

STANDING COMMITTEE REPORTS

SCRep. 1-82 Finance on H.B. No. 1558

The purpose of this bill is to increase the compensation of precinct officials for each election.

Your Committee recognizes that it is the civic duty of every responsible citizen to serve as an election worker at the polls on election day. However, your Committee finds that the practical consideration in terms of dollars, time spent working at the polls, and in training classes tends to create a problem in the recruitment of workers. Your Committee finds that a reasonable increase in the compensation of precinct official seems to be a solution to the problem and your Committee approves of increases in the compensation of precinct officials.

With regard to electronic ballots and voting machine elections, your Committee has amended this bill to increase the amount to be paid to precinct officials other than the chairman and voter assistance official from \$45 to \$60. The voter assistance official compensation is increased from \$50 to \$65. The chairman of the precinct officials will be paid \$70 instead of \$55. The additional amount paid to all precinct officials of paper ballot elections for each three hundred ballots or portion thereof is increased from \$1 to \$5.

Your Committee further finds that persons designated to attend instruction classes and who serve as standby officials should be reasonably compensated and your Committee has revised this bill to authorize payment of \$5 to such persons by adding to subsection (a) of section 11-76, Hawaii Revised Statutes, the sentence to read: "Alternate precinct officials who are trained and certified and who remain available but who are not placed for work in either the primary or general election shall be compensated \$5."

Your Committee has further amended this bill to delete the section appropriating funds out of the general revenues. Your Committee recommends that the appropriation necessary to meet the increases authorized by this bill be included in the Supplemental Appropriations Act of 1982.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1558, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1558, H.D. 2.

Signed by all members of the Committee.

SCRep. 2-82 Finance on H.B. No. 2011-82

The purpose of this bill is to authorize funds for the expenses of the Legislature up to June 30, 1983, and also for the expenses of the legislative support agencies during the fiscal year 1982-83.

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 \$2,103,249 and the amount appropriated for the House of Representatives is \$2,730,412. 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 \$1,296,140 to meet the basic operating budget of the Office of the Legislative Auditor. The total includes \$75,000 to continue and improve a program 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 \$149,562 to the State Ethics Commission.

LEGISLATIVE REFERENCE BUREAU

Your Committee approves the appropriation of \$1,265,851 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 \$337,850 for the Office of the Ombudsman.

LAPSE OF FUNDS

Appropriations under this bill are subject to lapse as of June 30, 1983.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2011-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2011-82, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 3-82 Finance 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.

Presently 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 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.

Your Committee is in agreement that the employees of the planning and development office perform such integral and on-going functions for the department of agriculture, as formulation and implementation of the state agricultural plan, planning for agricultural park projects, and reviewing applications relating to the 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 1981-1983 and the apparent endorsement of the Legislature in recent sessions.

Your Committee has amended this bill to change the words "clerk-stenographer" to "secretary" on line 11, page 1, and to make other technical corrections.

Your Committee on Finance is in accord with the intent and purpose of H.B. 698, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. 698, H.D. 1.

Signed by all members of the Committee.

SCRep. 4-82 Finance 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 Committee finds 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 work force 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 Committee has amended this bill to correct minor technical drafting errors.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 699, as amended herein, and recommends that it pass Third Reading in the form attached

hereto as H.B. No. 699, H.D. 1.

Signed by all members of the Committee except Representative Albano.

SCRep. 5-82 Consumer Protection and Commerce on H.B. No. 1231

The purpose of this bill is to correct a *de facto* inequity created by the specific language of Section 294-11(a) of the Hawaii Revised Statutes.

Under present law, all no-fault insurance policyholders, whether private or commercial, are entitled to purchase a policy with a higher deductible and a corresponding lower premium.

Your Committee heard testimony stating that present practice shows that since private owners generally restrict the operation of their automobiles to themselves or their families, when a loss does occur, the policyholder is liable for the full deductible before the carrier makes its just payment. Commercial owners, on the other hand, often have employees as drivers. In the event of an accident, the policyholder is therefore not liable for the deductible portion since the operator is not the insured or a member of his family. The cost of these commercial deductibles for which the insured may have obtained a premium discount, is therefore spread inequitably among all insureds.

This bill intends to clarify the appropriate language and provide specifically that insureds are liable for the deductible portion of expenses incurred as a result of an accident involving the operator of a commercial motor vehicle.

Your Committee has also made a non-substantive correction to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1231, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 6-82 Consumer Protection and Commerce on H.B. No. 1094

The purpose of this bill is to exempt antique motor vehicles from the present requirement that vehicles ten years or older be certified for safety purposes once every six months.

Under present law, all motor vehicles ten years or older must be certified once every six months. This bill would exempt antique motor vehicles, as defined in Section 249-1, Hawaii Revised Statutes, from this requirement, and would instead require certification for said vehicles on an annual basis along with those not specifically listed in Section 286-26(a), (c), and (d).

Your Committee believes that the effect of this bill is not contrary to the intent of the Highway Safety Law of Chapter 286.

Your Committee has made technical corrections to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1094, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1094, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 7-82 Agriculture on H.B. No. 1948-82

The purpose of this bill is to amend section 155-9, Hawaii Revised Statutes, to increase the maximum amounts on various classes of farm loans as follows:

- (1) Class A loans for farm ownership and improvement from \$100,000 to \$200,000.
- (2) Class B loans for soil and water conservation purposes: to individual farmers

from \$35,000 to \$50,000; and to farm associations from \$200,000 to \$300,000.

- (3) Class C loans for farm operating expenses from \$100,000 to \$200,000.
- (4) Class E loans for farmers' cooperatives and corporations for: capital improvement purchases from \$250,000 to \$500,000; and operating expenses from \$150,000 to \$300,000.
- (5) Class F loans for initial loans to new farmer programs from \$75,000 to \$100,000.

Your Committee agrees with the testimony of the Board of Agriculture that present sources of credit, including commercial banks, Federal Land Bank Association, and Hawaii Production Credit Association, are meeting the financial needs of the established farmer which would be addressed by increases to class A, B, and C loans proposed by this bill. For this reason, your Committee has amended this bill by deleting the proposed amendments to sections 155-9(1), 155-9(2), and 155-9(3), Hawaii Revised Statutes, which would have increased the maximum amounts on classes A, B, and C loans.

Your Committee has also adopted the recommendations of the Board of Agriculture by making the following amendments:

- (1) Page 5, line 19 of this bill is amended to amend section 155-9(5), Hawaii Revised Statutes, by deleting the period after the word "operations" and adding the following phrase:

" , and such facility loans shall be for an amount not to exceed \$500,000 or eighty per cent of the cost of the project, whichever is the lesser. ",

whereas the limit on such facility loans to cooperatives and corporations is currently eighty five per cent of the cost of the project.

- (2) Page 6, line 5 of this bill is amended to amend section 155-9(6)(A), Hawaii Revised Statutes, by deleting the word "ninety" and replacing it with "eighty five".

Whereas the bill would require that such initial loans to new farmers shall not exceed \$100,000 or ninety per cent of the cost of the project, this amendment changes the maximum amount of the loan to \$100,000 or eighty five per cent of the cost of the project.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1948-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1948-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 8-82 Consumer Protection and Commerce on H.B. No. 1488

The purpose of this bill is to update the Standard Nonforfeiture Law for Life Insurance and to provide for future automatic updating.

Under present law minimum standards for cash values and paidup nonforfeiture benefits provided by life insurance policies are established by specifying the mortality table, the interest rates and the formulas used to calculate the minimum values.

This bill would update the standards which would apply to new policies and provide for future automatic updating of these standards as follows:

- (1) Current law provides for use of the 1958 Commissioners Standard Ordinary Mortality Table. It would be replaced by the 1980 Commissioners Standard Ordinary Mortality Table. The new table, which was developed by the Society of Actuaries for this purpose, reflects the improvements in mortality rates and life expectancy which have taken place since the development of the 1958 table. The bill also provides authority for the Insurance Commissioner to promulgate more modern life insurance tables.

- (2) Current law fixes the maximum interest rates which may be used to calculate cash values for life insurance. For permanent annual premium life insurance this is currently fixed at 5 1/2%. This bill establishes a system for automatic updating of the

nonforfeiture interest rate standards applicable to new business. Under that system the current nonforfeiture interest rate for permanent annual premium life insurance would be 7%. These rates are below current market rates because they represent a conservative assumption as to interest rates which may be earned for many years in the future.

(3) Current law states the formulas which must be used to calculate minimum values. These actuarial formulas are the same as those contained in the first standard model bill developed in the 1940's. This bill would make technical changes to these actuarial formulas. These provisions take account of special features of newer insurance products that were not contemplated when this law was first enacted. The bill also provides authority for the Commissioner to promulgate regulation to accommodate new products developed in the future which are not now covered by these laws.

These changes to the Standard Nonforfeiture Law for Life Insurance which H.B. No. 1488 would enact follow the changes to the standard model law adopted by the National Association of Life Insurance Commissioners in December, 1980. Since then, these changes have been enacted in 17 states.

Your Committee understands that these changes to current law, if enacted, would reduce the cost which consumers pay for life insurance. Testimony received from the Department of Regulatory Agencies indicates that the combined effect of the changes proposed by H.B. No. 1488 and H.B. No. 1489 will save consumers an estimated 15% on the purchase of life insurance policies.

For the purposes of consistency with current law and to conform to the intent and purposes of the model law, your Committee has made certain technical amendments.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1488, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1488, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Liu.

SCRep. 9-82 Finance on H.B. No. 2155-82

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.

H.B. No. 2155-82 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. 2155-82, 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. 2155-82, H.D. 1.

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

SCRep. 10-82 Public Assistance and Human Services on H.B. No. 2074-82

The purpose of this bill is to appropriate money out of the general revenues of the State of Hawaii for the operations of the Susannah Wesley Community Center, Oahu, for the fiscal year 1982-1983.

Testimony submitted by the Executive Director of the Susannah Wesley Community

Center requests \$42,000 for three bilingual workers (Filipino, Samoan, and Korean) to provide essential technical assistance to immigrants, and to continue a well established Consumer Education Service, the only one of its kind in the State, for residents of Kalihi-Palama and adjoining communities.

Your Committee has amended this bill to reflect the amount of the request by stating the sum of the appropriation as \$42,000 in section 1, line 2.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2074-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2074-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 11-82 Agriculture on H.B. No. 1949-82

The purpose of this bill is to assist sugar growers annually producing less than 3,000 tons of raw sugar by authorizing the Department of Agriculture to make supplemental direct loans to independent sugar growers to cover deficits in the repayment of production loans made by commercial lending institutions and to cover the amount required for production expenses which is not available from commercial lending institutions. This bill seeks to assist independent sugar growers by authorizing supplemental direct loans to cover deficits arising during this time period in which local sugar producers are subject to insufficient national protection from sugar imports subsidized by foreign governments. This bill also appropriates \$2,000,000 for such loans.

Your Committee has made a technical, non-substantive amendment on page 2, line 16 of this bill by deleting the word "subsection" and replacing it with "section" to refer to section 155-8, Hawaii Revised Statutes, as was intended by the legislature.

Your Committee has also amended this bill on page 3, line 2 by deleting "3,000" and replacing it with "4,500". This amendment requires that an independent sugar grower's sugar production shall not exceed 4,500 tons per year to qualify for loans under this bill.

Your Committee has further amended this bill on page 3, line 10 by adding after the word "rules" the phrase "under Act 19, Session Laws of Hawaii, First Special Session 1977,". This amendment provides that such loans made to independent sugar growers shall be subject to rules promulgated under Act 19, Session Laws of Hawaii, First Special Session 1977.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1949-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1949-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 12-82 Consumer Protection and Commerce on H.B. No. 2026-82

The purpose of this bill is to repeal Sections 445-161 and 445-162, Hawaii Revised Statutes.

Your Committee feels that the aforementioned sections are anachronous and therefore recommends their repeal.

Your Committee has amended the bill by repealing related Sections 445-163, 445-164, and 445-165 to conform to the intent of the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2026-82, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2026-82, H.D.1.

Signed by all members of the Committee.

SCRep. 13-82 Consumer Protection and Commerce on H.B. No. 2027-82

The purpose of this bill is to repeal Section 445-146, Hawaii Revised Statutes.

Your Committee believes that Section 445-146, Hawaii Revised Statutes, is anachronous and therefore recommends its repeal.

Your Committee has informed the office of the City Director of Finance of the purpose of the bill. They have stated no objections to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2027-82 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 14-82 Consumer Protection and Commerce on H.B. No. 2028-82

The purpose of this bill is to repeal Section 445-98, Hawaii Revised Statutes.

Your Committee feels that Section 445-98, Hawaii Revised Statutes, is anachronous and therefore recommends its repeal.

Your Committee has informed the office of the City Director of Finance of the purpose of the bill. They have stated no objection to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2028-82 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 15-82 Consumer Protection and Commerce on H.B. No. 1489

The purpose of this bill is to update the Standard Valuation Law and to provide for future automatic updating.

Under present law, minimum standards for reserve liabilities for life insurance policies and annuity contracts are established by specifying the mortality table, the interest rates and the formulas used to calculate the minimum reserves.

This bill would update the standards which would apply to new policies and provide for future automatic updating of these standards as follows:

(1) Current law provides for use of the 1958 Commissioners Standard Ordinary Mortality Table. It would be replaced by the 1980 Commissioners Standard Ordinary Mortality Table. The new table, which was developed by the Society of Actuaries for this purpose, reflects the improvements in mortality rates and life expectancy which have taken place since the development of the 1958 table. The bill also provides authority for the Insurance Commissioner to promulgate more modern life insurance, annuity and disability tables.

(2) Current law fixes the maximum interest rates which may be used to calculate reserve liabilities. For permanent annual premium life insurance this is currently fixed at 4 1/2%. This bill established a system for automatic updating of the valuation interest rate standards applicable to new business. Under that system the current valuation interest rate for permanent annual premium life insurance would be 5 1/2%. These rates are below current market rates because they represent a conservative assumption as to interest rates which may be earned for many years in the future.

(3) Current law states the formulas which must be used to calculate minimum values. These actuarial formulas are the same as those contained in the first standard model bill developed in the 1940's. This bill would make technical changes to these actuarial formulas. These provisions take account of special features of newer insurance products that were not contemplated when this law was first enacted. The bill also provides authority for the Commissioner to promulgate regulations to accommodate new products developed in the future which are not now covered by these laws.

These changes to the Standard Valuation Law which H.B. No. 1489 would enact follow the changes to the standard model law adopted by the National Association of Life Insurance Commissioners in December, 1980. Since then, these changes have been enacted in 17 states.

Your Committee understands that these changes to current law, if enacted, would reduce the cost which consumers pay for life insurance. Testimony received from the Department of Regulatory Agencies indicates that the combined effect of the changes proposed by H.B. No. 1488 and H.B. No. 1489 will save consumers an estimated 15% on the purchase of life insurance policies.

For the purposes of consistency with current law and to conform to the intent and purposes of the model law your Committee has made certain technical amendments.

Your Committee on Consumer protection and Commerce is in accord with the intent and purpose of H.B. No. 1489, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1489, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Chun.

SCRep. 16-82 Consumer Protection and Commerce on H.B. No. 2029-82

The purpose of this bill is to repeal Section 445-51, Hawaii Revised Statutes.

Your Committee feels that Section 445-51, Hawaii Revised Statutes, is anachronous and therefore recommends its repeal.

Your Committee has notified the office of the City Director of Finance of the purpose of the bill. They have stated no objections to the bill.

Your Committee has amended the bill by repealing related Sections 445-52 and 445-53 and by making technical amendments to Section 445-54 to conform to the intent of the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2029-82, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2029-82, H.D. 1.

Signed by all members of the Committee except Representatives Nakamura and Waihee.

SCRep. 17-82 Consumer Protection and Commerce and Judiciary on H.B. No. 1515

The purpose of this bill is to amend Section 236-24, Hawaii Revised Statutes, to except securities registered in the name of non-resident decedents from inheritance tax clearance requirements prior to transfer.

Under present law, transfers of stock or other securities upon the death of non-resident registered owners or joint owners, but prior to obtaining a tax clearance from the Department of Taxation, were not allowed. Your Committees find from testimony presented that this requirement has, in practice, created a problem of paperwork and workload, that is out of proportion to its intention of ensuring that inheritance taxes are collectible.

This bill would continue to require stock transfer agents to obtain an affidavit of domicile and will continue application of the requirements to decedents who were residents of foreign countries. The existing provisions will not, however, be applicable to non-resident decedents who were not residents of a foreign country.

Your Committees believe that this bill would eliminate unnecessary paperwork now experienced by the Department of Taxation as a result of transfers of property after the death of certain non-residents.

Your Committees have made numerous technical corrections to the bill.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 1515, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1515, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 18-82 Energy, Ecology and Environmental Protection on H.B. No. 2044-82

The purpose of this bill is to prohibit the installation of air-conditioners in any newly constructed state facility unless it can be shown that the health or safety of the occupants require such air-conditioning.

Your Committee finds that imported petroleum continues to be the State's primary source of energy despite concerted public and private efforts to develop Hawaii's abundant alternate energy resources. Although alternate energy resource development remains a primary long-range State goal, energy conservation holds the greatest potential for achieving immediate reductions in energy consumption. The prohibition of unnecessary and inappropriate air-conditioners in new state facilities would constitute an integral component of our State's conservation efforts.

Your Committee has amended H.B. No. 2044-82 by allowing greater discretion on the part of the Energy Resources Coordinator in permitting the use of air-conditioners in new state facilities. Testimony indicated that the present language of the bill is too restrictive and precluded reasonable exceptions to the air-conditioner ban.

Section 1. of H.B. No. 2044-82, as amended, reads as follows:

"SECTION 1. The Hawaii Revised Statutes is amended by adding a new section to be appropriately designated and to read as follows:

"SECTION - Air-conditioning in new state facilities. No person shall cause any state facility or any part thereof constructed after the effective date of this section to be artificially cooled except as allowed under this section. The energy resources coordinator shall adopt standards for permitting artificial cooling when it can be shown that any such facility of part thereof so requires."

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2044-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2044-82, H.D. 1, and referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Sakamoto, Isbell and Monahan.

SCRep. 19-82 Energy, Ecology and Environmental Protection on H.B. No. 2043-82

The purpose of this bill is to establish a loan fund to encourage and promote the installation and use of solar energy devices and heat pumps in residential structures used as dwelling units.

Your Committee finds that solar energy devices and heat pumps provide an alternative to imported fuels which is economically feasible, environmentally preferable to conventional energy sources, and readily adaptable to existing residential structures.

The utilization of solar energy devices and heat pumps would enable many citizens to achieve significant savings from our high utility costs. Unfortunately, many homeowners cannot afford to purchase such systems. Available tax credits are often of little or no help to low-income individuals without tax liabilities. Such persons would be able to purchase solar energy devices or heat pumps only if they are provided low-interest loans.

Your Committee has amended H.B. No. 2043-82 by requiring that:

1. No loan shall be made to an applicant whose combined family gross annual income exceeds \$25,000.
2. No loan shall exceed \$4,500.
3. No loan shall be made for a term exceeding six years.
4. Each loan shall bear simple interest at the rate of seven and one-half per cent a year.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2043-82, as amended herein, and recommends that

it pass Second Reading in the form attached hereto as H.B. No. 2043-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sakamoto, Isbell and Monahan.

SCRep. 20-82 Public Employment and Government Operations on H.B. No. 839

The purpose of this bill is to amend Section 88-1, Hawaii Revised Statutes, to extend full retirement benefits to the surviving spouse of any deceased person who, prior to death was granted a pension by any special act of the legislature, so long as the spouse remains unmarried.

The amendment is intended to correct an alleged inequity in the current law which, at present, directly affects one person in the county of Hawaii and may affect a limited number of others in the future. The amendment does not affect the State Employee's Retirement System, nor require any payment by the State. The cost of \$200 per month is solely the responsibility of the counties.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 839 and recommends that it pass Second Reading, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 21-82 Public Employment and Government Operations on H.B. No. 2159-82

The purpose of this bill is to provide fund authorization for the implementation of the 1981-1983 collective bargaining agreement with the Hawaii Fire Fighters Association, Unit Eleven.

The agreement mandate by an arbitration panel is final and binding on both the union and state, subject to the approval of the legislature, pursuant to Section 89-11, Hawaii Revised Statutes. The cost items specified in the agreement: Fiscal Year 1982, \$152,929 and Fiscal Year 1983, \$887,101. The pay raises are effective on March 1, 1982 and October 1, 1982, and for increased meal benefits effective July 1, 1982. In order to provide for the orderly and timely implementation of this pay raise your Committee recommends immediate passage of this bill.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2159-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 22-82 Consumer Protection and Commerce on H.B. No. 1521

The purpose of this bill is to limit the applicability of Chapter 417E, Hawaii Revised Statutes, relating to Take-Over bids, to certain offeree corporations.

Under present law, all Hawaii corporations with more than 100 stockholders and one million dollars (\$1,000,000.) in assets are within the coverage of the chapter. Your Committee finds from testimony presented that several Federal courts have held that similar takeover bid statutes are preempted by the Williams Act (15 U.S.C. 78n) and that such statutes applicable to all state corporations are an unreasonable burden on interstate commerce.

This bill would limit the offeree corporations covered by the chapter to those which are regulated as a public utility, are large landowners, are financial institutions, or are large shareholders in any of the foregoing. Additionally, the bill would require the public utilities commission, land use commission, and bank examiners to make a determination that the public interest would not be adversely affected by the take over of an offeree corporation within the agency's purview, prior to registration of the take over bid with the commissioners of securities.

Your Committee agrees with the intent of the bill to limit coverage of the chapter to only those corporations which are significant to the State and its economy.

Your Committee has made numerous technical corrections to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1521, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1521, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Nakamura and Waihee.

SCRep. 23-82 Consumer Protection and Commerce on H.B. No. 2030-82

The purpose of this bill is to repeal Chapter 129, Hawaii Revised Statutes.

Present law states that the Governor has the authority and vested powers to handle all matters pertaining to the Civil Defense of this State and of the nation, including the power to impose, direct, and control the imposition of measures of illumination control and blackouts.

Your Committee feels that the provisions set forth in Chapter 129, Hawaii Revised Statutes, are sufficiently covered in chapters 127, 128, and 130 of the Hawaii Revised Statutes. Furthermore, your Committee believes that Chapter 129, Hawaii Revised Statutes, no longer serves its initial purpose, and, therefore recommends its repeal.

Your Committee notified the Civil Defense Agency of the bill's purpose to repeal Chapter 129, Hawaii Revised Statutes. The Civil Defense Agency stated no objections.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2030-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 24-82 Consumer Protection and Commerce on H.B. No. 2018-82

The purpose of this bill is to incorporate Section 431-647, Hawaii Revised Statutes, pertaining to unfair claim settlement practices into Chapter 432.

The unfair claim settlement practice provision of Chapter 431 became effective in 1972. Section 431-647 should have been referenced in Chapter 432 in 1972, but its applicability to Chapter 432 was overlooked.

Your Committee heard testimony from the Department of Regulatory Agencies recommending the passage of this bill.

Your Committee is in agreement that this bill would establish guidelines for unfair claim settlement practices pertaining to title insurance and title insurers, and therefore will provide protection for the public in claim adjustment and settlement service.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2018-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 25-82 Consumer Protection and Commerce on H.B. No. 343

The purpose of this bill is to eliminate the outdated distinction between osteopathic physicians and osteopathic physicians and surgeons.

Under present law, there exists a licensure distinction between osteopathic physicians and osteopathic physicians and surgeons. When the Osteopathic Practice Act was first drafted in 1920, a distinction in the licensing requirements was established because of the unavailability of surgical residencies.

Your Committee heard testimony from the Board of Osteopathic Examiners and the Hawaii Association of Osteopathic Physicians and Surgeons that currently, all graduates

of the sixteen osteopathic colleges are fully trained in all aspects of medicine and surgery, and can be licensed in most other states as osteopathic physicians and surgeons with full practice rights. In addition, the Board of Osteopathic Examiners stated that the requirement of one year of internship is sufficient, and therefore, they do not believe that the requirement for the additional year of residency beyond internship is necessary.

Your Committee has amended the bill by deleting Section 460-6(4) requiring an applicant to serve at least one year as an assistant to a qualified surgeon or surgeons.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 343, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 343, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 26-82 Consumer Protection and Commerce on H.B. No. 2014-82

The purpose of this bill is to provide a system of regulation of the sale of unauthorized entry and unlawful act detection alarm devices.

There are no regulations under current law which address this area of consumer sales. Your Committee finds from testimony presented that the incidence of false burglary and false alarms have created a significant and unnecessary load on the Honolulu Police Department's resources. False alarms which require police response are now averaging about 1,850 per month.

Your Committee believes that some form of regulation is necessary to curb these false alarms and that regulating the sale and monitoring the installation of alarm systems will contribute to a reduction of the present rate. This bill would require all audible alarms businesses to keep records of sale transactions, alarm activations and the reasons therefor. The name of the installer of an alarm device will also be made available.

Your Committee feels that this bill should aid the police department and the alarm device industry identify the cause of the high rate of false alarms and alleviate the problem.

Your Committee has amended the bill by providing for a penalty section to insure compliance with the chapter. Your Committee also made technical amendments.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2014-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2014-82, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 27-82 Consumer Protection and Commerce and Judiciary on H.B. No. 1963-82

The purpose of this bill is to encourage persons engaged in farming, processing, distributing, wholesaling, or retailing of food products to donate these items to charitable, religious, and non-profit organizations which distribute food to the needy.

Your Committees heard testimony from numerous community organizations and state agencies which are concerned with increasing food costs, the problem of obtaining surplus food donations for needy persons and families, and the lack of food donations because of fear of liability for possible illness or injury resulting from donated foods.

This bill would limit the liability of the donors and distributors of food to gross negligence, or wanton acts, or omissions, prohibit the sale of donated foods, and set labeling requirements for donated foods. Your Committees feel that this bill will encourage persons engaged in the various types of businesses dealing with food to donate these surplus food products to organizations and agencies who in turn would provide sources of food for needy persons and families.

Your Committees have made technical clarifying amendments to the bill.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 1963-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1963-82, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 28-82 Consumer Protection and Commerce on H.B. No. 2095-82

The purpose of this bill is to transfer the authority and functions related to vehicle number plates from the Lieutenant Governor to the Directors of Finance of each county. In addition, the bill provides for the Director of Finance of the City and County of Honolulu to contract for the purchase of all vehicle license plates on behalf of the counties.

Your Committee received testimony from the Director of the Department of Finance of the County of Hawaii, the Director of Finance of the City and County of Honolulu, and the Chairman of the Parks, Recreation and Legislative Liaison Committee of the City and County of Honolulu that since the regulation of vehicles and the issuance of vehicle number plates are presently handled on the county level, it would be more appropriate that the counties determine the design of vehicle number plates and contract for the purchase of vehicle plates. In addition, the City Director of Finance of the City and County of Honolulu is willing to handle the contracting for the neighbor island counties.

Your Committee believes that authorizing the counties to engage in the determination of design and to contract for the purchase of vehicle plates will be more suitable for the purposes of organization and uniformity.

The Lieutenant Governor supports the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2095-82 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 29-82 Consumer Protection and Commerce on H.B. No. 2096-82

The purpose of this bill is to authorize the various counties to charge registrants of vehicles with out-of-state license plates a registration fee of \$2.00.

Under present law, motor vehicles entering the State without state license plates are required to be registered within 10 days of arrival. No authority for the assessment of a fee is contained in the present law.

Your Committee heard testimony indicating that registration of the approximately 12,000 out-of-state vehicle permits issued annually entails administrative expenses for the various counties. This bill would provide for the assessment of a registration fee of \$2.00 for the registration of out-of-state vehicles. This bill would also conform the provision relating to placement of the certificate of registration to that in Section 286-47, Hawaii Revised Statutes.

While in agreement with the intent of the bill to provide the counties with a source of revenue to defray administrative costs incurred as a result of the registration procedure, your Committee believes that all direct and indirect costs should be offset by the registrants. Your Committee has therefore amended the bill to provide for a fee of \$5.00 based on testimony received relating to the actual administrative costs involved.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2096-82, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2096-82, H.D. 1.

Signed by all members of the Committee.

SCRep. 30-82 Agriculture on H.B. No. 2261-82

The purpose of this bill is to support the development of Hawaii's agricultural industry by appropriating funds to conduct a study to determine the feasibility of establishing a farmer's market in Honolulu.

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

Your Committee has amended Section 2 of this bill by appropriating \$15,000 for the purpose of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2261-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2261-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 31-82 Agriculture on H.B. No. 2261-82 (Majority)

The purpose of this bill is to grant the Department of Agriculture needed flexibility in adjusting the fee for registration of a livestock brand or mark. The bill repeals the statutory fee for registration of a livestock brand or mark. The bill repeals the statutory fee of one dollar for such registration and authorizes the Department of Agriculture to establish such registration fees by rule.

The Chairman of the Board of Agriculture has testified before your Committee in favor of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2149-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 32-82 Public Assistance and Human Services on H.B. No. 2079-82

The purpose of this bill is to appropriate \$88,000 for fiscal year 1982-1983 to support the programs and services of the Maui Economic Opportunity, Inc.

The agency will be losing \$156,000 in federal funds, and cuts will be made in the areas of Senior Opportunities, Energy, and Youth Employment. The Maui Economic Opportunity, Inc. has requested \$88,000 to provide for a recovery of part of the expected cuts, and will be consolidating the aforementioned programs into one Community Action support program which will primarily serve the disadvantaged and elderly in consumer education, chore services, manpower coordination, and crisis intervention aid for Molokai.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2079-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 33-82 Public Assistance and Human Services and Youth and Elderly Affairs on H.B. No. 2080-82

The purpose of this bill is to appropriate \$90,000 for fiscal year 1982-1983 for transportation services to the elderly, disabled, handicapped, and other disadvantaged persons, including preschool children in Maui County.

Testimony presented by Maui Economic Opportunity, Inc. cited a lack of available funds for transportation services for persons with special needs due to recent federal budget cuts. The Maui Economic Opportunity, Inc. operates the only transportation system in Maui County and serves 1,500 elderly, handicapped persons, preschool children, and residents. The Purchase of Services, Title XX unit ceased transportation

funding, effective July 1, 1981. Although the County of Maui temporarily funded the POS portion, funds in the amount of \$90,000 are now being requested of the State to enable continuation of such transportation services in Maui County.

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. 2080-82 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 34-82 Consumer Protection and Commerce on H.B. No. 2194-82

The purpose of this bill is to repeal the statutory authorization of fees payable to the members of the Board of Cosmetology and the Boxing Commission.

Under present law, members of the Board of Cosmetology and the Boxing Commission are each entitled to a fee of \$10 for each meeting attended. In addition, the secretary of the Board of Cosmetology is allowed a salary of \$150 per year. This bill would eliminate all of these allowances.

Your Committee finds that none of the other 28 boards and commissions under the jurisdiction of the Department of Regulatory Agencies are allowed statutory fees or salaries for its members. This bill would make that provision consistent among all boards and commissions.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2194-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Waihee.

SCRep. 35-82 Energy, Ecology and Environmental Protection on H.B. No.
2036-82 (Majority)

The purpose of this bill is to require all new single or multi-unit residential facilities constructed by private contractors in the State to be equipped with solar water heating systems or heat pumps.

Your Committee finds that residential water heating accounts for approximately 30 to 60 per cent of the energy use of a single household. Solar water heating systems, if properly sized and installed, can provide 90 per cent of a household's hot water demand.

Your Committee also finds that in Hawaii there are an estimated 19,000 households with solar water heating systems. These solar systems helped to conserve about 133,000 barrels of oil last year and enabled the State to retain approximately \$6 million which otherwise would have been used to purchase imported oil.

Your Committee further finds that 4,072 single family dwelling building permits were issued in 1980. If 4,000 single family dwellings were to install heat pump water heaters, the savings could be as high as \$10.3 million. If 4,000 single family dwellings were to install solar water heating systems, the savings would be approximately \$14.4 million.

H.B. No. 2036-82 has been amended by extending the effective date of the bill from June 30, 1982, to December 31, 1983. Extending the effective date will provide sufficient lead time for prospective home buyers, industry personnel, and government officials to become familiar with and prepare for these new requirements.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2036-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2036-82, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 36-82 Energy, Ecology and Environmental Protection on H.B. No.
2046-82 (Majority)

The purpose of this bill is to require all new and existing public or private buildings utilizing heating or cooling systems to conform with mandatory thermostat settings. Exemptions may be granted by the Energy Resources Coordinator.

Your Committee finds that imported petroleum continues to be the State's primary source on energy despite concerted public and private efforts to develop Hawaii's abundant alternate energy resources. Although alternate energy resource development remains a primary long-range state goal, energy conservation holds the greatest potential for achieving immediate reductions in energy consumption. Mandatory thermostat settings for buildings utilizing heating or cooling systems would enable the State to significantly strengthen its conservation efforts and better meet the energy needs of its citizens.

Your Committee has made the following amendments to H.B. No. 2046-82:

1. Your thermostat setting for water heating systems has been amended to read 120 degrees fahrenheit or less. Testimony indicated that 105 degrees fahrenheit was too low. That temperature is only seven degrees above average body temperature and is significantly lower than the 120 degrees to 140 degrees range recommended for such home appliances as dishwashers.
2. The Department of Planning and Economic Development has been designated as the agency responsible for administering and enforcing this section and has been granted the necessary authority to prescribe rules under Chapter 91.
3. For the purposes of consistency, subsection (c) has been amended to read sub-section (d).
4. The effective date of the bill has been extended from July 1, 1982, to January 1, 1983, to provide sufficient lead time for affected building owners and managers to prepare for and comply with the requirements of the bill.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2046-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2046-82, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 37-82 Public Employment and Government Operations on H.B. No. 2163-82

The purpose of this bill is to amend Section 26-17, Hawaii Revised Statutes.

Section 26-17, Hawaii Revised Statutes, presently reflects that the Hawaiian Homes Commission consists of seven members. Act 174, Session Laws of Hawaii 1977, amended Section 202, Hawaiian Homes Commission Act, 1920, as amended, by increasing the membership of the commission to eight members. Therefore, this bill, if enacted, will update Section 26-17 of the Hawaii Revised Statutes to reflect that the Hawaiian Homes Commission will consist of eight members.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2163-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 38-82 Consumer Protection and Commerce on H.B. No. 2191-82

The purpose of this bill is to allow charitable organizations to file Form 990 in lieu of audited financial statements.

Presently, charitable organizations which raise more than \$10,000 annually are required

to file audited financial statements annually with the Department of Regulatory Agencies. This requirement places an undue financial burden on charitable organizations because of the costs of audits by Certified Public Accountants.

Your Committee heard testimony from the Department of Regulatory Agencies that the Internal Revenue Service and the National Association of State Charity Officials have developed Form 990 which all charitable organizations are required to file with the Internal Revenue Service. Allowing charitable organizations to file Form 990 with the Department of Regulatory Agencies in place of audited financial statements would alleviate the financial burdens incurred by audits performed by Certified Public Accountants. In addition, Form 990 will include substantially all the information contained in an audited financial statement, and will insure that the financial condition of the organization is open for review by the general public.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2191-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 39-82 Consumer Protection and Commerce and Transportation on
H.B. No. 2105-82

The purpose of this bill is to amend Section 290-41, Hawaii Revised Statutes, to require towing companies to notify the county police department of the towing of a vehicle prior to actually towing the vehicle.

Under present law, towing companies are not required to notify the police department until 24 hours after the tow.

Your Committees note that this bill would enable the police to determine whether or not the vehicle is the subject of any current investigation prior to towing. Your Committees find from testimony presented that approximately 30% of all vehicles towed from private property in 1980 were of investigative interest to the police. Your Committees therefore agree with the intent of the bill to provide the police with the earliest opportunity to discover and seize vehicles of investigative importance.

Your Committees on Consumer Protection and Commerce and Transportation are in accord with the intent and purpose of H.B. No. 2105-82 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 40-82 Housing on H.B. No. 1988-82

The purpose of this bill is to provide an annual deduction from gross income of \$5,000 for contributions to an individual housing account, a trust account, for savings toward the downpayment on a first principal residence of a taxpayer.

The individual housing account (IHA) established by this bill would operate much like an individual retirement account now allowed by state and federal income tax law. A maximum of \$5,000 a year could be contributed to the account and such contribution would be deductible from gross income while the interest thereon would be tax exempt. The total contribution to such an account would be for \$25,000 over a period of not more than ten years. The money from the account would have to be used for the purchase of a first principal residence or would be taxed at extraordinary rates to prevent other use. Once purchased the residence must be lived in for a three-year period or an additional tax would be placed on the seller.

Your Committee received much favorable testimony from the Hawaii League of Savings Associations, the Land Use Research Foundation, the City and County Department of Housing and Community Development and many others. Those testifying attested to the difficulties many potential homebuyers have in saving enough money for a downpayment on a home. This measure 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 has conducted an extensive review of the individual housing accounts bill last year and also during the 1981 interim. While some persons assert that state tax benefits for individual housing accounts would be of little benefit without similar benefits at the federal level, your Committee feels otherwise. The state that initiated the IRA program prior to federal adoption provided the needed impetus to start action on the federal level. The President's Task Force on Housing recently recommended the adoption of the individual housing account concept; in addition, concerned groups locally are also urging federal action.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1988-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 41-82 Culture and the Arts on H.B. No. 1979-82

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 in support of the Friends of Waipahu Cultural Garden Park. Your Committee understands that the sums appropriated by H.B. No. 1979-82 shall be utilized for the educational exhibits program and also the following activities:

- (1) To maintain a system of attendance statistics which will provide a 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. 1979-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 42-82 Culture and the Arts on H.B. No. 1986-82

The purpose of this bill is to provide a grant-in-aid to the Hawaii Performing Arts Company, Inc.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1986-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 43-82 Culture and the Arts on H.B. No. 1985-82

The purpose of this bill is to provide a grant-in-aid to the Honolulu Theater for Youth.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1986-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 44-82 Culture and the Arts on H.B. No. 1984-82

The purpose of this bill is to provide a grant-in-aid to the Hawaii Youth Symphony.

Your Committee on Culture and the Arts is in accord with the intent and purpose

of H.B. No. 1984-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 45-82 Culture and the Arts on H.B. No. 1980-82

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, has 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. 1980-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 46-82 Culture and the Arts on H.B. No. 1983-82

The purpose of this bill is to provide a grant-in-aid to the Honolulu Symphony Society.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1983-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 47-82 Culture and the Arts on H.B. No. 1987-82

The purpose of this bill is to provide a grant-in-aid for the Hawaiian Islands Public Radio.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1987-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 48-82 Higher Education on H.B. No. 2210-82

The purpose of this bill is to amend section 304-93, Hawaii Revised Statutes, in order to clarify the repayment status of University of Hawaii students who are awarded State higher education loans and subsequently reduce their enrollment status below full-time.

This proposal serves as the vehicle to ease the administrative burden placed on financial aid offices, in converting to repayment status, the loans of all students who may occasionally fall below the full-time status now required of loan recipients.

The proposed change will eliminate a somewhat common problem that arises when a loan recipient drops below full-time enrollment as the result of dropping a course. This is particularly a problem with freshmen and sophomore students who may attempt a heavier course load than they can manage. Under the existing statute, a student who drops below full-time enrollment is considered to be in repayment status and this results in the University computing and issuing a repayment schedule. In the majority of these cases, the student registers full-time in the following semester thereby cancelling both the student's repayment status and amortization schedule.

Your Committee believes these changes will eliminate a time-consuming, paper-wasting process, simplify the administration of the program, and reduce confusion among student borrowers who drop to less than full-time status.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2210-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Segawa and Sakamoto.

SCRep. 49-82 Judiciary on H.B. No. 2313-82

The purpose of this bill is to amend Sections 286G-2 and 286G-3 of the Hawaii Revised Statutes by adjusting the amount of the fine levied on traffic offenses for the driver education and training fund, and to enable the fund to be augmented by other appropriations (in addition to fines).

Testimony received from the Administrative Director of the Courts indicated that present annual operating costs of the program exceed annual revenues; unexpended funds from previous years, which have been used to cover the shortfalls, will be depleted during the current fiscal year. An increase in the fine amount from the present one dollar to two dollars is needed to assure that current revenues will be sufficient to cover costs of the program.

Your Committee finds that the requested adjustment is justified and has amended the bill by increasing the amount of the fine levied on traffic offenses for the driver education and training fund from one dollar to two dollars and deleting any appropriation for the program from the general fund.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2313-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2313-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 50-82 Judiciary on H.B. No. 2316-82

The purpose of this bill is to increase the number of circuit court judges from fifteen to seventeen in the first circuit and from two to three in the second circuit; and to increase the number of district court judges from twelve to fourteen in the first circuit, from two to three in the second circuit, and from one to two in the fifth circuit. The additional positions are necessary due to growing work loads and mounting backlogs in these courts.

Testimony supporting this bill was received from the offices of the Public Defender, the Honolulu Prosecuting Attorney, and the Administrative Director of the Courts.

Your Committee has amended the bill to make grammatical corrections to Sections 603-3 and 603-4 of the Hawaii Revised Statutes.

Your Committee on Judiciary is in accord with the intent and purposes of H.B. No. 2316-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2316-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 51-82 Judiciary on H.B. No. 2320-82

The purpose of this bill is to amend Section 560:3-1212 of the Hawaii Revised Statutes by raising the limit on estates to be disposed of by the coroner or medical examiner, for decedents leaving no known surviving relatives.

Present law provides that, where the value of an estate does not exceed a limit of \$200, and when the decedent leaves no relatives or when the decedent's relatives are unable to dispose of the estate, the coroner or medical examiner shall dispose the property of the estate. This bill would raise the limit to \$1,000.

Testimony in support of the bill was heard from the Judiciary Administration.

Your Committee finds that the present \$100 limit, set in 1976, on estates to be handled

by the coroner or medical examiner, needs to be updated in line with current values. Increasing the limit to \$1,000 will assist in meeting the intent of this section to expedite the disposal of small estates and to eliminate more costly and time-consuming probate court procedures. The \$1,000 figure is consistent with Section 560:3-1201 of the Hawaii Revised Statutes wherein procedures are established for a successor to claim possession of a decedent's estate when the value of the estate does not exceed \$1,000.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2320-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 52-82 Judiciary on H.B. No. 2323-82

The purpose of this bill is to authorize an appropriation out of the general revenues of the State of Hawaii the sum of \$980,000 to the Legal Aid Society of Hawaii.

The sum requested includes replacement of federal cutbacks and an 8% increase over last year's state grant. The Society funds were reduced by a cutback equal to 24.61% or \$184,617 in Federal funds.

Testimony submitted by the Executive Director of the Legal Aid Society indicated that the Society serviced approximately 3,233 poverty-level persons throughout the state during the last year. Your Committee believes that legal services for the poor is a vital community need which should not be curtailed due to federal funding cuts.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2323-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 53-82 Judiciary on H.B. No. 2360-82

The purpose of the bill is to establish a tax fraud unit in the Department of Taxation as a pilot project to study the extent to which persons have evaded payment of taxes by failing to file returns or underreporting their income and to study the extent to which persons are not paying taxes on gains from illegal activities.

The Department of Taxation and Attorney General and the Hawaii Crime Commission testified in favor of the measure.

Your Committee finds that tax fraud cases are neither investigated nor prosecuted by the State due to the lack of sufficient enforcement personnel.

The bill has been amended to provide that the principal focus of the project shall be that of investigating and prosecuting persons who have evaded the payment of taxes on income gains derived from illegal activities.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2360-82 as amended herein and recommends that it pass Second Reading, in the form attached hereto as H.B. No. 2360-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 54-82 Consumer Protection and Commerce on H.B. No. 2406-82

The purpose of this bill is to amend the notice provision of Section 281-57, Hawaii Revised Statutes, relating to liquor license application.

Under present law, applicants for liquor licenses are required to notify two-thirds of all owners or lessees of real property located within 500 feet of the premises for which the license is being applied, and three-fourths of all owners or lessees of real property located within 100 feet of the premises. All joint owners are included in the notice requirement, as are all lessees, whether or not the lessee is noted as such in any government record.

Your Committee finds from testimony presented that the present requirement, together with the increasing number of large unult-unit buildings, has created an unreasonable burden for applicants not commensurate with any benefit of corresponding magnitude which justifies such a stringent requirement.

Your Committee also received testimony indicating that the practice which has developed in the interpretation of Section 281-87, Hawaii Revised Statutes, has been to require that the mailing of notice pursuant to this section be certified by the Postal Service. Your Committee notes that this requirement may be more stringent than the statutory mandate, and while not amending the bill to so reflect, reiterates and clarifies its intent that the notice requirement is satisfied by an affidavit of mailing executed by the applicant, and that such certification is not contemplated by the statutes.

This bill would eliminate the requirement that lessees be notified by mail of an application. This change would alleviate the burden imposed on applicants of discovering whether a particular property is in fact leased and the identity of the lessees.

While in agreement with the intent of the bill, your Committee feels that notifying certain lessees serves a legitimate purpose as in the case where an owner of a large tract of subdivided real property has leased it for residential use. Your Committee has therefore amended the bill to retain the notice requirement for lessees, but only for those lessees who appear as such in the records of a government agency which are open for inspection by the public.

Your Committee has also amended the bill by adding a provision that notice to one fee owner or to one lessee, in the case of property which has multiple owners or multiple lessees, is sufficient notice to all other owners or lessees for purposes of the section.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2406-82 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2406-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 55-82 Consumer Protection and Commerce on H.B. No. 2407-82

The purpose of this bill is to prohibit the issuance of a liquor license unless the applicant does not owe any Federal taxes.

Under present law, applicants must present a certificate to the liquor commission issued by the Department of Taxation, certifying payment of all State taxes. This bill would extend that requirement to include a certificate from the Internal Revenue Service.

Your Committee heard testimony that the present provision has aided the Tax Department in the collection of taxes, and therefore feels that the same assistance can be provided to the Internal Revenue Service for the collection of Federal taxes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2407-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 56-82 Consumer Protection and Commerce on H.B. No. 2092-82

The purpose of this bill is to amend Chapter 287, Hawaii Revised Statutes, to conform inconsistencies in the chapter and to clarify the applicability of Section 287-20, Hawaii Revised Statutes.

Your Committee finds from testimony presented that several inconsistencies exist under current law between certain provisions of Chapters 287 and 294, Hawaii Revised Statutes. This bill would conform the provisions of Section 287-1, 7, and 18, Hawaii Revised Statutes, to the applicable provisions in Chapter 294, Hawaii Revised Statutes.

This bill would also amend Section 287-3, Hawaii Revised Statutes, to reflect the transfer of the traffic violations bureau, formerly a part of the county police departments, to the Judiciary. Your Committee has amended this provision by deleting the requirement

that information of injury or damage be furnished which the bureau does not possess, and has amended the maximum fee collectible to \$2.

This bill also amends Section 287-17, Hawaii Revised Statutes, to conform it to Perez v. Campbell, 402 U.S. 637 (1971), which held a similar provision in conflict with the Bankruptcy laws and in violation of the Supremacy Clause.

This bill also clarifies the applicability of Section 287-20, Hawaii Revised Statutes, by specifically including adjudications of driving under the influence of an intoxicating liquor within its provisions. Interpretations of the present law are unclear as to whether the section applies to convictions under Section 286-155, Hawaii Revised Statutes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2092-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2092-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 57-82 Ocean and Marine Resources on H.B. No. 2303-82 (Majority)

The purpose of this bill is to support the development of fisheries resources by providing additional funds for the Small Fishing Vessel Loan Program (PED).

Your Committee finds that the Small Fishing Vessel Loan Program was established by Act 167, SLH 1975, to insure the continued orderly development of Hawaii's commercial fishing fleet by providing financial assistance for the maintenance and repair of commercial fishing vessels under five net tons. Your Committee further finds that the program was amended by Act 70, SLH 1976, by broadening its scope to include vessel purchase, construction, and renovation in addition to maintenance and repair.

Testimony before your Committee by the Department of Planning and Economic Development reveals that Act 1, SpSLH 1981, appropriated \$100,000 to this program for each of the fiscal years in the current biennium. The appropriation made in the current year has been allotted to the program and as of December 31, 1981, the Small Fishing Vessel Loan Program had only \$39,926 available for loans. Currently, there is one loan being processed in the amount of \$39,200 which would deplete the available funds. To date the Department has been unable to accept six applications for lack of funding. As of February 17, 1982, there is a backlog of loan applications amounting to \$265,000.

Your Committee agrees with the Department that to further enhance the fishing industries is deserving of the fullest measure of public support.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2303-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 58-82 Ocean and Marine Resources on H.B. No. 2183-82

The purpose of this bill is to provide for the clarification of powers and duties of the Marine Affairs Coordinator and the Department of Planning and Economic Development with respect to marine coordination functions.

Your Committee finds that if Hawaii is to capitalize on the immediate and long-term opportunities to develop and utilize marine resources, it is essential that the total efforts of the State's planning, research, development, and promotion of the marine environment be effectively coordinated.

Your Committee further finds that the powers and duties of the Marine Affairs Coordinator will primarily be advisory, while assigning to the Department of Planning and Economic Development the other powers and duties which the statute currently assigns to the Marine Affairs Coordinator.

Testimony presented before your Committee by the Deputy Director of the Department of Planning and Economic Development strongly supports the intent and purposes of this bill.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2183-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sakamoto.

SCRep. 59-82 Ocean and Marine Resources on H.B. No. 2330-82

The purpose of this bill is to support the State's commercial fishing industry and benefit fish consumers by providing funds for further development of the "ELISA" (enzyme-linked immunosorbent assay) procedure for testing fish for ciguatera.

Your Committee finds that ciguatera fish poisoning is intoxication resulting from consumption of predominantly reef fish bearing one or more toxins, including ciguatera. At present, there is no method of preparing fish for human consumption that detoxifies, neutralizes, or inactivates the toxins.

Testimony before your Committee by the Department of Land and Natural Resources and the Department of Health indicated that a major constraint to solving the ciguatera fish poisoning problem is the lack of an inexpensive and rapid test for measuring the toxin levels. Dr. Y. Hokama of the Pathology Department of the University of Hawaii School of Medicine has perfected the RIA (radio-immuno-assay) method to measure toxin levels in fish flesh samples on a mass scale. However, the RIA method is an expensive and time-consuming test, not practical for quick testing of fish in the field. The RIA method costs about \$5.00 per sample with a minimum of 3 samples required per fish.

The "ELISA" technique now being perfected by Dr. Hokama would cost about half the amount per sample analysis, and would, additionally, provide a ciguatera assay method simpler to perform and more suitable to mass testing. A fully developed "ELISA" technique would be a useful research tool and more feasible for commercial application by making it possible for commercial fishers or market operators themselves to test their fish inexpensively and reliably at sea or in the marketplace.

Your Committee agrees with the Department that the development of the "ELISA" procedure for testing fish for ciguatera is deserving of the fullest measure of public support.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2330-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sakamoto.

SCRep. 60-82 Higher Education on H.B. No. 2140-82

The purpose of the bill is to appropriate \$105,000 to the University of Hawaii for preparation of a Master Plan and Environmental Impact Statement (EIS) for its new campus development at Windward Community College. This amount would supplement a prior appropriation of \$45,000 and enable the University to hire a consultant to conduct the necessary studies.

Windward Community College presently occupies approximately 60 acres adjacent to the State Hospital in Kaneohe which will be developed into its new campus. The college has converted and is using 8 former ward buildings as classrooms, labs, offices, and related space.

The Educational Development Plan (EDP) for the college was completed and approved by the Board of Regents in December 1979. Work on the educational specifications, which translates educational requirements into space requirements has been initiated. Concomitantly, the college needs to update the electrical service, investigate the condition and fire fighting capability of the water system and also update the sewer system to service the existing as well as any new facilities. These all will be addressed and incorporated into the proposed Master Plan for the college.

The \$105,000 appropriation in the subject bill is similar to the amount recommended by the Board of Regents in the 1982-83 Supplemental Budget but deleted by the Governor. The University supports the appropriation so long as the 1982-83 Supplemental CIP

request for the University, as recommended by the Governor, otherwise remains intact.

Your Committee has amended this bill to change the expending agency from the University of Hawaii to the Department of Accounting and General Services which handles all University Projects.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2140-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2140-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Segawa and Sakamoto.

SCRep. 61-82 Consumer Protection and Commerce on S.B. No. 66

The purpose of this bill is to regulate transient vacation rental units.

Your Committee finds that the State is losing tax revenues because the general excise tax is not being paid on income derived from transient vacation rental units. The provisions of this bill are designed to reduce such lost revenues by requiring that any person, prior to offering a lodging unit for transient rental use, file a disclosure statement with the Department of Taxation. The disclosure statement is to include the name, address, and telephone number of the person offering to rent the unit and the name, address, and telephone number of managing agent responsible for the rental units.

While in agreement with the intent of the bill, your Committee has amended the definition of "lodging unit" to include any structure, whether or not a unit is a multi-unit building, which is used for residential purposes.

Your Committee has also amended the bill by removing the geographical area limitations on the disclosure requirement contained in section -2(c).

In order to allow persons affected by the bill adequate time to comply with its provisions, the disclosure statement provided for by the bill is required to be filed 120 days after the bill is enacted. Your Committee has also amended the effective date of the bill to allow the Department of Taxation sufficient time to prepare for the new function.

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

Signed by all members of the Committee.

SCRep. 62-82 Consumer Protection and Commerce on H.B. No. 2481-82

The purpose of this bill is to extend the exemption from the wholesale liquor tax provided for fruit wine manufactured in Hawaii from June 30, 1981 to June 30, 1987.

Under present law, fruit wine manufactured in the State is entitled to a wholesale liquor tax exemption. This exemption was originally enacted to aid new companies in the field in establishing their business and to provide incentive for potential entrants into the area. It was projected the the initial five year exemption would be sufficient time for the industry to establish itself in the local market. Your Committee heard testimony, however, stating that no grape wine produced in the State has yet been marketed commercially, although pineapple wine has been sold successfully.

This bill would extend the tax exemption for fruit wines another six years to 1987. Your Committee has amended the bill by extending the exemption to 1986 and narrowing the exemption to include only grape wines.

Your Committee has further amended the bill by excluding okolehao from the exemption.

Your Committee also heard testimony from the Department of Taxation that there is currently pending in the Hawaii Supreme Court a case challenging the constitutionality of the entire exemption section. In the event that the State receives an adverse ruling in the litigation and to avoid the entire liquor taxing section being struck down, your

Committee has added a provision to the bill repealing the exemption for wine and rum should any adjudication hold the exemptions unconstitutional.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2481-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2481-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 63-82 Higher Education on H.B. No. 2876-82

The purpose of this bill is to improve the personnel policies and practices of the University of Hawaii.

H.B. No. 2876-82 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 hereof could be less than meaningful.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2876-82, as amended herein, and recommends that it be recommitted to the Committee on Higher Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2876-82, H.D. 1.

Signed by all members of the Committee except Representatives Ige, Sakamoto, Takamine, Anderson, Segawa and Takitani.

SCRep. 64-82 Corrections and Rehabilitation on H.B. No. 2318-82

The purpose of this bill is to transfer the Intake Service Center (ISC), its board, and its statutory functions to the Judiciary Branch. Furthermore, the Intake Service Center Board shall advise and recommend policies, directions, priorities, and procedures for the operation of intake service centers to the Chief Justice.

Under present law the ISC is administered by the Department of Social Services and Housing under the Executive Branch. This arrangement has caused jurisdictional problems and duplication of services between the ISC and the Judiciary.

Your Committee is in agreement with the Executive and Judiciary Branches that the transfer of the ISC in total to the Judiciary Branch will enhance the efficiency of the criminal justice system. The consolidation of certain functions and resources of the ISC and the Judiciary will reduce fragmentation and duplication of services.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 2318-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 65-82 Employment Opportunities and Labor Relations on H.B. No. 2461-82

The purpose of this bill is to create an interagency program of employment preparation and planning services for youth and adults of the State. This would be achieved by establishing a State Interagency Employment Preparation and Planning Council which would coordinate various programs of the Department of Education, Department of Labor and Industrial Relations, Department of Social Services and Housing and other agencies. Also included in this bill would be the establishment of school-to-work transition service centers.

Presently, many agencies offer many different programs which deal with employment

preparation and planning. Some overlap does occur now. Establishment of such an agency would allow for these programs, staffs and facilities to be coordinated. Two successful school-to-work transition centers exist at Waialua High School and Kaimuki High School, known as the Career Resource Centers (CRC). It is hoped that these two CRCs would serve as models and bases for similar programs in other districts.

Your Committee has amended this bill by deleting the appropriations requested in the bill (Section 2). For the purpose of consistency your Committee has also amended the bill by renumbering Section 3 to Section 2.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 2461-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2461-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 66-82 Consumer Protection and Commerce on H.B. No. 2334-82

The purpose of this bill is to make permanent the existing regulations prohibiting price discrimination in the supplying of liquor to wholesalers in Hawaii.

The present prohibitions on price discrimination on liquor supplied to Hawaii wholesalers, were enacted by Act 280, Session Laws of Hawaii, 1980, and are scheduled to expire on June 30, 1982. This prohibitions, known as the "affirmation" law, insures that liquor sold to a Hawaii wholesaler is at the lowest price offered to any other wholesaler in the United States.

This bill would remove the expiration date on Act 280, and make permanent the prohibition on discriminatory pricing.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2334-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 67-82 Consumer Protection and Commerce on H.B. No. 2161-82

The purpose of this bill is to exempt private trade, vocational and technical schools licensed by the Department of Regulatory Agencies, from the jurisdiction of the Department of Education.

Under present law, certain kinds of vocational schools such as cosmetology and real estate schools, are regulated by both the Department of Regulatory Agencies and the Department of Education. This dual regulation has created unnecessary administrative effort.

Your Committee heard testimony from the Department of Regulatory Agencies that the Board of Cosmetology and the Real Estate Commission both have regulations which adequately address the issues of curriculum, instructors and operation of their respective schools.

While in agreement with the intent of the bill your Committee has made a clarifying amendment to paragraph (8) of Section 300-41, Hawaii Revised Statutes, to reflect the fact that it is a board or commission of the Department of Regulatory Agencies that regulates such schools.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2161-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2161-82, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 68-82 Consumer Protection and Commerce on H.B. No. 161

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

Under the present Chapter 486A, bread sold in the State is required to be packaged in weights of only three-fourths pound, one pound, one and one-half pounds, and multiples of one pound.

This bill would repeal all requirements relating to the weight of bread sold in Hawaii.

Your Committee has amended the bill to allow bread to be sold in one-half pound sizes in addition to those presently allowed. Your Committee feels that this would allow consumers more flexibility in their food purchases.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 161, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 69-82 Consumer Protection and Commerce on H.B. No. 2168-82

The purpose of the bill is to eliminate the provisions requiring itinerant vendors of medicine, drugs or devices to obtain a license.

Under present law, itinerant vendors of drugs, medicines, or devices are required to obtain a permit from the Department of Health to engage in the business of vending.

Your Committee heard testimony from the Department of Health that they have not issued a permit to an itinerant vendor in the past 17 years and they do not anticipate issuance of any permits in the future. Virtually all medicines are attainable from pharmacies, markets and other retail stores at lower prices.

Your Committee feels that with accessibility to and variety of over-the-counter drugs, there is little, if any, need for itinerant vendors.

Your Committee has made a technical correction to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2168-82, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2168-82, H.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 70-82 Consumer Protection and Commerce on H.B. No. 2193-82

The purpose of the bill is to set a maximum number of years a license may be suspended and to prohibit a licensee, whose license has been revoked from applying for a new license for at least two years.

Presently, most boards and commissions in the Department of Regulatory Agencies do not have penalty provisions setting a maximum number of years a license may be suspended, or a minimum period for revocation.

Your Committee heard testimony from the Attorney General's Office, the Department of Regulatory Agencies, and the Board of Agriculture that establishing guidelines for a maximum period of suspension and a minimum period for revocation will eliminate the confusion and possibility of unnecessary inquiries and litigation.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2193-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 71-82 Consumer Protection and Commerce on H.B. No. 2198-82

The purpose of this bill is to allow the Board of Dental Examiners to schedule the dental and dental hygienist examinations at their discretion, and to mandate the Board to accept, for the practical examination, applicants who have passed the theory examination of the National Board of Dental Examiners.

Under present law, the examinations can be administered only during the months of February and August. In addition, the Board of Dental Examiners is not required to accept as applicants, individuals who have passed the theory examination of the National Board of Dental Examiners.

Your Committee heard testimony from the Board of Dental Examiners that they have encountered inconveniences administering the examinations within the specified months because they rely upon the availability of the military dental facilities at Pearl Harbor.

The Board of Dental Examiners also stated that the theory portion of the State dental board examination is identical to the national board examination.

Your Committee feels that allowing the Board of Dental Examiners to schedule the examinations would be more reasonable and would alleviate the existing problems incurred by the Board and graduates.

Furthermore, Your Committee feels that mandating the Board of Dental Examiners to accept applicants who have passed the national board exam will clarify the existing law, since the State and national theory examinations are identical.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2198-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 72-82 Consumer Protection and Commerce on H.B. No. 2190-82

The purpose of this bill is to extend the open rating of no-fault insurance premiums from August 31, 1983 to August 31, 1988.

The Hawaii No-Fault Insurance Law currently provides for an open competition rating system which will expire on August 31, 1983, at which time, the system will convert to uniform rates set by the State.

Your Committee heard testimony from the Risk and Insurance Management Society Inc., the Department of Regulatory Agencies, the Hawaii Insurers Council and the State Farm Insurance Companies of Hawaii that consumers have benefited from the existing open competitive rating system, which allows insurers to compete for automobile insurance business by setting their own rates.

This bill would extend the open competitive rating system to August 31, 1988. Your Committee feels that the system has fostered competition among insurers and has proven to be advantageous to consumers.

Your Committee has made a technical correction to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2190-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2190-82, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 73-82 Consumer Protection and Commerce on H.B. No. 2192-82

The purpose of this bill are to (1) clarify the signature requirements of corporate officers in the filing of certain documents, (2) provide for a later filing deadline for annual foreign corporation exhibits, and (3) provide for specific rule making authority under Chapters 416 and 418, Hawaii Revised Statutes.

Under present law, documents filed with the Department of Regulatory Agencies which amend the Articles of Incorporation, increase or reduce capital stock, or renew the term of existences, all require the signature of two corporate officers. In order to insure the validity of the documents, this bill would require that two different individuals who are corporate officers sign these documents.

Current statutory provisions require all Hawaii and foreign corporations to file their annual exhibits by March 31 of each year. Your Committee heard testimony from the Department of Regulatory Agencies that over 15,000 documents are received within a period of two months as a result of the combined deadline. This bill would allow a foreign corporation until June 30 to file its exhibits in order to spread the workload of the Department over a longer period.

Presently, Section 269(i), Hawaii Revised Statutes, contains only a general rule making power for the Director of Regulatory Agencies. This bill would clearly define those powers for Chapters 416 and 418, Hawaii Revised Statutes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2192-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 74-82 Consumer Protection and Commerce on H.B. No. 2197-82

The purpose of this bill is to allow the Board of Dental Examiners to schedule the dental and dental hygienist examinations at their discretion.

Presently, the law specifies that the examinations must be administered only during the months of February and August.

Your Committee heard testimony from the Board of Dental Examiners that administering examinations only during the months of February and August has inconvenienced dental and dental hygienist graduates. In addition, the availability of examination clinics within the prescribed months has created problems for the board in the past.

Your Committee feels that allowing the Board of Dental Examiners to schedule the examination at its discretion would be more reasonable and would alleviate the existing problems incurred by the board and applicants.

Your Committee has amended the bill by deleting the phrase requiring an applicant to be of good moral character. Your Committee feels that this provision is unnecessary and difficult to enforce.

Your Committee has also amended the bill by deleting the phrase requiring the examinations to be conducted in the English language.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2197-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2197-82, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 75-82 Consumer Protection and Commerce on H.B. No. 2031-82

The purpose of this bill is to repeal Sections 445-116 to 445-119, Hawaii Revised Statutes.

Your Committee feels that the aforementioned sections are anachronous and therefore recommends its repeal.

Your Committee has notified the Director's office of the Department of Building, City and County of Honolulu, of the purpose of the bill. They have stated no objections to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2031-82 and recommends that it pass Second Reading and be

placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 76-82 Consumer Protection and Commerce on H.B. No. 2196-82

The purpose of this bill is to establish insurance and bonding requirements that a licensed contractor must maintain in order to do business as a contractor.

Present law does not clearly require the maintenance of liability insurance or bonding. This bill would create a new section in Chapter 444, Hawaii Revised Statutes, requiring licensed contractors to maintain such coverage at all times. Failure to maintain said insurance and bonding coverage would result in automatic suspension of the contractor's license and eventual termination unless the coverage is reestablished within 60 days.

Your Committee finds that it is in the best interests of consumers to require liability insurance and bonding coverage at all times in addition to workers compensation coverage. Your Committee also finds that the present procedure of applying to the hearings officer under the Administrative Procedure Act for the suspension of a license for failure to maintain workers compensation insurance coverage can create situations where a contractor is allowed to operate for up to one year without coverage while awaiting hearing. Because of this potential problem and the backlog of cases before the hearings officer that such applications have contributed to, your Committee agrees with the automatic suspension and termination provision of the bill.

Your Committee has made a technical, non-substantive amendment to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2196-82, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2196-82, H.D. 1.

Signed by all members of the Committee.

SCRep. 77-82 Consumer Protection and Commerce on H.B. No. 2270-82

The purpose of this bill is to clarify current statutory provisions relating to the cancellation or failure to renew no-fault insurance policies.

Present law relating to cancellation or non-renewal of no-fault policies are contained in Sections 294-9 and 431-448.1, Hawaii Revised Statutes. Your Committee heard testimony that uncertainty has arisen in the interpretation of the two sections in relation to each other. Recent State trial court decisions have held that no-fault policies which have expired are nevertheless automatically renewable on a retroactive basis.

This bill would make clear that despite the 30 day notice provision contained in Section 294-9(c), a no-fault policy will expire at the end of its term, when a timely offer by the insurer to renew the policy is not accepted by the insured. In the case of a policy expiration, the requirements with regard to cancellation or refusal to renew prior to expiration will not apply.

Your Committee has amended the bill by repealing the present section 431-448.1, Hawaii Revised Statutes, since its intent is duplicative of Section 294-9, Hawaii Revised Statutes, and is less comprehensive.

Your Committee has also made technical form and style corrections to the bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent of H.B. No. 2270-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2270-82, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 78-82 Judiciary on H.B. No. 2333-82

The purpose of this bill is to amend section 23G-16.5, Hawaii Revised Statutes, to facilitate research of amended statutes in the Session Laws of Hawaii.

At present, determining what specific changes have been made to the statutes or determining the exact wording of the deleted sections requires a comparison between the new sections as printed in the session laws and the old revised statutes. This bill will require that the Session Laws of Hawaii include the brackets, the bracketed material, and the new sections. Presently, the session laws neither include the deleted material nor clearly identify the new material by underscoring or italicizing.

Your Committee on Judiciary received testimony from the Department of the Attorney General and the Director of the Legislative Reference Bureau who are in agreement with this bill. In addition, Samuel B.K. Chang, Legislative Reference Bureau Director, stated that this amendment will minimally increase the cost and production time, but the benefits would greatly outweigh the cost.

Your Committee has incorporated the recommendation of the Legislative Reference Bureau to exclude materials or sections that are completely new and those that are repealed in their entirety.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2333-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2333-82, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 79-82 Judiciary on H.B. No. 2022-82

The purpose of this bill is to amend Section 851.1, Hawaii Revised Statutes to enable judges to accept a motion for deferred acceptance of a nolo contendere plea upon a plea of nolo contendere.

Present statutes specifically permit a judge to accept a motion for deferred acceptance of a guilty plea upon a plea of guilty, but are silent with respect to a plea of nolo contendere.

For purposes of sentencing, there is no difference between a guilty plea and a nolo contendere plea. However, a plea of nolo contendere cannot be used against a defendant in a civil suit, whereas a guilty plea is admissible as an admission against interest in any subsequent civil action.

The proposed change will conform the statute to the decisional ruling of the Hawaii Court of Appeals in State of Hawaii v. Brown, 1 H.A. 602, 623 P2d. 892 (1981). The Court held that Hawaii Revised Statutes 853 does not prohibit the court's inherent power to grant or deny a motion for deferred acceptance of a nolo contendere plea upon a plea of nolo contendere.

Your Committee on Judiciary is in accord with the intent and purposes of H.B. No. 2022-82, and recommends it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 80-82 Finance on H.B. No. 2027-82

The purpose of this bill is to repeal Section 4455146, Hawaii Revised Statutes.

Your Committee believes that Section 445-146, Hawaii Revised Statutes which was enacted in 1896, is out-of-date and therefore recommends its repeal. Your Committee finds that the Counties may appropriately regulate cake peddling through their own regulations and ordinances.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2027-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 81-82 Finance on H.B. No. 2028-82

The purpose of this bill is to repeal Section 445-98, Hawaii Revised Statutes.

Your Committee feels that Section 445-98, Hawaii Revised Statutes, which was enacted in 1896 is out of date and therefore recommends its repeal.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2028-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 82-82 Finance on H.B. No. 2026-82

The purpose of this bill is to repeal Section 445-161, 445-162, 445-163, 445-164 and 445-165, Hawaii Revised Statutes.

Your Committee feels that the aforementioned sections which were enacted in 1896 are out of date and therefore recommends their repeal. Your Committee finds that the Counties may appropriately regulate public shows through their own regulations and ordinances.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2026-82, H.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. 83-82 Finance on H.B. No. 2430-82

The purpose of this bill is to allow residents of the State, whether or not they have resided in the State for nine months, to claim the \$100 tax credit.

Act 231, Sessions Laws of Hawaii 1981, provides a \$100 tax credit for each resident individual who has physically resided in the State for more than nine months. This bill would eliminate the requirement that the resident individual physically reside in the State for more than nine months in order to claim the tax credit. The reasons stated in the bill for eliminating the nine months requirement generally reflects the intention of the 1981 Legislature in enacting this one-time tax credit.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2430-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 84-82 Agriculture on H.B. No. 2150-82

The purpose of this bill is to provide for exceptions, when specifically provided for, to the penalty provisions contained in section 142-12, Hawaii Revised Statutes, for violations of the provisions of Chapter 142, relating to animals, brands, and fences.

Section 142-12, Hawaii Revised Statutes, provides a general penalty for violations of Chapter 142 of a fine not more than \$500 or imprisonment not more than 6 months or both. Your Committee finds that H.B. No. 2148-82 proposes establishing a penalty of a fine not more than \$1,000 or imprisonment not more than 6 months or both for a violation of provisions governing the use of garbage as swine feed. Therefore, your Committee finds that this bill is necessary to allow exceptions to the general penalty provided by section 142-12, Hawaii Revised Statutes, particularly the more stringent penalty proposed by H.B. No. 2148-82 for violations of provisions governing the use of garbage as swine feed.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2150-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 85-82 Agriculture and Judiciary on H.B. No. 2148-82

The purpose of this bill is to prohibit the feeding of raw or inadequately cooked garbage to swine as a preventative measure against the possible introduction of feared swine diseases such as hog cholera and African Swine Fever and also establish a specific penalty for a violation of this prohibition of a maximum \$1,000 or six months imprisonment, or both.

Your Committees find that swine diseases such as hog cholera and African Swine Fever are highly contagious viral diseases primarily transmitted by feeding of raw or improperly processed garbage to swine.

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

Your Committees on Agriculture and Judiciary are in accord with the intent and purpose of H.B. No. 2148-82 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 86-82 Public Assistance and Human Services on H.B. No. 2391-82

The purpose of this bill is to establish a demonstration home care services project from January 1, 1983 through June 30, 1985 within the Department of Social Services and Housing to study the adequacy and cost effectiveness of providing coordinated home care services to individuals in order to prevent costly and often inappropriate institutionalization. The project will be administered to a sample group of two hundred individuals who are eligible for medical assistance, medically eligible for placement in a hospital or residential health care facility, and able to reside in their home or the home of another adult. Individuals must be certified by a physician as able to remain in a home environment. The cost of services provided shall not exceed a maximum of 75 per cent of the current medical reimbursement rate for the level of health care for which the applicant is medically eligible as prescribed by the physician.

Testimony presented to your Committee cited the need for the development of community-based alternatives to institutionalization. Many health care providers and consumers throughout the State recognize that our present provision of home care services is inadequate in meeting the growing needs of individuals who risk institutionalization due to illness, incapacity, or the absence of a caretaker/relative. Many families are highly stressed because of the lack of support services available to them for the care of their elderly or disabled relative. Furthermore, all testimony supported the establishment of the home care services project. It will give the State good and needed information about the cost of home care versus institutional care and about individual preference.

Your Committee has amended the bill by making the following changes which are listed below:

- (1) On page 2, line 5, by deleting "Home Care Services" and replacing it with "Nursing Home Without Walls".

The basic concept of the home care services demonstration project proposed by this bill is modeled after the "Nursing Home Without Walls" program in New York. The proposed Hawaii legislation has informally become known as the "Nursing Home Without Walls Project", and the title of this subpart has been amended to include this terminology for clarity and identification purposes.

- (2) On page 2, line 5, by adding "Nursing home without walls demonstration project; establishment. There is established a nursing home without walls demonstration project which shall be part of the medical assistance program. The nursing home without walls demonstration project shall provide home care services to persons who are eligible under the medical assistance program and whose health conditions qualify them for care in a skilled nursing facility or intermediate care facility. The purpose of the nursing home without walls demonstration project is to allow persons who would otherwise require institutionalization to remain in independent residences."

The purpose of adding this paragraph is to further clarify the purpose and goals of the Nursing Home Without Walls Demonstration Project.

(3) On page 2, line 14, by deleting the word "primarily" and adding the words "and/or" after the word "arranging,".

The definition for "home care services agency" was originally restricted to those organizations who primarily provide either directly or through contract arrangement the services included in the definition, and the Committee felt that a less restrictive definition was more appropriate.

(4) On page 2, line 15, by deleting the words "or both" after the word "providing".

(5) On page 2, line 16, by deleting the phrase ": one or more of".

(6) On page 2, line 17, by deleting the word "nursing", adding "of a registered nurse or licensed practical nurse" after the word "services", and deleting the word "aide".

This amendment more clearly defines "nursing services" to specify licensed personnel and to clearly distinguish between the concept of home health services and the position of home health aide.

(7) On page 3, line 4, by inserting "assessment" after the word "coordinated".

The word "assessment" was added because it is an integral concept within the Nursing Home Without Walls Demonstration Project and should be included in the program responsibilities.

(8) On page 3, line 11, by adding a semicolon after the word "adult" and deleting the remainder of line 11, and lines 12 and 13.

The focus of this demonstration project is to evaluate the implementation of a coordinated home care services program for the individual in his home environment. The Committee felt that there was no need to list further restrictions on the location of services being provided.

(9) On page 3, line 14, by deleting the words "aide" and "simple".

For consistency with previous definitions, the word "aide" was deleted in order to refer to a type of service, not a specific position.

(10) On page 4, lines 12 and 21, by renumbering the following paragraphs to read as follows:

line 12, "(6)" is changed to "(8)";
line 21, "(8)" is changed to "(6)".

The paragraphs were renumbered to reflect a more logical progression of definitions in the bill.

(11) On page 5, line 8, by inserting the words "nursing home without walls" between the words "of" and "demonstration".

For consistency, the title of the project as amended is carried over to this section.

(12) On page 6, line 2, by inserting the words "applicant or applicant's advocate" after the word "physician,".

The Committee felt it was important to include the applicant or the applicant's advocate in the assessment process. This individual will probably lend insight and provide valuable information for the team's consideration in home services planning. This is a consumer issue and expressed need.

(13) On page 6, line 5, by deleting the words "long-term".

(14) On page 6, line 9, by adding the phrase "applicant or applicant's advocate," after the word "physician,".

(15) On page 6, line 11, by deleting the words "long-term".

(16) On page 7, line 6, by inserting "and certifies the applicant to require residential

health care facility services." after the word "services".

(17) On page 7, line 8, by deleting the words "provisions of" and replacing it with "option available under".

In order to meet the eligibility criteria set forth in this bill, the individual applicant must have health conditions or problems that qualify him/her for care in a skilled nursing or intermediate care facility. The inclusion of this phrase insures that the individual is formally certified for the SNF/ICF levels of care and, hence, eligible for this program.

(18) On page 7, line 22, by deleting the comma after the word "patients" and replacing it with a period, and by deleting the remainder of subsections (a), (b), and (c) and incorporating subsection (d) into subsection (a).

The Committee was concerned that there may not be any agencies who are presently providing or would be able to provide the services on a cost effective basis to the potential clients on each neighbor island. Issues centering around distribution were discussed with the members and providers. It was decided to delete any restrictions on the distribution of clients so as to avoid an unnecessary six-month delay in the implementation of the project. However, the Department of Social Services and Housing should make every effort to provide the services statewide.

(19) On page 8, line 13, by deleting the word "If" and inserting "Before authorizing care in a residential health care facility, the physician of".

(20) On page 8, line 14, by deleting lines 14-20, after the word, "subpart," and replacing it with "shall notify the person in writing of the option available under this section so long as the maximum size or capacity of this program is not reached."

(21) On page 9, line 3, by adding "the patient, the patient's advocate, and" after the word "with".

(22) On page 9, line 4, by deleting the period after "assessment" and by adding "and shall receive written approval from the patient for such plan. The care plan shall be approved by the director.

(23) On page 13, line 11, to insert the amount of "\$60,000".

This amount is appropriated for the purpose of employing a nurse coordinator, social worker, and consultant.

(24) On page 13, line 6, by adding a new sentence to read: "The department shall apply to the Department of Health and Human Services for all waivers necessary to receive maximum federal reimbursement for the provision of home care services to medicaid eligible clients under this demonstration project."

(25) On page 13, line 19, by changing the date from "January 1, 1983" to "July 1, 1982".

The date is changed to enable DSSH to begin plans for the recruitment of the two employees and the consultant.

The following amendments were made at the request of the Department of Social Services and Housing to reflect actual and less expensive procedures:

(1) On page 9, line 20, by deleting the word "eligible".

(2) On page 9, line 21, by deleting the words "a full range of" and replacing it with "or arrange for".

(3) On page 11, line 17, by deleting the word "comprehensive" at the end of the line.

(4) On page 11, lines 18 and 20, by deleting the word "assessment" and replacing it with "reassessment".

Your Committee has also made technical, non-substantive amendments to the bill.

Your Committee on Public Assistance and Human Services is in accord with the intent

and purpose of H.B. No. 2391-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2391-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 87-82 Public Assistance and Human Services on H.B. No. 2335-82

The purpose of this bill is to make an appropriation of \$986,000 for a grant-in-aid to the Kaiser Plan Z-5 program to provide comprehensive prepaid medical care to those people in Hawaii whose incomes are less than twice the federal poverty guideline and who do not qualify for either public assistance or medical plans through employment.

Your Committee finds that the Kaiser Plan Z-5 program has filled a considerable need in caring for those in Hawaii's gap group who would otherwise go without medical care because they lack medical insurance and cannot afford to see a doctor. This need, attested to by participants in the Z-5 program, is shown by a current waiting list of more than 2,000 people who would like to enroll in the Plan. Testimony by Z-5 participants further indicated that those who have enrolled in the Plan enjoy better health than before their enrollment. This has enabled participants to maintain their family's health while looking for work. This has helped the State avoid the high cost of providing Medicaid and public assistance to welfare recipients.

Testimony received by your Committee indicates that revenues for the Plan presently comes from the following sources: (1) \$2,184,821 from Public Health Service grant; (2) \$398,000 as reimbursement from Medicare for members over the age of 65; and (3) \$56,500 from members who paid part of their monthly Z-5 Plan dues. The Kaiser administration has been told to expect a reduction of thirty per cent in support by the federal government for FY 1982-1983. This decreasing financial support means that fewer people in the gap group can be served. Testimony from several sources pointed out that prepaid medical care, such as Kaiser's, is cost effective.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2335-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 88-82 Public Assistance and Human Services on H.B. No. 2286-82

The purpose of this bill is to appropriate \$28,000 to purchase a Handy Van for the Molokai Community Action Program of the Maui Economic Opportunity, Inc.

The Molokai wheelchair population presently relies upon a used 1976 handivan which was transferred from Maui in October, 1981. Testimony presented cited major inadequacies in the ability of this van to meet the transportation needs of the wheelchair population, such as a lift that cannot accommodate electric wheelchairs, a capacity limited to three (3) wheelchairs, a low roofline which prevents individuals from entering without bending over, poor ventilation, and the high cost of maintenance due to the age of the vehicle. Your Committee finds that without such an appropriation the disabled population will have only limited access to health and community services, recreational activities, shopping, employment, etc. although such access is vital to maintaining the independence of the disabled individuals.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2286-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 89-82 Public Assistance and Human Services on H.B. No. 2283-82

The purpose of this bill is to appropriate \$34,701 to provide funding for the continued operation of the Molokai Rehabilitation Facility.

The Molokai Rehabilitation Facility is the only facility providing rehabilitation services on Molokai, and the Work Activity Program is the only one of its kind available to handi-

capped persons living on the Island. Clients in the program are able to learn self-support skills through placement in jobs, personal development activities, academic instruction, and counseling. The program thus prevents otherwise costly institutionalization.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2283-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 90-82 Public Assistance and Human Services on H.B. No. 2255-82

The purpose of this bill is to appropriate \$25,000 for fiscal year 1982-1983 to sustain the Hawaii County Economic Opportunity Council's Head Start Program for disadvantaged children.

Due to recent termination of the State Comprehensive Employment and Training Act (SCET) funding, the Head Start Homebase Home Visitor program lost two positions and has had to discontinue providing vital child development services to clients in the North Kohala and Honoaloa/Honouliuli areas. Home visitors work directly with parents in the home setting and have contributed greatly to parents' understanding of their children's needs and development. According to testimony presented by the Hawaii County of Economic Opportunity, parents and community members have been supportive of the program and have actively worked toward the reinstatement of two home visitors to maintain this essential program.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2255-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 91-82 Public Assistance and Human Services on H.B. No. 2238-82

The purpose of the bill is to repeal sections 346-53(c) and 346-55, Hawaii Revised Statutes, which were adopted as early as 1939 to provide the Department of Social Services and Housing with the basis for the provision of assistance for children under the federal Aid to Families with Dependent Children (AFDC) program.

The bill is intended to eliminate outdated and duplicate provisions. HRS §346-53(c) and §346-55 have been replaced with the adoption of HRS §346-7, Acceptance of Grants-in-Aid or Outright Grants and §346-14 (b) relating to cooperation with the federal government in carrying out the purposes of the Social Security Act for receipt of financial assistance from the federal government. These new provisions adequately provide the basis to participate in the federal program. The repeal of sections of the statutes which relate specifically to the Aid to Families with Dependent Children program will eliminate the need to revise the State statutes each time there are changes in the federal law.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2238-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 92-82 Public Assistance and Human Services on H.B. No. 2236-82

The purpose of this bill is to appropriate \$87,151 for fiscal year 1982-1983 for the operation and programs of the Kauai Economic Opportunity, Inc.

The funds requested in this bill are for the After School Care Program and the Community Anti-Crime Program. The After School Care Program provides after school activities for DSSH eligible children so that their parents may become self-sufficient through employment. All of the working parents who are presently employed will have to give up their employment should this program be discontinued. The Anti-Crime Program provides outreach services and information to Kauai residents to help them better understand the criminal justice system and to encourage community participation in crime prevention.

Testimony presented indicated that without this funding, it will be necessary to terminate these programs which now serve a total of 2,372 low-income children and adults.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2236-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 93-82 Public Assistance and Human Services on H.B. No. 2135-82

The purpose of this bill is to appropriate \$76,155 for fiscal year 1982-1983 to hire necessary staff and to maintain the general operations of the Youth Intake Center of the Susannah Wesley Community Center.

The Kalihi-Palama Youth Intake Center is currently in its fourth year of funding as a demonstration project under the Juvenile Justice and Delinquency Prevention Act (JJDP). The program began with the intent of reducing the number of status offenders from entering the juvenile justice system. A recent evaluation has shown that the Center has been successful in meeting its objectives. Of youths assisted by the program, 70% did not get arrested or referred to Family Court during a six-month check after termination, and 78% of their active cases have returned to their schools and homes, and are not being picked up by the police. Furthermore, the Center's activities are closely coordinated with the Juvenile Crime Prevention Division of the Honolulu Police Department and with schools in an effort to help reduce absenteeism and divert the status offenders away from Family Court. With the termination of federal funding, the continuation of this program appears uncertain. Testimony presented to this Committee reflected the importance of continuing the activities of the Youth Intake Center and was in support of this bill.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2135-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 94-82 Public Assistance and Human Services on H.B. No. 2083-82

The purpose of this bill is to amend section 346-29, Hawaii Revised Statutes, to allow the Department of Social Services and Housing to require from any applicant or recipient the assignment of any benefits accruing under private health insurance coverage or automobile insurance coverage in determining eligibility for medical assistance. Any rights or amounts so assigned shall be applied against the cost of medical care paid by the Department.

The Department of Social Services and Housing presently does not require an assignment of health insurance benefits. Instead, applicants and recipients are required to utilize all available health insurance coverage prior to receiving medical assistance, thus making DSSH the last payor. An assignment of benefits is requested from applicants and recipients in any known accident or accident related cases where liability may exist. However, all cases may not be identified. A few clients have been known to refuse to sign an assignment form and have continued to receive medical assistance.

Your Committee has amended this bill by giving DSSH the authority to require all applicants and recipients to assign benefits accruing from third party payors including private health or automobile accident insurance in order to establish eligibility. Thus, DSSH should be able to obtain reimbursement for medical assistance to insured persons. Your Committee has therefore amended page 3, line 15 of the bill by deleting "may require from any applicant or recipient" and by replacing the phrase with "shall require from all applicants and recipients." In reference to the assignment of benefits, the following has been deleted from page 3, lines 16-17: "accruing under private health insurance coverage or automobile accident coverage." It has been replaced with "due to a third party liability."

Your Committee has also amended this bill by making a technical non-substantive amendment.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2083-82, as amended herein, and recommends that it pass

Second Reading in the form attached hereto as H.B. No. 2083-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 95-82 Employment Opportunities and Labor Relations on H.B. No. 2173-82

The purpose of this bill is to repeal certain sections of the law having to do with agricultural employment which are no longer in effect.

Act 148, SLH 1977, transferred agricultural employers covered under Chapter 384, HRS, to coverage under Chapter 383, HRS, as part of conformity legislation required by P.L. 94-566 (1976). Chapter 384, HRS, was retained solely until the transition of coverage from Chapter 384 to Chapter 383 was completed. Inasmuch as the transition was completed on July 1, 1978, and Chapter 384 is no longer necessary, it should be repealed.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 2173-82, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 96-82 Public Assistance and Human Services on H.B. No. 2123-82

The purpose of this bill is to appropriate \$93,269 for fiscal year 1982-1983 to provide a grant-in-aid to the Hawaii County Economic Opportunity Council to maintain direct program services that have been eliminated from the federal budget.

The amount being requested will provide funding for the three following programs:

- (1) The Senior Opportunities and Services (SOS) program provides consumer services, discount bulk buying, and home delivery for isolated rural poverty level elderly who have no other access to transportation for shopping. The program presently serves 341 low-income elderly households with discount bulk buying and home delivery, and approximately 4,500 elderly households with five per cent discount cards for use at selected supermarkets. The amount of \$40,864 has been cut by the federal government. Restoration of this amount will enable the Council to maintain services at the same level.
- (2) Title XX Day Care provides child development programs in Hilo and Kona for 68 children per year and is aimed at breaking the welfare cycle. Low income parents are given free child care which enable them to take job training programs or pursue full-time employment. A cut of \$25,000 or 28 per cent of funding was made by Title XX on November 1, 1981. As of July 1, 1982, the center in Kona will be closed unless the \$25,000 is appropriated.
- (3) The Community Food and Nutrition program helps low income people of all ages maximize their nutrition and savings on food by increasing the access of low-income individuals to government food programs, assisting low-income neighborhoods and housing projects by starting projects that save money through the production, buying and distribution of food, such as community gardens, and the provision of nutritional education and information. The Council is asking to have the federal cut of \$27,405 restored to maintain services for this program.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2123-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 97-82 Transportation on H.B. No. 58

The purpose of this bill is to consolidate land transportation functions at the state level.

House Bill No. 58 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. 58, 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. 58, H.D. 1.

Signed by all members of the Committee except Representatives Andrews and Nakasato.

SCRep. 98-82 Culture and the Arts on H.B. No. 2250-82

The purpose of this bill is to make an appropriation of \$30,000 to provide a grant-in-aid to the Kalihi-Palama Culture and Arts Society to continue its programs for the maintenance, support, preservation, encouragement, and publicity of Hawaii's culture and the arts.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2250-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 99-82 Culture and the Arts on H.B. No. 2214-82

The purpose of this bill is to make an appropriation of \$22,000 to provide a grant-in-aid to the Hawaii Multi-Cultural Center.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2214-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 100-82 Culture and the Arts on H.B. No. 2144-82

The purpose of this bill is to make an appropriation of \$9,759 to provide a grant-in-aid to the Hawaiian Canoe Racing Association for its operating expenses and to promote the sport of canoe racing and preserve the Hawaiian koa canoe.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2144-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 101-82 Culture and the Arts on H.B. No. 2147-82

The purpose of this bill is to amend Section 9-3, Hawaii Revised Statutes, to permit the State Foundation on Culture and the Arts to award grants to qualified associations, corporations, and agencies to implement the preservation and furtherance of culture and the arts and history and the humanities.

Your Committee received testimony from the State Foundation on Culture and the Arts (SFCA) indicating that, according to an informal opinion from the Attorney General, the SFCA presently has no legal authority to award grants for the promotion of culture, the arts, history, and the humanities. Your Committee feels that this bill will provide

the needed statutory authorization for the SFCA to continue to award grants in accordance with its functions and responsibilities.

Your Committee has amended this bill by inserting the word "individuals" in line 20, page 2 of the bill to enable individuals to receive financial assistance in support of their efforts to preserve and further culture, the arts, history, and the humanities.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2147-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2147-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 102-82 Culture and the Arts on H.B. No. 1982-82

The purpose of this bill is to make an appropriation of \$250,000 as a grant-in-aid to the Bishop Museum to enable it to play a greater role as an institution for researching, preserving, and presenting the unique cultural heritage of the State and Pacific Basin.

Your Committee understands that the sums appropriated by H.B. No. 1982-82 shall be utilized for the following departments and agencies of the Bishop Museum:

1.	Bishop Museum Library	\$ 144,000
2.	Division of Ethnology (Department of Anthropology)	76,000
3.	Hawaii Immigrant Heritage Preservation Center	30,000
	TOTAL	<u>\$ 250,000</u>

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1982-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 103-82 Public Assistance and Human Services and Youth and Elderly
Affairs on H.B. No. 2240-82

The purpose of this bill is to reduce the length of time a child, who is receiving federal financial aid, will spend in foster care placement and to promote early reunification with parents, or to have other permanent plans drawn up for the child's care. A second purpose is to conform to Public Law 96-272, 96th Congress, second session, which mandates that states establish statutes on or before October 1, 1982, specifying child care goals for children receiving federal financial aid who have been in foster care for more than twenty-four months.

Your Committees have received testimony from the Department of Social Services and Housing which stated that there is an increasing concern over the length of time that children are in foster care placement without adequate and timely plans for their return to their parents or have other permanent plans arranged. The Department of Social Services and Housing also testified that passage of this bill would further insure the receipt of federal funds to carry out the Department's Child Welfare Program. However, the Department did recommend amendments to assure that the proposed bill would clearly meet the requirements of Public Law 96-272.

Your Committees have adopted the recommendations of the Department of Social Services and Housing by deleting the proposed subsections (a) and (b) of chapter 346 and inserting new subsections (a) and (b) to read as follows:

"(a) Beginning October 1, 1983, not more than forty per cent of the total number of children for whom maintenance is provided pursuant to Part E of Title IV of the Social Security Act may have been in foster care for more than twenty-four months.

(b) Commencing with the federal fiscal year beginning October 1, 1984, the Department

shall reduce by one per cent each fiscal year the total number of children for whom maintenance is so provided and who have been in foster care for more than twenty-four months."

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. 2240-82, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2240-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 104-82 Energy, Ecology and Environmental Protection on H.B. No.
2053-82

The purpose of this bill is to create two environmental planner positions for the Environmental Protection and Health Services division of the Department of Health.

Currently, the Department of Health is involved in many specialized programs and projects as well as a wide variety of day-to-day activities which have a direct influence on the environmental stability and public health of Hawaii. Many of these programs are federally mandated and supported by different methods of matching federal and state funds. The Department of Health is doing a commendable job with very limited resources. However, with the population growing and potential stresses to the environment increasing as well, there is a need to increase the state's ability to provide for short term as well as long range planning for environmental protection. In addition, there are federal grants and project moneys that currently are available but not applied for because the Department of Health does not have the adequate staff to locate these funds and to process the appropriate application forms. The two environmental planners would be able to further benefit the state by locating and applying for these funds.

Your Committee finds that these positions are needed, will provide a benefit to the state and should become permanent by being included in subsequent Department of Health budget requests.

Your Committee has amended this bill to include the amount of \$45,606 needed to fund a Planner V and Planner VI position.

Your Committee has also amended the bill by adding the statement of intent that these planners become a permanent addition to the Department of Health staff.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2053-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2053-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 105-82 Energy, Ecology and Environmental Protection on H.B. No.
2055-82

The purpose of this bill is to establish a state energy policy which will guide public and private energy efforts and programs.

Your Committee finds that energy activities in the State have generally been undertaken without benefit of the oversight which could be provided by a single authority responsible for all aspects of energy development and conservation. In particular, state energy efforts have sometimes been hampered by the lack of clear lines of responsibility and jurisdiction among agencies charged with energy-related functions.

Your Committee further finds that it would be in the best interest of the State to consolidate and coordinate state alternate energy development efforts and energy conservation activities under a lead agency, the Department of Planning and Economic Development.

H.B. No. 2055-82 has been amended as follows:

1. The purpose statement on Page 2 (lines 1-3) has been amended to read:
"The purpose of this Act is to establish a lead state agency which will implement state energy policy and assist public and private energy efforts and programs."

2. On Page 3 (line 20) the words "single authority" have been deleted and replaced by the words "lead agency".
3. On Page 3 to Page 4 the proposed § -2 (titled: "powers.") of the proposed new chapter has been amended to clarify the Department of Planning and Economic Development's jurisdiction as lead agency for energy activities. The department's jurisdiction has been limited to state energy activities and not to county or private energy programs.
4. On Page 5 to Page 7 the proposed § -3 (titled: "Facility energy plans; managers.") of the proposed new chapter has been deleted in its entirety.
5. A new proposed § -3 (titled: "Conservation team pilot project.") has been added. This new proposed section authorizes the establishment of a conservation team to undertake a pilot project to analyze, redesign, plan, carry out alterations, and make recommendations to reduce energy consumption in selected state buildings.
6. SECTION 3 of the bill has been amended by specifying an appropriation figure of \$225,000.
7. Finally, H.B. No. 2055-82 has been amended by making several stylistic, grammatical, and nonsubstantive changes to the bill.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2055-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2055-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 106-82 Agriculture on H.B. No. 2336-82

The purpose of this bill is to provide for the research and development of disease resistant and high yielding varieties of sugar cane.

Your Committee finds that the College of Tropical Agriculture and Human Resources, University of Hawaii, develops an industry analysis and action plan for each of the leading commodity groups which make up the agriculture industry in Hawaii. The University of Hawaii is now in the process of preparing an updated sugar industry analysis and action plan which will identify all areas of research required by the industry to increase yields and reduce the costs of production.

Your Committee has amended the purpose of this bill by amending section 1 of this bill to provide that the research shall include problems, in addition to the development of disease resistant and high yielding varieties of sugar cane, as defined and prioritized by the aforementioned updated sugar industry analysis.

For the purpose of remaining consistent with the amended purpose of this bill, your Committee has amended page 2, lines 2 and 3 of this bill by deleting the phrase "for research and development of disease resistant and high yielding varieties of sugar cane" and replacing it with the phrase "for sugar research and development as provided in section 1 of this Act".

Your Committee has also amended section 4 of this bill to read "This Act shall take effect upon its approval."

Your Committee has received testimony from the Chairman of the Board of Agriculture and the College of Tropical Agriculture and Human Resources, University of Hawaii, supporting this bill and recommending the previously mentioned amendments.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2336-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2336-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 107-82 Agriculture on H.B. No. 2338-82

The purpose of this bill is to provide necessary funds for the planning and designing of a biological research institute.

Your Committee finds that Hawaii is a world leader in the use of classical biological control of pests--that is, the introduction and establishment of natural enemies from different parts of the world to suppress local pest population. Your Committee finds that Hawaii has an enviable and probably the world's most outstanding record of success in practicing biological control. An outstanding recent success concerned the spiraling whitefly which was a terrible nuisance during the summer of 1980, but became rare by the summer of 1981 because of the suppressive action of the natural enemies introduced by the State Department of Agriculture.

Your Committee further finds that the present program of biological control conducted by the State Department of Agriculture is excellent but is somewhat limited by the present facilities. Notwithstanding, your Committee finds that the technology of biological control of insect pests is still relatively primitive and for the State to excel in its biological control program for pests requires a large biological research and rearing center.

Your Committee has heard testimony from several sources, including the Chairperson of the Department of Agriculture, Interim Dean of the College of Tropical Agriculture and Human Resources, and Asher K. Ota of the Hawaiian Sugar Planters' Association. All testimony received strongly support the intent and purpose of this bill.

Your Committee has amended the bill to provide for the lapsing provision.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2338-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2338-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 108-82 Agriculture on H.B. No. 2378-82

The purpose of this bill is to reduce the general excise tax rate on agricultural raw materials from four per cent to one-half of one per cent, which is the general excise tax rate applicable to raw materials used by the industrial sector.

This bill expands the definitions of sale at wholesale to include sales to a licensed agricultural producer or agricultural cooperative association of raw materials to be used in the production of a finished or saleable product. This will apply the one-half of one per cent general excise tax rate to these sales rather than the existing four per cent retail tax rate.

Your Committee has amended this bill by inserting new language to the definition of sales at wholesale. This proposed amendment clarifies the intent of the bill to specifically include the sale of plant nutrients, pesticides, herbicides, and potting medium to certain purchasers as described in the proposed amendment, as sales at wholesale.

Your Committee has also amended this bill to correct an inadvertent omission on page 4, line 20, by inserting the phrase "for producing agricultural products, or bait" after the word "seed".

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2378-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2378-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 109-82 Agriculture on H.B. No. 2366-82

The purpose of this bill is to authorize the Department of Agriculture to receive funds, subject to the approval of the Governor, from private or governmental sources to carry out projects, agreements, contracts, or other transactions necessary in the conduct of business related to the Department's objectives and goals.

Your Committee finds that the Department of Agriculture has been the recipient of

such funds, although there is presently a lack of specific language in the Hawaii Revised Statutes authorizing the Department to do such, in carrying out business relating to its objectives and goals. This bill proposes to insert such enabling language into the Hawaii Revised Statutes.

The Chairman of the Board of Agriculture has testified before your Committee in favor of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2366-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 110-82 Agriculture and Water, Land Use, Development and Hawaiian
Affairs on H.B. No. 1951-82

The purpose of this bill is to promote the production and consumption of agricultural products grown in Hawaii. This is to be accomplished by appropriating monies to induce increases in consumer purchases on Hawaiian grown products and to increase production to meet the increased demand for Hawaiian grown products.

Your Committees find that the purpose of the bill is one that should be supported in view of the State's desire to promote local diversified agricultural activities.

To avoid a possible misinterpretation of Section 1 of the bill, your Committees have deleted the word "in-state" on page 1, line 2.

Your Committees have also amended Section 2 of this bill by appropriating the sum of \$15,000 to be expended for the purpose of this bill.

Your Committees have further amended this bill on page 1, line 12 to designate the Department of Agriculture 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. 1951-82, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1951-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 111-82 Agriculture and Water, Land Use, Development and Hawaiian
Affairs on H.B. No. 1968-82

The purpose of this bill is to investigate the feasibility of producing alternate crops on lands which sugar and pineapple are currently grown and appropriate funds for such research. The study shall include, but not be limited to, (1) the suitability and potential productivity of other crops, (2) the immediate marketability of other crops, (3) the labor force and capital requirements for conversion to other crops, and (4) the projections for the economic viability of other crops.

Your Committees find that such research is necessary in view of the adverse economic conditions facing the sugar and pineapple industries in Hawaii and the possible closing of some sugar and pineapple plantations.

Your Committees have received testimony from the Chairman of the Board of Agriculture, the College of Tropical Agriculture and Human Resources, University of Hawaii, and the Hawaii Farm Bureau Federation supporting this bill.

Your Committees have amended page 2, line 6 of this bill by deleting the comma after the word "lands" and inserting the phrase "and the marketability of such crops".

Your Committees have also amended page 2, line 13 of this bill by deleting the period after the word "grown" and inserting the phrase "and the marketability of such crops."

Although page 2, line 16 of the bill already provides for the marketability of crops to be included in the proposed study, your Committees find the amendments described above necessary to clarify the purpose 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. 1968-82, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1968-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 112-82 Culture and the Arts and Education on H.B. No. 2299-82

The purpose of this bill is to provide the sum of \$87,250 for fiscal years 1982-1983 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. 2299-82 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 113-82 Education on H.B. No. 1547

The purpose of this bill is to provide an appropriation to convert 38 half-time student activities coordinators positions to full-time positions and to provide funds for the planning, implementation and evaluation of elementary leadership programs.

Numerous testimony was received in support of the student activities program. Your Committee agrees with the intent of this bill to establish full-time positions in secondary schools and a student leadership program at the elementary level. The program serves all of the students in the schools by developing student leadership and a good school climate.

Your Committee finds that full-time coordinators would provide uninterrupted, optimum services in assigning students to plan and organize, to assume leadership roles, to experience self governance, and to mature socially, resulting in decreased alienation, violence and vandalism and an improved school climate. At the elementary level, it would provide experiences emphasizing citizenship and leadership skills.

Your Committee has amended the bill by deleting the appropriation for FY 1981-1982 and designating the appropriate fiscal year.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1547 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1547, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 114-82 Education on H.B. No. 646

The purpose of this bill, as received by your Committee, is to provide \$25,000 to fund a full-time school-community relations coordinator position at Aiea High School. The appropriation would provide for effective utilization resources to meet the special needs of students at Aiea High School representing cultural minorities at that school or in Hawaii.

Numerous testimony was received in support of the Resourceful Individuals Seeking Education program at Aiea High School (Project R.I.S.E.). Your Committee agrees with the intent of this bill to establish a full-time position to coordinate the efforts and resources of both the school and community in addressing the problems and meeting the needs of the culturally different, the economically disadvantaged, and the non-traditional student who seeks alternative ways of learning.

Your Committee finds that Project R.I.S.E. is a program of inter-group education in which resources of the school and community are creatively realigned to address not only the needs of the school but also the parental and community concerns such as violence and vandalism, the need to integrate school and community services in servicing special needs and the need to infuse career education and citizenship education.

Your Committee has amended the bill to specifically establish a Project R.I.S.E. coordinator. Your Committee also amended the Purpose Section of the bill by expanding the definition of the group serviced by Project R.I.S.E. In addition, the Committee amended the bill to designate the appropriate fiscal year.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 646, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 646, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 115-82 Education on H.B. No. 34

The purpose of this bill, as received by your Committee, is to recognize the needs of gifted children and to require the Department of Education to provide educational programs to meet their needs within available resources.

Numerous testimony was received in support of providing educational programs and services for gifted and talented students within available financial and physical resources. Your Committee agrees with the intent of this bill to establish a State policy supporting the provision of specialized education services for the gifted and talented children of our State.

However, in recognition of the State's limited fiscal resources, your Committee has amended the bill fundamentally to authorize the Department of Education to provide educational placement and programs for gifted and talented students. In this regard, your Committee has amended the bill in the following principal respects:

- (1) Inserted the "Findings and purpose section" of the bill within a new Part III of Chapter 301, Hawaii Revised Statutes. In addition, your Committee amended the language of the findings and purpose section to conform with the intent of the amended bill to authorize the Department of Education to provide gifted and talented educational placements and programs;
- (2) Amended the definition of "gifted and talented children" to mean students residing in the State who are of compulsory school age and are enrolled in and attending a public school;
- (3) Deleted the "Departmental duty toward gifted children" section and added two additional sections entitled "Programs for gifted and talented children" and "Rules and regulations".

Your Committee provided language in the new "Programs for gifted and talented children" section to authorize the Department to provide a Statewide flexible system of educational placement and programs within the public school system which the Department determines is appropriate for meeting the unique educational needs of gifted and talented children. The section also identifies several factors on which the Department's educational placement and programs shall be based.

Your Committee also added a "Rules and regulations" section to ensure that the bill is not self-executing and therefore will not create any rights or obligations in the absence of rules and regulations adopted by the Board of Education, in accordance with Chapter 91, HRS, to administer and implement this part.

Your Committee also added a new section to the bill to amend the definition of "exceptional children" in section 301-21, Hawaii Revised Statutes, to clarify that "exceptional children" does not include "gifted and talented children" as defined by the bill.

Your Committee on Education is in accord with the intent and purposes of H.B. No. 34, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 34, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 116-82 Housing on H.B. No. 2684-82

The purpose of this bill is to increase the maximum interest rate payable on bonds issued by the Hawaii Housing Authority under Chapter 359, Hawaii Revised Statutes, from eight percent to ten percent.

Under Section 356-29, Hawaii Revised Statutes, the Hawaii Housing Authority is authorized to issue project notes for construction of federal public housing projects. However, because the interest rate ceiling is set at eight percent, a rate which makes such notes virtually unmarketable at the present time, the HHA has been unable to proceed with its construction plans. Increasing the interest rate under this section would in no way obligate the State of Hawaii, for under an arrangement with the United States Department of Housing and Urban Development, the full faith and credit of the United States government backs these project notes.

Your Committee on Housing recommends that this bill be amended so that the interest ceiling is established not at ten, but at eighteen percent.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2684-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2684-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 117-82 Housing on H.B. No. 2201-82

The purposes of this bill are 1) to allow the Hawaii Housing Authority to issue \$25 million in tax exempt revenue bonds under the Hula Mae program to finance home improvement loans and 2) to make a "housekeeping" amendment to Section 356-212 relating to the payment and security of revenue bonds.

In 1979, the Legislature enacted the Housing Loan and Mortgage Act to permit the issuance of revenue bonds for the permanent financing of single-family homes. This bill would extend the successful Hula Mae program to cover permanent financing for home improvements which refers to any alterations, repairs or improvements to existing housing units to improve their basic livability.

The "housekeeping" amendment to the Housing Loan and Mortgage Act would relieve the Hawaii Housing Authority of the burdensome obligation of assigning and delivering to the trustee each mortgage note and the related mortgage for each mortgage loan purchased under the Hula Mae program. The proposed subsection (d) would provide adequate assurance to bondholders that the pledge made by the authority on behalf of the bondholders is a perfected and enforceable pledge.

Your Committee recommends the following amendments to H.B. No. 2201-82:

1. Add a provision to permit the making of eligible loans for targeted area residences which are to replace housing units in targeted areas that have been declared structurally unsalvageable. Other pertinent sections of the Housing Loan and Mortgage Act have been amended to conform to this provision.

The City and County Department of Housing and Community Development testified that there are currently an estimated 330 housing units on Oahu that are severely dilapidated and structurally unsalvageable. Owners of these unsalvageable units currently have no affordable means of replacing their homes. This amendment would help to fill this gap in housing programs.

2. Delete the provision that allows improvement loans to be made to improve the energy efficiency of housing units.

Your Committee feels that the definition provided in the bill may be misconstrued in such a manner that loans could be made solely to improve energy efficiency of housing units. Other energy loan funds are available to low- and moderate-income households and thus, your Committee has decided to delete this provision from the bill.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2201-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2201-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 118-82 Housing on H.B. No. 2113-82

The purpose of this bill is to appropriate \$12 million into the Rental Assistance Fund created by Act 111, Session Laws of Hawaii 1981.

Your Committee has heard innumerable pleas from all sectors of the community for additional assistance in stimulating the production of rental housing. Private production of rental housing has virtually ceased and impending federal cutbacks in housing programs assure an even gloomier picture in the future. Act 111 amended the Hula Mae revenue bond program for multi-family rental housing by creating a rental assistance program that would operate much like the federal Section 8 rental program. Any appropriations to the rental assistance fund would be invested and the earnings therefrom would be used to make rental assistance payments to owners of eligible projects, thereby reducing rents paid by the eligible tenants. The principal amount of the fund would be preserved.

Your Committee has amended the bill by changing the effective date from "upon its approval" to "prior to June 30, 1982."

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2113-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2113-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 119-82 Education on H.B. No. 2305-82

The purpose of this bill is to provide an appropriation for operation 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 finds that Project Holomua has demonstrated that it is an effective alternative for students of all ability levels. In addition, the career education concept has proven to be an excellent motivator for many students who have found the traditional school setting uninspiring.

Your Committee believes that Project Holomua is a viable and flexible medium with which to address the issue of career education throughout the State of Hawaii.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2305-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 120-82 Education on H.B. No. 2767-82

The purpose of this bill is to provide for improvements in the public school system.

H.B. No. 2767-82 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, members of the public cannot be duly apprised, in advance of the hearings, 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 hereof could be less meaningful.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2767-82, as amended herein, and recommends that it be recommitted to the Committee on Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2767-82, H.D. 1.

Signed by all members of the Committee except Representative Aki.

SCRep. 121-82 Education on H.B. No. 2951-82

The purpose of this bill is to improve driver education.

H.B. No. 2951-82 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 hereof could be less than meaningful.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2951-82, as amended herein, and recommends that it be recommitted to the Committee on Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2951-82, H.D. 1.

Signed by all members of the Committee except Representative Aki.

SCRep. 122-82 Education on H.B. No. 2426-82

The purpose of this bill is to provide an appropriation for the installation of an automated, online circulation system for the public libraries.

Your Committee finds that the need for an automated circulation system has been growing over the years with an increasingly serious problem of lost books, both from those borrowed but unreturned, and those stolen outright from the stacks. The loss in borrowed books alone amounted to \$1,343,429 in 1980-1981. In addition, the large volume of overdue bills requiring manual notification has resulted in a six-month backlog, as well as taking needed personnel from other areas.

Your Committee believes that the acquisition of an automated circulation system would eliminate these problems by automatically determining overdues and notifying borrowers; curb a major portion of excessive book losses; utilize the already automated catalog in an intralibrary system; release existing personnel for use in other areas; and increase circulation an estimated 14%.

The system would be implemented in 3 phases, East Oahu, West Oahu, and Neighbor Island libraries. Phase 1, Year 1, East Oahu, would begin with the Kaneohe, Kailua and Waimanalo Libraries.

Accordingly, your Committee has amended the bill by appropriating a sum of \$638,841.00 to provide the necessary components of the initial installation.

Your Committee on Education is in accord with the intent and purposes of H.B. No. 2426-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2426-82, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 123-82 Education and Employment Opportunities and Labor Relations on H.B. No. 2384-82

The purpose of this bill is to provide \$197,000 to continue the Career Opportunity Program as administered by the University of Hawaii Community College Employment Training Office. The Employment Training Office provides a job-oriented career opportunities program for secondary school students who need and are seeking alternatives to traditional curriculum offerings.

Your Committees find that there are growing numbers of students who find the program offered in secondary schools to be inconsonant with their goals and needs.

Your Committees believe that a program designed to provide vocational training and a

means of earning credits to attain a high school diploma should be continued in order to insure that these students receive an adequate education while enabling them to obtain gainful employment.

Your Committees on Education and Employment Opportunities and Labor Relations are in accord with the intent and purpose of H.B. No. 2384-82 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Andrews, Nakasato and Taniguchi.

SCRep. 124-82 Housing on H.B. No. 2097-82

The purpose of this bill is to amend the State Fair Housing Law to provide citizens with equivalent rights and remedies from alleged discriminatory housing practices as those provided under the federal Fair Housing Law.

As the Fair Housing Law now reads, the complainant of an unfair housing practice may become liable for up to \$100 of the respondent attorney's fees should the complaint be dismissed due to lack of evidence of any discriminatory practice. This clause serves to deter aggrieved individuals from filing complaints. In addition, the State's Fair Housing Law is the only law administered by the Department of Regulatory Agencies by which an aggrieved person must pay such fees.

Your Committee received favorable testimony on this measure from the Department of Regulatory Agencies, the City and County Department of Housing and Community Development, the Consumers' Housing Task Force and others. Those testifying agreed that this bill would assist in the effort to ensure equal opportunities for housing to all of Hawaii's citizens.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2097-82 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 125-82 Culture and the Arts and Public Employment and Government Operations on H.B. No. 2200-82

The purpose of this bill is to enable the Hawaii Public Broadcasting Authority to make, amend, and repeal rules and regulations needed in the conduct of its operations.

Your Committees find that under present law, the Hawaii Public Broadcasting Authority is not explicitly authorized to make rules and regulations by which to conduct its operations. Your Committees are in agreement with testimony submitted in support of this bill by the Department of Regulatory Agencies that the Hawaii Public Broadcasting Authority should be provided with the necessary statutory authorization to make rules and regulations by which to conduct its operations.

Your Committees on Culture and the Arts and Public Employment and Government Operations are in accord with the intent and purpose of H.B. No. 2200-82 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Andrews and Nakasato.

SCRep. 126-82 Health on H.B. No. 2166-82

The purpose of this bill is to enable the county/state hospitals to deposit patient funds outside of the state treasury in compliance with the 1981 Senate standing committee report, No. 869.

Patient funds maintained in savings and loan institutions will benefit the patient and reduce the county/state hospitals' recordkeeping requirements imposed by federal regulations.

Your Committee has amended H.B. No. 2166-82 by changing "shall" to "may" on page

1 line 5 and by deleting "to facilitate the patients' use of their funds." on lines 6 and 7.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2166-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2166-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 127-82 Health on H.B. No. 2052-82

The purpose of this bill is to make an appropriation of \$75,000 for fiscal year 1982-1983 for the management and operation of Cancer Control Programs in the communities of Oahu and the neighbor islands.

Your Committee recognizes the importance of continuing cancer control activities which include:

1. Breast screening for economically under privileged high risk women on neighbor islands;
2. Compilation and distribution of State Cancer Management Outlines for M.D.'s and R.N.'s;
3. Rehabilitation/Continuing Care Programs on neighbor islands;
4. Community Hospital Oncology Programs on neighbor islands;
5. Multi-site Cancer Education Programs for elderly; and
6. Surveillance and monitoring of program effectiveness.

These are continuations of programs which have proven to be successful in Hawaii.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2052-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 128-82 Agriculture on H.B. No. 2572-82

The purpose of this bill is to provide an agricultural training program on the island of Molokai by providing for the continuation of the Molokai Institute of Agriculture.

Federal funds supporting the Molokai Institute of Agriculture, which was established in 1980, will no longer be available as a result of federal budget cuts. The institute was to have been terminated on December 31, 1981 because of a lack of funding but is currently being continued on a severely curtailed funding level.

Your Committee finds that the closing of a pineapple company on Molokai in 1975 left many people without jobs. Your Committee also finds that Molokai offers significant potential for the growth and development of diversified agriculture. However, many of the people displaced by the closing of the pineapple company need education and training in farming practices in order for them to successfully pursue a career in diversified agriculture.

Your Committee has received testimony from several sources, including the Chairman of the Board of Agriculture, Lieutenant Governor Jean King, and the Provost of Maui Community College. All testimony received strongly support the intent and purpose of this bill and cite, among other reasons, the accomplishments and success of the Molokai Institute of Agriculture to date in providing education and training in farming practices.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2572-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 129-82 Agriculture on H.B. No. 2707-82

The purpose of this bill is to aid the Department of Agriculture in initiating prompt control or eradication measures for pests and diseases of agriculture.

Your Committee finds that it is unpredictable when new agricultural pests and diseases will enter Hawaii. Your Committee further finds that the continuous battle against these agricultural pests and diseases are a serious problem. This bill will aid the Department of Agriculture in handling new pest and disease problems without curtailing other projects.

The Chairman of the Board of Agriculture has testified before your Committee in support of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2707-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 130-82 Agriculture on H.B. No. 2256-82

The purpose of this bill is to provide on-the-job training in farming practices to disadvantaged youths, the unemployed or the underemployed who are potentially capable of and interested in pursuing a career in agriculture but who are unable to do so because of educational or other barriers which have prohibited or hindered successful completion of their participation in post-secondary education.

Your Committee finds that there are many people who fall into the category described in the above paragraph.

The Hawaii County Economic Opportunity Council has developed and administered such an agricultural training program with start-up funds provided by the County of Hawaii in 1981 and a small private foundation grant which allowed the program to continue into 1982. However, your Committee finds that due to recent cutbacks in federal funds for fiscal year 1983, funds needed to pay stipends or wages to trainees participating in this agricultural training program will not be available. This bill would appropriate \$75,000 to allow the agricultural training program to continue.

Your Committee has received testimony supporting the intent and purpose of this bill from Jack Suwa, Chairman of the Board of Agriculture and George Yokoyama of the Hawaii County Economic Opportunity Council.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2256-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 131-82 Agriculture on H.B. No. 2367-82

The purposes of this bill are (1) to clarify the delegation of authority by the Board of Agriculture to its Chairman by allowing the Chairman of the Board of Agriculture to approve farm loans where the sum of the requested amount of the loan plus any principal balance on existing loans utilizing State funds does not exceed \$25,000 and (2) to prevent any individual from obtaining more than the maximum amount specified for loans under classes A (farm ownership and improvement loans), C (farm operating loans), D (emergency loans), and F (loans to new farmers).

Your Committee finds that the delegation of authority to the Chairman of the Board of Agriculture to approve such loans is necessary to expedite action on applications for small loans because the Board of Agriculture usually meets only once a month.

Your Committee also finds that under language currently in section 155-9, Hawaii Revised Statutes, a person could conceivably exceed the maximum amount of a loan provided for by obtaining a loan in a particular class as a sole proprietor and also obtaining additional loans in the same class through a partnership or corporation. This bill would take the sum of loans made both as an individual and through a partnership or corporation, if the individual has more than twenty per cent legal or equitable interest in the partnership or corporation, and apply this amount towards determining the amount

of loans outstanding for the individual.

Your Committee has received testimony from the Chairman of the Board of Agriculture supporting the intent of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2367-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 132-82 Agriculture on H.B. No. 2377-82

The purpose of this bill is to protect agricultural operations from lawsuits charging that the operation is a nuisance. This bill limits the circumstances under which an agricultural operation may be considered a nuisance. This bill provides that an agricultural operation may not be deemed to be a nuisance if the operation has been in existence for one year or more prior to the lawsuit and where the conditions constituting the basis for the nuisance complaint have existed substantially unchanged since the agricultural operation began or prior to any changed conditions in or around the locality of such agricultural operations.

Your Committee finds that such nuisance lawsuits are expensive and time consuming to defend and are a great source of frustration and aggravation to the farmer.

Your Committee also finds that continued encroachment into agricultural areas for housing purposes are resulting in increasing nuisance complaints regarding existing farming practices.

In an effort to reduce the loss of agricultural resources, including time and money, resulting from these nuisance lawsuits, this bill would protect legitimate agricultural operations against nuisance lawsuits under limited circumstances.

Your Committee further finds that thirty-three states have enacted right to farm laws designed to protect the farmers and that six more states are currently attempting to pass right to farm laws.

The Chairman of the Board of Agriculture, Hawaii Farm Bureau Federation, and Hawaiian Sugar Planters' Association have testified before your Committee supporting the intent of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2377-82 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 133-82 Agriculture on H.B. No. 2423-82

The purpose of this bill is to establish a gassing plant in Kahului, Maui, to be used to initiate faster and more uniform ripening in tomatoes and other fruits. The funds appropriated by this bill shall be used for site selection, design, construction and any other actions necessary to establish the gassing plant.

Your Committee finds that tomatoes and other fruits such as papaya, mango, persimmon and banana emit ethylene gas during the natural ripening process and it is this gas which facilitates the ripening process. The proposed gassing plant would artificially apply the ethylene gas to the fruit to initiate the ripening process, upon which the fruits would begin to emit ethylene, thus facilitating the ripening process.

Your Committee also finds that gassing of tomatoes with ethylene causes more uniform ripening of the fruit. With more uniform ripening, marketing the fruit becomes easier.

Your Committee has received testimony from the Chairman of the Board of Agriculture in favor of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2423-82 and recommends that it pass Second Reading and be referred to the Committee

on Finance.

Signed by all members of the Committee.

SCRep. 134-82 Public Employment and Government Operations on H.B. No. 2339-82
(Majority)

The purpose of this bill is to make the jurisdiction of the Hawaii Public Employment Relations Board in controversies relating to prohibited practices exclusive except as otherwise provided in Chapter 89, Hawaii Revised Statutes (HRS).

The bill amends section 89-14, HRS, of the public employment collective bargaining law relating to prevention of prohibited practices. Section 89-14 currently reads in pertinent part: "Any controversy concerning prohibited practices may be submitted to the board [the Hawaii Public Employment Relations Board] in the same manner and with the same effect as provided in section 377-9."

Chapter 377, HRS, is the private sector collective bargaining law, and section 377-9, HRS, entitled "prevention of unfair labor practices," provides at subsection (a) as follows:

"Any controversy concerning unfair labor practices may be submitted to the employment relations board in the manner and with the effect provided in this chapter, but nothing herein shall prevent the pursuit of relief in courts of competent jurisdiction."

Recently, the Hawaii Intermediate Appellate Court, in Winslow v. State of Hawaii, 2 Haw. App. ____ (1981) (No. 6728, decided March 23, 1981), construed sections 89-14 and 377-9, HRS, and concluded that the jurisdiction of the Hawaii Public Employment Relations Board (HPERB) over controversies concerning prohibited (unfair labor) practices in the public sector is not exclusive, and that a prohibited practice complaint or action may be brought either before HPERB or in circuit court. In other words, the Intermediate Appellate Court concluded that under these two statutory sections, HPERB and the circuit courts have concurrent jurisdiction over prohibited practice complaints in the public sector.

By making the jurisdiction of HPERB exclusive in controversies concerning prohibited practices, this bill legislatively rectifies or overrules the judicial conclusion or statutory construction enunciated in Winslow v. State of Hawaii.

Your Committee received testimony supporting the intent of this bill from HPERB, the State Department of Personnel Services, and the United Public Workers.

However, concern was also expressed that the proposed amendment is ambiguous. For example, based in part upon its concern that the bill "may even be interpreted to mean that decisions of HPERB [in prohibited practice cases] could not be appealed to the courts," the City and County of Honolulu testified against the bill. The phrase in the proposed amendment, "except as otherwise provided in this chapter 89," may also be ambiguous.

To correct these ambiguities, your Committee has amended the bill by rewording the proposed amendment to section 89-14--which initially read: "provided, however, that the jurisdiction of the board over such controversy shall be exclusive except as otherwise provided in this chapter 89"--to read as follows:

"provided that the board shall have exclusive original jurisdiction over such a controversy except that nothing herein shall preclude (1) the institution of appropriate proceedings in circuit court pursuant to section 89-12(e) or (2) the judicial review of decisions or orders of the board in prohibited practice controversies in accordance with section 377-9 and chapter 91."

The amendment made by your Committee is intended to make clear the following:

(1) The grant to HPERB of "exclusive original jurisdiction" over prohibited practice controversies in the public sector does not and is not intended to preclude the judicial review of HPERB decisions or orders in such controversies in accordance with and as authorized by section 377-9(f) and (j), HRS, and Chapter 91, HRS. Qualification (2) in the amendment drafted by your Committee and the word "original" in the phrase "exclusive original jurisdiction" make clear the non-preclusion of judicial review, and that HPERB's jurisdiction in this regard is not final.

The phrase "exclusive original jurisdiction" may also be referred to as "exclusive primary or initial jurisdiction." Under the bill as amended, a person with a prohibited practice complaint must first file it with HPERB which would then conduct proceedings on the complaint and issue a decision or order. The complainant would not have the option of either filing the prohibited practice complaint with HPERB or in circuit court or of filing the same complaint concurrently with both HPERB and in court. The complainant must first exhaust his administrative remedies; thereafter, if he or any other party is aggrieved by the decision or order of HPERB on a prohibited practice complaint, that party may appeal the decision or order to the circuit court in accordance with and as authorized by sections 377-9(f) and 91-14, HRS.

However, in a case where a prohibited practice also constitutes a grievance under a collective bargaining agreement (e.g., violating the terms of a collective bargaining agreement), and the agreement (pursuant to sections 89-10(a) and 89-11(a), HRS) provides for a grievance procedure culminating in final and binding arbitration, your Committee also wishes to make it clear that the bill as amended is not intended to supersede or override any requirement in law or in any collective bargaining agreement that the contractual grievance procedure first be exhausted before proceedings are conducted by HPERB on the prohibited practice complaint which may have been filed with HPERB. This is not to say, however, that in order to preserve his rights to have HPERB process and hear his prohibited practice complaint, that the complainant is precluded from filing such a complaint with HPERB within the statutory time limit (see section 377-9(1), HRS)--at the same time that he has filed a grievance and is having that grievance processed pursuant to the applicable contractual grievance procedures or provisions.

(2) Because of the ambiguity of the phrase in the bill as received by your Committee, "except as otherwise provided in this chapter 89"--which phrase makes an exception to HPERB's exclusive jurisdiction over prohibited practice controversies--your Committee has amended that exception phrase to provide that the grant of exclusive original jurisdiction to HPERB over such controversies shall not preclude "(1) the institution of appropriate proceedings in circuit court pursuant to section 89-12(e)."

Testimony indicated that the exception phrase in the original bill really refers to situations covered by section 89-12(e), HRS (e.g., an illegal strike by an employee organization), for which said subsection requires the affected employer to "forthwith, institute appropriate proceedings in the [circuit court of the] circuit in which the violation occurs to enjoin the performance of any acts or practices forbidden by this section, or to require the employee organization or employees to comply with the requirements of this section."

In this connection, your Committee notes that in some situations covered by section 89-12(e), such as an illegal strike, the violation of the provisions governing strikes in section 89-12 also constitutes a prohibited practice under section 89-13 (refusing or failing to comply with any provision of Chapter 89 and/or violating the terms of a collective bargaining agreement [if the agreement contains applicable no-strike or other strike-governing provisions]). In such situations, your Committee intends that under this bill as amended by your Committee, the affected public employer may go, and indeed must go, immediately to circuit court for appropriate relief and need not first file his complaint with HPERB and exhaust his administrative remedies. If a violation of section 89-12 also constitutes a prohibited practice, your Committee intends that the complainant, in addition to filing an appropriate action in circuit court pursuant to section 89-12(e), may also file a prohibited practice complaint, at his option, with HPERB. For such violations, therefore, neither the jurisdiction of HPERB nor the circuit courts would be exclusive. Their jurisdiction would be concurrent.

Your Committee has also made some technical amendments of a non-substantive nature to the bill.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2339-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2339-82, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 135-82

Public Employment and Government Operations on H.B. No. 2349-82

The purpose of this bill is to amend Section 88-122, Hawaii Revised Statutes, to continue

the actuarial valuation of the employer's normal cost and accrued liability contributions to the retirement funds at the rate of seven percent for 1982 and subsequent years.

The continuation will mean that the higher proportion of the investment returns from the retirement funds will continue to accrue to the funds, which should significantly benefit the retirement system and ultimately the members of the Employees' Retirement System of the State of Hawaii.

However, the Committee has serious reservations about the lack of statistical information regarding the retirement fund that is made available to its members.

The Trustees of the Retirement System publishes annual reports of the systems financial status, or on the investment returns and the disposition of such returns to the funds and to the general fund of the State.

These reports are furnished to the Legislature but are only available for perusal by the public and members of the system upon request at the Trustees office. Therefore, the Committee has requested that the Trustees' of the Retirement System continue to furnish these financial reports to the Legislature and copies of these reports should also be made available to the members of the retirement system.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2349-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 136-82 Public Employment and Government Operations on H.B. No. 2399-82

The purpose of this bill would exempt from taxation sales made by public institutions, booster clubs, and auxiliaries if the profit from the sales is used exclusively for benefit of a public institution.

Presently, Section 237-23, Hawaii Revised Statutes, exempts from the general excise tax certain qualified associations organized and operated exclusively for the benefit of the community and for promotion of social welfare or for educational purposes.

Numerous booster clubs and auxiliaries are now operating with the sole purpose of raising funds for public institutions, but these funds are taxable. These groups are performing a beneficial service by assisting regular curricular or extracurricular activities of students or employees of public institutions.

The bill would add a new section to the Hawaii Revised Statutes to exempt these organization

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2399-82 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. 137-82 Judiciary on H.B. No. 2154-82

The purpose of this bill is to specify that the Family Court judge has jurisdiction to hear truancy cases.

The present statute is unclear in that it assigns judicial powers in these cases to the "district judge," which could refer to District Court judge or District Family Court judge; in addition, Circuit Family Court judges are excluded by the current wording.

Having heard favorable testimony from the office of the Attorney General, the Family Court, and the Honolulu Police Department, your Committee agrees that the proposed clarification is needed. In addition, your Committee finds that an adjustment in the penalty imposed for the offense of truancy is warranted. The existing disparity between a \$50.00 fine and two months imprisonment is too great; classifying the offense as a petty misdemeanor would rectify the problem.

Thus, your Committee has amended the bill to provide that where a parent or other responsible person improperly causes a child to be absent from school, that person shall be guilty of a petty misdemeanor. Your Committee has also made some technical,

non-substantive amendments.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2154-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2154-82, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 138-82 Judiciary on H.B. No. 2319-82

The purpose of this bill is to amend section 603-12, Hawaii Revised Statutes, by designating Kona as a second permanent site for the circuit court in the third circuit.

Due to increased caseload in the third circuit, Act 133 was passed by the Legislature in 1981, to provide a third judge for the island of Hawaii. This bill will provide a permanent site in Kona for the third judge. At present, Hilo is the only permanent site for the circuit court in the third circuit.

Your Committee has made technical, non-substantive amendments to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2319-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2319-82, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 139-82 Consumer Protection and Commerce on H.B. No. 2550-82

The purpose of this bill is to amend Section 407-61, Hawaii Revised Statutes, to allow Hawaii chartered savings and loan associations to hold their annual meeting as set forth in their bylaws.

Your Committee heard testimony from International Savings and Loan Association, Ltd., that they presently have a fiscal year end of June 30. They are in the process of converting to a stock association. The Securities and Exchange Act of 1934 requires a publicly held company (stock association) to hold its annual meeting within 120 days after fiscal year end. However, pursuant to Section 407-61, Hawaii Revised Statutes, Hawaii chartered savings and loan associations are required to hold their annual meeting in January, February or March.

If International Savings and Loan Association should convert by June 30, 1982, the Securities and Exchange Act will require it to hold its annual meeting in July, August, September or October. However, the State law will require it to hold its annual meeting in January, February or March.

Your Committee feels that this bill will resolve the inconsistency that International Savings and Loan Association may face, as well as other publicly held savings and loan associations.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2550-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 140-82 Consumer Protection and Commerce on H.B. No. 2017-82

The purpose of this bill is to establish standards of practice for any employment agency in the performance of its business, including accurate representations of information known to the agency, disclosure of fees, and accurate representations to employers.

Your Committee feels that requiring employment agencies to abide by standards designed to insure ethical business practices will provide added protection to consumers and employers who utilize the services of employment agencies.

While in agreement with the intent of this bill, your Committee has amended the bill by including the substance of the bill into Section 373-11, Hawaii Revised Statutes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2017-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2017-82, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 141-82 Consumer Protection and Commerce on H.B. No. 2446-82

The purpose of this bill is to delete a portion of the statute concerning the qualification of members of the Board of Cosmetology.

Present law states that the Board of Cosmetology cannot have more than two members of the same school of practitioners of the same system or method.

Your Committee heard testimony from the Board of Cosmetology that this provision is no longer appropriate or necessary because cosmetology systems or methods are basically the same throughout the industry.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2446-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 142-82 Consumer Protection and Commerce on H.B. No. 2220-82
(Majority)

The purpose of this bill is to provide specific subjects for inclusion in the examination for licensure of employment agencies.

Under present law, the discretion for the subject matter of examinations is left with the Department of Regulatory Agencies. This bill would mandate the Department to include certain subjects on the examination.

Your Committee has amended the bill by deleting the requirement that economic and job market information be included in the examination since it appears not to be relevant to the purposes of the examination.

Your Committee has also deleted the provision which would have exempted those persons certified by the National Association of Personnel Consultants from the examination requirement.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2220-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2220-82, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
(Representatives Chun and Dods did not concur.)

SCRep. 143-82 Consumer Protection and Commerce on H.B. No. 2405-82

The purpose of this bill is to repeal Chapter 477, Hawaii Revised Statutes, relating to the disclosure of finance costs.

Chapter 477, Hawaii Revised Statutes, was enacted in 1963, requiring creditors to disclose the terms and costs of consumer loans. In 1969, chapter 477 was amended to provide that the chapter shall not apply to any transactions covered by the Federal Truth in Lending Act.

Your Committee heard testimony from the Department of Regulatory Agencies, the Hawaii League of Savings Associations, the Hawaii Bankers Association, and Mr. Mark Hazlett that with the enactment of the Federal Truth in Lending Act, State law has been

superseded. The Federal Truth in Lending Act is not only substantially similar to chapter 477, Hawaii Revised Statutes, but is also much more comprehensive. Furthermore, the consumer will not be adversely affected in any way by the repeal of chapter 477 because lenders are still required to comply with the Federal Truth in Lending Act in addition to other State and Federal laws.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2405-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 144-82 Consumer Protection and Commerce on H.B. No. 2445-82

The purpose of this bill is to allow the Commissioner of Securities to contract with private consultants for the review of certain securities offerings.

Present law contains no specific authorization for the hiring of private securities consultants. Your Committee has, however, heard testimony from the Department of Regulatory Agencies that the practice is to hire consultants for the review of complex offerings when funds permit, and to seek voluntary consultants when no funds are available.

Your Committee also heard testimony that a constant backlog of offerings for review together with a shortage of qualified personnel to adequately review the offerings has caused the current lag time of 30 to 90 days between submittal and action by the Department. In the case of complex offerings, the time to review is more than 90 days. Because of the unusually long review period, offerings, together with the investment opportunities for residents of this State, have been withdrawn.

This bill would allow applicants to request that a private consultant be hired by the Department at the cost of the applicant, for the review of the offering, thus alleviating the backlog and reducing review time.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2445-82, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 145-82 Consumer Protection and Commerce on H.B. No. 2447-82

The purpose of this bill is to repeal the provision which prohibits a member of the Board of Dispensing Opticians from being reappointed to succeed himself.

Your Committee heard testimony from the Board of Dispensing Opticians that Section 458-2 is inconsistent with the general statute, Section 26-34, Hawaii Revised Statutes, which allows a member to serve two consecutive terms as a member of the same board or commission.

Your Committee feels that deleting the aforementioned provision of section 458-2 will provide uniformity of Section 458-2 with the general statute, Section 26-34, Hawaii Revised Statutes.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2447-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 146-82 Health on H.R. No. 13

The purpose of this resolution is to request a review and evaluation of the State Comprehensive Emergency Medical Services System. This review will include:

(1) an assessment of the adequacy of the current system or program in providing emergency medical services within the counties, including a review of the current contracts negotiated by the State for ambulance and emergency medical personnel services;

(2) an assessment of the current standards established for statewide emergency medical services; whether such standards should be amended and established as minimum standards; and the means by which such minimum standards should be established, e.g., by statute, administrative rules, or county ordinance;

(3) an evaluation of the appropriate role, responsibility, and functions of the State Department of Health, the counties, and private emergency medical service agencies in establishing, administering, and maintaining the State Comprehensive Emergency Medical Services System, including a review of whether the function of providing emergency medical services should be transferred back to the counties in whole or in part;

(4) recommendations and cost projections relating to alternative funding sources or financing methods and other fiscal and administrative considerations; and

(5) other issues or problem areas, together with appropriate recommendations.

Your Committee has received testimonies from the State Department of Health, the City and County of Honolulu and International Life Support Ambulance Service stating that each is willing to cooperate fully with the Legislative Auditor in conducting the study of the State Comprehensive Emergency Medical Service System.

Your Committee on Health concurs with the intent and purpose of H.R. No. 13 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 147-82 Health on H.C.R. No. 5

The purpose of this resolution is to request a review and evaluation of the State Comprehensive Emergency Medical Services System. This review will include:

(1) an assessment of the adequacy of the current system or program in providing emergency medical services within the counties, including a review of the current contracts negotiated by the State for ambulance and emergency medical personnel services;

(2) an assessment of the current standards established for statewide emergency medical services; whether such standards should be amended and established as minimum standards; and the means by which such minimum standards should be established, e.g., by statute, administrative rules, or county ordinance;

(3) an evaluation of the appropriate role, responsibility, and functions of the State Department of Health, the counties, and private emergency medical service agencies in establishing, administering, and maintaining the State Comprehensive Emergency Medical Services System, including a review of whether the function of providing emergency medical services should be transferred back to the counties in whole or in part;

(4) recommendations and cost projections relating to alternative funding sources or financing methods and other fiscal and administrative considerations; and

(5) other issues or problem areas, together with appropriate recommendations.

Your Committee has received testimonies from the State Department of Health, the City and County of Honolulu and International Life Support Ambulance Service stating that each is willing to cooperate fully with the Legislative Auditor in conducting the study of the State Comprehensive Emergency Medical Service System.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 5 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 148-82 Health on H.R. No. 36

The purpose of this resolution is to request the Director of the State Department of Health to investigate and determine whether there is a need for a burn treatment center in the State of Hawaii.

Your Committee has amended H.R. No. 36 by adding that the Straub Clinic and Hospital

is planning to open a burn treatment unit. Your Committee also amends H.R. No. 36 by specifying that the Department of Health report its findings and recommendations to the Legislature twenty days prior to the convening of the Regular Session of 1983 and by requesting that certified copies of this Resolution be transmitted to the Director of the Department of Health, Speaker of the House, and Straub Clinic and Hospital, Inc.

Your Committee on Health concurs with the intent and purpose of H.R. No. 36, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 36, H.D. 1.

Signed by all members of the Committee.

SCRep. 149-82 Water, Land Use, Development and Hawaiian Affairs on
H.B. No. 2989-82 (Majority)

The purpose of this bill is to improve the management and regulation of Hawaii's water resources.

H.B. No. 2989-82 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. 2989-82, 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. 2989-82, H.D. 1.

Signed by all members of the Committee.
(Representatives Fukunaga, G. Hagino, Okamura, Monahan and Narvaez did not concur.)

SCRep. 150-82 Education and Public Employment and Government Operations
on S.B. No. 1697

The purpose of this bill as received by your Committees is to provide for the extension of the job-sharing pilot project in the department of education through the 1982-1983 academic years.

Your Committees held a hearing on this bill and a proposed House Draft amending Act 150, Section 2, Session Laws of Hawaii, as amended. Testimony was heard in support of job sharing and possible changes that could be implemented to resolve issues related to the program.

In this regard, your Committees have amended the bill in the following principal respects:

- (1) Increased the ceiling limiting the program from full-time positions to two hundred full-time permanent positions.
- (2) Removed the restriction limiting participation in the program to tenured, certified DOE employee/new hire pairings so as to permit two tenured employees to share a job. This amendment is for one year, to determine the feasibility before job-sharing is fully implemented.

Your Committees find that job-sharing enjoys widespread support from students, job sharers, administrators and representatives of the two collective bargaining units involved. However, new amendments such as the pairing of two tenured employees need to be tested before the program is made permanent.

Your Committees on Education and Public Employment and Government Operations are in accord with the intent and purposes of S.B. No. 1697, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1697, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Andrews and Nakasato.

SCRep. 151-82 Judiciary on H.B. No. 2877-82

The purpose of the bill is to establish a white collar criminal prosecutors program to investigate and prosecute white collar crimes.

H.B. No. 2877-82 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill, containing only a general idea as to its purposes and means without specific details. Your Committee has amended the bill to provide the substantive provisions, so that a hearing may be held for the "long-form" bill, detailing the specific means to carry out the intended purpose of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2877-82, as amended herein, and recommends that it be recommitted to the Committee on Judiciary, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2877-82, H.D. 1.

Signed by all members of the Committee.

SCRep. 152-82 Public Assistance and Human Services and Youth and Elderly Affairs on H.B. No. 2887-82

The purpose of this bill is to add a new section to the Hawaii Revised Statutes which will establish Quick Kokua as a permanent State program under the Department of Education.

Quick Kokua has been a demonstration project administered under the Progressive Neighborhoods Program, Office of the Governor, since 1969. The project has effectively met the critical needs of Farrington and Waianae High School students by providing on-campus health, employment, and social services in a responsive, preventive, caring, and holistic manner. It has enabled targeted youths to cope more effectively with their many problems, to adapt to situations more flexibly, and to make more realistic and responsible decisions about their current lives and futures.

Your Committees agree that Quick Kokua has proven to be a very successful demonstration project. Since its legislative mandate in 1979, the Progressive Neighborhoods Program (PNP) has been working to transfer Quick Kokua from the Office of the Governor to a line department of State government. The PNP has informed your Committees that details for the transfer are still being negotiated with the Department of Education.

Your Committees strongly feel that Quick Kokua should be allowed to complete its course as a demonstration project until the end of this legislature's biennium budget (FY 1981-1983) with PNP continuing as the expending agency. This will give PNP the time needed to make final arrangements for the transfer of Quick Kokua to a line department of the State government before January 1, 1983. If the transfer of Quick Kokua is not completed by that date, it is the intent of this legislature that funds not be granted to Quick Kokua as a demonstration project by the 1983 legislature.

Therefore, your Committees have amended this bill by deleting page 1, line 1 through page 7, line 12 for the reasons stated above. The purpose of the bill will now read: "The purpose of this Act is to allow Quick Kokua to remain a demonstration project under the Progressive Neighborhoods Program until December 31, 1982, after which time, it must be established as a permanent State program." The sum appropriated has also been changed on page 7, line 13 from \$569,612 to \$187,975 which is the 1982 supplemental budget request for the Quick Kokua demonstration project. The expending agency has also been amended to be the Progressive Neighborhoods Program, Office of the Governor.

Sections of the bill have been renumbered to correspond with amendments. Your Committees have also made a technical, non-substantive change.

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. 2887-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2887-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 153-82 Judiciary on H.B. No. 1944-82

The purpose of this bill is to provide a comprehensive statutory code setting forth military judicial procedures which will apply to all members of the State's military forces, primarily National Guard units, while they are not in federal service but on duty status with the State.

The proposed Hawaii Code of Military Justice would replace Chapter 124, Hawaii Revised Statutes, relating to military courts-martial, which was initially enacted in 1894-1895 before Hawaii became a part of the United States. While that chapter has occasionally been amended since then, it is nevertheless outdated and lacking in comprehensiveness to meet the present day needs of the State's militia.

The Hawaii Code is based on the Uniform Code of Military Justice of the National Conference of Commissioners on Uniform State Laws which in turn is based on and generally follows the United States Uniform Code of Military Justice (10 U.S.C. 801 *et seq.*; see also 32 U.S.C. 326-333), except for provisions not applicable to or suitable for state military forces not in federal service. The Hawaii Code includes provisions dealing with apprehension, restraint and confinement of suspects; punishable offenses; non-judicial punishment; state courts-martial jurisdiction, composition, and trial procedures; and sentencing and confinement.

The Hawaii code embodied in this bill provides for the review of courts-martial findings and sentences within the State military system or hierarchy and in certain cases up to the Governor as the commander in chief of State military forces. Thereafter, the Hawaii Code provides for civilian judicial review of the sentence or judgment of a special or general court-martial by the State Supreme Court or the State Intermediate Appellate Court (section -105 of the bill).

This bill is the product of an interim review and a public informational meeting, held during the 1981 legislative interim, by a subcommittee of the House Judiciary Committee assigned to review the proposed uniform State code of military justice, which had been introduced during the 1981 Regular Session as H.B. No. 416. The Hawaii Code of Military Justice embodied in this bill (H.B. No. 1944-82) incorporates amendments made by the subcommittee to H.B. No. 416. The major amendment added to that bill is section -105 (on p. 56 of H.B. No. 1944-82) providing for civilian judicial review of the sentence or judgment of certain courts-martial, together with a discretionary stay-of-execution-of-sentence provision pending appeal.

Another significant amendment added to H.B. No. 416 relates to rule-making by the Governor. See section -171 on p. 84 of H.B. No. 1944-82. Under this section, any rules required to be adopted by the Hawaii Code of Military Justice must be adopted in accordance with the Hawaii Administrative Procedure Act (APA; Chapter 91, HRS). This will require public rule-making proceedings at which interested or affected persons may be heard and have input. Section -171 also authorizes the Governor, in accordance with the APA, to "adopt such rules as he may deem necessary to administer and implement this chapter." This will enable the Governor to clarify or "flesh out" provisions in the Code which may need clarification or amplification.

And under section -61 of the amended bill, the Governor is required to adopt rules (under Chapter 91) prescribing pretrial, trial, and post-trial procedures for courts-martial cases which shall, in order to better protect the rights of the accused, "apply the principles of law and the rules of evidence generally recognized in the trial of criminal cases in the courts of the State," unless inconsistent with the Code.

Your Committee on Judiciary received testimony in support of the bill from the State Department of Defense. The Department testified in part that the bill is necessary to provide the express legal authority for the administration of non-judicial punishment for minor offenses without the intervention of a court-martial (see Part III of the bill), as well as to provide a comprehensive statutory scheme governing military courts-martial and the imposition of judicial discipline in State military forces. The State Judiciary submitted testimony in general support of section -105 of the bill relating to judicial review.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1944-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 154-82 Public Assistance and Human Services and Youth and Elderly
Affairs on H.B. No. 2907-82

The purpose of this bill is to add a new section to the Hawaii Revised Statutes which authorizes the Department of Social Services and Housing to provide personal care services to those persons whose physical condition requires them to have intermittent assistance with personal care services where there is no responsible person willing to volunteer such assistance.

Your Committees have received testimony in favor of the bill. Many disabled persons are forced into institutional care because they have no family or friends who can shelter and care for them. Many disabled adults who are now employed can continue to work if personal care services as described in this bill are provided to them. In summary, this bill is a measure that will prevent total dependency.

Your Committees have amended the bill to clarify the provisions of eligibility and cost and to make the execution of the bill more manageable for DSSH. In regard to eligibility for personal care services, your Committees have added after the word "individuals" on page 1, line 13: "who are eligible for medical assistance and". This amendment requires an individual to establish Medicaid eligibility as well as physical dependency in order to qualify for personal care services from DSSH.

Your Committees have amended the definition of "personal care services" on page 2, line 1 by deleting "assist" and replacing it with "provide".

To further clarify the definition of "substantially less" on page 2, your Committees have added language to restrict DSSH to payment for personal care services at not more than 60 per cent of the cost of the lowest level of care in a boarding home or care home. Therefore, the number "60" is inserted before the per cent sign, and after the words "cost of" is added "the lowest level of care in" on line 9.

To assure that the State recovers the maximum federal funds available, your Committees have added a part (e) on page 2, after line 10 to read: "(e) The department shall apply to the secretary of the department of health and human services for waivers under section 2176 of the Omnibus Reconciliation Act of 1981."

Your Committees on Public Assistance and Human Services and Elderly Affairs are in accord with the intent and purpose of H.B. No. 2907-82, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2907-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 155-82 Public Assistance and Human Services on H.B. No. 2924-82
(Majority)

The purpose of this bill is to appropriate \$43,502.75 for fiscal year 1982-1983 to provide a grant-in-aid to the Family Services Center in Kalihi, Oahu, for the consolidation of four individual day care homes operated by the Family Services Center into a group infant and toddler center.

The Family Services Center is a Title XX program providing day care services for infants, toddlers, and children (3 months through 5 years). With this appropriation, the Center will be able to consolidate two of their family day care homes and develop a model program for infant/toddler group day care that would demonstrate effective and efficient services. Other benefits of consolidation include the opportunity for staff training in a more effective manner, more efficient use of management/administrative staff time, encouragement of parent participation, and accurate information on the impact of center based services for very young children. The group center model will also allow the Center to serve those children who have been dropped from Title XX services because their mothers were receiving child care for employment reasons (AFDC/IV-A families). Many of these families do not have sufficient financial resources to pay for

the full cost of quality child care; a sliding fee scale would be set up for these moderate income families.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2924-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 156-82 Public Assistance and Human Services on H.B. No. 2723-82
(Majority)

The purpose of this bill is to add the Puna area on the island of Hawaii as one of the targeted neighborhoods to be studied by the Progressive Neighborhoods Task Force established under section 362-12, Hawaii Revised Statutes.

The scheduled closing by 1984 of Amfac, Inc.'s Puna Sugar Company will result in the loss of employment for approximately 500 company employees and economic hardships for 1,115 more workers employed in businesses serving Puna sugar plantation. The potential socio-economic problems facing the Puna area merit the attention of the Progressive Neighborhoods Task Force. This bill will add Puna as a targeted neighborhood to be studied by the Task Force. Your Committee strongly feels that the Puna area be given high priority for receiving basic grants monies.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2723-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Lacy and Liu did not concur.)

SCRep. 157-82 Public Assistance and Human Services on H.B. No. 2539-82

The purpose of this bill is to appropriate \$75,000, for fiscal year 1982-1983 to provide a grant-in-aid to Hale Opio, Kauai, Inc.

Hale Opio Kauai, Inc. is a community treatment facility which offers an alternative to incarceration to those troubled youths who need shelter care services. Presently, it is the only residential foster care facility on Kauai and, since its inception in 1975, has filled a gap where in-community treatment and therapeutic services are not available to troubled youths and their families.

All testimony presented supported the continuation of this vital and much needed program. Results of program evaluations have shown improvements in school attendance and academic achievement, and indicate total commitment from the staff in helping these youths function more effectively as individuals and in society.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2539-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 158-82 Public Assistance and Human Services on H.B. No. 2244-82

The purpose of this bill is to amend the definitions of a dependent and family of a veteran to correctly reflect individuals whom the Department of Social Services and Housing's veteran counselors serve and to repeal sections 363-8, 363-9, 363-10, Hawaii Revised Statutes, on the burial of veterans and eligible dependents which are no longer applicable.

Testimony presented by DSSH cited that this proposal would serve to amend the statutes to correctly identify individuals who are eligible for services; to repeal sections governing burial payments which the State has not made and has not budgeted funds for; and to amend the section governing the inappropriateness of burial in a cemetery only for indigents because there are no cemeteries only for indigents in the State.

Your Committee has amended the bill by further clarifying the definition of "dependent" in HRS §363-1. The following is added to page 1, line 11: "It shall not include a dependent of a dishonorably discharged veteran."

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2244-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2244-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 159-82 Public Assistance and Human Services on H.B. No. 1974-82

The purpose of this bill is to provide employment opportunities for handicapped individuals by acquiring an expanded and constant market for their products and services through their respective rehabilitation workshops and facilities and thereby minimizing their dependence upon public assistance and costly institutionalization.

There are thirteen rehabilitation workshops throughout the State of Hawaii (not including the State facility for the blind) which operate programs that currently enroll a total of 1,027 handicapped persons monthly in employment and rehabilitation related activities. These workshops train and employ handicapped persons through jobs created by the production of commodities or rendering of services for sale. Every workshop in the State relies on having work opportunities available for the increasing number of disabled persons enrolled in their programs. It is felt that these workshops would provide meaningful work opportunities that would enhance his/her self image and motivation, and thereby reduce his/her dependency on state support. The savings to the State could be very substantial.

A present state statute (section 354-3, HRS) limits purchasing of certain commodities by State agencies to the Department of Social Services and Housing and to those products produced and manufactured by inmate labor. In addition to that, the Governor's Administrative Directive No. 1, dated July 21, 1967, states that all State agencies shall purchase from the Department of Social Services items or services made or provided by the blind or visually handicapped. This bill would help more of the State's disabled. An employed disabled person becomes a contributing rather than a dependent member to a family or a community. The Division of Vocational Rehabilitation reports that for every \$1.00 spent on vocational rehabilitation services for the disabled, \$11.00 is returned in the form of tax dollars during the life time of the person rehabilitated and employed. It seems that this bill would enhance employment opportunities and be cost effective at the same time.

Your Committee has amended this bill by not requiring the Department of Accounting and General Services to be responsible for maintaining a list of products and services available from qualified rehabilitation facilities for public agencies to review in considering possible purchases. Specifically, references to the Hawaii Products List maintained by DAGS have been eliminated. The following deletions have been made: (1) page 4, lines 3-7; (2) page 5, lines 2-7, 11-15, 21-23; (3) pages 6 through 8; and (4) page 9, lines 1-15. Sections and subsections have also been renumbered accordingly.

The definition of "fair market price" on page 2 has also been expanded to include: "and reasonably comparable to prices on the open market." A "qualified rehabilitation facility" also on page 2, line 17 has been added: ", and located in the State of Hawaii;" .

On page 5, a qualified rehabilitation facility "may" (line 15) submit a proposal to an agency; "shall" has been deleted.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 1974-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1974-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 160-82 Public Assistance and Human Services on H.B. No. 2957-82

The purpose of this bill is to appropriate \$192,906 for fiscal year 1982-1983 to provide a grant-in-aid to the Hawaii Centers for Independent Living for the operation of programs

enabling the disabled to live independently in the community and to assist the disabled in becoming productive members of society on the islands of Hawaii, Kauai, and Maui. The sum appropriated shall be used to provide necessary staffing, local travel, and general operational needs for each island.

Your Committee has received testimony in favor of the bill. The Hawaii Centers for Independent Living is an Oahu-based program which has achieved significant strides in its provision of advocacy and support services to the disabled. This appropriation will make available the necessary staffing and operational monies required to provide counseling, public education, information and referral services, and independent living skill training to disabled individuals on neighbor islands. All program administration, including a statewide accounting system, will be handled on Oahu. Only direct client services will be provided on Hawaii, Kauai, and Maui, thereby cutting down on costs.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2957-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 161-82 Public Assistance and Human Services on H.B. No. 2959-82

The purpose of this bill is to appropriate \$150,000 for fiscal year 1982-1983 for the initial planning, establishment, and operation of three adult day care centers, one each to be established on the islands of Oahu, Hawaii, and Kauai.

Adult day care centers offer social and emotional support as well as mental stimulation to those participating thereby offsetting premature institutionalization due to advanced age, dependency, or disability. These centers provide a safe and adequate environment while family members who care for these elderly persons may maintain employment and attend to other responsibilities. Testimony received by your Committee stated that there is a geographic need for adult day care centers in presently underserved areas on Oahu, Hawaii, and Kauai.

Your Committee has amended this bill by deleting on page 2, line 19: "the initial planning, establishment, and operation of". The Department of Social Services and Housing does not directly perform any of those functions in regard to day care centers; instead, it purchases services.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2959-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2959-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 162-82 Public Assistance and Human Services on H.B. No. 3010-82

The purpose of this bill is to appropriate \$600,000 for fiscal year 1982-1983 to provide for the cost of the design and construction of a neighborhood center in Lihue, Kauai. However, no funds shall be made available under this Act unless the County of Kauai provides matching funds at least equal to the amount allocated by the State for the purpose of this bill.

The existing Lihue Neighborhood Center was constructed in 1956 to serve the local plantation community. Its utilization has increased rapidly in proportion to the growing population of Lihue. As a result, the Center's available space for meetings is greatly limited due to constant usage by senior citizens in the mornings, youth in the afternoons, and community groups in the evenings. In 1981, 91 organizations and over 16,000 individuals utilized the Center.

Your Committee stresses the condition that the County of Kauai provide matching funds to the State's appropriation of \$600,000. Kauai is the only county in the State with a system of community centers. There are at least four areas on Oahu which have no centers and larger populations, and have been requesting State appropriations without success. However, your Committee recognizes the importance of the State working

with the County of Kauai to provide a new community center, and has therefore decided to appropriate the amount requested.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 3010-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 163-82 Public Assistance and Human Services on H.B. No. 3058-82

The purpose of this bill is to add a new section to Chapter 346, Hawaii Revised Statutes, which would give the Department of Social Services and Housing the right to intervene in any court action for personal injury brought by a recipient of public assistance.

This bill would require a public assistance recipient, through his attorney, to notify DSSH of any personal injury actions brought against a third party. Moreover, no settlement will be possible without the expressed approval of the Department. This will assure that DSSH is kept informed of all potential third-party resources and given the opportunity to recover its medical assistance payments relating to the personal injuries of the recipient.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 3058-82 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 164-82 Public Assistance and Human Services on H.B. No. 2906-82

The purpose of this bill is to amend Section 346-59, Hawaii Revised Statutes, by mandating the Department of Social Services and Housing to establish a demonstration project which would explore the viability of guaranteeing certain Medicaid recipients a six-month period of coverage as an enrollment incentive relative to Health Maintenance Organizations (HMOs).

This bill will enable DSSH to enroll in an HMO the Medicaid recipients of Aid to Families with Dependent Children (AFDC) who voluntarily agree to such enrollment. ASSH HMO program (presently through Kaiser Foundation Health Plan) has shown to be a more cost effective program when compared with health care services rendered through the established fee-for-services system. In the first six months of fiscal year 1981, Medicaid's fee-for-services costs were approximately 30% higher than comparable services rendered through the DSSH HMO. The additional cost to the government for guaranteeing a six-month period would have been 28%. Testimony presented indicated that this bill is needed because there are currently no meaningful incentive for Medicaid recipients to enroll in an HMO, thereby possibly saving the State monies on medical services expenditures.

Your Committee adopted the recommendation of DSSH to amend page 2, line 15 of the bill by deleting the word "shall" and replacing it with "may". This change would allow the department some flexibility in establishing the demonstration project.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2906-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2906-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 165-82 Public Assistance and Human Services on H.B. No. 2910-82
(Majority)

The purpose of this bill is to propose a standardized flat grant shelter allowance by family size for all public assistance recipients.

Under present law, shelter allowance is provided to recipients, as paid, up to the allowable shelter maximum for their family size. The proposed bill would provide

that all recipients would receive the maximum payment level by family size.

Your Committee has received testimony in favor of the bill. The State Standard of Need for food, clothing, shelter, and adequate medical care would be raised by approximately 10%. The last increase in the shelter allowance was in 1975. This bill would ensure better housing opportunities for public assistance recipients who would receive the maximum shelter allowance.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2910-82, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Kobayashi, Nakamura, Lacy and Liu did not concur.)

SCRep. 166-82 Education on H.B. No. 1373

The purpose of this bill, as received by your Committee, is to assign the entire responsibility for the repair and maintenance of public school facilities to the department of education.

Testimony received indicated that schools were experiencing operational problems under the current practice of the division of responsibility for repair and maintenance. However, further testimony indicated that these problems were mainly due to limited fiscal resources rather than a function of shared responsibility.

Your Committee has therefore amended the bill to an appropriation bill; providing an additional \$5 million to the Department of Accounting and General Services (AGS 807) in FY 1982-1983 for the repair and maintenance of schools. Your Committee finds that the additional monies will help alleviate part of the current problems. This will enable the departments to work towards developing a cyclical maintenance program for the public schools. Your Committee believes that the responsibility should remain on a shared basis until further studies are completed by the involved agencies.

Your Committee on Education is in accord with the intent and purposes of H.B. No. 1373, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1373, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 167-82 Tourism on H.B. No. 2459-82 (Majority)

The purpose of this bill is to provide for operational and programmatic expenses of the Hawaii Visitors Bureau in support of its marketing, advertising, and promotional activities.

Your Committee recognizes the importance of the efforts of the Hawaii Visitors Bureau to enhance its marketing, advertising, and promotional activities in competition with other resort destination areas. The supplemental budget request of \$1,000,000 will therefore provide for greater visibility in the marketplace on trade and consumer levels and for additional advertising. Your Committee also believes that the best utilization of the \$1,000,000 request is in the following activities: travel trade shows, trade seminars, consumer shows, displays, an HVB movie, meetings and conventions, collateral material, media assistance, photo library, and travel.

According to testimonies from the Hawaii Visitors Bureau and Department of Planning and Economic Development, there is no need for additional operational expenses. Your Committee therefore has amended the purpose of H.B. No. 2459-82 in Section 1, restricting supplemental expenses to programmatic needs specified above. The same testimonials recommended an addition of a clause to the bill stating that these funds need not be matched by private industry funds. Your Committee is in agreement with this recommendation and has added such a proviso.

Your Committee on Tourism concurs with the intent and purpose of H.B. No. 2459-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2459-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Nakasato, Takitani and Marumoto.
(Representatives Ikeda and Taniguchi did not concur.)

SCRep. 168-82 Tourism on H.B. No. 2638-82

The purpose of this bill is to delete the term "bedroom" and replace it with "guest accommodations" in Chapter 486K, Hawaii Revised Statutes, in order to remove the original term's specificity.

Your Committee agrees that the term "guest accommodations" will encompass all hotel room rentals, including bedrooms.

According to testimony, the concept of "limited liability" to hotelkeepers for security boxes in guest rooms is not clarified by Chapter 486K, Hawaii Revised Statutes. In 1960 the Hawaii State Supreme Court upheld such a concept in "Minneapolis Fire and Marine Insurance v. Matson Navigation Company". This court decision is not provided for in our statutes.

Your Committee agrees that the above-mentioned clarity is lacking, regarding "limited liability." Therefore, the following amendments to the bill are necessary:

- (1) Page 2, line 18: adding the phrase "provided that the keeper's liability is limited to \$500" to the end of the sentence;
- (2) Page 3, line 5: deleting the phrase "except that his liability may be" and ending the sentence with a period; and
- (3) Page 3, line 5: adding the phrase "In either of the foregoing events, the keeper may accept liability for losses" in front of the remaining sentence after the new period is added.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2638-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2638-82, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives
Nakasato, Takitani and Marumoto.

SCRep. 169-82 Tourism on H.B. No. 3006-82 (Majority)

The purpose of this bill is to provide a grant-in-aid to produce a one-hour pilot television entertainment variety show for the promotion of Hawaii as an attractive tourism destination.

According to testimony, there is need to update effective promotional activities via the television medium. Recommended is a high-quality television production which engages the cooperation of various organizations directly responsible for developing tourism in Hawaii and which is capable of international syndication throughout the world. Your Committee believes that such an effort requires private industry's matching funds.

Therefore, your Committee has amended the bill to reduce the appropriation from \$250,000 to \$125,000 and to include a proviso that funds in the amount of \$125,000 be matched by private contributions.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 3006-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3006-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Nakasato, Takitani and Marumoto.
(Representatives Dods, Taniguchi and Anderson did not concur.)

SCRep. 170-82 Tourism on H.B. No. 2802-82

The purpose of this bill is to appropriate \$28,000 for the Lion's Club International convention to be held in the State of Hawaii in 1983.

Your Committee agrees with the testimony from the Lions Club that their convention, slated for late June 1983, will be economically beneficial to the State in terms of govern-

ment revenues and direct income to the tourist industry. Average daily income of \$2.5 million is projected for the 9-day convention; and, in addition, 13,500 rooms have already been reserved to date for the projected 40,000 Lions participants. Your Committee believes that an appropriation of \$30,000 is a reasonable figure, given the benefits that the State will reap. The \$30,000 will be used for the rental of the NBC Arena/Concert Hall, closed circuit TV between these two areas, production of a fashion show featuring Hawaiian fashions designed by local designers, and other direct expenses to be incurred.

Your Committee has amended the bill to change the appropriation from \$28,000 to \$30,000.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2802-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2802-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakasato, Takitani and Marumoto.

SCRep. 171-82 Housing on H.B. No. 3178-82

The purpose of this bill is to enable the counties to issue tax-exempt bonds as a means of providing below-market-rate mortgage loans both for homeownership and for multi-family rental projects.

This measure would allow the counties to issue either revenue bonds or general obligation bonds to finance below-market-rate mortgage loans. The relatively low indebtedness of the counties provides them with an advantage over the state and would facilitate their issuance of general obligation bonds. By issuing such bonds backed by the full faith of the county, a county could establish a loan program using a 30-year term in tandem with VA and FHA mortgage loan insurance programs. Potentially more families would qualify under such terms than currently qualify under the state Hula Mae program. Your committee believes that as wide a range of households as possible should be able to benefit from low-interest mortgage loan programs.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3178-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 172-82 Housing on H.B. No. 3121-82

The purpose of this bill is to allocate among the four counties in the State the principal amount of funds which may be issued under the federal Mortgage Subsidy Bond Tax Act of 1980.

Under federal law, the total principal amount of mortgage subsidy bonds which can be issued in the State of Hawaii in any calendar year cannot exceed \$200 million. One-half of this amount may be reserved for the Hawaii Housing Authority while the other half may be allocated to the counties that have the authority to issue mortgage revenue bonds.

Your Committee recommends that this bill be amended by inserting dollar amounts for each of the counties as follows:

City and County of Honolulu	\$ 79,000,000
County of Hawaii	10,000,000
County of Kauai	4,000,000
County of Maui	7,000,000

These amounts correspond to each county's percentage of the State population as reported in the 1981 State of Hawaii Data Book, rounded to the nearest million.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3121-82, as amended herein, and recommends that it pass Second Reading in the form

attached hereto as H.B. No. 3121-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 173-82 Housing on H.B. No. 3120-82

The purpose of this bill is to appropriate funds for the Hawaii Housing Authority to conduct a study to determine the extent of housing need in Hawaii and the amount of land needed to fill this housing need.

The Hawaii Housing Authority is required under Chapter 356-6 to establish and maintain a housing information system, but has not yet received funds to do so. The appropriation provided by this bill would ensure that such an information system is established, assisting both public and private agencies in planning for the provision of housing services.

Your Committee received favorable testimony on this measure from the Hawaii Housing Authority, the Consumers' Housing Task Force, the Honolulu Community Action Program and many others. Representatives of these organizations attested to the need for accurate and reliable information from which responsible decisions can be made.

Your Committee recommends that this bill be amended by inserting the figure of \$100,000 for the amount to be appropriated.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3120-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3120-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 174-82 Youth and Elderly Affairs and Public Assistance and Human
Services on H.B. No. 2124-82

The purpose of this bill is to make an appropriation of \$119,238 for the Hawaii County Economic Opportunity Council to continue to provide transportation services in Hawaii County to preschool children, the elderly, disabled, handicapped and other disadvantaged persons.

Your committees find there are numerous isolated plantation communities which are not served by the Hawaii County Mass Transit system. The Hawaii County Economic Opportunity Council provides specialized social type transportation for the low-income elderly, the handicapped and pre-school clients to private and public service facilities designed to serve them. For the 1981-1982 fiscal year, this transportation program received \$119,238 and was able to continue their services.

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. 2124-82 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 175-82 Youth and Elderly Affairs on H.B. No. 2077-82

The purpose of this bill is to provide funding for the Liliha After School Program. This appropriation would continue the present program which provides constructive, planned activities for children six through twelve years of age.

Your Committee has amended this bill by inserting the amount of \$24,000 to be appropriated for fiscal year 1982-1983 for the purposes of this bill.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 2077-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2077-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 176-82 Youth and Elderly Affairs on H.B. No. 2245-82 (Majority)

The purpose of this bill is to extend the time for a child or his personal representative to file a paternity action to three years beyond majority.

The present statute requires that an action in paternity be brought within three years of the child's birth. If the child's mother either refuses, neglects or fails through ignorance of the law to file within the three-year period, the child is forever barred from securing support.

The present statute allows the alleged father to avoid the moral and legal responsibility of his child. As a result, considerable burden is placed upon the mother and taxpayers.

The Department of Social Services and Housing and the Family Support Division, Department of Corporation Council submitted testimony in support of this bill.

Your Committee finds that the statute of limitation was intended to protect an alleged father from having to defend an accusation of paternity many years later. However, in view of significant scientific advances in the field of blood testing and genetics, there are now blood tests which provide the alleged father with a 98-99 percent accurate exclusion rate.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 2245-82 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.
(Representatives Levin and Lacy did not concur.)

SCRep. 177-82 Ocean and Marine Resources on H.B. No. 77

The purpose of this bill is to amend the Hawaii Revised Statutes by adding a new chapter 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.

Your Committee finds that Article XI of the Hawaii State Constitution clearly mandates the conservation, protection, and development of marine resources in the State. This bill proposes to establish a means of leasing ocean and marine resources and is viewed as a viable and effective means to enhance fulfillment of the constitutional mandate.

Your Committee further finds that research, development, and demonstration of viable energy, aquaculture, mariculture and ocean related technologies are progressing rapidly in the State. Prospects for private commercial investment for ocean thermal energy conversion, manganese nodules, floating and submerged sea-farming operations and related ocean resources are a reality.

Your Committee recognizes that the full extent of the oceanic jurisdiction is in dispute between the state and federal governments. Until the dispute is resolved, the entrepreneurs can meet the ocean leasing requirements of both state and federal governments. Notwithstanding, your Committee finds that the issuance of a lease is of great importance to the entrepreneurs, who will need a lease in order to raise private capital to conduct these activities. Even though these ocean and marine resource activities may be several years away, the issuance of ocean and marine resources lease is a critical step in establishing mariculture, OTEC, marine mining, and other ocean activities.

Testimony before your Committee by Mr. Kent Keith, Deputy Director of Planning and Economic Development; Mr. David Higa of the Department of Transportation; and Mr. E. Hamasu, Deputy of the Department of Land and Natural Resources; strongly support or express general accord with the intent and purposes of this bill. Your Committee recognizes the concerns expressed by Mr. S. Kuna, representing the Office of Hawaiian Affairs, and the Life of the Land, who had testified against this bill.

Testimony before your Committee by Jon Van Dyke, Professor of Law, School of Law, University of Hawaii, expressed concerns that H.B. 77, H.D. 1, does not recognize the significant differences between public trust interest in the ocean areas and in state lands, and expressed other concerns related to the need to provide greater opportunities

for small entrepreneurs to participate in ocean leasing and increase protection of public interests.

Your Committee has duly noted and considered the various recommendations and concerns expressed at the public hearing held on February 2, 1982. Your Committee, upon reconsideration, has amended the bill as follows:

- (1) Page 1, Section -2, line 9, insert passage "The electorate of the State of Hawaii recently ratified amendments to the Constitution of the State of Hawaii. Article XI, relating to conservation, control, and development of resources, provides in section 6 that the State shall have the power to manage and control the marine, seabed and other resources located within the boundaries of the State, including its archipelagic waters, and reserve to itself all such rights outside the state boundaries not specifically limited by federal or international law." after Finding and purpose.
- (2) Page 2, line 1, delete "ocean" and insert "marine".
- (3) Page 2, line 1, insert passage "The legislature finds that the proposed activities are in the public interest and consistent with other state policies, goals and objectives, including economic development, conservation of marine resources, energy and food self-sufficiency, and environmental protection" after "ocean activities."
- (4) Page 2, line 8, insert new definition in § -3, subsection 1, "(1) 'Application' means a conservation district use application", and the sequence of that subsection was renumbered accordingly.
- (5) Page 3, line 2, delete word "a" before marine environment and insert words "the state" after "within".
- (6) Page 3, line 5, delete word "recreational" before "research".
- (7) Page 3, line 23, delete words "or moving through state marine" after "marine waters,".
- (8) Page 4, line 1, delete first word "waters".

Your Committee has amended the bill by deleting all of "Part II. Ocean Leasing Generally; Provision;" and added a completely new "Part II. Designation of Areas for Leases; Conservation District." This new Part II provides for a clear and unambiguous provision that (a) the department must conduct an assessment of the resource values of the state marine waters and submerged lands prior to the designation of state marine waters or submerged lands which may be leased for marine activities; (b) the department is required to prepare an environmental assessment to determine whether the designation of state marine waters or submerged lands may have significant environmental effect; (c) if the Board of Land and Natural Resources finds that the designation has a significant environmental effect, the Board may either withdraw its proposed designation or proceed to prepare an environmental impact statement on the potential impacts of the designation. Your Committee, because of concern that the public be informed of any actions under this proposed chapter, has provided for ample public notices and opportunities for public input. Because of the concern that public access to the beaches be protected, your Committee has also stipulated that the Board shall not lease any lands inland of the mean high water mark.

Your Committee has further amended the bill by deleting all of "Part III. Administration and Enforcement," and added a completely new "Part III. Ocean Leasing Generally; Procedures; Provision". The new Part III makes it clear that the proposed chapter does not require that all ocean activities obtain leases, nor does it require that all marine activities obtain Conservation District Use Permits. However, mariculture, marine mining, or OTEC operations must obtain a Conservation District Use Permit. If the Board feels that it is necessary to protect the State's interest, the entrepreneurs can be required to enter into a lease for the conduct of their activities at a specific site. Or, under the new Part III, the entrepreneurs can decide whether or not they should proceed under the rights and responsibilities of a lease, and can request one at their own option. Ocean leasing may thus apply to comparatively few marine activities and ocean areas. The new provisions also provide the Chairperson of the Board with authorization to temporarily or permanently suspend commercial or research activities if the lease is causing an immediate danger to human or marine life of the environment of the state marine waters or submerged lands.

Your Committee has also amended the bill by adding a completely new "Part IV. Administration and Enforcement". The new Part IV provides clear and unambiguous statements relating to violations and penalties for violations of the purposes of this chapter.

Your Committee notes that in amending the bill by deleting "Part IV. Conservation Districts; Fishing Rights" in its entirety, the provisions of the new Part II adequately address concerns covered by the deleted section.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 77, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 77, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 178-82 Transportation on H.B. No. 2103-82

The purpose of this bill is to appropriate the sum of \$1,450,000 to provide for the completion of the improvement of Hamakua Drive, extending from Hahani Street to Akoakoa Street.

Your Committee received testimony from the City and County of Honolulu Public Works Department in support of this measure. The City indicated that the appropriation would provide the balance of one-half the cost of the improvement. The City also indicated that the improvement would provide another greatly needed access from the Enchanted Lakes to Kailua Road.

Your Committee has also received favorable testimony from the Kailua Chamber of Commerce expressing the urgency of the project to reduce traffic congestion in Kailua.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2103-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 179-82 Transportation on H.B. No. 2108-82

The purpose of this bill is to implement the transfer of roads pursuant to Section 264-2, Hawaii Revised Statutes, by providing necessary funds for improvement of roadways.

The purpose of this bill is to appropriate the sum of \$730,000 or so much thereof to make improvements to government roadways in Waianae.

Your Committee notes that the major roadways in the Waianae district, now within State jurisdiction, originated from "Crown Lands." In agreement between the State and County, approximately 12.8 miles of these roadways were transferred to the City and County of Honolulu. This bill will aid the implementation of the transfer of roads pursuant to Section 264-2, Hawaii Revised Statutes, by providing necessary funds for improvement of those roadways.

Your Committee received testimony from the City and County of Honolulu Department of Public Works supporting the bill, and indicating that the roads in the Waianae district are badly in need of resurfacing, reconstruction, street lighting, and other minor improvements. It is also noted that after the improvements to the roadways, maintenance of such roadways shall be performed by the City and County of Honolulu.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2108-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 180-82 Transportation on H.B. No. 2126-82

The purpose of this bill is to change the definition of "Antique Motor Vehicles" to include vehicles of the age of twenty-five years or more.

Your Committee received written testimony indicating that the 1955 to 1957 Chevrolets, Thunderbirds, and similar vintage cars are now twenty-five or more years old. Once restored, the cars become very valuable, highly prized, and are meticulously maintained by their owners.

Your Committee notes that substantial time, effort, and money are devoted to the prized vintage cars. It is also noted that these restored cars may be eligible for annual safety inspection rather than every six months if H.B. No. 1094 passes.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2126-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 181-82 Transportation on H.B. No. 2226-82

The purpose of this bill is to appropriate funds to the City and County of Honolulu for fiscal years 1982-1983, 1983-1984, and 1984-1985, in the sum of \$125,000, or the amount which may be deemed necessary for land acquisition and improvements to Moanalua Road, Oahu, to take effect on July 1, 1982.

Your Committee finds that the appropriation of these funds to provide sidewalks and to improve the portion of Moanalua Road, which serves as a major thoroughfare, is necessary to relieve traffic congestion, improve traffic circulation, and increase pedestrian safety.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2226-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 182-82 Transportation on H.B. No. 2232-82

The purpose of this bill is to amend Section 291C-196 of the Hawaii Revised Statutes to allow moped drivers to ride on other than the extreme right side of the roadway under certain conditions, when it is in the interest of safety to do so.

Under the present law, Hawaii Statutes specify that mopeds shall be operated only on the right side of the roadway. The bill provides that mopeds traveling at speeds less than the normal speed if traffic moving in the same direction at the same time may ride on other than the extreme right when prefor a left turn, when it is reasonably necessary to avoid unsafe conditions or when a roadway has two or more lanes and is designated as one way.

Your Committee has received favorable testimony from the Department of Transportation and moped riders and believes that the passage of this bill is important to road safety.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2232-82 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 183-82 Transportation on H.B. No. 2142-82

The purpose of this bill is to appropriate, for the fiscal year 1982-1983, funds to improve the Hawaii Belt Road in the District of Ka'u, County of Hawaii.

In testimony received by the Department of Transportation, it was recommended that an incremental appropriation of \$200,000 be made to conduct a study to access the needs and costs of such an improvement. The Department of Transportation would, then,

upon the completion of such a study submit an appropriation request.

Your Committee is in agreement with the suggestion proposed by the Department of Transportation, that a study first be conducted to access the costs and needs of such an improvement. It has, therefore, amended Section 1 of this bill as follows:

- (1) changing the sum of \$5,000,000 to \$200,000;
- (2) deleting "and the same sum, or so much thereof as may be necessary, is appropriated" and "for the design and construction"; and
- (3) adding "for the purposes of funding a study of the Hawaii Belt Road."

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2142-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2142-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 184-82 Higher Education on H.B. No. 2301-82

The purpose of this bill is to provide for greater equity among the continuing education and community service programs within the University of Hawaii system by providing an appropriation of \$182,500 to the University of Hawaii at Hilo's Center for Continuing Education and Community Service.

The appropriation includes \$86,562 for the conversion of five existing positions to general funds, \$35,946 for travel and transportation expenses for outreach programs, and \$60,000 for program support.

U.H.-Hilo requested consideration of this problem in its 1982-83 Supplemental Request for the following reasons:

1. There are extraordinary support costs associated with their main outreach areas in Kona, Waimea, Kohala, Honokaa, and Ka'u. Providing services to an area of 4,038 square miles involves high mileage costs and per diem charges not associated with continuing education operations elsewhere in the UH system.
2. The "self-support" policy currently governing outreach activities means that the using students must bear at least the direct costs of instruction, i.e., the instructor's salary, transportation, and per diem. In the case of a three-credit course in Kona, this is presently a minimum of \$3,187 (\$1,650 minimum Assistant Professor salary, \$907 mileage, and \$630 per diem). An enrollment of 54 students is required to meet these direct costs, and classes of that size are simply not feasible in most of the outreach service locations.
3. The "self-support" system as it presently operates provides no reasonable opportunity for the recovery of administrative costs. The reason for this is simple and straightforward: Overhead must be added to the using student costs, increasing the number of registrants necessary to offer the course. In the Kona example above, additional students beyond the minimum 54 needed to meet the direct cost of instruction would be required to offset administrative overhead. This overhead includes S fund program coordinators, clerical help, and the costs of registration, advertising, and facilities.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2301-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 185-82 Higher Education on H.B. No. 2424-82

The purpose of this bill is to provide funds for additional office and laboratory space at Kula Research Center.

The research office and laboratory facility at the Maui Branch Station in Kula was built in the early 1960's to house two researchers. To meet the needs of Maui farmers, a third researcher was hired in the early 1970's. The back of the existing office and laboratory building was enclosed to provide space for the new researcher.

Over the last few years, the research program on Maui has continued to expand to meet increasing needs of Maui farmers. The vegetable research program in the area of disease control and integrated pest management has expanded as a result of grants from the Federal Government and the Governor's Agriculture Coordinating Committee (GACC). Research on Protea insect and disease control and variety selection has expanded as a result of grants from the GACC. There is a long standing request from the Maui farmers for a new vegetable researcher for the Maui Branch Station.

The present facilities are not adequate for the three researchers and their expanding research programs. It is impossible to house the new vegetable researcher in the existing office and laboratory building.

The proposed appropriation of \$210,000 to the Department of Accounting and General Services will allow the College of Tropical Agriculture and Human Resources to build adequate facilities for the research program at the Maui Branch Station.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2424-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 186-82 Higher Education on H.B. No. 2441-82

The purpose of this bill is to provide the University of Hawaii the funds necessary to effectively continue the current services of the Continuing Education for Women program.

Your Committee received testimony from seven organizations strongly supporting this program. The program serves a broad clientele and your Committee strongly supports continuing the program at its present level.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2441-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 187-82 Higher Education on H.B. No. 2496-82

The purpose of this bill is to appropriate funds for the New/Young Farmer Program.

The New/Young Farmer Program was initiated in 1976 with a special appropriation from the Legislature to the State Department of Agriculture to instruct new and inexperienced farmers in producing, managing and marketing local agricultural commodities. The intent was to provide special attention to a select group of farmers so they would be better able to survive the early traumatic years and thereby enhance their chances of success in farming.

In the judgment of the College of Tropical Agriculture and Human Resources, the program was effective and useful in reaching the targeted new and prospective farmers on all islands. It did this by employing half-time program assistants and using community resources to further extend the Extension delivery system. The impact of past efforts shows that direct, individualized assistance was most effective in bringing about changes. Supplemental organized classes, i.e., short courses, seminars and clinics were also useful.

Your Committee has amended the bill by changing the expending agency from the University of Hawaii to the Department of Agriculture as was the practice in prior years.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2496-82, as amended herein, and recommends that it pass Second Reading in the

form attached hereto as H.B. No. 2496-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 188-82 Higher Education on H.B. No. 2551-82

The purpose of this bill is to provide the University of Hawaii Board of Regents the authority to waive all tuition fees for any veteran currently enrolled as a student working toward a degree on any University of Hawaii campus provided the student is a resident of Hawaii and provided that the tuition waiver shall be applicable only to veterans no longer receiving "GI Bill" educational benefits.

It is well recognized that the "GI Bill" educational program since World War II has paid for itself countless times in the higher socio-economic contributions of those who made use of the program as contrasted to those who had no such equal educational opportunities.

This bill is directed at veterans of the Vietnam Conflict whose benefits are expiring under the federal educational support legislation but who need assistance to finish the degree programs they are currently pursuing. Tuition waivers while not sufficient to support students may make the difference for many veterans living on a limited income while trying to get a college degree.

The University of Hawaii testified that it had no institutional objection to the bill. However, the University felt it was worthwhile to point out to the Legislature that the bill raised a public policy question: specifically, an issue of State/Federal responsibility in the sense that the State would be providing a benefit to individuals for service they had rendered to the federal government.

The federal government may preempt the State in the authority to decide to initiate and conduct actions such as Vietnam but that authority does not preclude the State from acting compassionately toward those who served in that arena or from rewarding them for that service.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2551-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 189-82 Higher Education on H.B. No. 2771-82

The purpose of this bill is to appropriate \$30,000 to provide continuing support for the marine extension program for Leeward Oahu.

Your Committee received favorable testimony supporting the bill from the University of Hawaii, the Department of Planning and Economic Development, the Aina Ko'e Foundation, and Waianae Coast resident Mr. Joseph W. Lapilio III. Acting Dean Jack R. Davidson of the University stated: "The Advisory agent has served a particularly critical role in community development in the Waianae district in serving as the liaison between the community and local, state and federal agencies and the private sector." Mr. Hideto Kono, Director, DPED, testified that "The State Master Plan for Marine and Aquatic Education identified extension efforts such as the Leeward Marine Extension Program as playing a key role in coordinating and delivering marine programs and services to ocean-oriented constituencies. The Leeward area is clearly in the forefront of marine affairs in Hawaii, and thus well deserving of this program."

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2771-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 190-82 Higher Education on H.B. No. 2773-82

The purpose of this bill is to provide a sum of \$40,000 to the University for completion

of a project to improve parking lot lights at Leeward Community College.

The College has completed an in-house assessment of retrofitting alternatives available for improving campus lighting and is now working with DAGS to hire a consultant to evaluate the various alternatives and to do the design for the most feasible option identified.

The University anticipates using a prior appropriation of \$19,000 for the project. The latest, though still preliminary cost estimate, which was developed after the Governor's appropriation request was submitted to the Legislature, indicates that available funds are insufficient for the project. The appropriation, as provided for in this bill, would be applied toward the construction cost.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2773-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 191-82 Higher Education on H.B. No. 2753-82

The purpose of this bill is to appropriate funds to the University of Hawaii Community Colleges to enable the Employment Training Office (ETO) to operate those job training programs that are presently federally funded. The appropriation would cover the anticipated cut in the federal budget for the Comprehensive Employment and Training Act (CETA) projects and enable the ETO to serve approximately the same number of trainees as are being served under the present level of federal funding.

Your Committee has amended the bill by reducing the appropriation from \$355,000 to \$250,000 based on your Committee's understanding of the actual portion of the 1983 fiscal year during which federal funds might be cut back. In addition, your Committee has amended the bill by adding a new section 3 and renumbering the original section 3 as section 4. The new section 3 provides that the appropriation made by this bill shall be expended only if federal funds to ETO are reduced and only to the extent that such federal funds are reduced.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2753-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2753-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 192-82 Public Assistance and Human Services on H.B. No. 2912-82
(Majority)

The purpose of this bill is to disregard the value of the house in which a person actually resides in determining the individual's eligibility for medical assistance.

For the purposes of the State Medicaid program, a person cannot presently receive medical assistance if the equity value of his/her home is more than \$40,000. For many low income homeowners, their equity exceeds the current ceiling due to increases in property value. The cost of medical care is a substantial burden on those low income homeowners who are experiencing chronic illnesses within their immediate family. This burden sometimes results in the family selling their home. A definite need for medical assistance exists for these families.

Your Committee has amended the bill by changing the section of the Hawaii Revised Statutes from 346-59 which deals with reimbursements to providers to the more appropriate 346-29 which addresses the eligibility of individuals for medical assistance. As a result, lines 1-11 of section 1 of the bill have been deleted. The new section 1 shall read:

"SECTION 1. Section 346-29, Hawaii Revised Statutes, is amended by adding a new paragraph (6) to read as follows:

(6) Shall disregard the value of the home in which a person actually resides if the said value will disqualify the individual from eligibility for medical assistance benefits."

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2912-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2912-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Levin and Lacy did not concur.)

SCRep. 193-82 Public Assistance and Human Services on H.B. No. 2449-82
(Majority)

The purposes of this bill are: (1) to conform conditions of eligibility for the State's General Assistance Program with conditions of eligibility under comparable federally funded financial assistance programs; (2) to require that families must first establish eligibility for assistance for federal programs; (3) to clarify that only a licensed physician whose specialty is in psychiatry shall determine whether a person is mentally impaired, and (4) to determine ineligibility of an assistance unit for general assistance if an adult in the assistance unit fails to cooperate with any appropriate state agency for vocational rehabilitation services after being referred for services.

Your Committee has received testimony from the Department of Social Services and Housing indicating that the General Assistance Program was never intended to cover families who are categorically eligible for federal programs such as the Aid to Families with Dependent Children (AFDC). Since the 1981 Omnibus Reconciliation Act tightened income eligibility requirements for AFDC, the State's General Assistance statutes have become more liberal in eligibility criteria than federal programs. This bill will rectify this condition.

Your Committee has made a technical correction to the bill by restoring an omitted sentence to page 1, line 14 after the word "State". The new line reads "In family groups in which there are children, income and resources of both parents, natural or adoptive, shall be considered available for each other and the support of their children." This is a revision which was enacted last year.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2449-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2449-82, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 194-82 Consumer Protection and Commerce on H.B. No. 2564-82

The purpose of this bill is to allow the Department of Regulatory Agencies to assess special fees for the special handling of corporation and partnership documents.

Under present law, the Department is authorized to charge a single fee for the processing of certain documents. Because of the volume of documents received to be processed, there exists a backlog which has caused a lag time of several weeks between submission and processing. Requests are regularly received for expedited processing of documents.

This bill would provide a source of funds from which more flexible staffing can be utilized by the Department. Your Committee heard testimony from the Department that it anticipates a 24 hour processing time on documents which are specially handled.

The fund established by this bill will have a life of two years at which time its effectiveness and circumstances can be evaluated for continuation or lapse.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2564-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 195-82 Consumer Protection and Commerce on H.B. No. 2571-82

The purpose of this bill is to allow the Department of Regulatory Agencies to hire

attorneys on a full-time basis.

Under present law, the Department is assigned attorneys for purposes of legal advice and the prosecution of certain consumer complaints, from the Office of the Attorney General.

Your Committee heard testimony that the consumer complaint workload has increased to the point where the number of deputy attorney generals assigned to the Department is not sufficient to adequately prosecute the complaints.

Your Committee has amended the bill by providing that the attorneys hired pursuant thereto be utilized for the purpose of processing consumer complaints and that they need not be deputy attorney generals. Your Committee feels that this amendment will provide the Department the flexibility necessary to handle consumer complaints.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2571-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2571-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 196-82 Youth and Elderly Affairs and Judiciary on H.B. No. 2006-82

The purpose of this bill is to make an appropriation for sufficient placement resources throughout the State to meet the varied needs of minors.

H.B. No. 2006-82 appropriates funds to the Judiciary and the Department of Social Services and Housing for placement resources and also provide funds to develop, maintain and evaluate placement and preventive services to minors on a long-range basis.

Your Committees have amended Section 2, line 5 and Section 3, line 10 by decreasing the appropriation by approximately one-half to the amount of \$507,010 and \$197,700 respectively. The amendments are due to the anticipated six months lead time required to develop the resources.

Your Committees on Youth and Elderly Affairs and Judiciary are in accord with the intent and purpose of H.B. No. 2006-82, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2006-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 197-82 Energy, Ecology and Environmental Protection; and Water,
Land Use, Development and Hawaiian Affairs on H.B. No.
2687-82

The purpose of this bill is to establish a Hawaii geothermal development group which shall manage the HGP-A geothermal well in Puna, Hawaii, and engage in activities to encourage the commercialization of geothermal energy in Hawaii. The bill also terminates the Hawaii geothermal group and its enabling statute on June 30, 1990. This is an administration bill.

The HGP-A geothermal well is providing on-line electricity generated from geothermal steam. Hawaii is only the second state in the nation to utilize geothermal steam for such purpose.

One purpose of the bill is to provide a statutory base for the group which is currently managing the HGP-A geothermal well. The director of planning and economic development has testified in favor of the bill because the statutory establishment of the group would provide members with liability protection and the group would be authorized to manage funds and fulfill the terms of the contract with the U.S. Department of Energy concerning the HGP-A well. The director has also stated that the termination date of June 30, 1990 is proposed because that is the date of the expiration of the contract with the U.S. Department of Energy.

This bill also enables the development group to engage in activities to encourage the commercialization of geothermal energy. The director of planning and economic

development has testified that use of geothermal heat, steam, and fluid for other than electricity generation must be investigated. Under the bill, the development group is authorized to engage in such activities as well as manage the HGP-A well.

Geothermal energy must be encouraged in order to lessen the State's dependence on expensive fossil fuel and to promote a cheaper, ecologically cleaner, and more abundant energy source. Your Committees find that this bill serves these purposes.

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. 2687-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Morioka.

SCRep. 198-82 Energy, Ecology and Environmental Protection and
Transportation on H.B. No. 2268-82

The purpose of this bill is to provide incentives to encourage the production and utilization of alternate energy alcohol motor fuels.

Under current law there exists a general excise tax exemption for all of the gross proceeds arising from the sale of gasohol for consumption or use by a purchaser and not for resale from July 1, 1980 to July 1, 1985. Starting July 1, 1985 the exemption is extended to June 30, 1992 exclusively for gasohol which is derived from alcohol produced within the State from biomass.

H.B. No. 2268-82 will expand this tax exemption by including proceeds arising from the sale of alcohol motor fuels which include gasohol or straight alcohol fuels to which performance improving ingredients have been added. This exemption will start on July 1, 1987 the exemption is extended to June 30, 1992 exclusively for alcohol motor fuel which is derived from alcohol produced within the State from biomass.

Your Committees find that pure alcohol fuels, especially methanol with additives, may become a significant source of energy for both stationary and mobile power units in this decade. Additionally, there exists in the State a real potential for large-scale production of alcohol from indigenous resources.

Consequently, your Committees find that it would be in the best interest of the State to provide this needed incentive to encourage the production and use of alcohol motor fuels which represent a viable alternative to costly and scarce imported petroleum fuels.

Your Committees on Energy, Ecology and Environmental Protection and Transportation are in accord with the intent and purpose of H.B. No. 2268-82 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Nakasato.

SCRep. 199-82 Energy, Ecology and Environmental Protection and Public
Employment and Government Operations on H.B. No. 2791-82

The purpose of this bill is to insure that energy conservation practices are employed in the design, construction, and utilization of new state facilities.

Your Committees find that energy consumption in publicly-owned facilities has increased drastically during the past few years. This increase is due in part to the construction of facilities insensitive to energy conservation concerns and the installation of elaborate air conditioning units and other equipment which consume large amounts of energy.

Your Committees further find that by utilizing to full advantage Hawaii's natural environment and by incorporating energy conservation practices in design, construction, and utilization of publicly-owned facilities, the need for increased energy consumption can be minimized.

Given Hawaii's mild climate, natural tradewinds, and abundant supply of solar radiation, your Committees strongly encourage incorporating in facility designs a Hawaiian motif to take full advantage of Hawaii's tropical environment.

Your Committees on Energy, Ecology and Environmental Protection and Public Employment and Government Operations are in accord with the intent and purpose of H.B. No. 2791-82 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Nakasato.

SCRep. 200-82 Youth and Elderly Affairs and Public Assistance and Human Services on H.B. No. 3033-82

The purpose of this bill is to appropriate \$86,250 to continue the operation of the Hilo Interim Home.

The Hilo Interim Home provides troubled youngsters from ages 12 - 17 years with an in-community alternative to detention lock-up for Hawaii County's youthful status offenders. In addition to this detainment aspect, the program services abused and/or neglected youths who are in need of alternative placement, such as foster care. The program provides shelter, supervision and counseling to all the youth placements and their families.

Your Committees agree that the Hilo Interim Home is meeting an identified basic need for youths in Hawaii County. It is the only agency, public or private, which provides these services. Without this program these youths would be forced to remain within the crisis situation or would be detained at the County Jail.

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. 3033-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 201-82 Youth and Elderly Affairs and Public Assistance and Human Services on H.B. No. 2760-82

The purpose of this bill is to make an appropriation of \$95,000 to Kauai County's coordinated transportation system for transporting the elderly, disabled, handicapped, and disadvantaged persons.

Currently, the Kauai Office of Elderly Affairs (KOEa) is the sole provider of transportation services to eleven essential programs and services. Testimony presented by KOEA cited that due to no public transportation on Kauai and lack of federal funding, this appropriation of \$95,000 would continue the transportation services to over 500 persons per day.

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. 2760-82 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 202-82 Youth and Elderly Affairs and Public Assistance and Human Services on H.B. No. 2761-82

The purpose of this bill is to appropriate \$45,000 for renovation of the Hanapepe United Church of Christ Community Hall for use as an adult day care center.

Currently, Kauai has only one adult day care center, located in Lihue, adjacent to Wilcox Hospital. The elderly on the west side of Kauai have difficulty commuting two hours per day to reach the facility.

Your Committees find that the community hall could easily meet the licensing requirements of the Department of Health if structural changes, such as the renovation of the bathroom facilities and ventilation system are made. The westside site would be used as a satellite facility for the Wilcox Hospital Adult Day Care Center.

Your Committees on Youth and Elderly Affairs and Public Assistance and Human Services are in accord with the intent and purpose of H.B. 2761-82 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 203-82 Public Employment and Government Operations on H.B. No. 2848-82

The purpose of this bill is to clarify the law, Hawaii Revised Statutes Section 79-8, to maintain the current practice of excepting persons serving emergency appointments from earning sick leave pay.

Emergency appointments are not to exceed ten working days, and only for good cause may the appointments be extended for a period of not more than thirty days. Because of the short-term and the as-needed basis of the emergency appointment, it is not practical nor economically feasible to grant sick leave pay. Their employment was to meet the need for immediate services to prevent the stoppage of essential business. Absence of an emergency appointment does not fulfill the purpose of their employment and therefore, should not be entitled to earn sick leave pay.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2848-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakasato and Waihee.

SCRep. 204-82 Public Employment and Government Operations on H.B. No. 2811-82

The purpose of this bill is to include police officers and firefighters as eligible appointees to the Board of Trustees for the Employees' Retirement System.

Presently, a member in the Employees' Retirement System is classified into one of four categories: general employees of the state; teachers; general employees of the counties; and police officers and firefighters. The Board of Trustees by statute is comprised of seven members. Of these members, three are members of the System, two of whom shall be general employees and one of whom shall be a teacher. By definition this excludes police officers and firefighters from becoming members of the Board of Trustees.

There is a total of 3,506 police officers and firefighters who are members of the System. The enactment of the bill will give this substantial number of members an equitable opportunity to become members of the Board of Trustees.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2811-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasato.

SCRep. 205-82 Public Employment and Government Operations on H.B. No. 2965-82 (Majority)

Prior to December 29, 1981, the federal government assisted municipalities by providing grants of 75 per cent of eligible cost for all three phases; planning, design, and construction; of a wastewater treatment works. However Clean Water Act amendments of 1981 established new guidelines; two of which are (1) after December 29, 1981 only advances to the construction phase will be granted and (2) after October 1, 1984 the per cent of the grants will be 55 per cent of the total cost of the project.

The establishment of a revolving fund would enable the counties to draw, up to the limit of the federal government advancement, funds for the planning and design phases of the project prior to the construction. These funds are not available to the counties until the construction phase has started. Also, all projects that have completed the first two phases prior to October 1, 1984 and have requested advancements the grant will have the 75 per cent rate.

All funds drawn from the revolving account will be reimbursed by the counties immediately upon receipt of advancement funds from the federal government and no later than four years from withdrawal.

Your Committee has made substantive amendments to the bill to reflect the intent of the Committee: (1) delete in Section 342-34 (a) the sentence "If federal funds are not available, the director may make grants up to one hundred per cent of the estimated reasonable cost of the project." This is to preclude the grant of state funds without the assurance of the federal governments participation in the project. (2) added in Section 342-34 (b) "not more than". (3) added in Section 342-34 (b) (2) "immediately upon receipt from the federal government the advancement funds and".

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2965-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2965-82, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 206-82 Youth and Elderly Affairs on H.B. No. 3105-82

The purpose of this bill is to provide, continue, or expand programs which assist the economically disadvantaged elderly persons, decrease unnecessary institutionalization, provide additional elderly rental housing units, and assist elderly persons in good health to maintain their good health.

Your Committee received testimony in support of this bill from the Department of Social Services and Housing, Executive Office on Aging, Honolulu Community Action Program, Catholic Social Service, Kokua Council for Senior Citizens, and individuals.

Your Committee has amended this bill by deleting Part IV, Section 10 and 11, and accordingly has amended Parts I and V for purposes of consistency. Your Committee finds that the Hawaii Housing Authority is currently pursuing alternative funding to address this concern.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 3105-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3105-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 207-82 Youth and Elderly Affairs on H.B. No. 2291-82

The purpose of this bill is to appropriate \$164,985 for fiscal year 1982-1983 to continue the operation of the Maunaolu Youth Residential Shelter Program on Maui.

Testimony presented by Maunaolu Youth Residential Shelter program (MYRS) cites a lack of funds for emergency shelter and youth counseling services due to anticipated expiration of federal grants. Of the total budget of \$133,554 for fiscal year 1982, MYRS received \$18,068 from the Law Enforcement Assistance Administration, \$25,000 from the federal Department of Health and Human Services' Runaway Youth Act grant, \$10,964 from Maui County, and \$79,522 from State grant-in-aid. Both federal grants will terminate at the end of this fiscal year. Maui County will not be able to continue to subsidize the program but will still make available current physical facilities.

MYRS operates the only group residential facility on Maui for runaway teenagers and other youths beyond the control of their parents. The program has a bed-capacity of 19, and in the course of one year, serves about 140 children ages 12-17.

Your committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 2291-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2291-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 208-82 Youth and Elderly Affairs on H.B. No. 2437-82

The purpose of this bill is to appropriate \$21,550 to support and continue the operation of the Hale Kipa Transition House.

The Executive Director of the Hale Kipa Transition House testified that the shelter serves youths between the ages of 12 through 17, who are awaiting placement out of their homes or who need extended time to resolve family problems. Approximately 60 youths go through the program during the year. The only alternatives for most of these youths is the streets or Detention Home.

Your Committee finds that due to severe federal budget cutbacks, the Transition House will not be able to continue on 75 percent funding, since the basic costs are fixed. The appropriation of \$21,550 would provide the necessary 25 percent state matching funds.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 2437-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 209-82 Youth and Elderly Affairs on H.B. No. 2728-82

The purpose of this bill is to make an appropriation of \$75,600 to continue the operation of the Kapahulu Multi-purpose Senior Center.

Your Committee has received testimony in support of this bill from the Chancellor for Community Colleges of the University of Hawaii.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 2728-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 210-82 Agriculture on H.B. No. 2222-82 (Majority)

The purpose of this bill is to amend Section 150A-6(3), Hawaii Revised Statutes, in order to permit the importation of the specie Anguilla rostrata for experimental or other scientific purposes.

Your Committee finds that the demands made by local, national, and international markets for fish and fishery products have continued to generate widespread interest in the field of aquaculture. In aquaculture, a leading candidate for culturing is the freshwater eel which has recently been developed as a viable multi-million dollar commercial operation in the Peoples Republic of China, Hong Kong, and Taiwan. Your Committee further finds that the demand in Europe and Japan for freshwater eels exceeds the available supply.

Under the present law, there is a general prohibition on the import of eels of the order Anguilliformes. This bill would allow the importation of eels, Anguilla rostrata, into the State for experimental or scientific purposes. Additionally, conditions of entry and maintenance would be imposed by the State Board of Agriculture as necessary.

Your Committee has heard testimony from several sources, including the Chairperson of the Department of Agriculture, Chairperson of the Department of Land and Natural Resources, and Drs. Robert Schlesher and Cheng Sheng Lee of the Oceanic Institute. All testimony received strongly support or express general accord with the intent and purposes of this bill, except Dr. Alan Ziegler, representing the Hawaii Chapter Sierra Club, who testified against the passage of this bill.

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

- (1) Page 1, lines 15 and 16, delete the bracket.
- (2) Page 2, line 5, add the phrase "provided that a government agency may bring into and maintain in the State, Anguilla rostrata for experimental or other scientific purposes upon such terms as the Board may deem necessary to protect native biota; and" after the word "board".
- (3) Page 2, line 5, add the word "further" after the word "provided".

Your Committee is generally in agreement that these conditions of entry, maintenance

and purpose are sufficient measures to insure the safety and welfare of the environment and public.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2222-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2222-82, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
(Representatives Baker, Fukunaga and Hirono did not concur.)

SCRep. 211-82 Consumer Protection and Commerce on H.B. No. 2548-82

The purpose of this bill is to permit public utilities to charge a rate of interest, not to exceed one percent per month, on payments past due.

Your Committee heard testimony from the Department of Regulatory Agencies, the Hawaiian Electric Company, Inc., and the Hawaiian Telephone Company that at present, public utilities have few alternatives in dealing with delinquent accounts. This bill would enable the public utilities to regain a portion of the expenses incurred as a result of unpaid accounts.

Presently, the burden of financing delinquent accounts is weighted on customers who regularly pay their bills on time. This bill would shift the burden of financing late payments to the customers who cause the expense to occur.

Your Committee feels that allowing public utilities to charge interest on overdue accounts will reduce the number of such accounts.

Your Committee has amended the bill by clarifying its language.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2548-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2548-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 212-82 Health and Judiciary on H.B. No. 2170-82 (Majority)

The purpose of this bill is to prohibit smoking in places operated by the State whether the State owns, rents, or leases these places. The present law prohibits smoking in places owned and operated by the State, thus excluding places rented or leased by the State.

Your Committees on Health and Judiciary are in accord with the intent and purpose of H.B. No. 2170-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees.
(Representatives Shito, Dods, Kawakami and Waihee did not concur.)

SCRep. 213-82 Public Employment and Government Operations on H.B. No. 1965-82 (Majority)

The purpose of this bill is to amend Section 88-91, Hawaii Revised Statutes, to allow the court, in the case of a divorce decree, to compel the public employee's retirement system to pay a pension, an annuity or retirement allowance proceeds to a person or persons not designated by statute to receive the allowance or benefits.

At the present time the court does consider an individual's equity in his/her retirement account as part of a couple's cumulative assets. Attorney General's Opinion 79-3 states, however, that to the extent that a divorce decree creates a lien on retirement system funds, that decree is unenforceable. H.B. No. 1965-82 will amend the statute to allow the court to place a lien directly on an individual's retirement account and instruct the fund to pay a portion of the pension, annuity or retirement allowance proceeds to a person or persons not designated by statute to receive the allowance or benefits.

H.B. No. 1965-82 will not alter the amount of money the retirement account pays out. It will however allow the court, in the case of a divorce decree, to play a larger role in determining who will be the beneficiary of the retirement system funds in question.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 1965-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Kiyabu and Waihee did not concur.)

SCRep. 214-82 Agriculture and Employment Opportunities and Labor Relations
on H.B. No. 2896-82 (Majority)

The purpose of this bill is to conduct a comprehensive study to ascertain the economic viability of the sugar industry in Hawaii in the near term and the long term.

The sugar industry in Hawaii faces many adverse conditions including the infiltration of lower priced foreign sugar into the United States' market and the resulting period of low sugar prices, competition from other sweeteners and substitutes that are less costly to produce than sugar, the displacement of certain plantations for urbanization, and the growing water shortages.

Your Committees have amended section 2 of this bill by appropriating the amount of \$300,000 for the Governor's Agriculture Coordinating Committee to conduct the study as described in this bill.

Your Committees have further amended section 2 of this bill by designating July 31, 1984 as the deadline for the Governor's Agriculture Coordinating Committee to submit a report of its findings and recommendations to the legislature.

Your Committees on Agriculture and Employment Opportunities and Labor Relations are in accord with the intent and purpose of H.B. No. 2896-82, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2896-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Nakasato.
(Representatives Anderson and Monahan did not concur.)

SCRep. 215-82 Agriculture on H.B. No. 3066-82

The purpose of this bill is to investigate the alternative use of sugar cane and its by-products as a fodder for animal feed by appropriating \$45,000 for such a study.

The constantly increasing cost of imported animal feed and the low price of raw sugar has prompted this study on the feasibility of using sugar cane and its by-products as feed for animals.

Your Committee finds that past research has shown potential for using sugar cane and its by-products as feed for animals.

Your Committee has received testimony from the University of Hawaii College of Tropical Agriculture and Human Resources supporting this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3066-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 216-82 Agriculture on H.B. No. 3054-82

The purpose of this bill is to protect Hawaii's producers of agricultural commodities against losses occurring during transportation of agricultural commodities.

While such losses may adversely affect any farmer, it poses the greatest threat to the new and inexperienced farmer, who the legislature has identified as being of particular importance to the future of Hawaii's agricultural industry.

Your Committee has adopted the recommendation of the Department of Agriculture and the Hawaii Farm Bureau Federation by amending page 1, line 14 of this bill to appropriate \$15,000 for the purpose of this bill.

Your Committee has also amended page 2, line 2 of this bill to designate the Department of Agriculture as the expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3054-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3054-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 217-82 Agriculture on H.B. No. 2976-82

The purpose of this bill is to conduct research on jojoba beans by appropriating \$25,000 for the Governor's Agriculture Coordinating Committee to conduct such research.

The Governor's Agriculture Coordinating Committee contracted the University of Hawaii College of Tropical Agriculture and Human Resources to conduct research on jojoba beans with funds received from the legislature in 1980. While research has shown jojoba to be a highly promising crop in Hawaii, your Committee finds that much research remains to be done. This bill provides for the continuation of research on jojoba beans.

Your Committee has heard testimony from the University of Hawaii College of Tropical Agriculture and Human Resources and the Governor's Agriculture Coordinating Committee supporting this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2976-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 218-82 Agriculture on H.B. No. 2710-82 (Majority)

The purpose of this bill is to assist sugar growers by authorizing the Department of Agriculture to make supplemental direct loans to sugar growers to cover deficits arising during this time period in which local sugar producers are subject to insufficient national protection from sugar imports subsidized by foreign governments. These supplemental direct loans shall be made to sugar growers to cover deficits, as defined in this bill, which shall include (1) any shortages of repayment of production loans made by commercial lending institutions, (2) the amount required for production expenses which is not available from commercial lending institutions or (3) any loss on the specified sugar cane operations.

Your Committee has adopted the recommendation of the Chairman of the Board of Agriculture by amending page 1, line 8 by changing the period after the word "Agriculture" to a comma and inserting the phrase "provided that as to the sugar grower, sugar production shall exceed 5,000 tons per year." This amendment provides that loans under the provisions of this bill shall be made only to sugar growers whose production exceeds 5,000 tons of sugar per year.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2710-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2710-82, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 219-82 Higher Education on H.B. No. 2876-82 (Majority)

The purpose of this bill is to remove the statutory ceilings on the salaries of the president and other executive and managerial administrators of the University of Hawaii, and to allow the Board of Regents to prescribe these salaries.

In addition to the above stated purpose, this bill transfers the statutory provisions

governing the salaries of the president of the University (now Section 26-52, Hawaii Revised Statutes) and University officers and employees (now Section 89C-2, Hawaii Revised Statutes) to Section 304-4, Hawaii Revised Statutes, which is the section of the law dealing specifically with the powers of the Board of Regents. It also substitutes the term "academic and nonacademic officers" for the term "officers and employees".

The actual effect of this bill as sent to your Committee is to permit the Board of Regents of the University of Hawaii to set the salary of the president of the University.

The other substantive change in present statutory language made by this bill is to replace the existing single class of exempt administrative and managerial personnel with two classes of such personnel: (1) academic officers, and (2) nonacademic officers.

Under existing law the president of the University is the only top ranking exempt administrative - managerial position for which the salary is set by law (\$45,000). At one time other top-level salaries were set at no more than 95 per cent of the president's salary by Section 89C-2(3), Hawaii Revised Statutes. However, that section of the law was struck down by the First Circuit Court in a decision of July 20, 1981.

The result of the Court's action was to permit the Board of Regents to set the salary of all top-level exempt administrative - managerial personnel except the president of the University. One result of this situation is that many of the president's subordinates now earn more than he does. This is not only true of exempt positions but also of some positions subject to collective bargaining where incumbents earn more than the president. Your Committee finds that this situation violates basic principles of sound personnel classification and pay systems, threatens the proper balance in employer-employee relations required for effective and efficient government, stifles recruitment of competent persons, and fails to compensate employees in equitable relationship to each other based upon the nature of work, complexity of responsibilities, qualification requirements, and working conditions.

Your Committee finds that the \$45,000 ceiling on the salary of the president is vastly out of line with salaries of other chief executive officers of institutions of higher learning comparable to the University of Hawaii. One study examined by your Committee shows that for 31 public universities with enrollments of 20,000 or more the median salary was \$75,500 in 1980-81. The median for 1981-82 is estimated at over \$80,000 and for 1982-83 at more than \$85,000. The same study showed that even at the lower end of the scale (first quartile) the salary average was \$66,725.

Your Committee believes that the University of Hawaii deserves and must have the best attainable personnel in leadership positions if the institution is to be more than a mediocrity. In the case of top leadership positions it is a truism that one gets what one pays for. If Hawaii is to compete effectively in the international labor pool from which top University personnel are recruited salaries must be competitive with other institutions drawing from the same labor pool.

Your Committee has amended this bill to set a ceiling of \$85,000 on the salary of the president. This would permit the Board of Regents the discretion to pay the president a salary not to exceed \$85,000.

Your Committee believes that the distinction between academic and nonacademic officers is important because (1) the education, experience and qualifications for employment are substantially different for the two classes, and (2) personnel in each category are drawn from two distinct and separate labor pools--academic officers from an international labor pool characterized by competencies in both an academic discipline and administrative talents and abilities--nonacademic officers primarily from a local labor pool characterized by high levels of skill and ability in bureaucratic and organizational operations and management.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 2876-82, H.D. 1, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2876-82, H.D. 2, and be referred to the Committee on Finance.

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

SCRep. 220-82

Consumer Protection and Commerce on H.B. No. 445

The purpose of this bill is to appropriate funds to be used for a study of international banking facilities and/or off-shore banking facilities.

Your Committee notes that Federal regulations have recently been changed with respect to minimum reserve and interest rate requirements for international banking facilities, thus making it feasible for such facilities to operate in the United States. Your Committee also heard testimony that several states have already passed legislation providing favorable state and local tax treatment which has precipitated international banking activity in those areas.

Your Committee agrees with the basis of the bill that the establishment of international banking facilities may be beneficial to the economy of the State and should be explored. This bill would enable the State to further that intent by authorizing and directing the study.

Your Committee has amended the bill to provide that the study be completed prior to the 1983 legislative session by the Department of Regulatory Agencies, and to appropriate \$5,000 for the study.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 445, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 445, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Waihee.

SCRep. 221-82 Public Assistance and Human Services on H.B. No. 2451-82

The purpose of this bill is to conform conditions in the amount of liquid assets disregarded for the State's General Assistance Program with conditions in the amount of liquid assets disregarded under federally funded financial assistance programs.

This bill will prevent welfare recipients who are denied financial assistance benefits under the Aid to Families with Dependent Children (AFDC) category from being transferred for financial assistance under the General Assistance category on technicality. The bill will conform conditions of eligibility for financial assistance under the State program of General Assistance to requirements under comparable federal public assistance programs. The General Assistance Program, entirely State funded, is intended to serve those families who are not categorically eligible for federal welfare programs. It was never intended to cover families who are eligible for federal programs such as AFDC. Income eligibility regulations for GA have either paralleled or been more restrictive than for federal programs. However, the 1981 Omnibus Reconciliation Act tightened income eligibility requirements for AFDC effective October 1, 1981, while the GA program has now become more liberal in some respects. As a result, families moving off AFDC because of family income and resources exceeding federal limits and for other technical reasons will be transferred to the State GA program. This bill will provide equal treatment to AFDC and GA families and prevent families whose liquid assets exceed \$1,000 from being transferred to the State's General Assistance category.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2451-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 222-82 Health and Public Assistance and Human Services on H.B. No. 2960-82

The purpose of this bill is to provide grants-in-aid to agencies throughout the State of Hawaii which provide services that are necessary as well as beneficial in the habilitation and care of developmentally disabled individuals.

These programs emphasize self-sufficiency with training in socialization and self-help skills and provide a systematic form of constructive developmental activities which affords parents and family members an opportunity to engage in employment or other personal activities.

These day activity programs serve individuals who are ineligible to receive services from the Department of Education because of age and whose current skill levels are too low for them to receive vocational training and rehabilitation. Services provided by these programs include prevocational activities geared toward assisting clients

to attain the socialization skills necessary to remain at home or in the community rather than being institutionalized at a much higher cost to the state.

Your Committee on Health and Public Assistance/Human Services are in accord with the intent and purpose of H.B. No. 2960-82 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 223-82 Health on H.B. No. 2382-82

The purpose of this bill is to make an appropriation for a grants-in-aid to the Northern Koolau Community Health Education Program. The program's primary focus is on health promotion and disease prevention through provision of health education services that foster informed self-help, appropriate utilization of health resources, and self-motivated compliance to medical regimes.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2382-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 224-82 Health on H.B. No. 2525-82

The purpose of this bill is to make an appropriation for a grants-in-aid to the three State-Planning Providers in Hawaii (Hawaii Planned Parenthood, a state-wide program, Kapiolani-Children's Medical Center, and Hale Ho'ola Hou) to continue to provide to the general public the level of family planning services they are currently providing.

Family planning services include counseling and education programs regarding contraceptives and fertility options, cancer detection, medical referral services, and providing devices. These services focus on needs in urban Honolulu and on the neighbor islands and complements the Department of Health's Rural Oahu Family Planning Project which serve the non-urban areas of Oahu.

Testimony from the Hawaii Medical Association states that the drastic federal cuts will result in unwanted pregnancies and the resultant demand for abortions or births of unwanted children who have an increased incidence of abuse and neglect.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2525-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 225-82 Health on H.B. No. 2264-82

The purpose of this bill is to establish a financial assistance fund for the hemophilia-related medical care and treatment of persons in the State suffering from hemophilia.

The Hemophilia Foundation of Hawaii, which presently provides financial assistance, medical care, and education to persons throughout the State who suffer from this disease, has in past years received grants-in-aid from the Legislature to help alleviate the heavy financial burden imposed on hemophiliacs and their families due to the high costs of treatment of the disease.

Your Committee heard testimony from the Department of Health that yearly medical expenses for hemophiliacs are very costly and the financial assistance provided by the State has enabled these individuals to lead more independent lives and become self-supporting in spite of the limitations imposed by the disease. Although in support of the intent of the bill, the Department felt that it should monitor the Hemophilia Foundation as it continues to carry out its present functions, inasmuch as the Foundation has in past years been administering to the needs of the less than fifty hemophiliacs in the State.

The Hemophilia Foundation of Hawaii testified that the average annual expense per hemophiliac is \$9,683, according to a feasibility study recently conducted by the Department of Health, and that permanent financial assistance would allow hemophiliacs in the State

to plan for their futures without constantly worrying about the financial burden imposed by the costs of treatment. The Foundation further testified that the permanency of such assistance would be beneficial to the State of Hawaii to the extent that it would prevent employed hemophiliacs from becoming welfare recipients and would allow them to be contributing citizens of the State.

Your Committee recognizes the need to establish such a financial assistance fund and on the basis of the financial information submitted by the Hemophilia Foundation for its proposed budget for the next fiscal year, has determined that the sum of \$120,000 be provided for the fund for fiscal year 1982-1983.

In view of the testimony received, your Committee has amended the bill to allow the Department of Health to contract with a private, non-profit organization, such as the Hemophilia Foundation, in carrying out its responsibility to provide financial assistance for the medical care and treatment of hemophiliacs who are eligible to receive such assistance. A clause to this effect has been added at the end of subsection (1) of the general duties section on page two of the bill, and references to the establishment and administration of the fund by the Department have been deleted on page 2, lines 16 and 17; page 3, line 4; page 4, line 10.

Inasmuch as the bill contains provisions requiring the Department of Health to provide this financial assistance and to establish standards of eligibility for such assistance, your Committee has deleted the sections of the bill which elaborate on these responsibilities (page 2, lines 19 and 22 to 23; page 3, lines 6 to 24).

Your Committee has also deleted the section concerning donations or grants to the fund (page 4, lines 1 to 6) in light of the provision of the bill requiring the Department to adopt necessary rules and regulations pursuant to Chapter 91 in implementing the fund.

Additional amendments of a clarifying nature have also been made to specify that the fund shall apply to the "hemophilia-related" medical care and treatment of hemophiliacs in the State (page 2, lines 4 and 13; page 4, line 10).

Your Committee on Health is in accord with the intent and purpose of H.B. 2264-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 2264-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 226-82 Health on H.B. No. 2263-82

The purpose of this bill is to provide funds to the Hilo Association to Help Retarded Citizens so that they can provide intensive habilitation treatment and support services to five deaf-blind and severely multi-handicapped children.

This program enables a family to keep a disabled child in the home or in a community setting at a much lower cost than institutionalizing the child in the Waimano Training School and Hospital. To help the children acquire the skills they need to overcome their handicaps, training in self-help skills such as toileting, feeding, communication and social skills complements the day programs provided by the Department of Education.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2263-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 227-82 Energy, Ecology and Environmental Protection on H.B. No.
3109-82 (Majority)

The purpose of this bill is to create the Hawaii Environmental Disclosure Law.

Public awareness of proposed actions of large stockholders of corporations with landholdings which might effect the quality of the environment is the primary objective of the environmental impact assessment process. Decisions by these stockholders regarding the use of these lands might have a direct impact on the quality of the state's environment. Public knowledge of activities involving these land holdings, such as stock transfers, is important in protecting the unique environment of the state.

This bill will require an entity holding ten per cent or more stock in a Hawaii corporation to file a disclosure statement with the Office of Environmental Quality Control prior to the purchase of five per cent or more additional stock in the corporation during any twelve month period.

This statement will include a description of the entity, its business activities, financial statements, history involvement in past environmental proceedings, and a detailed explanation of the intentions of the entity which might have an effect on the environment. Should the entity refuse to file a statement or participate according to the law, the Attorney General may be requested to take action which will prohibit the purchase of the stock.

The Office of Environmental Quality Control will work in cooperation with the state Attorney General for the implementation and administration of this law.

The bill has been amended to substitute the Office of Environmental Quality Control for the Environmental Quality Commission as the agency responsible for the implementation and administration of the law. Other technical changes have also been made to the bill.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 3109-82 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3109-82 H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Isbell, Monahan and Narvaes did not concur.)

SCRep. 228-82 Energy, Ecology and Environmental Protection on H.B. No.
2049-82

The purpose of this bill is to appropriate funds for the salary of the director of the Office of Environmental Quality Control and for salary increases for employees of that office.

Your Committee finds that it would be in the best interest of the State to ensure the existence of an environmental review system that provides appropriate consideration to environmental concerns in decision making along with economic and technical considerations. Necessary funding for a director will ensure that the Office of Environmental Quality Control can continue to effectively meet its legislatively mandated functions.

Your Committee has amended H.B. No. 2049-82 by specifying that \$30,000 be appropriated for the director of the Office of Environmental Quality Control. Additionally, SECTION 2 of the bill has been deleted. No funds have been requested for salary increases for employees of that office. Although these employees hold civil service exempt positions, they are already entitled to the same periodic pay raises given to regular state civil service employees. Other technical corrections have also been made to the bill.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2049-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2049-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 229-82 Energy, Ecology and Environmental Protection on H.B. No.
2207-82

The purpose of this bill is to expand the definition of a "heat pump", as defined in Section 235-12(c) of the Hawaii Revised Statutes, and thereby qualify commercial as well as residential heat pumps for existing alternate energy device income tax credits.

Your Committee finds that heat pumps are proven energy-saving devices. Heat pumps can reduce the amount of energy a household needs to heat water by as much as 66 per cent. Estimates place the number of single-family dwelling heat pumps installed in Hawaii at 4000. These heat pumps can save the State 20,000 barrels of imported oil per year. This represents an estimated annual savings of \$740,000 for the State. Larger-sized commercial heat pumps are available for apartments, condominiums, restaurants, and fast-food outlets, and the estimated savings for these facilities are quite large.

Under current law an income tax credit is provided individual and corporate resident taxpayers for the purchase and installation of solar or wind energy devices and heat pumps. A heat pump is presently defined as "an electric powered compression heating system which uses warm ambient air or heated gas to assist in the production of hot water in home water heaters."

This definition inadvertently excludes heat pumps utilized in commercial structures from qualifying for available income tax credits. Your Committee believes that expanding the definition of heat pumps to include commercial applications would greatly increase the utilization and resultant energy savings provided by these conservation devices.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2207-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 230-82 Energy, Ecology and Environmental Protection on H.B. No.
2465-82

The purpose of this bill is to appropriate \$300,000, to be expended by the Department of Planning and Economic Development, to operate the State Coastal Zone Management Program.

Your Committee finds that the Hawaii Coastal Zone Management Program is a management program that seeks to ensure the beneficial use, protection, and development of the State's coastal resources. Additional funding will assist this needed program in its efforts to manage our precious coastal resources.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2465-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 231-82 Energy, Ecology and Environmental Protection on H.B. No.
2477-82

The purpose of this bill is to clarify the hazardous waste management responsibilities of the Department of Health.

Your Committee finds that H.B. No. 2477-82 will amend Chapter 342, Hawaii Revised Statutes, by including language that explicitly authorizes the Director of Health to regulate and issue permits for facilities that treat, store, and dispose of hazardous waste. The bill will also authorize the Director of Health to impose financial responsibility requirements on facilities that treat, store, and dispose of hazardous waste.

These proposed changes are needed to give the State the option to manage its own hazardous waste program that would be equivalent and consistent with the federal Environmental Protection Agency (EPA) hazardous waste management program authorized under the Resource Conservation and Recovery Act of 1976.

Your Committee further finds that these proposed changes are consistent with EPA recommendations and will facilitate and clarify the proper administration of Chapter 342, Hawaii Revised Statutes.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2477-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 232-82 Energy, Ecology and Environmental Protection on H.B. No.
2172-82

The purpose of this bill is to provide that federal regulation concerning the ownership of solid waste takes precedence over the state law which assigns ownership of solid waste.

This bill is an administration bill and is proposed to rectify a conflict between state law and federal law concerning the ownership of hazardous waste. Under the federal Resources Conservation and Recovery Act, the generator of hazardous waste is the owner of that waste until it is received by the disposer. Section 340A-2, Hawaii Revised Statutes, provides that the generator of solid waste, which includes hazardous waste, is the owner until it is collected, the collector is the owner until the solid waste is deposited with an operator of a waste disposal or transfer facility, and the operator is the owner upon deposit by the collector. Thus, the intermediate ownership of the solid waste by a collector under state law conflicts with federal law if the solid waste is hazardous waste. This bill amends state law to rectify the conflict.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2172-82 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 233-82 Energy, Ecology and Environmental Protection on H.B. No.
2165-82

The purpose of this bill is to authorize the State of Hawaii to enter into the Northwest Interstate Compact on Low-Level Radioactive Waste Management.

Your Committee finds that in 1980 Congress passed P.L. 96-573, the Low-Level Radioactive Waste Policy Act that made states responsible for providing disposal capacity for waste generated within the state and encouraged states to band together to establish regional disposal sites.

Congress provided that when states join in interstate low-level waste compacts, an exemption to the Interstate Commerce Clause will be permitted and waste generated outside the region may be excluded after January 1, 1986. The 1986 authorization for exclusion of out-of-region waste means that all states must have selected and implemented their disposal strategy by January 1986.

Potential party states of the Northwest Interstate Compact, as of January 1982, include: Alaska, Hawaii, Idaho, Montana, Oregon, Utah, Washington, and Wyoming. The radioactive waste disposal site will be in Washington. Oregon and Idaho will provide disposal sites for hazardous chemical waste.

Your Committee finds that it would be in the best interest of the State to participate as a party state in the Northwest Interstate Compact on Low-Level Radioactive Waste Management.

Your Committee on Energy, Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 2165-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 234-82 Energy, Ecology and Environmental Protection and Consumer
Protection and Commerce on H.B. No. 2084-82 (Majority)

The purpose of this bill is to promote the purchase of energy-efficient motor vehicles by establishing a motor vehicle energy tax based upon the fuel economy of the vehicle.

Your Committees find that the State is almost totally dependent on imported petroleum to meet its energy needs. While the country as a whole depends on petroleum for 20 per cent of its energy needs, Hawaii obtains over 90 per cent of its energy from petroleum. Additionally, the State imports over \$1 billion worth of oil a year which amounts to twice the national per capita figure.

Although the State has an abundant supply of indigenous alternate energy resources including solar radiation, wind, geothermal, ocean thermal, biomass, and hydroelectric, efforts to develop and commercialize these resources remain a long-range state goal.

Your Committees find that energy conservation holds the greatest potential for achieving immediate reductions in energy consumption. Consequently, encouraging the purchase of energy-efficient motor vehicles would be in the best interest of the State and would

enable the State to significantly strengthen its conservation efforts.

H.B. No. 2084-82 has been amended by specifying the amount of taxes to be assessed for new 1983, 1984, 1985, and 1986 motor vehicles based on their respective fuel economy labels. The tax assessments range from \$750 to \$1250 for new 1983 vehicles; \$1000 to \$1500 for new 1984 vehicles; \$1250 to \$1750 for new 1985 vehicles; and \$1500 to \$2500 for new 1986 vehicles.

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. 2084-82, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2084-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.
(Representatives Morioka, Waihee, Ikeda, Isball, Liu, Monahan and Narvaes did not concur.)

SCRep. 235-82 Culture and the Arts and Tourism on H.B. No. 2868-82

The purpose of this bill is to make an appropriation of \$50,000 to provide a grant-in-aid for the King Kalakaua Aloha Centennial Celebration.

Your Committees on Culture and the Arts and Tourism are in accord with the intent and purpose of H.B. No. 2868-82 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Aki, Kiyabu and Nakasato.

SCRep. 236-82 Culture and the Arts on H.B. No. 3101-82

The purpose of this bill is to make an appropriation of \$50,000 to provide a grant-in-aid 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. 3101-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aki.

SCRep. 237-82 Culture and the Arts on H.B. No. 2787-82

The purpose of this bill is to make an appropriation of \$9,600 to provide a grant-in-aid to the Friends of Lahainaluna Hawaiiana Club.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2787-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aki.

SCRep. 238-82 Culture and the Arts on H.B. No. 2748-82

The purpose of this bill is to provide a grant-in-aid to Na Wahine O Ke Kai.

Your Committee has amended this bill by inserting the sum of \$15,000 to line 16 of page 1.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2748-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2748-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aki.

SCRep. 239-82 Culture and the Arts on H.B. No. 2490-82

The purpose of this bill is to make an appropriation of \$100,000 to provide a grant-in-aid to the 1984 Hawaii Statehood Silver Jubilee Committee.

Your Committee has amended this bill by inserting the phrase "for the fiscal year 1982-1983" in line 3, page 1 of the bill.

Your Committee has further amended this bill by changing the lapsing date for any unencumbered funds appropriated by this Act from August 31, 1984 to June 30, 1983.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2490-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2490-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aki.

SCRep. 240-82 Culture and the Arts on H.B. No. 2746-82

The purpose of this bill is to make an appropriation of \$10,000 to provide a grant-in-aid to the International Polynesian Outrigger Canoe Racing Federation.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2746-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aki.

SCRep. 241-82 Culture and the Arts on H.B. No. 2429-82

The purpose of this bill is to make an appropriation of \$17,000 to provide a grant-in-aid to the Cosmopolitan Social Service Agency.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2429-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aki.

SCRep. 242-82 Culture and the Arts on H.B. No. 2998-82

The purpose of this bill is to maintain and improve programs and activities relating to culture and the arts.

Your Committee on Culture and the Arts concurs with testimony supporting the amendment of H.B. No. 2998-82 to provide grants-in-aid to Hui Wa'a Canoe Racing Association and Na Opio Canoe Clubs Association.

Your Committee has amended this bill by inserting the sums of \$7,000 and \$12,460 respectively for Hui Wa'a Canoe Racing Association and Na Opio Canoe Clubs Association.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2998-82 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2998-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aki.

SCRep. 243-82 Culture and the Arts on H.B. No. 2772-82

The purpose of this bill is to make an appropriation of \$45,000 for fiscal year 1982-1983 for the completion of two double-hulled canoes at the Waianae Historic Preservation Project.

In accordance with testimony received from the Aina Ko'e Foundation and the Department

of Land and Natural Resources, your committee has amended this bill for factual accuracy by deleting the phrase ", administered by the not-for-profit Aina Ko'e Foundation," on line 4 of page 1 of the bill and by deleting the phrase "and the department of land and natural resources" in lines 10-11 of page 1.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2772-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2772-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aki.

SCRep. 244-82 Culture and the Arts on H.B. No. 2491-82

The purpose of this bill is to change the date of the Admission Day State Holiday, now designated by law to occur on the third Friday of August of every year, to Tuesday, August 21 for the year 1984 only, so that the state may celebrate the Hawaii Statehood Silver Jubilee.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2491-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aki.

SCRep. 245-82 Culture and the Arts on H.B. No. 2932-82

The purpose of this bill is to extend the statutory period of existence of the Filipino 75th Anniversary Commission from December 31, 1981, to December 31, 1983.

Your Committee received testimony from the Commission in support of the bill which indicated that extending the Commission to December 31, 1983, will enable it to dispose of assets which it acquired during its anniversary observance. To clarify the process of disposing of these assets, your Committee has further amended the bill by inserting a new section of the bill which amends Section 5 of Act 181, Session Laws of Hawaii 1977, by including the phrase "in the form of donations, grants, or revenues from activities of the commission such as the sale of publications related to the purposes of this Act" on lines 16-18 of page 1 of the bill to clarify the sources of moneys received by the commission.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 2932-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2932-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aki.

SCRep. 246-82 Education on H.B. No. 2879-82

The purpose of this bill is to provide the department of education statutory authority to deposit the fees collected from the users of school facilities into a separate fund.

Under present law, the department is required to deposit fees collected from the users of school facilities into the State Treasury as General Fund realization in accordance with Section 103-2, Hawaii Revised Statutes.

Your Committee finds that the department has encouraged the use of school facilities by the public as evidenced by the number of users of facilities and the amount of fees collected. However, while minimum charges are made in accordance with the fees and charges schedule under the Board of Education Rule 6, it is inevitable that increased use of the facilities will lead to higher costs to the department.

Your Committee further finds that if this bill is adopted, the funds may be used to replenish janitorial supplies; repairs, maintenance and replacement of equipment and stage curtains; and overtime costs of custodial and school food services personnel.

Your Committee believes that the department should establish guidelines and procedures

that will allow the schools to participate in determining how the funds will be utilized.

Your Committee has made a non-substantive amendment to this bill.

Your Committee on Education is in accord with the intent and purposes of H.B. No. 2879-82 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2879-82, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aki.

SCRep. 247-82 Education on H.B. No. 2765-82

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, and to deposit such fees and charges into insured checking or savings account.

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. This bill provides that appropriate statutory authority.

Your Committee finds that if this bill is not adopted, the department of education will experience the following problems:

1. State offices and schools will incur additional workload due to the changes in procedures of processing documents. The major changes will be to schools requiring the preparation of operational expenditure plans and being subjected to the quarterly allotment plan for the various student activities program.
2. The department anticipates minimum first year costs of approximately \$67,000 due to the additional workload that will be incurred by the Office of Business Services.
3. Schools may encounter problems with vendors who will not accept State purchase orders due to the small amount of some purchases and the length of time before they receive payment.
4. Elementary schools will encounter problems in paying for bus transportation and excursions. Also, refunds will have to be made to students unable to attend an excursion.
5. School organizations' requirements for immediate cash purchase of goods or services may not be accommodated.
6. Office of Business Services anticipates problems in processing vendor payments due to stringent DAGS policies and procedures relative to purchase of goods and services.

Your Committee further finds that the Department of Accounting and General Services operations will be heavily affected if this bill is not adopted. In addition, moneys collected from students who negligently break, damage, lose or destroy equipment, supplies and school books, are deposited into a special fund account with the State Treasury and expended by the department as prescribed by rules and regulations.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2765-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aki.

SCRep. 248-82 Education on H.B. No. 2413-82

The purpose of this bill, as received by your Committee, is to provide an appropriation to the Department of Education for the support of the annual Hawaiian Science and Engineering Fair.

Your Committee finds that past funding for the fair has been provided by membership dues from the sponsoring Hawaii Academy of Science, and contributions from corporations, trusts, professional organizations and individuals. With a tightening economy, donations have been decreasing to the point that the fair would not survive.

Your Committee finds that over the past 22 years, the fair has grown to approximately 2,000 participants, with the best 355 projects exhibited in Neal Blaisdell Center. The participating students have attained local and national recognition for their scientific and technical achievements.

Your Committee finds the Hawaii Science and Engineering Fair to be of wide benefit in developing early foundations for academic and professional careers.

Accordingly, your Committee has amended the bill by appropriating the sum of \$10,000 to provide the necessary funding to continue the fair.

Your Committee on Education is in accord with the intent and purposes of H.B. No. 2413-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2413-82, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aki, de Heer and Matsuura.

SCRep. 249-82 Education on H.B. No. 2298-82

The purpose of this bill is to authorize the director of finance to issue general obligation bonds in the sum of \$700,000 for plans, construction, and equipment of a multi-purpose facility at Waiiau Elementary School, Oahu.

Your Committee heard testimony stating that the lack of a multi-purpose facility has led to conditions that are stressful to both students and teachers.

Your Committee finds that the construction of a multi-purpose facility, through the issuance of general obligation bonds, would alleviate the problems experienced by the students and teachers.

Your Committee on Education is in accord with the intent and purposes of H.B. No. 2298-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aki, de Heer and Matsuura.

SCRep. 250-82 Education on H.B. No. 2216-82

The purpose of this bill is to authorize the director of finance to issue general obligation bonds in the sum of \$90,000 for plans and design of a dining room at Mililani Waena Elementary School, Oahu.

Your Committee finds that difficult teaching conditions exist at Mililani Waena Elementary School due to the lack of a multi-purpose assembly hall/dining room. Your Committee heard testimony on the problems experienced when using an open lanai area instead of an enclosed facility.

Your Committee finds that the construction of a multi-purpose facility, through the issuance of general obligation bonds, would alleviate the problems experienced by students and teachers.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2216-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aki, de Heer and Matsuura.

SCRep. 251-82 Education and Public Employment and Government Operations
on H.B. No. 2381-82

The purpose of this bill is to establish a voluntary job sharing pilot project in the public library system.

Your Committees find that job sharing, which would allow two half-time positions in place of one full-time position, is an innovation which will increase the available employment options so that people may have the opportunity to be employed on the basis of their financial and other needs, without, perhaps, the necessity of being employed on a full-time basis.

The merits of job sharing have been cited in reports by the Legislative Auditor, Board of Education, and the Department of Personnel Services. Indeed, job sharing in the Department of Education has resulted in improved productivity and quality of work, employee job satisfaction, and cost savings.

Your Committees further find that the Department of Education pilot project has been effective in achieving the objectives of the job sharing program therefore a job sharing pilot project should be established for librarians within the public library system.

Your Committees have amended this bill in the following manner:

- (1) Specifically limited the program to full-time librarians.
- (2) Established the pilot project for two years in order to provide the Legislative Auditor ample opportunity to monitor and evaluate the pilot project.
- (3) Limited the program to twenty-five full-time permanent positions.
- (4) Deleted language regarding the division of benefits between job sharers since both job sharing employees would be entitled to at least one-half of each employee benefit afforded to full-time employees.

Your Committees on Education and Public Employment and Government Operations are in accord with the intent and purposes of H.B. No. 2381-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2381-82, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives
Aki, Albano and Nakasato.

SCRep. 252-82 Health on H.B. No. 2310-82 (Majority)

The purpose of this bill is to authorize the issuance of general obligation bonds to Kahuku Hospital for improvements and additions in order to upgrade the facility, replace current makeshift units, and increase the bed capacity from a 26-bed to a 60-bed medical facility.

Kahuku Hospital is a small rural hospital providing essential health care services to the Northshore population of over 15,000 people from Kualoa, Kaaawa, Punaluu, Hauula, Laie, Kahuku and Waimea.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2310-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 253-82 Health on H.B. No. 2311-82

The purpose of this bill is to authorize the issuance of general obligation bonds in the sum of \$250,000 to Kahuku Hospital for improvements and renovation of the Rothwell wing to ensure safe quality care and service to the people using Kahuku Hospital.

The Rothwell Wing was built in 1956 and requires renovation work involving extensive life/safety and building code work including electrical, mechanical, air conditioning,

fire-rated doors, smoke barriers and alarm system, new windows, and fire sprinkler system.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2311-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 254-82 Judiciary on H.B. No. 2122-82

The purpose of this bill is to provide funds for the training of prosecutors and their supportive staff in the handling and prosecution of cases involving charges of rape, during the 1982-1983, 1983-1984, and 1984-1985 fiscal years.

Your Committee believes that an on-going, in-service training program for personnel who deal with rape prosecutions is vitally needed due to the highly specialized nature of this field. This type of training is necessary to strengthen the legal competency of prosecutors as well as to instruct support staff on the nature of the psychological trauma that a rape victim suffers. Improved conviction rates and better advocacy procedures are expected to result.

Your Committee feels that the in-service training should include supporting personnel who work closely with prosecuting attorneys such as police investigators, hospital personnel, and others who are among the first to encounter the victim of rape.

Your Committee finds that the most effective and efficient method of providing the necessary in-service training would be through a formal, in-depth, specialized training program. It is intended that the training program be a coordinated joint effort of the various county prosecutors through the office of the Attorney General.

From 1971 to 1981, the major portion of the funds for this type of training was provided by the Federal Law Enforcement Assistance Association (LEAA). The proposed appropriation will replace the federal funds which are no longer available due to the demise of the LEAA.

Your Committee has amended the bill to provide an appropriation amount of \$100,000 for the training of prosecutorial staff in cases involving charges of rape during the 1982-1983, 1983-1984, and 1984-1985 fiscal years. The bill has been further amended to clarify its purpose.

Your Committee on Judiciary is in agreement with the intent and purpose of H.B. No. 2122-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2122-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 255-82 Judiciary on H.B. No. 2345-82

The purpose of this bill is to make an appropriation for the continued operation of the Aid to Victims Coordinator Program in the Office of the Prosecuting Attorney of the County of Hawaii.

Working with other state agencies, the Aid to Victims Coordinator Program now serves to reduce trauma and frustration felt by crime victims and witnesses as they interact with the criminal justice system. Clients receiving aid from the program include victims of offenses and witnesses to such offenses who testify before State courts. One of the goals of the program is to reduce intimidation of witnesses in the courts; it serves to calm and give instruction to victims and witnesses when they testify in court. Because of improved witness management, the Judiciary is benefited through the reduction in case disposition time.

Although the program originally dealt mainly with female victims of sexual assaults, the caseload now encompasses more victims of other crimes and tourists as well as local residents are involved in the program. Testimony stressed the invaluable service performed by the program for the people of Hawaii County.

The proposed appropriation will serve to finance the continued operation of the Hilo

branch and will assist in the opening of a new office in Kona. This second office will help to meet the growing demands in Hawaii County.

Your Committee has amended this bill to appropriate \$70,000 for the Aid to Victims Coordinator Program of the County of Hawaii; \$35,000 to be used for the continuation of the existing office in Hilo and \$35,000 to be used in creating a new office in Kona.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2345-82, as amended herein, and recommends that it pass Second Reading, in the form attached hereto as H.B. No. 2345-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 256-82 Judiciary on H.B. No. 2390-82

The purpose of this bill is to appropriate \$54,000 in grant-in-aid funds to the Neighborhood Justice Center of Honolulu, Inc. for the fiscal year 1982-1983.

The Neighborhood Justice Center has provided mediation and conciliation services for a variety of disputes between individuals, family members, and organizations. Types of cases handled include assaults and harassments between people who know each other, disputes between neighbors, domestic arguments, juvenile issues, problems among extended families, conflicts between landlords and tenants, disputes between consumers and merchants, and disputes between businesses. The program also assists in more complex situations involving disagreements between neighborhoods and developers; environmental disputes; questions of land utilization; and inter-organizational disputes.

During the period following its inception, in November of 1979, through December of 1981, the Neighborhood Justice Center resolved 1,056 cases. Referrals from state agencies, (including the courts, the Department of Regulatory Agencies, and the Office of Consumer Protection) accounted for 42% of the cases; referrals from the county prosecutor and the Honolulu Police Department accounted for another 15% of the cases.

By handling government referrals as well as private applications, the Neighborhood Justice Center has contributed to a reduction in the number of potential court cases and to fostering greater independence in decision-making among private citizens. Other benefits of the program include:

- (1) expeditious resolutions provided in an average of twelve days whereas court settlements may require months and sometimes years;
- (2) durability of settlements stemming in part from the non-adversarial nature of the mediation process; and
- (3) minimal costs of an average \$114 per case which is less than half the cost incurred when disputes are handled through the conventional criminal justice system.

The Center also conducts training sessions in mediation skills to interested community groups throughout the State, including high school students.

Testimony submitted was overwhelmingly supportive and complimentary of the program. The goals of the Neighborhood Justice Center include expansion and eventual fiscal self-sufficiency through private donations, Aloha United Way funding, training contracts, fee-for-service charges, purchase-of-service contracts with government agencies, and continued use of a large pool of volunteers. Legislative funding is foreseen as an interim need which can be eliminated in the future.

Your Committee finds that an additional \$20,000 appropriation is warranted to assist the Neighborhood Justice Center in establishing services in the Leeward Oahu area during this interim period.

Accordingly, your Committee has amended the bill to appropriate \$74,000 to the Center to assist in maintaining its ongoing program and in extending its services to the Leeward area.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2390-82, as amended herein, and recommends that it pass Second Reading in the form

attached hereto as H.B. No. 2390-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 257-82 Judiciary on H.B. No. 2568-82

The purpose of this bill is to make an appropriation for the continued operation of the Aid to Victims Coordinator Program in the Office of the Prosecuting Attorney of the County of Kauai.

Working with other state agencies, the Aid to Victims Coordinator Program now serves to reduce trauma and frustration felt by crime victims and witnesses as they interact with the criminal justice system. Clients receiving aid from the program include victims of offenses and witnesses to such offenses who testify before State courts. One of the goals of the program is to reduce intimidation of witnesses in the courts; it also serves to calm and give instruction to victims and witnesses when they testify in court. Because of improved witness management, prosecutors will be better able to try criminal cases; then, too, the Judiciary is benefited through the reduction in case disposition time.

Although the program originally dealt mainly with female victims of sexual assaults, the caseload now encompasses more victims of other crimes and tourists as well as local residents are involved in the program. Testimony stressed the invaluable service performed by the program for the people of Kauai County.

The proposed appropriation will serve to finance the continued operation of the office in Kauai County.

Your Committee has amended this bill to appropriate \$35,000 for the continuation of the Aid to Victims Coordinator Program of the County of Kauai.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2568-82, as amended herein, and recommends that it pass Second Reading, in the form attached hereto as H.B. No. 2568-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 258-82 Judiciary on H.B. No. 2743-82

The purpose of this bill, is to make an appropriation to fund the Aid to Victims Coordinator Program in the County of Maui. However, your Committee finds that there is no program in existence on Maui at the present time.

Working with other state agencies, the Aid to Victims Coordinator Program now serves to reduce trauma and frustration felt by crime victims and witnesses as they interact with the criminal justice system. Clients receiving aid from the program include victims of offenses and witnesses to such offenses who testify before State courts. One of the goals of the program is to reduce intimidation of witnesses in the courts; it also serves to calm and give instruction to victims and witnesses when they testify in court. Because of improved witness management, prosecutors will be better able to try criminal cases; then, too, the Judiciary is benefited through the reduction in case disposition time.

Although the program originally dealt mainly with female victims of sexual assaults, the caseload now encompasses more victims of other crimes and tourists as well as local residents who are involved in the program. Testimony stressed the invaluable service performed by the existing programs.

Your Committee has amended this bill to appropriate \$35,000 for the establishment of the Aid to Victims Coordinator Program in the County of Maui.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2743-82, as amended herein, and recommends that it pass Second Reading, in the form attached hereto as H.B. No. 2743-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 259-82 Judiciary on H.B. No. 2559-82 (Majority)

The purpose of this bill is to provide for payment of a settlement negotiated by the State of Hawaii and Dillingham Corporation, doing business as Hawaiian Dredging and Construction Company, involving a suit (Civil No. 59357) filed by Dillingham Corporation against the State of Hawaii in 1979.

The Department of Transportation contracted with Hawaiian Dredging and Construction Company in 1973 for a construction project on Interstate Route H-2, Waiakakalaua Stream Bridge. The State was found to be responsible for 129 days of delay in the project, due primarily to errors in designs and plans, causing the completion of construction to be delayed for almost sixteen months beyond the time originally established in the contract.

Your Committee heard testimony from the office of the Attorney General and believes that it is in the best interest of the State to provide a \$520,000 appropriation to cover the negotiated settlement rather than engage in costly and time-consuming litigation. However, your Committee is concerned that steps must be taken in the future by the Department of Transportation to avoid state-caused project delays which give rise to similar liabilities. Representatives from the department indicated that procedures are being established to prevent recurrences of this nature in future projects although settlements for a few older projects remain pending.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2559-82 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. 260-82 Judiciary on H.B. No. 2679-82

The purpose of this bill is to amend Act 22, First Special Session Laws of Hawaii, 1981, by increasing the appropriations for appointments of legal counsel made by the courts for indigent defendants in criminal and related cases.

Act 22 of the First Special Session Laws of Hawaii, 1981, appropriated \$400,000 for each of the fiscal years 1981-1982 and 1982-1983. This bill would increase the appropriation for fiscal year 1981-1982 to \$700,000 and the appropriation for fiscal year 1982-1983 to \$800,000.

Having heard testimony from the Department of Budget and Finance, your Committee recognizes that the increased appropriations are needed because Act 22 also increased the allowable compensation for services rendered by court-appointed counsel. Costs of increased fees, together with increased number of court appointments, exceeding previous estimates, have resulted in rapid depletion of appropriated funds. At the current rate of expenditure, previous appropriations for fiscal year 1981-1982 will be depleted by mid-March, and an estimated \$300,000 is needed to cover costs through July 1, 1982. Present trends indicate that caseloads for fiscal year 1982-1983 will be even greater than those for the current fiscal year, thereby necessitating an additional appropriation of \$400,000.00 for that fiscal year.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2679-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 261-82 Judiciary on H.B. No. 3161-82

The purpose of the bill is to permit spouses, under chapter 573, Hawaii Revised Statutes, to contract with each other regarding settlement of their respective property rights prior to or during marriage without regard to a divorce or judicial separation.

H.B. No. 3161-82 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill, containing only a general idea as to its purposes and means without specific details. Your Committee has amended the bill to provide the substantive provisions, so that a hearing may be held for the "long-form" bill, detailing the specific means

to carry out the intended purpose of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3161-82, as amended herein, and recommends that it be recommitted to the Committee on Judiciary, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 3161-82, H.D. 1.

Signed by all members of the Committee.

SCRep. 262-82 Public Assistance and Human Services on H.B. No. 2917-82

The purpose of this bill is to establish a state food coupon program. The program shall allow elderly persons with low incomes to obtain state food coupons, which coupons may be used to purchase food. The program shall be supplementary to the federal food stamp program and other financial assistance programs.

Many elderly persons receiving financial assistance are having difficulty in maintaining a decent standard of living because of the inadequacy of the amounts of financial assistance granted. As the cost-of-living rises, the inadequacy is intensified and elderly persons are forced to reduce expenses further. Expenses for food are among the first to be reduced since it is a flexible component of living expenses. Expenses are reduced by purchasing cheaper food or purchasing less.

A point, however, is reached where elderly persons cannot find cheaper food or when further reduction in nutritional intake becomes dangerous. At this point, food expenses cannot be reduced. Your Committee is committed to preventing any elderly person from reaching this point.

Most elderly persons receiving financial assistance are recipients of federal Supplemental Security Income (SSI). The SSI program is administered by the federal government, which establishes the maximum grant amount. The State is allowed to and does provide a state supplemental grant to SSI recipients. Still, the combined federal SSI grant and state supplement are inadequate, and repeated pleas have been made to the Legislature for an increase in the amount of the state supplement.

Increasing the cash amount of the state supplement, however, will alter the amount of federal food stamps which may be granted to recipients. Under the federal food stamp program, which is funded totally by the federal government, an increase in the amount of the state supplement will have the effect of decreasing the amount of federal food stamps which recipients of SSI may receive. Thus, an increase in the state supplement is not wise, for it contradicts the policy of obtaining the maximum federal dollars available for use by the State and its residents.

The state food coupon program, however, is consistent with the policy of obtaining the maximum amount of federal dollars available. The Department of Social Services and Housing has received formal replies from pertinent agencies of the federal government stating that state food coupons will not be considered income or resources of elderly persons under federal public assistance programs. This interpretation, in effect, will not decrease the amount of federal food stamps which elderly recipients of SSI may receive.

Thus, the state food coupon program under this bill provides an increase in the amount which elderly persons may use to purchase food while maintaining the maximum federal contributions under the public assistance program.

Another reason for favorable consideration of this bill is that the State will gain experience in administering a totally state-operated food coupon program. President Reagan has proposed to transfer the federal food stamp program to the State under the "New Federalism" plan. Experience in the administration of the state food coupon program will be invaluable if the transfer occurs.

Your Committee has made substantial amendments to the bill. First, the eligible population has been designated as persons who are sixty-five years of age or over, who are living in independent settings, and who are receiving federal SSI benefits. Second, the co-purchase requirement is eliminated. Third, a flat monthly amount of \$35 worth of state food coupons is to be granted to each eligible elderly person.

One net effect of these amendments is a reduction in administrative costs without sacrificing the intent of assisting the needy. Administrative costs will be reduced

because separate eligibility determinations under the state food coupon program will not be necessary since eligibility would be already determined under the SSI program. Furthermore, institution of the flat grant will not require determination of different benefit levels for eligible elderly persons with different incomes. Deletion of the co-purchase requirement will also eliminate the necessity of contracting or hiring personnel to sell state food coupons.

The flat monthly amount of \$35 worth of state food coupons has been established to allow the most needy elderly persons to maintain a nutritional diet. The amount has been established in consideration of other benefits available to elderly persons receiving SSI grants. During the fiscal year 1981-1982, the maximum amount of federal food stamps which elderly persons receiving SSI grants may receive is \$75. When the \$35 worth of state food coupons is added to the \$75 worth of federal food stamps, the sum of \$110 which may be used to purchase food for one person is a reasonable amount. Your Committee emphasizes that the state food coupon program is intended to supplement current financial assistance programs and in no way limits elderly persons to the purchase of only \$35 worth of food.

An appropriation amount has also been included. A preliminary estimate indicates that the state food coupon program will require \$4,000,000 for the fiscal year 1982-83. This estimate is based on the assumption that 8,000 persons will participate under the program.

Your Committee has also made other amendments to the bill at the recommendation of the Department of Social Services and Housing. The amendments are as follows:

(1) The requirement that elderly persons sign the state food coupons has been deleted. The department has testified that such a requirement will cause a "... bottleneck at the check-out counter..." because some elderly persons are "... very frail and slow..." and much time would be necessary if they have to sign each individual coupon. Accordingly, the requirement that each state food coupon have a signature line also has been deleted.

(2) A provision allowing authorized representatives of the department to redeem state food coupons has been added. The department has testified that the amendment would allow authorized banks to redeem state food coupons.

(3) The requirement that the department adopt rules defining the "... kinds of food which a state food coupon may be used to purchase..." has been deleted. The department has testified that the requirement is not desirable because elderly persons should be allowed to purchase all kinds of food with state food coupons.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 2917-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2917-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 263-82 Employment Opportunities and Labor Relations on H.B. No.
2139-82

The purpose of this bill is to establish a lower reserve balance in the unemployment trust fund by amending the definition of "adequate reserve fund" in section 383-63, Hawaii Revised Statutes. The amended definition of "adequate reserve fund" will utilize a 5-year average benefit cost rate rather than the highest benefit cost rate during the latest 10-year period ending November 30 that is currently used.

Based on a projection by the department of labor and industrial relations, the unemployment compensation fund balance is expected to increase to approximately \$148 million by 1985. Your Committee finds that this amount of reserves would be excessive and impose an unnecessary tax burden on employers.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 2139-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasato.

SCRep. 264-82 Employment Opportunities and Labor Relations on H.B. No.
2518-82 (Majority)

The purpose of this bill is to grant dependent grandchildren the same rights as dependent children under the Workers' Compensation Law.

Testimony from the Department of Labor and Industrial Relations indicated that incidents of dependent grandchildren who would qualify for workers' compensation benefits do not occur often. This bill would therefore have little impact on the workers' compensation system and the department does not oppose passage of the bill.

Your Committee has amended this bill by adding the word "dependent" before the word "grandchildren" for the purpose of clarity.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 2518-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2518-82, H.D. 1 and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasato.
(Representatives Andrews, Dods, Kiyabu, Anderson and Marumoto did not concur.)

SCRep. 265-82 Employment Opportunities and Labor Relations on H.B. No.
2520-82 (Majority)

The purpose of this bill is to amend the Workers' Compensation Law by increasing the maximum compensation allowable for disfigurement from \$15,000 to \$30,000.

Your Committee feels that the present limit of \$15,000 does not adequately indemnify a worker who is so severely scarred and disfigured that his ability to secure a job is seriously affected.

Testimony from the Department of Labor and Industrial Relations indicated support for this bill. The Department points out that in 1979 and 1980 it awarded the maximum of \$15,000 in only 15 out of 8,183 disfigurement awards. This bill therefore would not be an undue burden on the Workers' Compensation system.

After due consideration, your Committee has amended this bill to lower the maximum compensation allowable to \$20,000.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 2520-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2520-82, H.D. 1 and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasato.
(Representatives Andrews, Takitani, Anderson, Ikeda and Marumoto did not concur.)

SCRep. 266-82 Employment Opportunities and Labor Relations on H.B. No.
2630-82 (Majority)

The purpose of this bill is to increase the funeral and burial expenses, paid by employers under the workers' compensation law, for employees who die because of a work injury.

The bill amends section 386-41(a), HRS, so that (1) the required payment of funeral expenses, presently not to exceed \$1,000, will not exceed ten times the "maximum weekly benefit rate" determined for workers' compensation benefit purposes pursuant to section 386-31(a), HRS, and (2) that of burial expenses, presently not to exceed \$500, will not exceed five times the maximum weekly benefit rate. Using the 1982 State average weekly wage, the amounts to be paid during the current year for funeral and burial expenses could not exceed, respectively, \$2,520 and \$1,260.

The Department of Labor and Industrial Relations testified in support of the bill, stating that the bill will bring these allowances more in line with the current average costs of a funeral and a burial. Your Committee notes that the last upward adjustment to section 386-41 for such expenses was enacted in 1971 (Act 24, SLH 1971).

The Hawaii Insurers Council and the Hawaii Independent Insurance Agents Association also testified in support of the bill. The Association stated that although the bill will increase costs, the adjusted ceilings for funeral and burial expenses are reasonable in view of the effects of inflation and the rising costs of such expenses.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 2630-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasato.
(Representatives Andrews, Takitani and Anderson did not concur.)

SCRep. 267-82 Employment Opportunities and Labor Relations on H.B. No.
2931-82 (Majority)

The purpose of this bill is to amend the section of the workers' compensation law relating to an employer's limited liability for an employee who is concurrently engaged in more than one employment or job (section 386-51.5, Hawaii Revised Statutes) by deleting the exception clause therein which makes the employer, in whose employment the injury occurred, solely liable for benefits for disability rated as a percentage of total impairment of physical or mental function of the whole man (a form of permanent partial disability).

The amendment made by this bill is recommended by the Workers' Compensation Program Commission in its January, 1982 report to the Governor and the Legislature. The Commission had been established by Act 217, Session Laws of Hawaii 1980, to comprehensively review Hawaii's workers' compensation law.

The last sentence in section 386-51.5 being amended by this bill currently reads as follows: "The balance of the employee's benefits [i.e., the benefits other than the benefits for which the employer--in whose employment the injury occurred to the employee with more than one job or more than one employer--would be liable] shall be paid from the special compensation fund, except that benefits for disability rated as a percentage of total impairment of physical or mental function of the whole man shall be the sole liability of the employer." The underlined exception clause is deleted by this bill. The effect of the deletion is that the balance of the employee's benefits would be paid from the special compensation fund.

The rationale or justification for this amendment is rather complicated, but is explained in some detail in the previously cited report of the Workers' Compensation Program Commission at pp. 46-47. That report in turn cites and quotes from a 1977 report on Hawaii's workers' compensation system by Professor of Law Stefan A. Riesenfeld which recommends the same amendment. Your Committee concurs with the rationale or justification as set forth on pp. 46-47 of the Commission's report and hereby incorporates by reference said rationale or justification.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of H.B. No. 2931-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasato.
(Representative Andrews did not concur.)

SCRep. 268-82 Agriculture and Employment Opportunities and Labor Relations
on H.B. No. 2940-82 (Majority)

The purpose of this bill is to aid sugar companies during unprofitable years and ensure the continued viability of the sugar industry in the State by establishing a sugar stabilization fund to supplement the assistance provided under federal laws for producers of sugar. It also establishes a commission to administer the sugar stabilization fund. This bill appropriates \$50,000,000 and assesses each qualified sugar plantation or producer, as defined in this bill, \$5 per ton of sugar produced annually by that plantation or producer for payment into the fund.

This bill presently establishes a Sugar Stabilization Commission consisting of seven members which shall include five members from the sugar industry appointed by the Governor, the Chairman of the Board of Agriculture, and the Director of Planning and Economic Development. Your Committees have amended the proposed section relating

to establishment of the commission beginning on page 3, line 16 of this bill to provide that the commission shall consist of 11 members which shall include five members from the sugar industry appointed by the Governor, one member representing organized labor employed by the sugar industry as appointed by the Governor, the Chairman of the Board of Agriculture, the Director of Planning and Economic Development, the Director of Finance, the Chairman of the Board of Land and Natural Resources, and the Chairman of the Governor's Agriculture Coordinating Committee. This amendment also provides for the Sugar Stabilization Commission to elect its chairman.

Your Committees have also amended the provisions authorizing withdrawals from the fund starting on page 6, line 14 by inserting new provisions which:

- (1) limit withdrawals by companies whose production costs are lower than the average production costs of the Hawaiian sugar industry so as to allow such companies to break even;
- (2) limit withdrawals by companies whose production costs are higher than the average production costs of the Hawaiian sugar industry to the difference between the average revenues and the average costs of the Hawaiian sugar industry; and
- (3) require the Sugar Stabilization Commission to determine more specifically what is to be included in the calculation of "average cost", "cost of production", and "revenues".

Your Committees have also amended this bill by deleting the word "all" on page 2, line 6 and deleting the word "actual" on page 2, line 11 to remain consistent with the proposed amendment allowing the commission to determine what is to be included in the calculation of "average cost" and "cost of production".

Your Committees have also made a technical, non-substantive amendment on page 4, line 13 of this bill to re-number the proposed section to the Hawaii Revised Statutes by deleting "155A-3" and replacing it with "155A-4". For purposes of consistency, your Committees have further amended this bill by re-numbering the proposed sections 155A-4, 155A-5, 155A-6, 155A-7, and 155A-8, Hawaii Revised Statutes, to sections 155A-5, 155A-6, 155A-7, 155A-8, and 155A-9, respectively.

Your Committees have also made conforming amendments as follows:

- (1) on page 2, line 22, delete "155A-8" and insert "155A-7";
- (2) on page 2, line 23, delete "155A-10" and insert "155A-9";
- (3) on page 3, line 7, delete "155A-8" and insert "155A-7";
- (4) on page 3, line 8, delete "155A-10" and insert "155A-9"; and
- (5) on page 4, line 20, delete "155A-10" and insert "155A-9".

Your Committees have also made other technical, non-substantive amendments to the bill.

Your Committees on Agriculture and Employment Opportunities and Labor Relations are in accord with the intent and purpose of H.B. No. 2940-82, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2940-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Nakasato.
(Representatives Andrews, Dods, Anderson, Ikeda, Isbell, Medeiros,
Monahan and Narvaes did not concur.)

SCRep. 269-82 Education on H.B. No. 2951-82

The purpose of this bill is to improve and expand the driver education program of the department of education.

Your Committee finds that this bill amends Section 294-35.5, Hawaii Revised Statutes, to provide an increase in the driver education fund fee from one dollar to one dollar and twenty-five cents, and changes the proportional amount of the fee allocated to the department of education by ten percent, from fifty to sixty percent.

Your Committee further finds that this bill will provide additional revenue to supplement the present department of education driver education budget and will allow the operation of the driver education program to continue without an increase in student fees or additional State General funds. In addition, the statutory change will not adversely impact the Judiciary's driver education program.

Your Committee believes that driver education has a favorable influence on highway safety and offering the program in our state high schools is the most effective means of reaching an optimal number of young drivers.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2951-82, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Aki, de Heer and Matsuura.

SCRep. 270-82 Agriculture and Youth and Elderly Affairs on H.B. No. 2800-82

The purpose of this bill is to support the construction of an agricultural greenhouse facility in Hilo for use by senior citizens.

Your Committees, on consideration, have amended this bill by deleting Section 2, since this appropriation bill does not require statutory amendments. 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 amended this bill by providing, in the new Section 2 of this bill, that the appropriation will be from the general obligation bond funds and providing an appropriation of \$75,000 to the County of Hawaii 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, 1985 shall lapse into the fund from which appropriated. Your Committees have also amended the effective date in Section 3 to July 1, 1982.

Your Committees on Agriculture and Youth and Elderly Affairs are in accord with the intent and purpose of H.B. No. 2800-82, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2800-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Liu.

SCRep. 271-82 Agriculture and Ocean and Marine Resources on H.B. No. 2795-82

The purpose of this bill is to support the development of agriculture, aquaculture and fishery products by providing funds for the planning, design, and construction of facilities where agricultural, aquacultural and fishery products from surrounding areas may be brought for consolidation and shipment.

Your Committees find that the island of Hawaii does not have adequate marshalling and storage facilities to strategic shipping points for the Honolulu and overseas markets for consolidation and shipment. Existing facilities in the Hilo area will not be able to accommodate significant increases in the volume of agricultural, aquacultural and fishery products in the foreseeable future.

Your Committees, upon consideration, have amended this bill by deleting Section 2 since this appropriation bill does not require statutory amendments. 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 an appropriation of \$250,000 for the fiscal year 1982-1983, 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 have also amended the effective date in the new Section 3 to be July 1, 1982.

Your Committees on Agriculture and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 2795-82, as amended herein, and recommend that

it pass Second Reading in the form attached hereto as H.B. No. 2795-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 272-82 Agriculture and Ocean and Marine Resources on H.B. No. 2796-82

The purpose of this bill is to support the land clearing, waterline and improvements for the University of Hawaii, Hilo, agricultural and aquacultural training facilities.

Your Committees find that the State of Hawaii is committed to developing aquaculture as a major commercial activity that is consistent with the State Aquaculture Plan. One of its objectives is to provide a wide range of opportunities in vocational training and formal education at all levels to meet the needs of Hawaii's aquaculture industry.

Your Committees, upon consideration, have amended this bill by deleting Section 2, since this appropriation bill does not require statutory amendments. 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, that the appropriation will be from the general revenues or general obligation bond funds of the State of Hawaii, and providing an appropriation of \$100,000 to the College of Tropical Agriculture and Human Resources, University of Hawaii, and that any unexpended or unencumbered balance of any appropriation made by this Act as of the close of business on June 30, 1985 shall lapse into the fund from which appropriated. Your Committees have also amended the effective date in the new Section 3 to be July 1, 1982.

Your Committees on Agriculture and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 2796-82, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2796-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 273-82 Agriculture and Ocean and Marine Resources on H.B. No. 2947-82

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources to support an aquaculture and live-stock feeds production program.

Your Committees find that the cost of feed, and the additional cost associated with shipping bulk ingredients or compounded feeds from the mainland U.S. to Hawaii, significantly affects the profitability of commercial aquaculture in our state.

Your Committees further find that research into cost-competitive feeds or ingredients is essential for developing the aquacultural industry and that the Oceanic Institute has developed the staff and infrastructure to perform this research.

Your Committees, upon consideration, have amended this bill by providing in Section 2 that the appropriation will be from the general fund in the fiscal year 1983-1984, and in Section 3, that any appropriation made by this Act, as of the close of business on June 30, 1984 shall lapse into the general fund. In Section 4, your Committees have specified the effective date to be July 1, 1982.

Your Committees on Agriculture and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 2947-82, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2947-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 274-82 Public Employment and Government Operations on H.B. No. 2850-82

The purpose of this bill is to provide civil service status to plant quarantine inspectors who are in the predeparture inspection program.

The inspection program was initiated in 1973 at the request of the Department of Transportation and the airline industry. Being a Federal function, it was delegated to the Hawaii Department of Agriculture by a Federal-State agreement.

The program was first funded by airport landing fees assessed by the department. However, in 1979, the Federal Government began sharing fifty per cent of the program cost.

Civil service status was accorded to the initially hired plant quarantine inspectors. In May 1978, new civil service regulations mandated that all new hires be on a limited term status. Since that time, all new inspectors were appointed without the benefit of civil service status.

Presently, there is a total of twenty-eight inspectors in the program with ten having regular civil service status. All inspectors are accorded sick leave, vacation and retirement benefits. However, there are disparities in that the regular civil service inspectors are afforded the opportunity of intra-departmental transfer and promotions. This bill will correct this inequity. It will also give job security to all inspectors and thus increase morale, resulting in high level productivity.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 2850-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasato.

SCRep. 275-82 Ocean and Marine Resources on H.B. No. 2799-82

The purpose of this bill is to propose that the aquaculture sector be brought into alignment with the industrial sector by lowering the general excise tax rate on aquaculture raw materials to the rate applicable to the industrial sector.

Your Committee finds that one factor injuring all facets of the aquaculture industry is the unequal tax treatment accorded the industry in relation to industrial companies; industries pay only a wholesale general excise tax rate on their raw materials whereas aquaculturists must pay the full retail general tax rate on much of their raw materials.

Testimony before your Committee by the Department of Taxation indicated that the proposed amendment is an extension of the favorable tax treatment given to manufacturers under the General Excise Tax Law on the purchase of components to be incorporated into a finished product, and favors the enactment of this bill.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2799-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 276-82 Ocean and Marine Resources on H.B. No. 2574-82

The purpose of this bill is to support the Board of Land and Natural Resources in matters relating to aquaculture and the coordination of aquaculture activities by establishing a Hawaii Aquaculture Coordinating Council to assist the Board in coordinating aquaculture related programs and projects.

Your Committee finds that the Board of Land and Natural Resources, through the Department of Land and Natural Resources, is the state agency most directly involved in aquaculture related activities. However, your Committee also finds that rather than exercising a coordinating function, the proposed Council should serve primarily as an advisory body to the Board in aquaculture related matters.

Consequently, your Committee has amended this bill in the following major respects:

- (1) changing the Council's name to the Hawaii Aquaculture Advisory Council;
- (2) increasing the Council's membership from thirteen to fifteen and deleting the requirement that each county be represented by at least one member;

(3) specifically requiring the Council to advise the Board on aquaculture related matters and promote communication between government and private industry relating to aquaculture, instead of requiring the Council to coordinate and review State proposed aquaculture related programs and projects, while also eliminating the authorization for Council members to consider the allocation of state funds for aquaculture; and

(4) in view of the Council membership's technical expertise, eliminating the Council's authority to contract for services.

Your Committee has also made technical, non-substantive and conforming amendments to this bill.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2574-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2574-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 277-82 Ocean and Marine Resources on H.B. No. 2472-82 (Majority)

The purpose of this bill is for the Department of Land and Natural Resources to conduct a study to provide various pertinent information and data for the legislature on which to base guidelines for licensing and regulating mariculture operations.

Your Committee finds that Article XI of the Hawaii State Constitution already mandates the conservation, protection and development of marine resources in the State. In order to fulfill this mandate, your Committee acknowledges that certain mariculture information is available and that such information is scattered among various documents and reports. Your Committee believes that further studies and compilations are needed in order to furnish the legislature and the administration with a suitable source document adequate for rational and responsible decisions on specific aspects of mariculture activities.

Your Committee has amended Section 2 of this bill by providing an appropriation of \$50,000 for fiscal year 1982-83. Your Committee also amended Section 3 of this bill by changing the effective date to July 1, 1982.

Your Committee on Ocean and Marine Resources is in accord with the intent and purposes of H.B. No. 2472-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2472-82, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 278-82 Education on H.B. No. 3051-82

The purpose of this bill, as received by your Committee, is to provide an appropriation to enable the department of education to assign additional vice principals to designated schools.

Your Committee finds that additional vice principal positions are necessary to meet the critical needs of large high schools and intermediate/high schools which do not meet the enrollment criteria of 2,000 students to qualify for an additional vice principal position.

Your Committee agrees with the intent of this bill; however, your Committee believes that the allocation of additional vice principals should be expressed in general allocation formula rather than requiring allocations to specific schools.

Your Committee has amended the bill to provide a second vice principal to high schools and combination high school/intermediate schools with enrollments that exceed 1,000 students, and a third vice principal to high schools with enrollments that exceed 2,500 students.

Your Committee also amended the bill by providing an appropriation of \$340,015.20 for the purposes of this act.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3051-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3051-82, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 279-82 Education and Health on H.B. No. 2778-82

The purpose of this bill is to set forth in statutes the department of health's responsibility for certain related services and to identify more specifically the role of the department of health in providing these services, such as occupational therapy, physical therapy, medical diagnosis, and mental health.

Your Committees held a hearing on the proposed amendments to Section 301-27, Hawaii Revised Statutes. Testimony was heard in support of this bill and further amendments that could resolve issues related to responsibility in implementation of services related to special education students.

Various testimonies, including the department of health and the department of education, stated that the bill would emphasize the responsibility of the State of Hawaii for these special education students and to more clearly delineate the roles of each agency (department of health and the department of education) in support of handicapped children.

In this regard, your Committees have amended the bill in the following principle respects:

- (1) the section heading was changed to clearly delineate what services were to be offered to exceptional children;
- (2) the scope of the program was delineated further to include only those who need the services and attend public schools;
- (3) archaic language was deleted concerning private sources of funding and the diversion of funds, neither of which still apply;
- (4) assurance was included that the department of education cooperate with the department of health in the implementation of the program and that the implementation be done in accordance with department of health rules and regulations;
- (5) and other non-substantive changes were made to this bill.

Your Committees on Education and Health are in accord with the intent and purpose of H.B. No. 2778-82, as amended herein and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2778-82, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Liu.

SCRep. 280-82 Housing on H.B. No. 3141-82

The purpose of this bill is to allow the Hawaii Housing Authority to issue \$75 million in taxable revenue bonds to finance the acquisition of the fee title to leasehold properties converted under the Land Reform Act.

The Land Reform Act enacted in 1967 allows the Hawaii Housing Authority (HHA) to condemn residential leasehold property for conversion to fee simple ownership. Lessees wishing to acquire fee simple title to their residential properties are currently experiencing difficulties in obtaining financing at reasonable rates. In addition, lessees who have already converted their properties by entering into agreements of sale with their lessors will be facing the prospect of unavailable financing when their balloon payments become due in a few years. Local lending institutions are not unwilling to make these loans, rather, they simply do not have adequate capital resources available.

This bill would alleviate this financing problem by establishing a Fee Title Acquisition Loan Program structured like the Hula Mae program. The Authority would be empowered to issue taxable securities, the proceeds of which will purchase newly originated fee

title acquisition mortgage loans from private lending institutions. The HHA will thus serve as a conduit between local lenders who will originate the loans and the national capital markets which will provide the funds to HHA for the purchase of the new loans. Local lenders will thus have access to secondary mortgage market funds not otherwise accessible to them.

Your Committee wishes to emphasize that the Fee Title Acquisition Loan Program will not have any impact on the State's financing abilities nor cost the State of Hawaii any money. All expenses incurred will be paid from program revenues or bond proceeds. In addition, since HHA will be issuing taxable, rather than tax-exempt securities, there will be little effect on the State's ability to raise money from the sale of general obligation or revenue bonds because the investors in the two markets form two distinct groups.

Your Committee believes that the Legislature should reaffirm its commitment to the Land Reform Act by the establishment of a mechanism that would increase resources available to local lenders and thereby assist lessees in financing the acquisition of fee title to their residential properties.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3141-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 281-82 Housing on H.B. No. 2838-82

The purposes of this bill are 1) to extend the state mortgage loan guarantee program for low- and moderate-income households to "shell" homes and 2) to appropriate \$500,000 to be paid into the state mortgage guarantee fund.

The existing state mortgage guarantee program in Chapter 359G, Hawaii Revised Statutes, provides a state guarantee of twenty-five percent of the principal loan amount for self-help housing units. This bill would increase the state guarantee from twenty-five to one hundred percent of the loan amount, and would extend the program to "shell" homes. The "shell" housing concept, which refers to units which are habitable but unfinished and can be completed or expanded, has been gaining in popularity as housing becomes increasingly unaffordable to Hawaii's residents.

Your Committee heard favorable testimony on this bill from the Consumers' Housing Task Force, the Housing Consensus Alliance and several others. Those testifying asserted that a state guarantee program would make it less risky and thus encourage private lenders to provide long-term financing for "shell" housing units.

Your Committee recommends the following amendments to H.B. No. 2838-82:

Page 1, line 4: Delete "at the request of" and "the director of finance".

Page 2, lines 17-20: Replace "director of finance's" and "director of finance" with "authority's" and "authority".

These amendments will allow the Hawaii Housing Authority rather than the Director of Finance to guarantee eligible mortgage loans. Your Committee finds that this is the only housing program requiring action by the Director of Finance in such a manner and wishes to bring this program into conformance with other housing programs while ensuring that it is responsibly administered.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2838-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2838-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aki.

SCRep. 282-82 Health on H.B. No. 2656-82

The purpose of this bill is to provide funds for the design and construction of the Acute Care Wing, the design and construction of the renovation of the old hospital to long-term care, and the construction of the electrical connection from the old building

to the new.

The present Acute Care Wing with 31 acute care beds is not in conformance with the Department of Health and Human Services Medicare requirements and Fire, Life, and Safety Code standards. These deficiencies would be corrected with the completion of the Acute Care Wing and relocation of these beds to the new wing.

The hospital is still faced with the problem of tying-in the new main electrical systems and transformers and new emergency generator from the new wing to the old.

Your Committee has amended H.B. No. 2656-82 as requested by the Department of Health by changing the sum on line 2 from \$5,146,000 to \$646,000. This bill is also amended by changing \$2,000,000 to \$200,000 on line 4 and changing \$3,000,000 on line 5 to \$300,000.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2656-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2656-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 283-82 Health on H.B. No. 2392-82

The purpose of this bill is to make an appropriation of \$10,000 for fiscal year 1982-1983 to the Hawaii Services on Deafness for the provision of adjustment and counseling services to deaf clients.

The Division of Vocational Rehabilitation of the Department of Social Services and Housing currently contracts with the Hawaii Services on Deafness to provide services to deaf clients. The contracted amount is inadequate due to inflation and unexpected costs.

Your Committee has amended H.B. No. 2392-82 to increase the funding level to \$32,000, however, updated information received from The Hawaii Services on Deafness indicates that the agency can provide an adequate level of service with an appropriation of \$24,392.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2392-82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2392-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 284-82 Health on H.B. No. 2983-82

The purpose of this bill is to provide a grant-in-aid of \$8,126 to the Po'ailani Cooperative Living program.

Your Committee finds that the Po'ailani Cooperative Living program is a community-based alternative to institutionalization for adults with chronic psychiatric disabilities. The program provides supportive services that are designed to maintain 90% of the residents functioning in independent living arrangements.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2983-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 285-82 Health on H.B. No. 3012-82

The purpose of this bill is to provide funds for the establishment of a home health aides program, offering minimal health and personal care services, for the elderly residents of the State.

Without the provision of this program, many elderly individuals who require such assistance as bathing, dressing, and other aspects of personal hygiene would more than likely be subjected to the threat of premature institutionalization. Your Committee recognizes that a home health aides program would prove to be cost-effective in the

long run.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3012-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 286-82 Health on H.B. No. 2952-82

The purpose of H.B. No. 2952-82 is to provide grants-in-aid to the Easter Seal Society of Hawaii, Inc., and the Hilo and Maui Associations to Help Retarded Citizens to continue to provide respite services to the parents and families of mentally retarded individuals.

Respite services offer after-school care, vacation care, and short-term overnight care to families with mentally retarded members, so that the family can remain intact and the handicapped individual can remain in the community with his or her family. Respite services lessen the stress on the family unity, thereby increasing the possibility of having the family care for the individual in their own home rather than having that individual committed or recommitted to Waimano Training School and Hospital at a much greater expense.

Your Committee amends H.B. No. 2952-82 by increasing the appropriation to the Easter Seal Society of Hawaii, Inc. by \$20,000 to expand respite services to the Leeward and Windward areas of Oahu. The sum therefore increases from \$69,821 to \$89,821 on page 2, line 15 and on page 3, line 5.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2952-82 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2952-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 287-82 Health on H.B. No. 2964-82

The purpose of this bill is to provide funds to enable the YWCA Rape Crisis Team to provide comprehensive services to victims of sexual assault on Kauai. These services include providing physical, psychological, and spiritual support for sexually assaulted victims.

Your Committee has amended H.B. No. 2964-82 by dropping the period at the end of line 4 and adding "on the island of Kauai."

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2964-82 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2964-82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 288-82 Health on H.B. No. 3031-82

The purpose of this bill is to make an appropriation of \$92,764 to the Waikiki Health Center for the provision of low-cost primary health care services.

The Waikiki population includes a significant number of senior citizens, immigrants from Southeast Asia and the South Pacific, and newly arrived residents from the mainland. These groups of people are considered to be at high risk of developing dental problems and/or have limited access to dental care.

The Waikiki Health Center currently does not provide dental services, but would consider doing so if adequate funds were available. The appropriation of \$92,764 will enable the agency to maintain its current medical and educational services. Additional funds would be required to initiate a dental services program.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3031-82 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.