawaii.

Historically, the legislature has initiated efforts to study the need for an agricultural storage facility. As early as 1971, the legislature passed Act 197 which provided \$70,000 for a site selection and project development report. In 1979, the passage of Senate Resolutions No. 167 and 168 resulted in a report by the Governor's Agricultural Coordinating Committee which defined the undesirable effects of placing highly perishable agricultural products on the open pier at Kawaihae Harbor.

Both the Department of Transportation and the Governor's Agriculture Coordinating Committee have submitted favorable testimony for this bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1529 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 387 Transportation on H.B. No. 1618

The purpose of this bill is to amend Section 249-17.5, Hawaii Revised Statutes, which broadens the scope of the allowable expenditures of the Bikeway Fund.

Other than expending monies only for bikeways, the bill allows expenditures for recreational and athletic cycling facilities, and also, includes a provision for safety education.

Your Committee has amended this bill by underscoring the new statutory material on page 2, lines 4, 5, 6, 7, and 8, the number "6" in line 9, the word "of" in line 10, the phrase "to cycling facilities covered" in line 11, and all of line 12, as required by the Ramseyer Format.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1618, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1618, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 388 Transportation on H.B. No. 1684

The purpose of this bill is to provide transportation facilities and services in the 6th Representative District.

Your Committee has amended this bill for appropriations to be expended by the State General Fund.

Your Committee has further amended this bill for appropriations in the sum of \$100,000.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1684, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1684, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 389 Water, Land Use, Development and Hawaiian Affairs and
Transportation on H.B. No. 1874 (Majority)

The purpose of this bill is to create a new public body corporate to develop the Aloha Tower complex.

Your Committees find that the idea has much merit. The redeveloped complex will

strengthen the international trade base of the State, enhance the beautification of the waterfront, better serve maritime user and provide public access and use of waterfront property. Properly developed, the Aloha Tower complex will also serve as a stimulant to downtown business.

Your Committees also find that planning for the redevelopment project has been under way since 1973, and that it will be a joint venture of public and private interests. The development corporation will finance the public share through the sale of revenue bonds and the contemplated office and hotel buildings will be financed by private enterprise. The estimated costs of the redeveloped complex are \$33,260,000 for the public sector and \$80,000,000 for the privately financed portions.

Your Committees have amended §3 on page 7 by describing the boundaries of the project in metes and bounds rather than the original general description. Other changes, in style and spelling have also been made.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and on Transportation are in accord with the intent and purpose of H.B. No. 1874, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1874, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Takamine and Monahan.
(Representatives Baker, de Heer, Takitani and Isbell did not concur.)

SCRep. 390 Youth and Elderly Affairs and Judiciary on H.B. No. 956

The purpose of this bill is to provide medical, social service, and law enforcement professions with the legal authority to pursue investigation of reports dealing with abuse or neglect of the elderly.

Current statutes do not provide these individuals and the appropriate government agencies with the legal mandate to investigate elderly abuse or neglect. Many of the victims are unable to adequately protect themselves from the perpetrators of these offenses, and unless these offenses are demonstrated in the public view, protective agencies are powerless to intervene.

Both the elderly and the abuser are considered to be adults and protected under the Bill of Rights and the Constitution. In the incidences where the abuser is a family member who has obtained guardianship of the the elderly individual, the guardian would have the right to deny protective intervention from the police or social worker.

Your Committees are in agreement that protective intervention and services are available to the elderly abused and neglected and that appropriate action should be taken when reports of elderly abuse and neglect are obtained. This bill will provide mandated authority to the proper individuals in pursuing this matter.

Your Committees have amended this bill by deleting the phrase "immediately take necessary action" and replacing it with the phrase "where the department deems it appropriate" in preventing further abuse or neglect of the elderly. It was felt by the Committees that additional costs would be incurred if the language of the bill reflected the first, rather than the second, phrase.

Your Committees have further amended this bill by deleting section 2 which contained appropriations for the fiscal year 1981-1981.

Your Committees on Youth and Elderly Affairs and Judiciary are in accord with the intent and purpose of H.B. No. 956, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 956, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Baker and Dods.

SCRep. 391 Health and Public Assistance and Human Services on H.B. No. 1450

The primary purpose of this bill is to establish a revolving fund for spouse and child abuse programs by amending Section 572-5, Hawaii Revised Statutes. The bill further

provides for an increase in the marriage license fee from \$8.00 to \$15.00, of which \$7.00 shall be deposited into the revolving fund.

With the increasing incidence of spouse and child abuse in the State and the increasing costs of providing services to needy individuals, establishment of a special fund, rather than a revolving fund, is essential for the purpose of supporting agencies which provide services related to spouse and child abuse. However, your Committees believe that the sum of \$7.00, which is to be deposited into the fund from each assessed marriage license fee may not be adequate to achieve the intended purpose.

Your Committee has amended Section 1 of the bill by: (1) substituting the word "special fund" for "revolving fund" throughout the bill; (2) increasing the sum to be placed into the spouse and child abuse revolving fund from \$7.00 to \$11.00; (3) deleting the phrase "as grants-in-aid" in line three of page 2; (4) substituting the word "programs" for the word "centers" in lines four and seven, page 2; and (5) substituting the word "funds" for the phrase "grants-in-aid" in line seven of page 2.

Your Committees on Health and Public Assistance and Human Services are in accord with the intent and purpose of H.B. No. 1450, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1450, H.D. 1, and to be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 392 Health and Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 1235

The purpose of this bill is to appropriate \$250,000 to prepare a definitive design plan for a modern, pressurized treatment facility, and to move and renovate the existing hyperbaric facility.

Hyperbaric treatment for diving injuries suffered after ascending too rapidly from deep waters have been provided by the U.S. Navy in their submarine training facilities at the Pearl Harbor Naval Base. However, an increasing civilian patient load has interfered with the Navy's primary mission of training Navy personnel and treating active-duty Navy divers.

The U.S. Navy has formally requested that the State of Hawaii assume responsibility for the care of all injured civilian divers.

Your Committees on Health and Water, Land Use, Development, and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1235 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 393 Health and Higher Education on H.B. No. 1108

The purpose of this bill is to amend section 323-6, Hawaii Revised Statutes, to clarify and update the primary responsibilities of the University of Hawaii and the Department of Health at Leahi Hospital, including those responsibilities related to child psychiatric services.

Your Committees find that the University of Hawaii and the Department of Health have mutually agreed that the University has the primary responsibility for training child psychiatrists while, the Department has the primary responsibility for providing child psychiatric services at Leahi Hospital.

Your Committees on Health and Higher Education are in accord with the intent and purpose of H.B. No. 1108 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 394 Health and Education on H.B. No. 924

The purpose of this bill is to establish a permanent program in the Department of

Health for the early identification of school children with impaired hearing and vision.

Your Committees find that school children with impaired hearing and vision are often unaware of their handicaps and early detection is beneficial when these deficiencies are still treatable.

Your Committees have amended page two lines 10 through 15 to read as follows:

"The department of health shall conduct, as they deem advisable, a screening program to detect vision and hearing deficiencies in school children and may make appropriate referrals for further testing and treatment of children who are found to have vision and or hearing deficiencies."

Line 11 of page three is also amended to provide for hearing conservation as follows:

". . . educate the public in the importance of sight and hearing conservation."

Your Committees on Health and Education are in accord with the intent and purpose of H.B. No. 924, as amended herein, and recommend that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 924, H.D. 1.

Signed by all members of the Committees.

SCRep. 395 Health and Youth and Elderly Affairs on H.B. No. 847

The purpose of this bill is to make an appropriation of \$500,885 to: (1) continue programs for abused and neglected children and their families in both the remedial and preventive areas, (2) provide funds to establish a shelter for Maui county, (3) continue existing shelters for abused spouses and children; provided that of the total appropriation, the following sums shall be appropriated for shelters for abused spouses and children: \$85,000 to the Family Crisis Shelter (Hilo); \$85,000 to the YWCA - The Shelter (Kauai); \$85,000 to Women Helping Women, Inc. - "Hale Loko Maui Ka'i" (Maui); and \$57,000 for Child and Family Service - Shelter for Abused Spouses and Children (Oahu). Provided further that of the total appropriation, the following sums shall be appropriated for child abuse and neglect treatment and prevention programs: \$20,000 to the Catholic Social Service Group Work Program; \$19,061 to the Catholic Social Service Paraprofessional Program; \$83,000 to Family Services Center, Inc. - Hana Like Home Visitor Program; and \$66,824 to Child and Family Service - Hale Lokahi (Waianae, Oahu).

Your Committees find that the increasing problem of spouse and child abuse in the State requires immediate and effective action to ensure that adequate remedial services, as well as preventive programs, are provided to those individuals urgently requiring such services. Family crisis situations which often precipitate abuse to children or spouses, or both, are also matters of critical statewide concern and require cooperative public and private efforts to provide services in this area.

A memorandum submitted by the Chairperson of the Child Abuse/Spouse Abuse Coalition indicated that there have been adjustments made to the budget requests of four of the agencies included in this bill. Your Committees have therefore amended section 2 of the bill by decreasing the appropriations to the following agencies: \$72,000 to the YWCA - The Shelter (Kauai); \$52,500 to Child and Family Service - Shelter for Abused Spouses and Children (Oahu); \$81,394 to Family Services Center, Inc. - Hana Like Home Visitor Program; and \$66,324 to Child and Family Service - Hale Lokahi (Waianae, Oahu). Your Committees have also amended section 2 of the bill by decreasing the total appropriation from \$500,885 to \$481,279.

Your Committees on Health and Youth and Elderly Affairs are in accord with the intent and purpose of H.B. No. 847, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. 847, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 396 Health and Public Assistance and Human Services on H.B. No. 1329

The purpose of this bill as received by your Committees, is to provide funds for

the continued operation of day activity, pre-vocational, and work activity programs previously funded by Title XX funds.

Testimonies presented to your Committees indicate that the above cited programs will not be funded under purchase of service agreements with the Department of Social Services and Housing for fiscal years 1981-1982 and 1982-1983 because of limited Title XX federal funds available for basic social services in the State. Faced with a reduction in current funding levels, these programs may be forced to cut back services to developmentally disabled individuals unless State general funds are appropriated to replace the loss of federal funds.

Your Committees find that day activity, pre-vocational and work activity programs provide essential services to developmentally disabled individuals which: (1) prepare and train deinstitutionalized persons in vocational skills; (2) reduce the dependency of such individuals on their caretakers and on society; and (3) provide needed respite to caretakers from the 24-hour care of disabled family members.

Your Committees have reviewed the testimonies presented by the agencies requesting State funding and have amended the bill by:

- (1) combining the separate appropriations to Lanakila Rehabilitation - Honolulu and Lanakila Rehabilitation - Wahiawa for an appropriation of \$204,157;
- (2) increasing the appropriation to Maui Rehabilitation from \$66,551 to \$110,682; and
- (3) increasing the total appropriation provided by the bill from \$961,930 to \$1,006,061.

Your Committees on Health and Public Assistance and Human Services are in accord with the intent and purpose of H.B. No. 1329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1329, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 397 Health and Education on H.B. No. 876

The purpose of this bill is to amend section 321-243, Hawaii Revised Statutes, to provide for the placement of a registered professional nurse at a school health complex established by the department of health in consultation with the school health services advisory committee.

Your Committees find that this bill strengthens the State's school health services program and its goals of health maintenance and education, in addition to the primary goals of first aid and emergency care.

Your Committees on Health and Education are in accord with the intent and purpose of H.B. No. 876 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 398 Youth and Elderly Affairs and Public Assistance and Human Services
on H.B. No. 1574

The purpose of this bill is to provide a more equitable board payment for expenses incurred by foster parents in the care and supervision of a foster child.

Current basic board payments are set at \$112.50 for children under six years, \$134.25 for children age six through thirteen years, and \$161.50 for children age thirteen through eighteen years. Both the Foster Parents Association and the Department of Social Services and Housing agree that these payments no longer cover the costs of foster care and need to be increased so that the foster parent may be adequately compensated for all necessary expenditures.

Proposed payments, as defined in the bill, were based upon the United States Department of Commerce cost of living index for family costs and reflect amounts totalling seventy-five percent of that index.

The Department of Social Services and Housing of the State of Hawaii expressed concern that the language of the bill would permanently set board payments for foster child care at \$174 per month for children under six years of age, \$193 per month for children age six through twelve years, and \$248 per month for children age thirteen through eighteen.

Your Committees agreed with the Department of Social Services and Housing that additional language should be added allowing that the rates established for payment to foster boarding homes be left to the discretion of the director of the department. Your Committees have amended this bill to show this language under Section 1, c346 , (a).

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. 1574, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1574, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Levin, Nakamura and Lacy.

SCRep. 399 Youth and Elderly Affairs on H.B. No. 1575

The purpose of this bill is to provide, foster, and promote useful part-time, activities for persons who are fifty-five years and older. The program should also provide counseling, employment assistance, job training and other supportive services.

Your Committee has amended H.B. No. 1575 to recommend that the Department of Labor and Industrial Relations utilize elderly persons in various jobs in the public schools with a provision for a stipend or honorarium for the work rendered.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1575 as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1575, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Levin, Nakamura and Lacy.

SCRep. 400 Youth and Elderly Affairs on H.B. No. 1540

The purpose of this bill is to make an appropriation directly addressed to meet the needs of the elderly in the area of services and facilities.

Your Committee, after hearing testimony, has made several amendments to the bill.

Your Committee amended section 1 of the bill by deleting the appropriation of "two-tenths percent of the state's annual general revenues" to a specific amount of "\$ 1.2 million in 1981 to 1982, and \$ 1.4 million in 1982 to 1983".

This amendment was made because of your Committee's concern that allotting a percentage was too ambiguous and could possibly be a discriminatory method of distributing public funds.

Your Committee also amended the bill by adding to section 2 the "area agency on aging" as the specific agency to receive funds one half of which are to be allotted on the basis of persons sixty years of age and over, and one half on the basis of persons seventy years of age and over.

Your Committee is concerned about the future having needs of the elderly, and recommends that this issue be addressed more comprehensively at a later date. Section 6 of H.B. No. 1540 has been deleted accordingly.

Your Committee has also amended section 7 to allow the executive office on aging to submit their annual progress report "thirty" days prior to the convening of each regular session instead of "ninety" days.

To insure the useful expenditure of the moneys allotted your Committee has added to section 7 the sentence, "Those moneys not expended shall lapse into the general fund".

Also, your Committee recommends that this bill take effect as soon as possible and has amended the effective date to July 1, 1981.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1540, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1540, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Honda and Kunimura.

SCRep. 401 Youth and Elderly Affairs on H.B. No. 1669

The purpose of this bill is to allow the state to address the economic needs of the elderly. There are 10,184 persons who are presently receiving Supplemental Security Income benefits. However, the state makes no cost of living adjustments and its contributions remain constant.

The increase in Supplemental Security Income Benefits is designed to assist 10,184 persons meet today's inflationary cost of living.

Section 2 is amended to allow an appropriation of \$5 million out of the general revenue. The increase in Supplemental Security Income Benefits would bring the total amount to \$56 per individual. This is an increase of \$41 per individual over the present Supplemental Security Income Benefits.

In 1974, when the Supplemental Security Income program was initiated, the state's contribution was \$33. However, as cost of living adjustments increased the Federal SSI payments by seventy percent, the state decreased its contribution from \$33 to \$15.20 where it has remained constant since 1975. No adjustments had been provided by the state. The proposed \$56 benefits figure in H.B. No. 1669 reflects a seventy percent increase of the state's original \$33 contribution.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1669, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1669, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Levin, Kunimura, Lacy and Wong.

SCRep. 402 Transportation on H.B. No. 1642 (Majority)

The purpose of this bill is to increase the present limit on Airport Special Facility Revenue Bonds to \$50 million, and to provide that no funds be expended on non-public air facilities, by amending Section 261-52 of the Hawaii Revised Statutes.

Your Committee has amended Section 261-52, subsection two, Hawaii Revised Statutes, to increase the limit on the Airport Special Facility Revenue Bonds from \$25 million to \$50 million. The increase is critical to the on-going development program at Honolulu International Airport as well as other public air facilities in the State. The proceeds from the sale of these bonds would be used to finance specific airport capital improvements.

This amendment further provides that funds derived herein not be expended on non-public air facilities. The recent interest in private air facilities and the reluctance of the State to support these non-public facilities are reflected in the amendment.

Your Committee also recommends amending subsection five to provide that funds derived from the Airport Special Facility Revenue Bonds not be expended for land acquisition.

Your Committee received support for this measure from the Department of Transportation, the Honolulu Airlines Committee and the Hawaiian Airlines Committee on Government Affairs.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1642, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1642, H.D. 2, and be referred to the Committee

on Finance.

Signed by all members of the Committee except Representative Albano.
(Representatives Andrews, D. Hagino and Takitani did not concur.)

SCRep. 403 Transportation on H.B. No. 1801

The purpose of this bill is to provide for the continuing restoration of an operating railway line from Waipahu, Oahu to the Leeward Coast, Oahu by the Hawaiian Railway Society, Inc.

Your Committee has amended this bill to provide a grant-in-aid expended by the Department of Transportation in the sum of \$60,000.

Your Committee has further amended this bill to provide for any appropriations unexpended or unencumbered balance as of the close of business on June 30, 1984 which shall lapse into the General Fund.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1801, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 404 Transportation on H.B. No. 1759

The primary purposes of this bill are to (1) provide increased financial support for the Hawaii Wing, Civil Air Patrol by increasing the annual appropriation for the Hawaii Wing from \$100,000 to \$150,000; (2) explicitly state that the amount appropriated shall be used to carry on the operations and defray the expenses of the Hawaii Wing and each Civil Air Patrol Unit; and (3) increase the maximum salary range for assistants employed by the wing commander of the Hawaii Wing from SR-21 to SR-24.

Your Committee has received testimony from the Hawaii Wing, Civil Air Patrol supporting the passage of this bill. Your Committee has also received comments from the Department of Transportation suggesting that the proposed increase in the annual appropriation for the Hawaii Wing, Civil Air Patrol should be controlled by section 2 of the Act 205, Session Laws of Hawaii 1979. Section 2 states in pertinent part that "the continuation of such annual grant of money under section 261-6, Hawaii Revised Statutes, shall be subject to this Act which shall control each future annual grant of money until such time as the Legislature enacts an act with general application establishing the standards required by Article VII, section 4, of the state constitution at which time the provisions of that act shall control and supersede those contained in this Act."

Your Committee finds that increasing the annual grant of money from the airport revenue fund to carry on the operations and to defray the expenses of the Hawaii Wing, Civil Air Patrol is in the public interest and is a public purpose under Article VII, section 4, of the state constitution. Your Committee has therefore amended section 1 of the bill by deleting the statutory amendment to section 261-6(a) and inserting a new amendment to section 1 of Act 205, Session Laws of Hawaii, 1979. The amendment increases the annual appropriation in section 1 of Act 205 from \$100,000 to \$150,000. Your Committee has inserted a new section 2 to the bill which includes the remaining amendments to section 261-6(a) and (b) in the original section 1 of the bill and has renumbered sections 2 and 3 of the bill to section 3 and 4 respectively.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1759, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1759, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Albano.

SCRep. 405 Transportation on H.B. No. 1636

The purpose of this bill is to amend Section 296-46.1 of the Hawaii Revised Statutes by adding a subsection to provide for negotiations of school bus contracts as a means of controlling the cost of providing student transportation.

Your Committee supports the intent and purpose of H.B. 1636 providing measures

to control the inflationary effects of the present school bus contract system. It is believed that the bidding procedures presently employed for awarding school bus contracts is inflexible and prohibitive. This bill provides for the State to extend school bus contracts where deemed in the best interest of the public.

The Department of Accounting and General Services supports the intent of this bill as a prudent measure for the economic interest of the State.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1636, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1636, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 406 Transportation on H.B. No. 1470 (Majority)

The purpose of H.B. No. 1470 was: (1) specifically to mandate the Department of Transportation to enter into no more than two separate contracts for the sale and delivery of in-bond merchandise at the Honolulu International Airport, and (2) specifically to prohibit the department from awarding to any person, other than the holders of such contracts, the right to sell or deliver in-bond merchandise at the airport.

Upon receiving testimony at a hearing on the bill and upon further consideration thereon, your Committee has amended the bill. The purpose of this bill as amended is to mandate that the Department of Transportation shall enter into arrangements regarding both the sale and delivery of in-bond merchandise at the Honolulu International Airport only by means of separate contracts and no other arrangements or agreements such as delivery permits. The department is directed to enter into more than one such separate contract. The amendments are not intended to invalidate any existing contracts entered into heretofore.

The amendments made to this bill are as follows:

1. Section 1 was amended to more clearly articulate and affirmatively express the State's policy.
2. Beginning on line 1, page 5 of the bill as amended, the words "more than one" have been substituted in lieu of the words "no more than two". The modification promotes the enhancement of competition among contractors as it allows in the department's discretion, within the guidelines set forth in this bill, an increase in the number of contractors at the airport. It leaves to the discretion of the department the number of concessions by contracts that can be physically accommodated but prevents the issuance of any delivery permits, which may result in a deterioration of the quality of merchandise, services rendered and prices in the market places, and which may cause a reduction in revenues to the State. Accordingly, only contractors shall be allowed to sell and deliver in-bond merchandise to foreign bound travelers departing from any of the State's present or future public airport facilities.
3. The word "person" on line 1 of page 5 of the bill as amended, has been substituted in lieu of the word "persons".
4. The word "facilities" on line 21 of page 3 has been substituted in lieu of the words "commercial facilities" in the interest of more accurately expressing the intent that it covers all facilities at the airport.
5. Your Committee made further amendments to more clearly articulate the active supervision required of the State in order that the immunity be granted to the State.

Your Committee finds that the mandate to the Department of Transportation would insure the possibility of maximum revenues to the State with regard to in-bond merchandise and also would facilitate and assist the department in regulating and preserving the quality of services and merchandise to visitors using the airport, all to the benefit of tourism, our major industry, and in turn to the benefit and well-being of the citizens of the State of Hawaii.

Your Committee further finds, however, that limitation of access to sell or deliver in-bond merchandise at the airport to the holders of the contracts is necessary to

preserve the structure and integrity of the in-bond business in Hawaii, which has conferred substantial benefits upon the airport and the general economy of the State. Sales or other deliveries of in-bond merchandise at the airport by persons without contracts could create confusion at the airport and could make both the accounting controls of the department and the bonding controls of the United States Customs Service far more onerous, and could endanger the business generally. For these reasons, it is the view of your Committee that the limitation of the right to sell or deliver in-bond merchandise at the airport is essential to protect vital interests of the State.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1470, as amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1470, H.D. 1, and be referred to your Committee on Finance.

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

SCRep. 407 Transportation on H.B. No. 1407

The purpose of this bill is to provide for the replacement of existing 4' x 2' concrete box culvert and 30" concrete pipe culvert to adequately carry storm run-off. Appropriations shall be made in the sum of \$300,000, or thereof as may be necessary by authorization to issue General Obligation Bonds.

Your Committee has amended this bill to provide that appropriations be expended by the Department of Transportation.

Your Committee is in accord with the intent and purpose of H.B. No. 1407 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1407 H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 408 Transportation on H.B. Nos. 1392 and 855

H.B. No. 1392, entitled: "AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS AND MAKING AN APPROPRIATION FOR THE WIDENING OF AND OTHER RELATED IMPROVEMENTS TO THE SALT LAKE BOULEVARD PROJECT".

The purpose of this bill is to provide for widening and other related improvements to the Salt Lake Boulevard project by authorization to issue General Obligation Bonds in the sum of \$2,000,000, or thereof as may be necessary.

H.B. No. 855, entitled: "AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS AND MAKING AN APPROPRIATION FOR THE PLANNING AND CONSTRUCTION OF A CONNECTING ROADWAY IN AIEA, HAWAII".

The purpose of this bill is to provide for the planning and construction of a roadway to connect Kaimakani Street and Kulina Drive in Aiea by authorization to issue General Obligation Bonds in the sum of \$285,000, or thereof as may be necessary.

Your Committee has amended these bills to provide that the appropriations be expended by the City and County of Honolulu.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1392 and H.B. No. 855, as amended herein, and recommends that they pass Second Reading in the forms attached hereto as H.B. No. 1392, H.D. 1, and H.B. No. 855, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 409 Transportation on H.B. No. 958

The purpose of this bill is to amend HRS 291C-77, subsection C, to provide for a permit system for signholders on public streets and highways.

The Committee on Transportation recognizes traffic safety as an important objective of the State. The Committee also recognizes the dangers and potential hazards related

to unregulated signholders and driver attentiveness.

The amendment will provide for a permit system for persons wishing to display signs on public roadways. The permits may be issued annually by the Department of Transportation for a nominal fee. This bill further provides that specific locations for signholders be designated by the Department of Transportation.

It is not the intent of this bill to regulate the content of any sign nor to infringe on the constitutional rights of signholders. It is however the intent of the committee to provide for the public health, safety and welfare of the State through the prevention of traffic accidents.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 958, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 958, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 410 Transportation on H.B. No. 821

The purpose of this bill is to amend Section 249-31 of the Hawaii Revised Statutes by providing that any county which elects to renew motor vehicle registrations on a staggered basis, as authorized by Section 286-51, shall also allow the State registration fee and weight tax be staggered so that the State registration fee and tax can be collected together with the County fee.

Your Committee is in agreement that staggering registrations and collections throughout the year will benefit the public. Should a County elect to stagger motor vehicle registrations, the State weight tax and registration fee shall also be staggered to allow for joint collection of fees and taxes. The State registration fee and weight tax shall be deemed delinquent if not paid at the same time as the County registration fee, subject to penalties provided in Section 249-10.

Testimony supporting this bill was submitted by the Department of Transportation and the Hawaii Transportation Association.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 821 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 411 Transportation on H.B. No. 808 (Majority)

The purpose of this bill, as received by your Committee, is to increase the revenue base for the State highway fund, moneys from which are expended to maintain and finance our State highway system. The bill proposes to increase such revenue base by:

(1) requiring that all general excise taxes on the sale of liquid fuel, sold or used for operating motor vehicles upon the State's public highways, be deposited in the State treasury to the credit of the State highway fund (rather than merely into the general fund of the State treasury); and

(2) changing the basis of levying the fuel tax on liquid fuel, diesel oil, and liquified petroleum gas from a gallonage tax (e.g., one cent per gallon) to a percentage of the gross sales of such fuel (an ad valorem fuel tax).

To effectuate the above-stated purpose, the bill proposes appropriate amendments to the General Excise Tax Law, Chapter 237, Hawaii Revised Statutes (HRS), and the Fuel Tax Law, Chapter 243, HRS.

Although your Committee believes that general excise taxes derived from the sale of liquid fuel for highway-operated vehicles should be deposited in the highway fund, such a method of increasing the revenues in the fund should be undertaken, at this time for only a two-year period commencing on July 1, 1981 and ending on June 30, 1983. Accordingly, your Committee has amended the effective date section of the bill to provide that "This Act, upon its approval, shall take effect on July 1, 1981

and shall remain in effect until June 30, 1983."

Additionally, your Committee believes that it is critical to the future of this State that there be developed a sound long-range financial plan for the financing of land transportation facilities and services. Accordingly, your Committee has amended the bill by inserting a section mandating the Department of Transportation to expend \$250,000 from the State highway fund to contract with an independent consultant to develop such a long-range financial plan. A final report on the financial plan, together with findings and recommendations, must be submitted to the Legislature at its 1983 Regular Session.

With respect to the proposed changing of the basis of levying the fuel tax from a gallonage tax to an ad valorem (or percentage) tax, your Committee does not believe that such a change is warranted at this time.

Your Committee and the Legislature will be in a better position to consider appropriate amendments to existing statutes or new legislation after reviewing the long-range financial plan to be submitted in 1983.

Your Committee has also made minor amendments of a non-substantive nature (e.g., renumbering sections and deleting the "Ramseyer section").

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 808, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 808, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Albano and Nakasato.
(Representative Ikeda did not concur.)

SCRep. 412 Transportation on H.B. No. 651

The purpose of this bill is to 1) amend Section 249 of the Hawaii Revised Statutes by adding a new section to exempt from certain taxes, motor vehicles specially equipped to accommodate handicapped persons, 2) amend Section 243-4 of the Hawaii Revised Statutes to exempt commercial fishing vessels from liquid fuel taxes in excess of one cent per gallon, and 3) amend Section 249-33 of the Hawaii Revised Statutes to exempt antique motor vehicles from the state vehicle weight tax.

The intent of Section One of this bill is to provide vehicle weight tax relief to handicapped persons with one or more handicapped dependents. The bill exempts motor vehicles specially equipped or modified to accommodate the transportation requirements of handicapped persons.

The Commission on the Handicapped offered testimony in support of this measure as a positive step toward increased mobility for handicapped persons.

Section Two of this bill seeks to amend Section 243-4 of the Hawaii Revised Statutes to provide an exemption for commercial fishing vessels from liquid fuel taxes, in the excess of one cent per gallon.

Presently, aviation fuels and other non-highway fuel users are taxed at a rate of one cent per gallon, creating a need for similar exemptions for commercial fishing vessels. Commercial fishing vessels as noted in this bill are those designated to be used in catching fish or processing or transporting fish loaded on the high seas whose principal operator derives at least fifty-one percent of his/her vessels gross annual income from commercial fishing operators. The bill does not provide for recreational operations or vessels unfitted for such activity.

The Committee on Transportation supports the intent of this bill to bolster the fishing industry in the State by providing the type of tax exemptions enjoyed by other non-highway users.

Section Three of this bill amends Section 249-33 of the Hawaii Revised Statutes to exempt antique motor vehicles from the state vehicle weight tax. The Committee on Transportation recognizes the restoration and maintenance of antique motor vehicles as a contribution to the historic remnant of the past. With this in mind, and noting the minimal use of these vehicles on our highways, your Committee recommends these antique vehicles be exempt from the state vehicle weight tax.

H.B. 651 provides for tax measures and amendments to implement, to instill and inspire active participation in specifically designated state programs. The bill assists the handicapped persons achieve a higher level of mobility which was not offered previously. The bill provides for incentives for our local commercial fishing industry and antique car hobbyists as part of a program to encourage participation in these worthwhile programs.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 651 as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 651, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Albano.

SCRep. 413 Transportation on H.B. No. 560

The purpose of this bill is to provide for the cost of construction to complete the improvement of Hamakua Drive extending from Hahani Street to Akoakoa Street. Appropriation shall be in the sum of \$2,250,000, or thereof as may be necessary by authorization to issue general obligation bonds for a grant-in-aid to the City and County of Honolulu.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 560 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 414 Transportation on H.B. Nos. 521, 648, 1353 and 981

H.B. No. 521 entitled: "AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS AND MAKING AN APPROPRIATION FOR THE IMPROVEMENT OF KUNIA ROAD, KUNIA, OAHU".

The purpose of this bill is to provide for the installation of a traffic signal at the intersection of Kunia Road and Kunia Drive by authorization to issue General Obligation Bonds in the sum of \$95,000, or thereof as may be necessary. Appropriations for this project shall be expended by the Department of Transportation.

H.B. No. 648 entitled: "MAKING AN APPROPRIATION FOR PLANS AND CONSTRUCTION OF SHOULDER STABILIZATION ON KAMEHAMEHA HIGHWAY FROM HALEIWA TO KANEOHE, OAHU".

The purpose of this bill is to provide for the plans and construction of shoulder stabilization on Kamehameha Highway from Haleiwa to Kaneohe in the sum of \$3,000,000, or thereof as may be necessary. Appropriation for this project shall be expended by the Department of Transportation.

H.B. No. 1353 entitled: "AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS AND MAKING AN APPROPRIATION FOR A GRANT-IN-AID FOR THE WIDENING AND IMPROVEMENT OF MOANALUA ROAD FROM PALI MOMI STREET TO AIEA INTERCHANGE, OAHU".

The purpose of this bill is to provide for the planning and construction for the widening and improvement of Moanalua Road from Pali Momi Street to Aiea Interchange. Appropriations shall be in the sum of \$1,000,000, by authorization to issue General Obligation Bonds for a grant-in-aid to the City and County of Honolulu.

H.B. No. 981 entitled: "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, in the sum of \$275,000, or thereof as may be necessary. Appropriations shall be expended by the Department of Transportation.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No.'s 521, H.B. No. 648, H.B. No. 1353 and H.B. No. 981 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 415 Transportation on H.B. No. 56

The purpose of this bill is to hire an attorney to examine the Honolulu International Airport Master Lease, including Exhibit I.

Your Committee recognizes the need for an independent attorney in examining the Master Lease for the Legislature so as to avoid possible conflict of interests in its interpretation and implementation with the State Attorney General.

Your Committee agrees that the appropriation out of the general revenues of the State for this Act be the sum of \$50,000, or so much thereof as may be necessary for fiscal year 1981-82.

Your Committee has received favorable testimony from the Department of Transportation which pledges their support in making available all records and information to the attorney for the purposes of examining the Honolulu International Airport Master Lease, including Exhibit I.

Your Committee notes that the sum appropriated for this Act shall be expended by the speaker of the House of Representatives.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 56 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 416 Transportation on H.B. No. 57

The purpose of this bill is to hire an attorney to examine specifically, Exhibit I of the Honolulu International Airport Master Lease.

Your Committee agrees that the appropriation out of the general revenues of the State of Hawaii for this Act be the sum of \$50,000, or so much thereof as may be necessary for fiscal year 1918-82.

Your Committee has received favorable testimony from the Department of Transportation which pledges their support in making available all records and information to the attorney for the purpose of examining Exhibit I of the Honolulu International Airport Master Lease.

Your Committee notes that the sum appropriated for this Act shall be expended by the House of Representatives.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 57 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 417 Transportation and Education on H.B. No. 812

The purpose of this bill is to allocate responsibility for pupil transportation safety between the Department of Transportation and the Department of Education, to give each department the powers necessary for the implementation of the program and to appropriate funds necessary to carry out the purpose of the Act.

The Department of Transportation testified in support of H.B. No. 1812. 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 on Transportation and Education are in accord with the intent and purpose of H.B. No. 812 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ige, Takamine and Monahan.

SCRep. 418 Transportation and Water, Land Use, Development and Hawaiian
Affairs on H.B. No. 1565

The purpose of this bill is to provide for plans and installation of fencing, play apparatus and parking improvements on the Department of Transportation's remnant freeway parcel abutting Kuhale Kapahulu Townhouses in Kapahulu. The sum of \$15,000 shall be appropriated for the fiscal years 1981- 1982 and 1982-1983, and the appropriation shall be expended by the Department of Accounting and General Services.

Your Committees on Transportation and Water, Land Use Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1565 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, Fukunaga, Kawakami, Morioka, Okamura, Takamine, Isbell,
Monahan and Narvaez.

SCRep. 419 Transportation and Tourism on H.B. No. 1437 (Majority)

The purpose of this bill is to add a new section to Chapter 239, Hawaii Revised Statutes, exempting contract carriers by water, from the four percent gross income tax as stated in Section 239-6, Hawaii Revised Statutes.

Your Committee notes that this bill aids a relatively new industry that promotes tourism and the general economy within the State. Thus, only contract carriers by water with a gross weight of over 10,000 gross tons which engages mainly in the transportation of persons for tourism or sightseeing purposes between the islands, are afforded the exemption from the four percent gross income tax.

The gross income tax exemption is provided for a period of five years from the date of first use of the carrier, within the State, and four percent thereafter.

Your Committees on Transportation and Tourism are in accord with the intent and purpose of H.B. No. 1437 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 420 Water, Land Use, Development and Hawaiian Affairs and State
General Planning on H.B. No. 64

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii an unspecified sum, or so much thereof as may be necessary for fiscal year 1981-1982, for the performance of a study relating to the establishment of a state land use and natural resources information center.

The appropriated sum is to be expended by the Department of Planning and Economic Development (DPED). The bill requires DPED to submit a progress report on the study relating to the establishment of a state land use and natural resources information center prior to the convening of the 1982 Regular Session of the Legislature and a final report prior to the convening of the 1983 Regular Session.

Your Committees have amended section 2 of the bill by inserting the sum of "\$50,000." Section 3 of the bill also has been amended to specify that as of the close of business on June 30, 1982 any unexpended or unencumbered balance of any appropriation made by this bill shall lapse into the general fund.

Your Committees on Water, Land Use, Development, and Hawaiian Affairs and State General Planning are in accord with the intent and purpose of H.B. No. 64, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 64, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Albano, Takamine and Monahan.

SCRep. 421 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1670

The purpose of this bill is to authorize the issuance of General Obligation Bonds and make an appropriation for the planning and construction of water projects in Maui County.

Your Committee has received testimony to the effect that the most urgent water project in Maui County is for an Agricultural Water System for Kula. This proposed irrigation system will be designed to serve as the spine of a system which will be able to service Pulehu, Omaopio, and Naalae as well as Kula. The immediate service area covers 775 new acres into crop production, including 450 acres now in the Kula agricultural park.

Your Committee further finds that, in addition to the obvious benefits to the State's economy, if this irrigation system is authorized, the County of Maui has arranged for matching moneys which total \$3,954,300 of which County funds total \$3,250,000; State funds will total \$3,000,000.

Your Committee also finds that because the Kula area does not have a separate irrigation water system, the farmers in the area are faced with the problem of irrigating crops with expensive treated water intended for domestic use.

Your Committee has amended the bill by inserting the figure "3,000,000" in the appropriate space in section 1, of the bill and has also amended the section by specifying that the appropriated sum is for the Kula Agricultural System in Maui County. A further amendment is made in the section by adding a sentence to require that the County provide the estimated balance of the project cost - \$3,954,300 including federal and private contributions.

Your Committee has amended section 2 of the bill to require the use of the services of the Department of Land and Natural Resources in planning, designing and construction whenever practicable. This provision is added because of the department's expertise in the development and operation of irrigation systems.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1670, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1670, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 422 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1499

The purpose of this bill is to create a state land banking program.

Your Committee finds that the Article XI, section 4, of the Hawaii State Constitution permits the State "...to acquire interests in real property to control future growth, development and land use within the State". Such power according to the amendments "...is deemed to be for a public use and purpose".

Your Committee also finds that the constitutional "land banking" provision could be of tremendous importance and significance for the future of the State. The relative scarcity of open spaces, the unique topography of the State clearly point to the need to establish a land bank.

Your Committee finds the State should begin to acquire, for obvious reasons, lands to preserve prime aquacultural lands, preserve scenic and historical sites, protect watersheds and water resources, develop parks, recreation and beach areas, and maintain our remaining open spaces.

This bill provides for such a land acquisition program.

Your Committee has amended the bill in the following respects:

The "State Land Bank Revolving Fund" in section 2 of the bill has been changed to "State Land Bank Special Fund" to more accurately describe the nature of the fund.

The composition of the State Land Bank Commission in section 2 has been changed

to provide a more deversified commission. Instead of the Comptroller being an ex-officio member of the commission, the chairman of the Board of Land and Natural Resources is named. Instead of seven members to be appointed by the Governor, your Committee has specified three. Four other members are to be appointed by the legislature - two by the Senate and two by the House of Representatives.

The figure 50,000,000 has been inserted in the appropriate space in section 3 of the bill and the specification regarding fiscal years has been deleted because it is inconsistent considering the nature of the acquisition program.

Section 4 of the bill has been amended to specify the expenditure from the land bank special fund shall be made by the Department of Land and Natural Resources upon the recommendation of the State Land Bank Commission.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. 1499, as amended herein, and, recommends that it pass Second Reading in the form attached hereto as H.B. 1499, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Baker, Kawakami, Takamine, Isbell and Monahan.

SCRep. 423 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1413

The purpose of this bill is to provide that twelve temporary, exempt positions for the operation and maintenance of the Lapakahi State Historical Park shall be subject to Chapters 76 and 77, Hawaii Revised Statutes, relating to Civil Service Law and Compensation Law respectively, and makes appropriations for this purpose.

Your Committee has received testimony from the Chairman of the Board of Land and Natural Resources supporting the intent of this bill with the recommendation that the Department of Land and Natural Resources should be authorized to utilize the positions provided for by this bill within the entire North Kohala District and other areas, as may be required, rather than limiting the positions specifically to the Lapakahi State Park.

Your Committee is in accord with the above-mentioned recommendation of the Board of Land and Natural Resources, provided that the maintenance of Lapakahi State Historical Park is not impaired.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1413, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 424 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1383

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii an unspecified sum for fiscal year 1981-1982, for the acquisition of the area known as Queen's Beach. The appropriated sum is to be expended by the Department of Land and Natural Resources (DLNR).

Your Committee finds that Queen's Beach is the area generally located makai of Kalaniana'ole Highway and between Makapuu Point and Wawamalu Beach Park, and is frequently used for public recreation.

Your Committee has amended section 1 of the bill by inserting the sum of "\$1,000,000"; this sum is to be used by DLNR for the acquisition of Queen's Beach. Section 1 of the bill has been further amended to clarify that the purpose of acquiring Queen's Beach is to ensure that this area will be available, in the future, to the public for recreational use.

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1383, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1383, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 425 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 1104

The purpose of this bill is to provide for the inspection and regulation of construction operation, and the removal of dams to protect the health, safety and welfare of the citizens of the State.

The major features of this bill are:

- (1) Dams of six feet in height or more and having a capacity of fifteen acre-feet or more are to be inspected and regulated.
- (2) The Department of Land and Natural Resources to administer the program.
- (3) Periodic inspections of existing dams will be conducted by the State and any deficiencies shall be corrected by the owner.
- (4) Construction of new dams and reservoirs and alterations of existing dams and reservoirs will require permits from the Department of Land and Natural Resources.
- (5) The State will not be liable under this inspection and regulation program. The owners will continue to be responsible for any damages that may arise from the dam or reservoir regulated under this law.
- (6) Provides for penalties of \$1000 for each violation and \$500 for each day of violation.

Your Committee finds that Hawaii is one of a few remaining states that does not have a dam safety law to protect its communities and people. The proposed law is a preventive measure to ensure that dams and reservoirs are structurally sound and safe. As an indication that the problem could be serious in Hawaii, it has been pointed out to your Committee that there are between 200 to 300 such structures in Hawaii, which should be subject to this law.

Your Committee has amended the bill at the suggestion of the Department of Land and Natural Resources. On page 2, the definition of "Dam" as follows:

- (1) On line fifteen, deleted the words "twenty-five" and insert "six" in its place; and
- (2) on line twenty, deleted "or" and insert "and"; and
- (3) on line 21, deleted "fifty" and insert "fifteen"; and
- (4) deleted the last sentence of this definition.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1104, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 426 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 751

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$350,000, or so much thereof as may be necessary, for the formulation of a state water code. The appropriated sum is to be expended by the Department of Land and Natural Resources (DLNR).

Your Committee finds that there is a need to establish basic water resources policy, fundamental principles to govern public and private water rights, and an administrative framework to carry out the functions assigned under the water code, after its adoption, in order to implement Article XI, section 7 of the Hawaii State Constitution, relating to water resources.

The major provisions of this bill are as follows:

- (1) To provide for the review, update, and codification of case and statutory laws, supplemental rules and regulations pertaining to all water resources of the State.
- (2) To provide for the establishment of fundamental principles and policies relating to public and private water rights.
- (3) To provide for the review and update of the existing administrative system of State and County water agencies.
- (4) To require DLNR to formulate a state water code.
- (5) To require the DLNR to solicit participation of all appropriate federal, state, and county water agencies, water users and purveyors, and the general public during the formulation of the state water code.
- (6) To require DLNR to submit a final report with appropriate legislative proposals relating to a state water code to the 1984 legislative session.
- (7) To require DLNR to submit progress reports on the formulation of a state water code thirty days prior to the 1982 and 1983 legislative sessions.
- (8) To appropriate \$350,000 to DLNR for the formulation of a state water code, which is expected to take three years to complete.

Your Committee has amended Section 4 of the bill to require the Governor to establish an advisory committee for the special purpose of advising and making recommendations to DLNR regarding the formulation of the state water code.

The purpose of this amendment is to ensure that experts in the field of water resources are involved in the formulation of the state water code. Your Committee intends that the membership of the advisory committee be similar to the membership of the State Water Commission appointed by the Governor in 1977.

Your Committee has also amended Section 7 of the bill to change the effect date of this bill from "upon its approval" to "July 1, 1981."

Your Committee on Water, Land Use, Development, and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 751, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Baker, Kawakami, Takamine, Isbell and Monahan.

SCRep. 427 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 127
(Majority)

The purpose of this bill is to provide for the issuance of special purpose revenue bonds by industrial enterprises. Article VII, section 12, of the State Constitution permits this type of bonds but enabling legislation is necessary to implement the constitutional provision.

Special purpose revenue bonds are marketed in the major money markets, primarily the New York bond market. Based on the revenues of the enterprise for which funding is being sought, the state markets the bonds under its name but is not liable for any default, since the enterprise for which funding was obtained is directly liable.

The advantage of this type of bond to the enterprise is that it will receive financing at an interest rate more favorable than if it marketed the bond directly. The advantage to the State is that it encourages the expansion or establishment of businesses which, in turn, should provide new jobs, expand imports and decrease exports.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 127, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Takamine and Monahan.
(Representative Baker did not concur.)

SCRep. 428 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 126
(Majority)

The purpose of this bill is to provide for the issuance of special purpose revenue bonds by processing enterprises. Article VII, section 12, of the State Constitution permits this type of bonds but enabling legislation is necessary to implement the constitutional provision.

Special purpose revenue bonds are marketed in the major money markets, primarily the New York bond market. Based on the revenues of the enterprise for which funding is being sought, the state markets the bonds under its name but is not liable for any default, since the enterprise for which funding was obtained is directly liable.

The advantage of this type of bond to the enterprise is that it will receive financing at an interest rate more favorable than if it marketed the bond directly. The advantage to the State is that it encourages the expansion or establishment of businesses which, in term, should provide new jobs, expand imports and decrease imports.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 126, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Takamine and Monahan.
(Representative Baker did not concur.)

SCRep. 429 Water, Land Use, Development and Hawaiian Affairs on H.B. No. 125
(Majority)

The purpose of this bill is to provide for the issuance of special purpose revenue bonds by manufacturing enterprises. Article VII, section 12, of the State Constitution permits this type of bonds but enabling legislation is necessary to implement the constitutional provision.

Special purpose revenue bonds are marketed in the major money markets, primarily the New York bond market. Based on the revenues of the enterprise for which funding is being sought, the state markets the bonds under its name but is not liable for any default, since the enterprise for which funding was obtained is directly liable.

The advantage of this type of bond to the enterprise is that it will receive financing at an interest rate more favorable than if it marketed the bond directly. The advantage to the State is that it encourages the expansion or establishment of businesses which, in term, should provide new jobs, expand imports and decrease imports.

Your Committee on Water, Land Use, Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 125, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Takamine and Monahan.
(Representative Baker did not concur.)

SCRep. 430 Public Assistance and Human Services on H.B. No. 1766

The purpose of this bill is to appropriate \$49,000 to the county of Kauai for the Kauai Outreach Program on substance abuse.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1766 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 431 Public Assistance and Human Services on H.B. No. 1267

The purpose of this bill is to redefine and expand the scope of services of blind vendors in public buildings. The bill affords the blind priority in operating such facilities and

prevents competition with the vending facility by limiting outside solicitation.

Your Committee finds that the blind vending facility program is valuable in providing blind or visually handicapped persons with remunerative employment and increasing their ability to make themselves self-supporting.

The bill encourages expansion of the blind vendor program by providing that all departments or agencies of the State or its political subdivisions consider including plans for a vending facility operated by the blind in new construction or renovation of public buildings.

Your Committee has amended subsection (d) to limit competitive solicitation within public buildings and made the provision for including blind vending facilities in new public buildings permissive rather than mandatory. Subsection (f)(1) amended "commissions" to "income" and corrected a typographic error.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1267, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Honda, Levin, Nakamura, Lacy and Wong.

SCRep. 432 Public Assistance and Human Services on H.B. No. 992

The purpose of this bill is to provide that any amount which is granted as a cost-of-living increase in federal old-age, survivor and disability insurance benefits (OASDI) after January 1, 1980 shall be disregarded in determining eligibility for medical assistance.

Your Committee finds that numerous recipients of medical assistance are adversely affected by cost-of-living increases in that the increase in income disqualifies them from medical assistance, or has a regressive affect in that the recipient falls into the "spend-down" category.

Your Committee received testimony indicating that the department of social services and housing would be constrained by federal regulation in implementing this subsection. To remedy this situation, your Committee has amended this bill to provide that the disregard would become operative upon condition that federal financial participation is available. The bill as amended also directs the department of social services and housing to apply for a waiver with the United States Department of Health and Human Services as an alternate avenue to allow the disregard of cost-of-living increase.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 992, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 992, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Honda.

SCRep. 433 Public Assistance and Human Services on H.B. No. 937

The purpose of this bill is to appropriate \$85,000 for a grant-in-aid to support the operations of the "YWCA The Shelter Kauai", Kauai, which is a comprehensive program for victims of family violence.

Testimony submitted by the Program Director of the YWCA The Shelter states that they are seeking State funds in the amount of \$72,000 to enable its services to continue for the families of Kauai.

Your Committee has amended this bill to reflect the amount of the request by changing the sum of the appropriation from \$85,000 in section 1, line 2 to \$72,000.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 937, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 937, H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 434 Public Assistance and Human Services on H.B. No. 913

The purposes of this bill is to: (1) establish a durational period for the determination of good cause or misconduct for employment of persons applying for general assistance; (2) exclude from the definition of dependent children the child who is in a licensed foster home or institution; and (3) establish guidelines for assisting the dependent child whose parent or guardian has been disqualified for general assistance due to failure to meet category requirements.

Testimony was presented by the Department of Social Services and Housing indicating that while the Department supports the proposals to establish a durational period for the determination of cause in job separation and the exclusion of children in licensed foster homes or institutions from the dependent child definition. However, it is opposed to qualifying the dependent child for general assistance whose parent or guardian has been disqualified from such assistance by failure to meet the Department's requirements. The Department believes that such a law would foster parental irresponsibility by permitting the State to provide financial assistance to children whose parents have failed to meet their primary responsibility of child support.

Your Committee is in agreement with the Department of Social Services and Housing, and has accordingly amended H.B. No. 913 by: (1) deleting subsection (d) from lines 20 to 24 on page 4 and all of page 5 and (2) by appropriately renumbering subsections (e), (f), (g), (h), and (i) as (d), (e), (f), (g), and (h).

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 913, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 913, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Honda.

SCRep. 435 Public Assistance and Human Services on H.B. No. 789

The purpose of this bill is to authorize the Department of Social Services and Housing to continue providing free medical care to qualified retirees and pensioners by amending Section 88-4, Hawaii Revised Statutes.

Since the inception of the Medical Pensioners Program, statutory changes affecting retirees and pensioners have been made which have not been reflected in the Medical Pensioners Program. Specific authority to provide medical care, determine eligibility of benefits, and administer all benefits in accordance with the provision of the above cited section have not been clearly stated.

Your Committee finds that the provision of free medical care, identical to that provided to persons receiving medical assistance under Chapter 346 of the Hawaii Revised Statutes, should be continued to qualified retirees and pensioners who have not arbitrarily divested themselves of social security benefits and other forms of financial assistance, unless such benefits are exhausted or fall within the income limitations as provided by law.

Your Committee has amended the bill by substituting the more appropriate term "retiree(s)" for the term "retirant(s)" as it appears in the bill.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 789, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Honda.

SCRep. 436 Public Assistance and Human Services on H.B. No. 494

The purpose of this bill is to appropriate \$136,273 as a grant-in-aid for the continuation of the Lanakila Rehabilitation Center's day/work activity programs.

Testimonies presented to your Committee indicate that the Lanakila Rehabilitation Center's day/work activity programs have been funded by Title XX federal monies through a purchase-of-service agreement with the Department of Social Services and Housing. However, because of limited Title XX funds available for basic social services

in the State, the day/work activity program will not receive such funds for the fiscal years 1981-1982 and 1982-1983. Decrease in the current funding level may force the Lanakila Rehabilitation Center to cutback its services to developmentally disabled adults unless State funds are appropriated to replace the loss of federal funds.

Your Committee finds that the continuation of the day/work activity program is essential in meeting the needs of deinstitutionalized adults who are developmentally disabled.

Your Committee has amended section 2 of the bill by changing the expending agency from the Department of Social Services and Housing to the Department of Health.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 494, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 494, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Honda.

SCRep. 437 Public Assistance and Human Services on H.B. No. 493

The purpose of this bill is to appropriate \$67,884 for the continuation of the Lanakila Rehabilitation Center's day/work activity programs under Title XX for severely disabled adults.

Testimonies presented to your Committee indicate that the Lanakila Rehabilitation Center's day/work activity programs have been funded by Title XX federal monies through a purchase-of-service agreement with the Department of Social Services and Housing. However, because of limited Title XX funds available for basic social services in the State, the day/work activity program will not receive such funds for the fiscal years 1981-1982 and 1982-1983. Decrease in the current funding level may force the Lanakila Rehabilitation Center to cutback its services to developmentally disabled adults, including those who are mentally retarded, unless State funds are appropriated to replace the loss of federal funds.

Your Committee finds that the continuation of the day/work activity program is essential in meeting the needs of deinstitutionalized adults who are developmentally disabled or mentally retarded.

Your Committee has amended section 2 of the bill by changing the expending agency from the Department of Social Services and Housing to the Department of Health.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 493, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Honda.

SCRep. 438 Public Assistance and Human Services on H.B. No. 99

The purposes of this bill, as received by your Committee, are to: (1) authorize the Department of Social Services and Housing to establish a system of home care services and (2) provide information to persons who are about to enter an intermediate care or domiciliary care facility regarding available social services and public assistance if they were to live independently.

Your Committee has amended the bill by: (1) deleting the purpose that the Department of Social Services and Housing is authorized to establish a system of home care services, and by rewording Section 1 to correctly reflect the purpose of the amended bill; (2) deleting Section 3; and (3) for purposes of consistency, by renumbering Sections 4 and 5 of the bill as Sections 3 and 4.

Your Committee finds that it is essential for any person who is placed or who is about to enter an intermediate care or domiciliary care facility to be provided information by the department of social services and housing relating to the types of alternative social services, and financial and medical assistance available, in order that such person may make an informed decision regarding placement in an institution or a non-institutionalized setting.

Your Committee has amended Section 2 of the bill by deleting lines 15 and 16 of page 1 and lines 1 through 10 of page 2 and adding the following:

"§346- Informing persons of laternative services and assistance, when. The department shall inform any person, who is placed or who is about to enter an intermediate care or domiciliary care facility, of the types of alternative social services, and financial and medical assistance which would be available to the person if such person chose to live in a non-institutionalized setting.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 99, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 99, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Honda, Ige, Kobayashi, Toguchi and Liu.

SCRep. 439 Health on H.B. No. 492

The purpose of this bill is to ensure the provision of adequate health facilities in the State of Hawaii.

H.B. No. 492 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 Health is in accord with the intent and purpose of H.B. No. 492, as amended herein, and recommends that it be recommitted to the Committee on Health, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 492, H.D. 1.

Signed by all members of the Committee except Representative Lacy.

SCRep. 440 Health on H.B. No. 1680

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist nine not-for-profit health care facilities to provide and improve health care to the general public by financing new construction and renovation or by refinancing existing obligations.

Your Committee finds that the issuing of special purpose revenue bonds to the nine health care facilities is in the public interest and for the public health, safety, and general welfare. Further, the issuance is only authorized when the projects for which they are requested will commence within one or two years of the authorization and only when all requirements relating to the issuance and approval have been met.

Your Committee has reviewed the testimonies of and reports submitted by the requesting health care facilities regarding the purpose and costs of the proposed construction and renovation projects, as well as the proposed time frame for the projects and the specific amounts and descriptions of the obligations to be financed.

Your Committee has accordingly amended section 1 of the bill by decreasing the amount of special purpose revenue bonds authorized to be issued by the Department of Budget and Finance to the following health care facilities:

- (1) \$1,000,000, rather than \$10,000,000, to the G.N. Wilcox Memorial Hospital for the refinancing of a long-term debt;
- (2) \$8,000,000, rather than \$23,000,000 to the Kapiolani-Children's Medical Center for the refinancing of a long-term debt;

(3) \$20,000,000 rather than \$40,000,000, to the Kuakini Medical Center for the refinancing of a long-term debt; and

(4) \$13,000,000, rather than \$26,000,000 to the St. Francis Hospital for the refinancing of a long-term debt.

Although no testimony was received from the Pearlridge Hospital indicating the amount of special purpose revenue bonds which would be necessary for new construction and renovation, your Committee believes that the health care facility should qualify for the issuance of such bonds. However, your Committee recommends that if the Pearlridge Hospital does not submit a firm and specific request, that the Committee on Finance delete the facility from those facilities identified in section 1 of the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1680, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1680, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 441 Health on H.B. No. 486

The purpose of this bill, as received by your Committee, is to ensure the provision of adequate services for handicapped persons in the State of Hawaii.

Your Committee finds that deaf and hearing impaired individuals are currently prevented from actively participating in the legislative process because of the lack of available interpreter services. Further, the major reason for this deficiency is the lack of commitment by the State in financing these services.

Your Committee has therefore amended the bill for the purpose of making an appropriation of \$1,240 to provide interpreter services for the legislative activities of the deaf and hearing impaired for the fiscal year 1981-1982.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 486, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 486, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 442 Health on H.B. No. 739

The purpose of this bill is to amend the appropriate sections of Chapter 338, Hawaii Revised Statutes, to: (1) extend the time within which the Department of Health must furnish the names of deceased persons to County Clerks; (2) permit the transportation of a dead body from a registration district to Honolulu with the verbal authorization of the local agent of the Department of Health for the filing of a death certificate and the issuance of a permit for further disposition, provided that the death occurred as a result of an aircraft accident or other mass casualty occurrence; and (3) extend the gestational age for which no burial permit is required for a dead fetus.

Your Committee finds that the time limit within which the Department of Health must furnish the names of deceased persons to County Clerks should be appropriately extended to accommodate the growing volume of work.

Under current law, the burial transit permit and death certificate must be prepared, signed, and filed in the registration district (county) in which the death occurred. Your Committee finds that under certain circumstances (e.g., if the accident occurs in an area that is difficult to reach), it would be more efficient to allow the local agent of the Department of Health to verbally authorize the transportation of the dead to Honolulu for the filing of death certificates and further disposition. The proposed bill provides the legal basis for the handling an emergency in such a manner. Your Committee has amended section 1 of the bill, page 4, by deleting the word "aircraft" from line 23 and by deleting the word "multiple" on line 24.

Testimony presented by the Department of Health indicates that the present law relating to the required filing of a burial permit for the disposition of a dead fetus discourages the reporting of intentional terminations of pregnancies by, in effect, requiring or permitting the disclosure of the identity of the patient. The Department also testified

that raising the gestational age of a dead fetus for which a burial permit is required from 16 weeks (the current requirement) to 20 weeks will better protect the anonymity of the patient and encourage the more complete reporting of intentional terminations of pregnancies performed in doctors' offices. Although your Committee concurs with the Department's general proposal to raise the gestational age from 16 weeks, your Committee believes that raising the gestational age to 24 weeks would appear to be more consistent with the usual placement of fetal viability at about 24 to 28 weeks (See, e.g., Roe v. Wade, 410 U.S. 113 (1973).) Accordingly, your Committee has amended section 2, page 3, and section 4, page 4, of the bill by raising the gestational age limit, as contained in the bill, from 20 to 24 weeks.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 739, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 739, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 443 Health on H.B. No. 505

The purpose of this bill, as received by your Committee, is to appropriate an unspecified amount for purposes related to health services.

Your Committee finds that the Hawaii Family Stress Center provided essential services to families "at risk" for abusing or neglecting their children. Funds have been appropriated in prior years to assist the Center in carrying out prevention programs, and your Committee believes that continued funding is necessary to help ensure the present and future well-being of the children of our State.

Your Committee has amended the bill in the following major respects:

- (1) by amending section 1 to include a findings and purpose which emphasizes the critical problem of child abuse and neglect and the importance of providing effective and adequate means of preventing and treating child abuse and neglect;
- (2) by amending section 2 to appropriate the sum of \$271,757 for fiscal year 1981-1982 for child abuse and neglect prevention services to be provided by the Hawaii Family Stress Center as follows: Oahu, \$62,239; Maui, \$50,797; Molokai, \$29,964; Kona, \$32,150; Hilo, \$50,707; and Kauai, \$45,900.
- (3) by amending new section 3 to provide that the expending agency shall be the Department of Health for the Kapiolani Children's Medical Center (Hawaii Family Stress Center); and
- (4) by adding a new section 4 (effective date) which was formerly provided for in section 3.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 505, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 444 Health on H.B. No. 1676

The purpose of this bill is to make an appropriation of \$84,000 to continue ten temporary credit and collection clerk positions for the county-state hospitals division of the Department of Health.

Testimony presented by the Department of Health indicates that the requested positions are necessary to improve the billing system of and the accounts receivable turnover for the county/state hospitals.

Your Committee concurs with the intent of the Department but finds that the continuation of ten temporary positions may no longer be necessary for further improvements in the system. Your Committee has therefore amended section 1 of the bill by decreasing the number of positions from 10 to 8 temporary clerk positions, and by appropriately decreasing the appropriation from \$84,000 to \$67,200.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1676, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1676, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 445 Health on H.B. No. 1024

The purpose of this bill is to provide an appropriation of \$100,000 for fiscal year 1981-82 to the old Kona Hospital for repair and renovations.

Your Committee finds that last year the legislature appropriated \$100,000 for termite treatment and repair, painting, and architectural plans for the old Kona Hospital. Your Committee finds that the completed plans show that the previous appropriation of \$100,000 is insufficient to complete the necessary repairs. An appropriation of \$100,000 for fiscal year 1981-82 is necessary to complete renovations and make needed space at the facility available for use by community groups and agencies.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1024 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 446 Health on H.B. No. 940

The purpose of this bill is to make an appropriation of \$145,000 to promote the de-institutionalization of disabled individuals in Waimano Training School and Hospital by providing support and respite services to families, foster parents, group home operators, and guardians caring for these individuals; provided that of the total appropriation, \$75,000 shall be for the Easter Seal Society of Hawaii, Inc. (Oahu); \$50,000 for the Hilo Association for Retarded Citizens (Hawaii); and \$20,000 for the Maui Association for Retarded Citizens (Maui, Molokai, and Lanai).

Your Committee finds that respite services afford the primary caretakers of disabled and dependent individuals a necessary, temporary relief from the demanding task of providing round-the-clock care at home. Further, provision of such services would offer an excellent, less costly alternative to long-term institutionalization of those disabled individuals who do not yet require 24-hour institution care or who can return to the community if adequate support services are made available.

Testimony received by your Committee indicates that the Hilo Association for Retarded Citizens may also be receiving funding through the Department of Health. Your Committee has therefore amended section 2 of the bill by decreasing the amount appropriated to the Association from \$50,000 to \$30,000, thereby decreasing the total appropriation from \$145,000 to \$125,000 (section 1 of the bill).

Your Committee on Health is in accord with the intent and purpose of H.B. No. 940, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 940, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 447 Health on H.B. No. 941

The purpose of this bill is to make an appropriation of \$195,655 to provide early intervention services for handicapped children and their families; provided that of the total appropriation, \$128,620 shall be for the Easter Seal Society of Hawaii, Inc., \$37,605 for the Society for Crippled Children and Adults for Maui County, Inc., and \$29,430 for the Waianae Coast Day Care Centers, Inc.

Your Committee finds that therapeutic intervention services for young, handicapped children are essential in delaying or avoiding more costly longterm care institutionalization and will also provide for more effective integration of disabled children into existing Department of Education programs.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 941 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.