

## STANDING COMMITTEE REPORTS

**SCRep. 1** Legislative Management Informing the House that **House Resolution Nos. 4 to 7**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 2** Legislative Management Informing the House that **House Resolution Nos. 8 to 11**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 3** Legislative Management Informing the House that **House Resolution Nos. 12 to 14**, and **Standing Committee Report No. 4**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 4** Finance on **S.B. No. 5**

The purpose of this bill, as introduced, is to appropriate funds for defraying the pre-session, interim session and other expenses for the Regular Session of 1971, Sixth State Legislature, up to and including January 18, 1972, and to defray the expenses of any committees established by the Senate or House of Representatives and the pre-session expenses of the Regular Session of 1972; for defraying the expenses of the office of the ombudsman during the fiscal year 1971-72; and for defraying certain expenses of the office of the legislative auditor during the fiscal year 1971-72.

The Senate, upon consideration of the bill, amended it to provide the following appropriations: \$769,184 for the expenses of the Senate and \$995,000 for the expenses of the House of Representatives; \$233,063 for the expenses of the office of the ombudsman; \$643,654 for the expenses of the office of the legislative auditor, and another \$875,000 to the legislative auditor for interim legislative studies and contractual services therefor, for "capital investments to improve the efficiency of legislative operations", or for such other purposes as may be determined by joint action of the Senate and House of Representatives, by or through the President and Speaker, respectively.

Additionally, the Senate amended the bill by appropriating \$75,650 (4.0) to the office of the legislative auditor for defraying the expenses of the state ethics commission during the fiscal year 1971-72, representing an increase of nearly 90% above the current year's appropriation. Finally, another \$148,000 was appropriated to the office of the legislative auditor to secure consultant services to study school facilities construction costs as requested by **H.R. No. 96** of the Fourth State Legislature, Regular Session of 1968.

Upon consideration of the bill, as amended, your Committee recommends the following further amendments for the reasons stated:

Section 7(c). With reference to consultant services to study school facilities construction costs, by allowing the legislative auditor to expend the sum appropriated "upon approval of this act" rather than during the fiscal year which begins on July 1, 1971. Your Committee believes that its determination to cause the immediate undertaking of this important study is a reflection of common legislative concern; and, moreover, it is the understanding of your Committee that the legislative auditor is prepared presently to call for tenders.

Section 7(d). With reference to capital investments to improve the efficiency of legislative operations, by adding thereto "equipment and facilities . . . including, but not limited to, utilization of computer equipment and facilities for bill drafting, statutory and information retrieval, maintenance of records on the status of legislative actions and other record-keeping operations, and utilization of modern and technologically improved equipment for printing and reproduction of legislative material". This enumeration, your Committee believes, sufficiently furnishes the guidelines by which the efficiency of operations in future legislative sessions can, by their implementation, be considerably improved.

Your Committee on Finance is in accord with the intent and purpose of **S.B. No. 5, S.D. 1**, as amended in the form attached hereto as **S.B. No. 5, S.D. 1, 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. 5** Legislative Management Informing the House that **House Bill Nos. 1 to 317**, **House Resolution Nos. 15 to 29**, and the Status of Bills, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 6** Legislative Management Informing the House that **House Bill Nos. 318 to 400**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 7** Legislative Management Informing the House that **House Bill Nos. 401 to 492**, **House Resolution Nos. 30 to 81**, and **House Concurrent Resolution Nos. 1 to 19**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 8** Legislative Management Informing the House that **House Bill Nos. 493 to 587**, **House Resolution Nos. 82 to 84**, **House Concurrent Resolution Nos. 20 and 21**, and **Standing Committee Report No. 9**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 9** Higher Education on **H.R. No. 18**

The purpose of this House Resolution is to request a comprehensive study of the need for, and the impact of, a four-year medical school for the State of Hawaii. This study would necessarily contemplate the prospective improvement of the level of medical care available to the people of the State of Hawaii resulting from such a four-year program, as well as the effect of such a program on the total health program of the State. This study would also analyze the professional opportunity afforded by a degree granting medical school, in addition to the stimulation of the leadership potential of those who would be enrolled in its course of study.

As it seems appropriate, your Committee has amended the Resolution by requesting that the results of the study be reported di-

rectly to the House of Representatives, rather than to the Legislature, before the end of the 1971 session.

Your Committee is in accord with the intent and purpose of **H. R. No. 18** as amended herein and recommends its adoption in the form attached hereto as **H. R. No. 18, H.D. 1**.

Signed by all members of the Committee except Representative Medeiros.

**SCRep. 10** Legislative Management Informing the House that **House Bill Nos. 588 to 632**, **House Resolution Nos. 85 to 87**, **House Concurrent Resolution Nos. 22 to 24**, and **Standing Committee Report No. 11**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 11** Judiciary on **H.B. No. 70**

The purpose of this Act is to give the Supreme Court of the State of Hawaii original and exclusive jurisdiction to make determinations of contested elections.

According to the Constitution of the State of Hawaii:

The judicial power of the State shall be vested in one supreme court, circuit courts, and in such inferior courts as the legislature may from time to time establish. The several courts shall have original and appellate jurisdiction as **provided by law**. Article V, section 1. (emphasis added).

Contested elections shall be determined by a court of competent jurisdiction in such manner as **shall be provided by law**. Article II, section 7. (emphasis added).

Granting the Supreme Court original and exclusive jurisdiction to make determinations of election contests is, therefore, a matter for the legislature to decide.

Under present law the circuit courts are vested with the power to make determinations of such contested elections. Hawaii Revised Statutes sections 11-171 to 11-176. As a result, your Committee has found that an inordinate period of time may elapse between the election and its final resolution. See **Akizaki v. Fong**, 51 Haw. 354 (1969) [12 months]; **Johnston v. Ing**, 50 Haw. 379 (1968) [16 months]; **Crossley v. Ing**, 50 Haw.

470 (1968) [16 months]. Moreover, unfortunate circumstances may occur during this period of time. See *Akizaki v. Fong, supra*, (where a candidate who had been seated subsequently was removed from office).

Your Committee finds that by giving the Supreme Court original and exclusive jurisdiction to hear and make determinations of all contested elections, such problems may be prevented from reoccurring. It is anticipated that the Supreme Court, sitting *en banc*, will hear the evidence.

Since there is only one Supreme Court in the State of Hawaii, your Committee finds that it is unnecessary to specify which Supreme Court the complaint was filed in. Therefore, your Committee recommends that Section 11-174 (b), Hawaii Revised Statutes, be further amended by deleting the words "in which the complaint was filed" in the first paragraph thereof.

Your Committee is in accord with the intent and purpose of **H.B. No. 70**, as amended in the form attached hereto as **H.B. 70, 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. 12** Legislative Management Informing the House that **House Bill Nos. 633 to 664, House Resolution Nos. 88 to 98, and House Concurrent Resolution Nos. 25 to 27**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 13** Legislature Management Informing the House that **House Bill Nos. 665 to 695, and Standing Committee Report No. 14**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 14** Higher Education on **H.R. No. 20**

The purpose of this House Resolution is to request a public determination as to the necessity of a law school for the State of Hawaii, as well as an examination of the information previously compiled on this subject. This determination and survey would conclusively resolve an issue of critical importance to the people of this State and would serve as a definitive reference for this body to consider at such time as the issue arises. Your

Committee is cognizant of the continuing need for such an institution in this State, recognizing that a law school would afford the people of this State the benefit of expanded legal services. In addition, the opportunity to pursue law without the additional expense and difficulty involved in out-of-state study would make a legal education available to a greater number of this State's residents as well as stimulate a greater portion of the leadership potential within this community. As there has been considerable discussion and compilation of material on this subject, your Committee is of the opinion that the time is at hand for a comprehensive and final analysis of the direction in which this State must proceed if it is to afford all persons the opportunity to pursue this noble profession.

As it seems appropriate, your Committee has amended the Resolution by requesting that the recommendations of the Committee be made directly to the House of Representatives, rather than the Legislature before the end of the 1971 session. Your Committee has further amended the Resolution to correct a technical error in the title of the Resolution.

Your Committee on Higher Education is in accord with the intent and purpose of **H. R. No. 20** as amended herein and recommends its adoption in the form attached hereto as **H. R. No. 20, H. D. 1**.

Signed by all members of the Committee except Representative Takamine.

**SCRep. 15** Legislative Management Informing the House that **House Bill Nos. 696 to 724 and House Resolution No. 99**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 16** Legislature Management Informing the House that **House Bill Nos. 725 to 755, House Resolution Nos. 100 to 112, House Concurrent Resolution Nos. 28 and 29, and Standing Committee Report No. 17**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 17** Higher Education on **H. R. No. 19**

The purpose of this House Resolution is to request a public determination of the alternative solutions available for meeting the needs resulting from the rapidly expanding student

body of the University of Hawaii. It is apparent that this increase in the size of the student body will result in shortages of space and facilities to accommodate the increase of students, faculty and supporting personnel. As a result, there has been widespread concern for developing the necessary resources to meet the future needs of the student community. Of paramount concern is the interest of this body in maintaining the excellence of that institution. Because of the importance of that task, your Committee is of the opinion that no hasty solution should be sought; furthermore, it is your Committee's opinion that a comprehensive and far-sighted program can be developed only after a full determination of all factors of the problem. Irrefragably, any one solution must await such a determination.

As it seems appropriate, your Committee has amended the Resolution by requesting that the recommendations of the Committee be directed to the House of Representatives, rather than the Legislature, before the end of the 1971 session.

Your Committee on Higher Education is in accord with the intent and purpose of **H. R. No. 19** as amended herein and recommends its adoption in the form attached hereto as **H. R. No. 19, H. D. 1**.

Signed by all members of the Committee except Representative Takamine.

**SCRep. 18** Legislative Management Informing the House that **House Bill Nos. 756 to 789, House Resolution Nos. 113 to 119, and House Concurrent Resolution Nos. 30 and 31**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 19** Legislative Management Informing the House that **House Bill Nos. 790 to 801, House Resolution Nos. 129 to 124, and House Concurrent Resolution Nos. 32 to 36**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 20** Legislative Management Informing the House that **House Bill Nos. 802 to 816, House Resolution Nos. 125 to 130, House Concurrent Resolution Nos. 37 and 38, and Standing Committee Report Nos. 21 to 25**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 21 Finance on H.B. No. 602**

The purpose of this bill is to amend certain provisions of the Hawaii estate tax law relating to the computation thereof which have become superceded by changes to the federal estate tax law, in accordance therewith.

Sections 236-13 and 236-14, Hawaii Revised Statutes, which provide the basis for calculating the Hawaii estate tax as to resident and nonresident decedents, respectively, as an "additional" tax, presently refer to a credit factor of eighty per cent purportedly allowed by federal estate tax law (from which the so-called "inheritance tax" imposed by sections 236-2 to 236-6 is deducted).

But, to all intents and purposes, the percentage referred to is no longer appropriate, having been replaced by a statutory rate table provided for in section 2011 of the Internal Revenue Code. This table, in turn, is an integral part of Federal Form 706, United States Estate Tax Return, which is the criteria referred to and used by the Internal Revenue Service in computing the credit for state death taxes.

Thus, since this table is in fact used as the basis for calculation, the phrases "credit of eighty per cent" and "eighty per cent credit" are deleted throughout sections 236-13 and 236-14, and the phrase "maximum credit for state death taxes" is substituted therefor.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 602** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 22 Finance on H.B. No. 604**

The purpose of this bill is to conform certain essentially administrative functions related to real property assessment with the present assessment schedule.

Act 170, Session Laws of Hawaii 1969, which consists of a comprehensive series of amendments to no less than thirty-three different sections of the Hawaii Revised Statutes, has the effect of causing real property assessment functions, theretofore conducted during the preceding calendar year, to be



performed on a fiscal year basis coinciding with the fiscal year of the counties and defining the "tax year" accordingly.

Apparently overlooked, however, were the sections which this bill now seeks to amend relating, under section 231-23(a) (4), to adjustments and refunds within two years after the end of the "tax year" (vice "calendar year"); and, under section 248-2(e), to notification of the director of taxation by each county council of the rates for the "tax year" (vice "calendar year"). In the latter section there is also an incidental amendment deleting the phrase "board or" from the context of "council".

Your Committee on Finance is in accord with the intent and purpose of H. B. No. 604 and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 23 Finance on H.B. No. 684**

The purpose of this bill is to repeal section 363-6, Hawaii Revised Statutes, which provides for an annual authorization of \$20,000 to be appropriated out of the general revenues for the establishment and maintenance of veterans cemeteries, in the amount of \$5,000 for each of the islands of Hawaii, Kauai, Maui and Molokai.

Notwithstanding this statutory provision, it has been the practice of the legislature each year since 1961, to annually appropriate funds for veterans cemeteries for these neighbor islands under the General Appropriations Bill as an operating expenditure; sometimes more and sometimes less than the \$20,000 specified. For the current fiscal year, for example, the sum of \$26,750 was in this manner appropriated, and without reference to section 363-6.

Repeal of section 363-6, therefore, eliminates any duplication or conflict which may otherwise arise between the provisions of the General Appropriations Bill and the provisions of the statute.

Your Committee on Finance is in accord with the intent and purpose of H. B. No. 684 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 Finance on H.B. No. 607**

The purpose of this bill is to correct an apparent error in the wording of the law relating to installment payment of real property taxes.

Section 246-48, Hawaii Revised Statutes, as amended, provides that the director of taxation shall arrange all real property into one of two groups, designated Groups I and II, for billing and collection purposes; and, it allows the tax on each parcel so assigned to be paid in two equal installments. This scheme is intended to serve the dual purpose of (1) spreading the tax collection workload (by the former provision) and, (2) easing the burden on the taxpayer (by the latter).

The result, in any event, is the establishment of four payment dates: two for the parcels assigned to Group I and two for the parcels assigned to Group II. However, the law, as presently worded, specifies that the taxes due "on the first payment date for those parcels assigned to Group I shall amount to not less than fifty percent of the estimated real property taxes for the current year." Literally construed, there is a grossly disproportionate volume of taxes due on the first of the four payment dates - more than one-half of the total for the entire year.

The amendment hereby proposed, that the taxes due on the first payment for Group I parcels shall be "approximately" (rather than "not less than") fifty percent of such taxes "due on the first payment date for the current year", produces a relatively equal distribution of the taxes due over the four payment dates - approximately twenty-five percent each.

Upon consideration of this measure, your Committee further amended section 246-48 by providing, in the last sentence of the second paragraph, that the tax payments shall be made "in two installments, each approximately equal to within 1 cent" in place of "two equal installments". This change, obviously, contemplates those yearly assessments which bear an odd number of cents (e.g. \$187.73), leaving to the director to designate the billing date upon which to assess the odd penny.

Finally, your Committee amended the bill to include the last paragraph of section

246-48 (apparently omitted through inadvertence) in strict compliance with House Rule 24(2).

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 607** as amended in the form attached hereto as **H. B. No. 607, 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. 25** Select Committee on Kauai Representatives on **H.B. No. 406**

The purpose of this bill is to continue two programs providing emergency food and medical services to the elderly on Kauai. For the past two years both of these programs have been funded by the Office of Economic Opportunity and delegated to the Kauai County Commission on Aging for administration.

Your Committee finds that since the Office of Economic Opportunity is an initiating agency who identify needs and implement experimental programs which are then spun-off with established state or county agencies for administration, that Office suggests that this appropriation be granted to the State of Hawaii Commission on Aging.

Accordingly, your Committee has amended House Bill 406 in Section 2 by deleting the Office of Economic Opportunity and inserting the Commission on Aging in lieu thereof.

Your Committee is in accord with the intent and purpose of **H. B. 406** as amended in the form attached hereto as **H. B. 406, H. D. 1** and recommends that it pass second reading and be referred to your Committee on Finance.

Signed by all members of the Committee.

**SCRep. 26** Judiciary on **H.B. No. 31**

The purpose of this bill is to amend Article II, Section I, of the Constitution of the State of Hawaii to change the age qualification for voting from twenty to eighteen.

In both the 1968 and 1970 elections, the voters of this state voted against changing the voting age qualifications from twenty to eighteen. However, subsequent to the elections of 1970, the Supreme Court of the United States

held that the provisions of the 1970 Voting Rights Act, fixing the voting age at eighteen, were constitutional with respect to federal elections. **United States v. State of Arizona**, 39 U.S. Law Week 4027 (dec'd Dec. 21, 1970). Because of the different age qualifications for state and federal elections, additional expenses will be incurred in setting up separate classes of voters for these elections. Such expenses would be minimized by changing the state voting age qualifications to eighteen. Furthermore, your Committee finds that there is no compelling state interest to deny suffrage to otherwise qualified residents of this state who have attained the age of eighteen.

Your Committee notes that there has been a typographical error in line 8 of **H.B. No. 31**. Instead of the word "have", the word "has" was inserted. Accordingly, your Committee recommends an amendment in the form attached hereto for the purpose of correcting such error.

Your Committee on Judiciary is in accord with the intent and purpose of **H.B. No. 31**, as amended in the form attached hereto as **H.B. No. 31, H.D. 1**, and recommends its passage on second reading and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 27** Legislative Management Informing the House that **House Bill Nos. 817 to 836, House Resolution Nos. 131 to 135, House Concurrent Resolution Nos. 39 and 40, Standing Committee Report No. 26**, and **Standing Committee Report Nos. 28 to 33**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 28** Select Committee of Maui Representatives on **H.R. No. 50**

The purpose of this resolution is to request the Department of Land and Natural Resources to conduct a study of the feasibility of building a community swimming pool on the new Hana High and Elementary School campus at Hana, Maui.

Your Committee concurs with the purpose of **H. R. No. 50** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 29** Select Committee of Maui Representatives on **H.R. No. 51**

The purpose of this resolution is to request the Department of Health to conduct a study defining the dust problem, with its causes and possible solution, at Kihei, Maui.

Your Committee concurs with the purpose of **H. R. No. 51** and recommends its referral to the Committee on Public Health, Youth and General Welfare.

Signed by all members of the Committee.

**SCRep. 30** Select Committee on Maui Representatives on **H.R. No. 66**

The purpose of this resolution is to request the County of Maui to conduct a feasibility study for the construction of a new community gym for lower Paia.

Your Committee concurs with the purpose of **H. R. No. 66** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 31** Select Committee of Maui Representatives on **H.R. No. 87**

The purpose of this bill is to request the County of Maui to take such measures as may be necessary in order to obtain federal aid for the construction of flood control projects in Iao Stream.

Your Committee concurs with the purpose of **H. R. No. 87** and recommends its referral to the Committee on Federal-State-County Relations.

Signed by all members of the Committee.

**SCRep. 32** Select Committee on Maui Representatives on **H.R. No. 52**

The purpose of this resolution is to request the State Law Enforcement and Juvenile Delinquency Agency to conduct a feasibility study concerning the establishment of a police lab for Maui County. The County of Maui has a rising crime rate and needs a research and crime study laboratory to combat crime.

Your Committee concurs with the purpose of **H. R. No. 52** and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 33** Judiciary on **H.B. No. 217**

The purpose of this Act is to treat the sexes equally in real property transactions.

According to the Constitution of the State of Hawaii, Article 1, Section 4:

“No person shall be deprived of life, liberty or property without due process of law, nor be denied the equal protection of the laws, nor be denied the enjoyment of his civil rights or be discriminated against in the exercise thereof because of race, religion, sex or ancestry.”

Your Committee finds that the present law fails to conform to the State Constitution. Your Committee also finds that in certain circumstances women may have been discriminated against in real property transactions. Your Committee is in agreement that the present law should be changed to conform to the Constitution and to remove this discrimination.

Your Committee further notes that the present law employs the term “national origin”, instead of “ancestry” as used in the State Constitution. Accordingly, your Committee recommends an amendment in the form attached hereto for the purpose of conforming present law to the State Constitution.

Your Committee is in accord with the intent and purpose of **H.B. No. 217** as amended in the form attached hereto as **H.B. 217, 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. 34** Legislative Management Informing the House that **House Bill Nos. 837 to 893, House Resolution Nos. 136 to 149, and House Concurrent Resolution No. 41**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 35** Legislative Management Informing the House that **House Bill Nos. 894 to 933, House Resolution Nos. 150 to 154, House Concurrent Resolution Nos. 42 and 43, and Standing Committee Report Nos. 36 and 37**, have been printed and distributed.

Signed by all members of the Committee.

### SCRep. 36 Finance on H.B. No. 2

The purposes of this bill are to appropriate monies for Research and Development, Investment, and Operating Expenditures for the fiscal biennium beginning July 1, 1971 and ending June 30, 1973 and to authorize the issuance of bonds for capital investment purposes.

Your Committee has amended H. B. No. 2 to indicate the general format it intends to follow in making the appropriations called for in the title of the bill.

#### The Appropriations Format

State government is in the transitional phase of moving from traditional budgeting to the Planning-Programming-Budgeting System specified by Act 185, S.L.H. 1970, The Executive Budget Act. Some programs have already been brought under Act 185 implementation, and the administration has committed itself to full implementation of Act 185 for all programs by the 1973 legislative session.

During this transitional period, with some programs presented in a format which conforms to the requirements of Act 185 and with the overall executive budget being presented in the traditional format, your Committee believes that it is necessary for the legislature to develop, in turn, a transitional appropriations format. Such a format needs to accommodate, where it can be done, those programs which have already been phased into Act 185 implementation. It also needs to accommodate those budget categories which are still being displayed conventionally.

In addition, your Committee believes that a transitional appropriations format is required so that the legislature may begin to move in the direction of focusing on programs rather than agencies and assessing the full-cost implications of programs rather than treating capital and operating costs as separate requirements. The reasons for the program and full-cost approach have been well-documented in other reports of the legislature.

By developing an appropriations format for the transitional period, the legislature will be moving in the direction intended by Act 185. Because such a format should incorpo-

rate as many of the elements of Act 185 as can be reasonably incorporated at this time, it provides the legislature with actual, albeit partial, experience of formulating a general appropriations bill which will accommodate Act 185. By taking the transitional step, the legislature will thus be better prepared to handle the full submissions of the administration under Act 185 in the 1973 legislative session.

As developed by your Committee, the appropriations format contains three principal features:

(1) It focuses on programs. It is recognized that some of the "programs" are not programs in the PPB sense that a program is a combination of resources or activities to achieve an objective or objectives. For the most part, the lowest level of the appropriations structure displays the conventional budget categories, including programs, functions and organizational units. These are as they generally now appear in the executive budget or in the departmental budgets. The difference is that these "programs" have been grouped by subject matter in a hierarchical display rather than by the conventional grouping under agencies. It should be emphasized that the "programs" as displayed **do not constitute a program structure**. What is displayed is simply an **appropriations structure** which is designed to assist in developing some program focus during the transitional period.

(2) It integrates the operating and capital requirements for each program. Where possible, it also identifies research and development costs and non-capital investment costs.

(3) While it focuses on programs, it nevertheless appropriates money to agencies. The format designates the agencies which are to expend the amounts for each program cost category.

The bill is in several parts:

Part I explains and defines:

(1) The abbreviations used to designate expending agencies.

(2) The symbols used to designate the source of funds.

(3) "Position ceiling" and how it is specified in the bill.

Part II appropriates the money needed to implement the programs. The key features are:

- (1) Appropriation by programs.
- (2) For each program, specification of how much is to be spent in each major cost category.
- (3) Designation of the agencies authorized to expend the amounts appropriated. Each agency involved in the expenditure of the amount appropriated in each cost category and the amount to be expended by each agency are specified.
- (4) Limitation on the amount that may be expended in each fiscal year.
- (5) Total appropriation for the biennium.
- (6) Limitation on the number of positions that may be filled in each fiscal year.
- (7) The designation of the source of funding. All funds from which monies are appropriated and all approved sources from which monies are to be received (and expended) are designated. (Former appropriation formats enumerate the amounts to be paid out by specific funds, federal funds, etc., then deduct them to produce a net general fund amount. The bill does not net out the general fund portion of the appropriated amount, because it is not necessary to do so.)

Part III specifies the capital improvement projects included in the total amount appropriated for capital investment in Part II.

The remaining parts of the bill provide for the issuance of bonds and technical provisions.

#### Cost Categories

In making appropriations for each program, your Committee has attempted to identify, wherever possible, the amounts to be expended by major cost categories as intended by Act 185. In doing so, your Committee has followed the cost category guidelines formulated by the Joint Interim Committee on Legislative Review and Organization. These guidelines are:

**General.** Act 185 requires that the costs associated with programs are to be identified and grouped under four cost categories: (1)

**research and development, (2) capital investment, (3) non-capital investment, and (4) operating.** These cost categories follow the "life cycle" approach to costs and flow from the principle that a decision to undertake a program must take into account the full cost impact of the program over time. They embody the concept that a program, from its conceptualization to its introduction into service, goes through the several sequential phases, or "life cycle," reflected by the cost categories. To the decision-maker, it permits him to assess not only the full cost of the program over time, but it affords him the opportunity to make incremental program decisions. For example, in undertaking a new program, no commitment needs to be made on the size and duration of the program (or even to introduce the program into operational use) until the **research and development phase** is completed.

#### Definitions and Characteristics of Cost Categories.

(1) "**Research and development costs**" means costs primarily associated with the development of a new program, system or capability to the point where capital and/or non-capital investments are required to introduce the program, system or capability into operational use. The cost elements under this cost category include costs for **research, design, and test and evaluation. Research and development costs** are one-time costs, and the costs do not normally vary with the size or duration of the program. "R & D" should result in a proven and tested program configuration.

It is the intent of Act 185 that "R & D" costs would be reported only with the development of a **new program, system or capability** or with the development of a **major change** to a program, system or capability.

(2) "**Capital investment costs**" means costs, beyond the research and development phase, associated with capital improvements including the acquisition and development of land, the design and construction of new facilities, and the making of renovations or additions to existing facilities, which are required for a new program, system or capability to be introduced into use. The cost elements for this category include costs for **land acquisition, design and construction. Capital investment costs** are essentially one-time costs, and the costs will vary with the size of the program.



(3) “**Non-capital investment costs**” means costs, beyond the research and development phase, other than investment costs for capital improvements, which are required for a new program, system or capability to be introduced into use. This category would include such costs as the costs of training of personnel and the procurement of materials to get the program under way. These costs will vary with the size of the program.

It is the intent of Act 185 that non-capital investment costs would be reported only with the installation of a new program, system or capability or with the installation of a major change to a program, system or capability.

(4) “**Operating costs**” means costs of operating, supporting and maintaining authorized programs. The cost elements of this category include costs for personnel services, other current expenses, equipment and motor vehicles. Operating costs are recurring costs and will vary with the size and duration of the program.

Your Committee is in accord with the intent and purpose of **H. B. No. 2**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H. B. No. 2, H. D. 1**, and its recommitment to your Committee on Finance.

Signed by all members of the Committee except Representative Chong.

**SCRep. 37** Housing and Consumer Protection on **H.B. No. 76**

The purpose of the bill is to amend the existing insurance law by making it an unfair practice for an insurer to refuse to issue a policy unless the prospective insured agrees to purchase some additional policy.

Under existing law, there is no specific provision dealing with this practice, although there is a broad provision relating to “boycott, coercion, and intimidation.” This bill would clarify this portion of the law by stating a provision which would prohibit exactly this type of selling practice.

Your Committee upon consideration of this bill recommends that the bill be amended to include the words “or renewed” after “issued” in line 21, page 3, of the Bill. The reason is that this so-called “tie-in” practice may occur both when a prospective insured originally seeks to get insurance as well as

when he seeks to renew his policy. The inclusion of “or renewed” would remove any possible ambiguity as to the intended applicability of the law.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H.B. No. 76**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H.B. No. 76, H.D. 1** and its referral to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 38-71** Legislative Management Informing the House that **House Bill Nos. 934 to 966, House Resolution Nos. 155 to 159, House Concurrent Resolution Nos. 44 and 45, and Standing Committee Report Nos. 39 to 48**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 39** Transportation on **H.B. No. 618**

The purpose of this Bill is to repeal obsolete statutory provisions relating to the harbors division of the department of transportation. The sections repealed are as follows:

1. Section 266-8 relating to the appointment and duties of harbor pilots.
2. Section 266-9 relating to charges for services of pilots.
3. Section 266-10 defining “dockage” and “demurrage”.
4. Section 266-11 relating to “wharfinger” and “harbor master”.
5. Section 266-12 relating to appointment and compensation of wharfingers.
6. Section 266-15 relating to cattle landings.

These sections were enacted many years ago. Subsequent legislation permit the department of transportation to make rules and regulations over the same subject matters covered by the repealed sections. Your Committee is satisfied that there are presently duly adopted rules and regulations which have operationally replaced these sections many years ago and finds that further reten-

tion of these obsolete laws in Hawaii Revised Statutes would only lead to confusion for persons who are subject to them.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 618**, and recommends that it pass second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

**SCRep. 40 Transportation on H.B. No. 625  
625**

The purpose of this Bill is to consolidate duplication of functions of two executive departments thereby eliminating inconvenience for owners of commercial fishing vessels.

Under existing law all vessels must be registered with the Department of Transportation as required by the Hawaii State Boating Law, Chapter 267, Hawaii Revised Statutes, which was enacted to regulate all vessels and their use so as to promote the full use and enjoyment of the waters of the State consistent with federal laws. Owners of commercial fishing vessels, however, have the additional burden of registering and securing permits to engage in commercial fishing with the Department of Land and Natural Resources.

The Bill accomplishes the purpose herein stated by requiring owners of commercial fishing vessels to register and pay their fees for such registration only with the Department of Transportation. This procedure is endorsed by both departments.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 625** and recommends its referral to your Committee on Lands.

Signed by all members of the Committee.

**SCRep. 41 Higher Education on S.C.R. No.  
6**

The purpose of this concurrent resolution is to request the Board of Regents of the University of Hawaii to reconsider the selection of a site for the Kauai Community College, and take into consideration the newly offered acreage in Puhi, in conjunction with the wishes of the residents of the County of Kauai.

Your Committee is aware that the University of Hawaii System concurrently faces a numbers crisis which, unless it is prepared for in some comprehensive manner, will require the University to limit enrollment in the near future. The dimensions of the problem are illustrated in Figure A, which is attached hereto. In less than two years time, the Manoa Campus is expected to reach its suggested cut-off enrollment of 23,000 students. If current enrollment projections are correct, and in the past these have proven to be consistently low, then there will be upwards of 2,500 students displaced from Manoa in 1974. The most feasible plan for accommodating these students within the University of Hawaii System, is to send increasing numbers of lower division students to the college transfer programs in the community colleges. This is a stop-gap measure at best, until new campuses can be added to the system, but it will not work at all unless the community colleges are operating at a state of high preparedness and efficiency when the onslaught comes. This requires the immediate creation of comprehensive college transfer programs in our community colleges, and the creation of adequate facilities to house these programs.

Kauai Community College is currently a weak link in the Community College System. Because it is still housed at the location of the former Kauai Technical School, a site which has been unanimously acknowledged to be inadequate for the community college, expansion of the campus has been limited to the addition of portable facilities. In its document, **Report of the Regents' Committee on the Kauai Community College Site**, dated January 14, 1970, the Board of Regents stated: "There cannot . . . be adequate further program development nor upgrading of existing programs, and the consequent increase in enrollment which we believe will follow, until there is a new Kauai Community College campus."

We have learned from the recent experience of Leeward Community College, that the needed facilities and programs cannot be created over night. It will take from two to three years' lead time to construct, staff, and make operable the necessary facilities. For this reason, it is absolutely imperative that a definite site be selected for the permanent location of Kauai Community College, and that site work and academic plans for the permanent facility be commenced at the earliest possible date.

A special subcommittee of the Board of Regents studied the site selection question, and issued a report of its findings on January 14, 1970. This subcommittee found that three sites, Wailua, Puhi, and Lihue were suitable and desirable for the location of the campus. The Wailua location was indicated to be the first choice of the subcommittee, with the Puhi site rated second. The major factor which differentiated the desirability of the two sites were size, with the Puhi offer at that time being only 50 acres.

In the year since the issuance of the subcommittee's site selection report, funds were appropriated for the commencement of the college campus, but these funds have not been expended. In December, 1970, Grove Farm Company, Incorporated, owner of the Puhi site made the following offer which increased its proposed land donation from 50 acres to 100 acres, thereby increasing the desirability of the site:

**"BE IT RESOLVED** that the Corporation donate up to 100 acres of land in Field H-5 and/or adjoining acres to the University of Hawaii as a site for a Community College, the initial donation to be made at such time as the University of Hawaii is prepared to proceed with its said plans and shall encompass approximately 50 acres, or such lesser acreage as is requested by the University of Hawaii, at such exact location as shall be agreed upon by the Corporation and the University of Hawaii, and the remaining acreage to be reserved for future use by the University of Hawaii for future expansion of said Community College.

**"BE IT FURTHER RESOLVED** that the Corporation retain all of said 100 acres in agriculture use in order to better implement the donation of said land to the Uni-

versity of Hawaii from time to time as required.

**"BE IT FURTHER RESOLVED** that the appropriate officers of the Corporation take such actions and execute such instruments as shall be necessary to fulfill the foregoing resolutions."

Your Committee has held a public hearing on this resolution, and finds that there is considerable public sentiment in favor of reconsideration of the original site selection, in view of the increased offer of land at Puhi. The Honorable Antone Vidinha, Mayor of the County of Kauai testified before this committee in favor of the Puhi site. The Kauai County Council and the Kauai County Planning Commission have unanimously passed resolutions in favor of the Puhi site. Correspondence to the Committee on this matter has likewise favored a reevaluation of the site selection in favor of the Puhi site. Dr. Robert Cushing, a member of the Board of Regents, testified that a reconsideration of the site selection should be undertaken in light of the new offer.

Your Committee believes that the immediate selection of a site for the location of Kauai Community College is a matter of considerable consequences. It is hopeful that the reconsideration currently underway will be mindful of the overwhelming public sentiment which the Committee has observed, as well as the increased offer of land at the Puhi site.

Your Committee on Higher Education is in accord with the intent and purpose of **S.C.R. No. 6** and recommends its adoption.

Signed by all members of the Committee except Representative Takamine.

**SUMMARY OF  
FALL DAYTIME CREDIT ENROLLMENT,  
BY CAMPUS  
ACTUAL 1967-1970 PROJECTED 1971-1976**

CAMPUS	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
<b>TOTAL</b>										
<b>U.H. SYSTEM</b>										
Series I	20,788	23,255	28,051	33,127	35,864	39,621	41,570	43,600	47,010	50,000
Series II	20,788	23,255	28,051	33,127	35,864	39,621	42,251	45,663	50,226	55,050
Manoa	16,564	17,082	18,474	21,000	22,150	23,000	23,000	23,000	23,000	23,000
Hilo	618	670	884	1,104	1,310	1,550	1,770	1,090	2,250	2,000
New Campus	—	—	—	—	—	—	—	—	1,500	3,500
<b>COMMUNITY COLLEGE — SUBTOTAL</b>										
Series I	3,606	5,494	8,243	10,853	12,404	15,071	15,890	18,610	20,270	21,000
Honolulu	1,321	1,383	1,825	1,937	2,568	2,825	2,850	3,050	2,740	2,710
Kapiolani	1,514	1,538	1,828	2,205	2,630	2,924	2,960	2,880	2,740	2,710
Leeward	—	1,649	3,238	4,469	4,639	5,437	5,580	5,810	5,830	6,130
East Honolulu	—	—	—	—	—	474	1,000	1,500	2,000	2,380
Windward	—	—	—	—	—	474	1,470	2,000	2,740	2,900
Hawaii	—	—	—	557	707	847	920	980	1,000	1,070
Kauai	254	263	447	627	645	720	770	880	950	1,030
Maui	517	661	905	1,058	1,215	1,370	1,360	1,440	1,500	1,840
<b>COMMUNITY COLLEGE — SUBTOTAL</b>										
Series II	3,606	5,494	8,243	10,853	12,404	15,071	17,481	20,673	23,496	26,060
Honolulu	1,321	1,383	1,825	1,937	2,568	2,825	2,733	3,107	3,712	3,760
Kapiolani	1,514	1,538	1,828	2,205	2,630	2,924	2,963	3,250	3,250	3,250
Leeward	—	1,649	3,238	4,469	4,639	5,437	5,788	5,599	7,000	8,000
East Honolulu	—	—	—	—	—	474	1,000	1,500	2,000	2,876
Windward	—	—	—	—	—	474	1,607	2,353	2,248	3,431
Hawaii	—	—	—	557	707	947	1,000	1,100	1,190	1,300
Kauai	254	263	447	627	645	720	769	982	1,135	1,225
Maui	517	661	905	1,058	1,215	1,370	1,521	1,799	1,974	2,168

**SCRep. 42** Select Committee of Hawaii Representatives on **H.R. No. 32**

The purpose of the Resolution was to request the Governor of the State of Hawaii to declare Kailua-Kona, Hawaii, a disaster area and to release funds necessary to assist the victims of the tornado and accompanying rainstorm of January 28, 1971. Because of this natural disaster, many of the residents of the Kailua-Kona area have been left homeless; others are without work as a result of the fact that their business or place of employment was destroyed or seriously damaged. The widespread physical destruction will most certainly have an effect on the health and living standards of a substantial number of persons within that area as well as an effect on the economy of the State, and as such there is a great need for assistance from the State government. A determination that the Kailua-Kona area is in fact a disaster area will qualify the victims of the disaster for relief under Chapter 209 of the Hawaii Revised Statutes. Irrefragably, such relief must be forthcoming.

Your Select Committee of Hawaii Representatives concurs with the intent and purpose of **H. R. No. 32**, and recommends that it be referred to your Committee on Finance.

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

**SCRep. 43** Finance on **H.B. No. 346**

The purpose of this bill is to provide, by amendment to section 353-63, that members of the board of paroles and pardons (five in number per section 353-61), who presently serve without pay, except for travel and incidental expenses, shall be compensated at the rate of \$10 for each day's actual attendance at meetings, not to exceed four days per month, in addition to travel and incidental expenses.

Your Committee is satisfied that the members of this board are involved in one of the most complex and serious decision-making processes in state government. Their quasi-judicial role regarding the setting of minimum sentences, release on parole, revocation of and discharge from parole, and recommendations of commutation and pardon to the governor, have far reaching effects, not only upon the individual prisoners and their families, but upon the entire community.

Presently the board meets one day each month at the Hawaii State Prison and twice a year at each of the Honor Camps at Kulani on Hawaii and Olinda on Maui. Each such meeting requires no less than between 10 and 15 hours of preparation in reviewing case materials and interviewing potential parolees, their relatives and friends. Moreover, since passage of the Public Defender Act, parole revocation hearings are substantially lengthier because of legal representation, to a point that in the event of passage of the Hawaii Penal Code, which provides for representation in setting of minimum sentences and in parole hearings, the board anticipates it may be required to meet more often than once monthly, but as provided for in the bill, the number of meetings for which compensation is afforded shall not exceed four per month.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 346** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

**SCRep. 44** Finance on **H.B. No. 365**

The purpose of this bill is to establish a ceiling upon the liability of the State with respect to the guarantee of loans from commercial lenders for the purposes authorized by section 359G-11(e), Hawaii Revised Statutes (section 359A-11(e) of Act 105, Session Laws of Hawaii 1970).

Said section authorizes the State to guarantee repayment of 100 per cent of the principal and interest of such loans upon contracts entered into by the Hawaii housing authority for the construction of "urgently needed" low/moderate income, elderly, student or faculty housing, but there is no specification of the maximum debt that may be accumulated thereunder.

Your Committee is informed by the attorney general of the State that bond counsel has advised of the possibility such contingent liability could be applied against the debt margin, set by the present bonded debt and debt ceiling of the State. Thus, the absence of a specific limitation is subject to construction that the constitutional authorization to incur indebtedness has been completely exhausted and such a constrictive fiscal consequence



could cause complications with future funding of general obligation bonds and other funded indebtedness.

The amendment proposed prescribes a limitation upon liability, contingent or otherwise, of \$10 million. There is nothing particularly "magical" about this figure; however, according to the director of budget and finance, who has urged passage of the bill, this sum was developed by the director of the Hawaii Housing Authority, who is charged with the responsibility of administering the housing program thereunder.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 365** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

#### SCRep. 45 Finance on H.B. No. 366

The purpose of this bill is to provide for special fund accounting for all public hospitals. This purpose is proposed to be accomplished by the establishment of a special fund into which all revenues collected by or appropriated for the use of Act 97 hospitals shall be placed for their continued operation.

Act 97, SLH 1965, as amended by Acts 203 and 265, SLH 1967 and 1969, respectively, transferred all functions pertaining to the operation and maintenance of county hospitals to the State. Presently, most of such hospitals operate under a special fund arrangement whereby their receipts are applied to reduce general fund appropriations; whereas the receipts of other such hospitals are deposited into the general fund out of which their requirements are fully appropriated.

The current breakdown is as follows:

#### Special Fund

Maui Memorial Hospital  
Hana Medical Center  
Kula Sanatorium  
Hilo Hospital  
Samuel Mahelona Hospital  
Kauai Veterans Memorial  
Hospital

#### General Fund

Maluhia Hospital  
Honokaa Hospital  
Kohala Hospital  
Kona Hospital  
Ka'u Hospital (upon completion)

Your Committee appreciates that the special fund accounting proposed hereby is not intended to produce totally self-sufficient public hospitals, wherein is struck a perfect balance between income and expenditures. However, Dr. Walter B. Quisenberry, director of health, in addition to urging passage of this bill personally before your Committee, has, by letter dated February 24, 1971, indicated some "advantages" not available under general fund status. These are:

"1. A special fund establishes a continuing relationship between receipts and expenditures for hospital rate setting.

"2. Special fund operation recognizes the principle of full cost of rendering services and because hospitals are organized to charge the patients for services rendered, it is only natural that special fund is the most appropriate financing vehicle.

"3. With the advent of Medicare and Medicaid cost funding requirement, special fund operation of all hospitals is necessary in order that the full cost principle be established as part of the accounting procedure to reflect actual costs of rendering service.

"4. Special fund permits more flexibility in fiscal administration to meet emergencies which hospitals are often required to meet. Conversely, general fund operation is too restrictive for hospitals to meet emergencies.

"5. Special funding in public hospitals will be consistent with Haldi Associates' recommendations."

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 366** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

**SCRep. 46 Finance on H.B. No. 600**

The purpose of this bill is to amend section 236-1, Hawaii Revised Statutes, by adding as part of the definition of the word “transfer”, as used throughout the chapter, that there shall exist a rebuttable statutory presumption that any transfer of property within two years of a decedent’s death was made in contemplation thereof.

Under present law, the value of the gross estate includes all property to the extent of any interest therein of which the decedent has at any time made a transfer (except in case of a bona fide sale for an adequate and full consideration in money or money’s worth), by trust or otherwise, “in contemplation of death”. This phrase, although it has a well established meaning in federal estate tax law, including the presumption similar to that proposed by this bill, has been frequently challenged by tax practitioners under the Hawaii law where the tax department has similarly contended, but in the absence of a legislative pronouncement.

It is well to point out, perhaps, that the presumption hereby created, i.e., that any transfer of property made within two years of a decedent’s death was made in contemplation of death, is **not** a hard and fast rule of law. Rather, the presumption is expressly stated to be “rebuttable”, meaning that upon appropriate proof to the contrary, the presumption is overcome and the transferred property with respect to which it arises is not included in the decedent’s gross estate, notwithstanding.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 600** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

**SCRep. 47 Finance on H.B. No. 601**

The purpose of this bill is to define the term “beneficiary” in section 236-9.1, Hawaii Revised Statutes, the payment to whom of certain compensation on behalf of a deceased employee is tax exempt.

Section 236-9.1 was enacted as Act 41, Session Laws of Hawaii 1968. It provides, in effect, that the residual proceeds of pensions

or other allowances or stipends made by an employer to a “beneficiary” in consideration of past services of a deceased person or the surrender of rights or emoluments shall be exempt from all taxes imposed by chapter 236, relating to inheritance and estate taxes.

In administering the Act, the tax department has established guidelines based upon the statement of facts contained in the urgency clause thereof, which provides that the term means the deceased employee’s “surviving spouse, children, parents, brothers or sisters”. However, this limitation has been challenged frequently by executors and administrators when the pensions, allowances or stipends are collectible by them, and the exemption has been disallowed. This bill, then, adopts as a definition for the term “beneficiary” the restrictive language contained in the urgency clause of Act 41.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 601** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representatives Kaneshiro and Chong.

**SCRep. 48 Finance on H.B. No. 603**

The purpose of this bill is to permit safe deposit companies, trust companies, banks, etc., to release at least 50 per cent of jointly held funds to the surviving tenant without consent of the director of taxation.

The bill amends section 236-24, which presently disallows financial institutions having possession of property (usually money) of a decedent and another as joint tenants or tenants by the entirety, from transferring the same to the survivor without retaining a sufficient portion to pay the tax and interest thereon, unless the director of taxation consents thereto in writing. Because of a “reprisal” provision that failure of compliance renders the financial institution liable for twice the amount of the tax and interest due, the result, in the event of a death, is commonly referred to as “freezing” the bank account—unfortunately at a time when the survivor often requires cash to pay funeral and other expenses. The amendment proposed would allow release of up to 50 per cent of jointly held savings and commercial checking accounts without the director’s

consent, thereby (1) minimizing the responsibilities of financial institutions, while (2) leaving at least one-half of the jointly held funds to pay the tax upon the portion transferred to the survivor, and yet (3) assuring the survivor funds necessary to meet immediate expenses.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 603** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

**SCRep. 49** Legislative Management Informing the House that **House Bill Nos. 967 to 991**, **House Resolution Nos. 160 to 167**, **House Concurrent Resolution No. 46**, and **Standing Committee Report Nos. 50 to 64**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 50** Public Utilities on **H.B. No. 29**

The purpose of this Bill is to amend the existing law relating to the Public Utilities Commission to provide for full-time commissioners with a more realistic compensation rate.

Under existing law, the Public Utilities Commission is made up of five members who work on a part-time basis and are compensated at the rate of \$10 per day while actually engaged in the performance of their duties as commissioners. Under this Bill, the Commission will be made up of three commissioners who would devote their entire time to the duties of the Public Utilities Commission. The commissioners would serve for a term of six years but no commissioner would be able to serve for more than one six-year term. The commissioners would receive a compensation of at least \$25,000 but not more than \$28,000 per year.

Your Committee on Public Utilities finds that the main thrust of this Bill is to protect the public by providing for full-time commissioners. The workload of the Commission has increased to such an extent that it is not reasonable to expect lay commissioners to continue contributing so much of their time with minimum compensation. From property carriers alone, over 1,200 tariff applica-

tions have been filed since mid-1962. Tariff applications are only a part of the regulatory burden on the Commission from their regulated motor carriers. Since mid-1962, over 1,000 separate motor carrier cases have been heard by the Commission on every subject from self-insurance, to financing, to the entry of new carriers, to the violations of existing carriers. Also, the very fact that hundreds of small, highly competitive businesses are being regulated as opposed to a single large utility company gives only an indication of the various differing economic approaches which the commissioners must consider in regulating the various firms within their jurisdictions. Your Committee is of the belief that a substantially higher quality of regulatory service would be given the State by a full-time Public Utilities Commission.

Your Committee also finds that the total net revenues of the Public Utilities Commission for the fiscal years 1962 through 1969 is in excess of \$500,000 per year. In fiscal year 1969 alone, the net revenues exceeded \$140,000. This amount easily covers the amount needed to compensate the three commissioners for full-time service.

Upon consideration of **H. B. No. 29**, your Committee has amended the Bill by changing the compensation provision which puts a limit on the maximum amount payable to a commissioner. Your Committee feels that more flexibility is required in the amount of compensation. By basing the compensation on a percentage of a circuit court judge's compensation, as is now the case for members of the Labor and Industrial Relations Appeals Board, this flexibility is achieved. Your Committee has also changed the term in office from the six-year term to a ten-year term. Again, this would bring it more in line with the term in office now provided for members of the Labor and Industrial Relations Appeals Board.

Upon further consideration of the Bill, your Committee has amended the Bill to change the effective date of this Bill to take effect on July 1, 1972. It is the intent of your Committee that by this change, the present commissioners will have sufficient time to accommodate any necessary change over to the new system.

Your Committee is in accord with the intent and purpose of **H.B. No. 29**, as amended

herein, and recommends its referral to your Committee on Finance in the form attached hereto as **H.B. No. 29, H.D. No. 1.**

Signed by all members of the Committee except Representative Chong.

**SCRep. 51 Housing and Consumer Protection on H.B. No. 78**

The purpose of this Act is to increase the authority of the Hawaii Housing Authority with regard to the implementation of Act II of Chapter 516 of the Hawaii Revised Statutes.

This portion of that chapter commonly known as the "Land Reform Act" provides for the condemnation of land by the HHA when the land is subject to a leasehold interest. Subsequent to condemnation, the HHA, pursuant to the above-cited statute, is authorized to sell the condemned property to the lessee. The HHA is also authorized, pursuant to Section 516-34 of the Hawaii Revised Statutes, to make secured loans to enable the lessee to purchase the interest of the fee owner.

This Act would authorize the HHA to fund its condemnation procedures as well as its lending activity under Section 516-34 by the issuance of general obligation bonds. Section 516-36 of the Hawaii Revised Statutes presently provides for the issuance of revenue bonds; however it is felt by your Committee that such a source of revenue would be substantially increased were the proposed amendment effected. Irrefragably, such an increase is necessary in order to achieve the result contemplated at the time the land reform measure was passed.

Your Committee, being in accord with the purpose and intent of **H.B. No. 78**, recommends its passage on Second Reading and further recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 52 Lands on H.B. No. 382**

The purpose of this Act is to empower fish and game wardens to arrest and physically transport violators of fish and game laws and regulations to a police station for booking in addition to the issuance of citations. The present law provides that such officers shall have the power to issue citations; however,

your Committee has determined that there are various instances which justify authorization to arrest a violator of the fish and game laws. This determination is based upon the fact that a violator may be offensively armed, may be in the possession of explosives, or may be casually attired, depriving the officer of an opportunity to ascertain the violator's identity. Your Committee is of the opinion that each of these instances warrants physical restraint and makes both desirable and essential the empowering of fish and game wardens to arrest and physically transport violators to a police station for booking in addition to their present power to issue citations. Such a result would be achieved by this Act by amending Section 187-9 of the Hawaii Revised Statutes by deletion and addition of language sufficient to accomplish the Act's purpose.

Your Committee on Lands, being in accord with the intent and purpose of **H. B. No. 382**, recommends its passage on second reading and further recommends that it be referred to your Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 53 Lands on H.B. No. 384**

The purpose of this Act is to amend Section 187-16, Hawaii Revised Statutes, in order to correct an inadvertent error made in the construction of Hawaii Revised Statutes.

The present law, by reason of this inadvertent error, limits the application of the seizure and forfeiture of fishing and hunting gear provision to Chapter 187 of the Hawaii Revised Statutes; however, such provision should have application to all chapters within subtitle 5 and the proposed amendment would effect this change and would correct the inadvertent error.

Your Committee on Lands, being in accord with the intent and purpose of **H. B. No. 384**, recommends its passage on second reading and further recommends that it be referred to your Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 54 Lands on H.B. No. 388**

The purpose of this Act is to permit the Board of Land and Natural Resources to cancel or accept surrender of leases of public land without the requirement there be an ex-

istent "bona fide interest in" re-leasing such land, when the Board determines such cancellation or surrender is in the public interest subject to the consent of the lessee, his heirs and assigns and each holder of record having a security interest. Such a result would be obtained by amending paragraph 2 of Section 171-61 of the Hawaii Revised Statutes to delete the words, "and there is a bona fide applicant interested in such re-lease".

This amendment would result in the elimination of a stringent restriction, which is also being considered to be a needless deterrent to the property administration of the public lands. Further justification for this amendment would be the benefit to the prior lessee, who would no longer be required to continue under the terms of the lease until a bona fide applicant is found.

Your Committee on Lands, being in accord with the intent and purpose of H. B. No. 388, recommends its passage on second reading and further recommends its referral to the Committee on Judiciary.

Signed by all members of the Committee.

#### SCRep. 55 Lands on H.B. No. 549

The purpose of this act is to encourage the conservation, development and utilization of Hawaii's coastal zone for maximum public benefit through the medium of state and local authorities with the assistance and cooperation of the federal government.

This purpose would be achieved by authorizing the Department of Planning and Economic Development to prepare a coastal zone plan and making an appropriation therefor. Such legislation contemplates federal legislation calling for the same result and funding the program.

The proposed legislation is based upon growing pressures on coastal zones which have resulted in revised land use, which is sometimes conflicting in nature and scope.

Your Committee on Lands, being in accord with the intent and purpose of H. B. No. 549, recommends its passage on second reading and further recommends that it be referred to the Committee on Economic Development.

Signed by all members of the Committee.

#### SCRep. 56 Lands on H.B. No. 385

The purpose of this Act is to correct technical conflict between the language of Section 171-8, Hawaii Revised Statutes, and the organizational structure of the Department of Land and Natural Resources, Land Management Division.

The present law provides that the State Ranger and land agents shall report directly to the Board of Land and Natural Resources; however, the organizational structure of the Department places such positions in the Land Management Division, reporting to the Board through the Division Head and the Chairman. H. B. No. 385 would correct this discrepancy by amending Section 171-8, Hawaii Revised Statutes, to require the State Ranger and land agents to report directly to the designated agent of the Board.

Your Committee on Lands, being in accord with the intent and purpose of H. B. No. 385, recommends its passage on second reading and further recommends that it be placed on the calendar for third reading.

Signed by all members of the Committee.

#### SCRep. 57 Lands on H.B. No. 386

The purpose of this Act is to incorporate into Chapter 171 of the Hawaii Revised Statutes the definition of "public purpose". While there is a partial definition of this phrase in Section 171-50, the fact of the lack of a complete definition makes such amendment desirable. Such a result would be achieved by amending Section 171-1 of the Hawaii Revised Statutes to add the definition of this term.

Your Committee on Lands, being in accord with the intent and purpose of H. B. No. 386, recommends its passage on second reading and further recommends that it be placed on the calendar for third reading.

Signed by all members of the Committee.

#### SCRep. 58 Lands on H.B. No. 387

The purpose of this Act is to permit the Board of Land and Natural Resources to permit public lands to be leased for campsites without public auction to religious and eleemosynary organizations when the leased land will be used for educational as well as athletic purposes. The present law permits



the Board to lease directly, without recourse to public auction and at nominal rent, public lands for "campsites and youth athletic activities".

By amending Section 171-43 of the Hawaii Revised Statutes, which is controlling, to add the words "and educational" after the word "athletic", the Section would be amended to afford a greater range of activities with concomitant public benefit.

Your Committee, being in accord with the intent and purpose of **H. B. No. 387**, recommends its passage on second reading and further recommends that it be placed on the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 59 Lands on H.B. No. 390**

The purpose of this act is to correct an error in the wording of the statute. This correction would be achieved by deleting the phrase "in fee simple" from line 9, Section 171-57 of the Hawaii Revised Statutes.

The above-mentioned section deals with rights in easements, which are, by definition, property rights less than the fee interest in land. Consequently, it is impossible to, as present law provides, ". . . dispose of such reserve right or easement to the owner by sale in fee simple . . .".

Your Committee on Lands, being in accord with the intent and purpose of **H. B. No. 390**, recommends its passage on second reading and further recommends that it be placed on the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 60 Lands on H.B. No. 391**

The purpose of this act is to correct the statutes to make it compatible with the existing right of purchase lease.

Creation of right of purchase lease, prior to the enactment of Act 32 S.L.H., 1962, provided for the purchase of land by payment of a stated appraisal value of the property; however, the language of Act 32 provided that the existing rights of purchase lease entitled the lessee to the fee interest property by paying the fair market value of the land (a different standard of valuation from the standard contained in the existing right of purchase

lease prior to the enactment of the amendment). Existing leases are contracts by which the board is bound. Right of purchase leases issued hereafter will contain the fair market value by appraisal standard; however, the existing leases must be sold at the appraised price set out in the document. The act will effect a correction of the error now contained within the statute.

Your Committee on Lands, being in accord with the intent and purposes of **H. B. No. 391**, recommends its passage on second reading and further recommends that it be placed upon the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 61 Finance on S.B. No. 6**

The purpose of this bill is to correct the inequitable situation which arises when out-of-state vendors bid in competition with vendors doing business in the State on purchases to be made by the State or its political subdivisions.

Sales of tangible personal property to the State and its political subdivisions by vendors doing business within the State are subject to the general excise tax imposed by Section 237-13, Hawaii Revised Statutes. However, sales to the State and its political subdivisions are exempted from the general excise tax by constitutional proscription if such sales are made by vendors not doing business within the State. This results in a situation where a vendor doing business within the State is placed at a disadvantage when bidding in competition with a vendor not doing business within the State.

The provisions of **S. B. No. 6** will correct this situation by amending Section 103-32, Hawaii Revised Statutes, to provide for the adding to the bid price of the vendor not doing business within the State the amount of the applicable retail excise tax. This is to be done for the determination of the lowest bid only, and if an out-of-state vendor prevails, the sales price would be his original bid price without the general excise tax.

Your Committee received and considered testimonies from or on behalf of the Department of Accounting and General Services, the Department of Finance of the City and County of Honolulu, the Hawaii Manufacturers Association, among others, each urging passage of this measure.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 6** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

**SCRep. 62 Finance on S.B. No. 58**

The purpose of this bill is to remove the requirement that the comptroller of the State, or the director of finance of a county, as the case may be, certify the availability of funds in the case of "price-term" contracts.

Section 103-39 of the Hawaii Revised Statutes presently requires the State comptroller (or a county's director of finance) to certify that funds are available to liquidate a contract obligation; lack of such certification precludes the contract from being binding or of any force. Moreover, by the same law such certificates may be issued only after reference to appropriation accounting records indicates that funds are actually available, and then only after the funds have been encumbered on the accounting records to assure that they remain available for payments that become due under the contract.

However, for so-called "price-term" contracts, (also known variously as "open-end" or "requirements" contracts), encumbrance of funds is not feasible because the amounts to be purchased under such contracts are indefinite and such contracts cover all the government's agencies rather than one or a few. The specific agencies that will buy under the contract and the funds each will expend under the contract are not definitely known. If funds to cover such contracts cannot be encumbered to support a certificate of availability of funds, then the certificate is without meaning in terms of assuring that funds are, in fact, available to liquidate the contract obligation.

The enactment of this bill will remove an unworkable requirement that a certificate of availability of funds be issued on a contract for which it is not feasible to encumber the related funds.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 58** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

**SCRep. 63 Finance on S.B. No. 62**

The purpose of this bill is to retain the 8% interest ceiling authorized by Act 2, Session Laws of Hawaii, 1970, for an additional twelve months.

Act 2 raised the interest ceiling on general obligation bonds of the State from 6% to 8% for a 12 month period from its date of approval, which was March 31, 1970. Unless renewed, therefore, the interest ceiling will revert to 6% on April 1, 1971.

Your Committee is aware of the fluctuations in the municipal bond market and recognizes the possibility of a rise in interest rates should business conditions improve. It is your Committee's belief, also, however, that the capital improvements program is vital to the State, and that an increase in the interest rate ceiling proposed by this bill is a necessary contingency should there be a repeat in the deterioration of the municipal bond market.

In reaching its recommendation regarding this measure, your Committee has reviewed the recent legislative history of section 39-5, as amended, the interest limitation provision of which, Act 2 and this bill relate to, "notwithstanding." When amended by Act 27, Session Laws of Hawaii 1968, the interest rate of "not more than 5 per cent" was increased to an interest "at a rate or rates not exceeding six per centum per annum." (Emphasis added). The director of the department of budget and finance, who, incidentally, urges favorable consideration of this bill, has addressed your Committee's attention to the curious possibility that this language is subject to an interpretation allowing at least a portion of the bonds issued pursuant thereto to be sold at more than 6 per cent, provided that the average net ceiling rate remains within the lawful limit. Therefore, we are not unmindful thereof; but this prospect, which is unsupported by a legal opinion from the attorney general, hardly accommodates the volume of sales which the State anticipates over the forthcoming fiscal biennium (about \$240 million) in a bond market so vulnerable to such varying vicissitudes (from a high of 7.12% in May 1970 to a low of 5.05% in February 1971).

The Senate, upon recommendation of the Committee on Ways and Means, which found the phrase "continue to" in line 6 of section 1 of the bill (companion **H. B. No. 364**) to be "superfluous", deleted it and amended the bill accordingly.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 62, S. D. 1**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

**SCRep. 64 Finance on S. B. No. 105**

The purpose of this bill, which amends various sections of chapters 237 and 238, Hawaii Revised Statutes, is to tax sales to national banks doing business in Hawaii under the Hawaii general excise and use tax laws, the same as State chartered banks, thereby equalizing the tax burden of all banks.

Under our present tax laws, sales of tangible personal property to the Federal Government and its instrumentalities, including national banks, are exempt from the general excise tax, and "imports" (as that term is defined in section 238-1) by such banks are exempt from the use tax.

Prior to the enactment by Congress of Public Law 91-156, taxation of national banks by states was restricted. This restriction has, by virtue thereof, been lifted, and this bill will permit the imposition of the general excise tax on the sales of tangible personal property to national banks and of the use tax on their imports.

Your Committee feels compelled to comment that responsible representatives of Hawaii National Bank, presently the only federally chartered banking institution engaged in the doing of business in this state, were duly apprised of your Committee's intention to consider this measure; and we are required to conclude from their reticence that there is tacit acceptance of the bill's provisions. In any event, the director of the department of taxation has expressed before us that there is expected to be a practically "imperceptible" increase in tax revenues herefrom. In this regard, your attention is respectfully invited to the purpose provision

of this report, i.e., that the bill is intended, basically, to equalize the tax burden on all banks.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 105** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

**SCRep. 65 Legislative Management** Informing the House that **House Bill Nos. 992 to 1015, House Resolution Nos. 168 to 173, House Concurrent Resolution No. 47, and Standing Committee Report Nos. 66 to 68**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 66-71 Finance on S.B. No. 179**

The purpose of this bill is to repeal Act 381, Session Laws of Hawaii 1949, which authorized the issuance of revenue bonds not to exceed \$3,000,000.00 for the purposes on construction, reconstruction, improvement, alteration, betterment and extension of state airports and air navigation facilities.

The revenue bonds, which were authorized to be issued by the Hawaii Aeronautics Commission, were intended to finance projects authorized by Act 368 of the same legislative session, which provided, in relevant part:

" . . . the appropriation made by this Act shall be deemed to be made only by way of advancement and upon the sale of such revenue bonds there shall be transferred to the general fund . . . from the funds derived from such sale . . . to reimburse the general fund . . . ."

It was found, however, that the revenue bonds could not be issued because airport revenues (other than fuel tax, which was not included) were inadequate to meet the requirements of the issue. Act 18 of the Special Session of 1949, therefore, repealed Act 368 and appropriated funds for the needed airport projects which were constructed with general obligation bond funds reimbursable by the Airport Revenue Fund.

Under the circumstances, there is no need for the continued existence of the authorization for these revenue bonds, and the directors of the departments of transportation and

budget and finance have urged repeal of the Act authorizing their issuance.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 179** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

**SCRep. 67 Judiciary on H.B. No. 211**

The purpose of this bill is to make discretionary the revocation of a driver's license after the driver has been convicted of a felony in the commission of which a motor vehicle has been used.

Present conditions in the State often make it mandatory that a person be allowed to drive a vehicle to work. If this driving privilege were taken away from such person, he might be unable to retain his job, and thereby suffer the attendant social consequences.

Your Committee upon consideration of this bill recommends that it be amended in the form attached hereto as **H.B. No. 211, H.D. 1**. It is felt that revocation of drivers' licenses should be left to the discretion of the court in most cases. The Court will be able to evaluate the facts and circumstances of each case in making the determination as to whether the license should be revoked. While the making of license revocation discretionary may lead to a loss in uniformity over the disposition of cases, it is felt that this will improve the administration of justice. Mandatory revocation of the license upon a manslaughter conviction has been retained because of the seriousness of the attendant circumstances.

It should also be noted that the wording of the particular offenses which have been placed in the "discretionary" category have been modified in a few instances. The reason for such change is to have this bill conform to the provisions of the Driver Licenses Compact.

Your Committee on Judiciary is in accord with the intent and purpose of **H.B. No. 211**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H.B. No. 211, H.D. 1**, and placement on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 68 Judiciary on H.B. No. 579**

The purpose of this bill is to make Motor Vehicle Industry Licensing Act filing fees nonrefundable in all cases.

The present law provides that if a license is granted under such Act, the filing fee is to be applied as part payment of the license fee. In practice, this had the effect of requiring the Motor Vehicle Industry Licensing Board to refund the filing fee, since the license fee is submitted concurrently with the filing fee. Filing fees are presently nonrefundable only when a license application is denied or withdrawn.

Regardless of whether license applications are granted, denied, or withdrawn, substantially the same amount of administrative expense is created. For instance, investigations must be undertaken and printed forms must be used. This bill would allow the Board to retain filing fees in all instances to cover such expenses.

Your Committee on Judiciary is in accord with the intent and purpose of **H.B. No. 579** and recommends its passage on Second Reading and placement on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 69 Judiciary on H.R. No. 165**

The purpose of this resolution is to increase the efficiency of the legislative process in the House of Representatives by amendment of Rule 32 of the House of Representatives.

Your Committee on Judiciary is in accord with the intent and purpose of **H. R. No. 165** and recommends its adoption.

Signed by all members of the Committee except Representative Wedemeyer.

**SCRep. 70 Legislative Management Informing the House that House Bill Nos. 1016 to 1058, House Resolution Nos. 174 to 179, House Concurrent Resolution No. 48, and Standing Committee Report Nos. 71 to 77, have been printed and distributed.**

Signed by all members of the Committee.

**SCRep. 71** Select Committee of Maui Representatives on **H.B. No. 207**

The purpose of this Bill is to amend Act 187, Session Laws of Hawaii, Section 1, item 0-17, relating to the Makawao Civic Center, by deleting the 50-meter requirement for the swimming pool and substituting therefor a "community" swimming pool.

Your Committee is in accord with the intent and purpose of **H.B. No. 207** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 72** Select Committee of Maui Representatives on **H.B. No. 450**

The purpose of this Bill is to provide for the establishment of a prosecuting attorney's office in any county with a population of less than 55,000.

Your Committee is in accord with the intent and purpose of **H.B. No. 450** and recommends its referral to the Select Committee of Kauai Representatives.

Signed by all members of the Committee.

**SCRep. 73** Public Institutions on **H.B. No. 347**

The purpose of the bill is to broaden the representation on the advisory commission for vocational rehabilitation. Currently the commission is made up of the directors of the department of health, labor and industrial relations, and the superintendent of the department of education, and four members from the public sector from each of the four judicial districts. By increasing the membership of the commission to not more than 15 members, representation from the public sector can be increased from four to twelve.

The increase in membership will enable the state to more readily conform to federal regulations which required representation from the disabled, medical, health and related organizations, labor, management and other public and voluntary organizations. Your Committee also finds such broadened representation desirable as it will permit development of programs that will truly reflect the needs of the public.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 347**, and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

**SCRep. 74** Public Institutions on **H.B. No. 545**

The purpose of this Bill is to clarify Section 346-14, Hawaii Revised Statutes, relating to the duties of the Department of Social Services and Housing.

The statutory section generally empowers the Department to care for elderly, blind and disabled recipients in boarding homes, and since 1965 it has assisted these individuals in locating suitable living accommodations in substitute homes. This established program complies with federal regulations and is federally subsidized. The Bill amends the existing law by explicitly authorizing the Department to recruit and license adult family boarding homes for these recipients.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 545** and recommends its passage on second reading and that it be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Takamine.

**SCRep. 75** Finance on **S.B. No. 108**

The purpose of this bill is to extend the limitation period for tax assessment and refund from the present "three years after filing the final return" to a period of "three years of the due date . . . , whichever is later." (Emphasis added). Sections 235-111(a) (income tax) and 237-40(a) (excise tax) are amended accordingly.

The enactment of these provisions is designed to encourage filing of returns prior to the due date, as the time allowed for amending returns and filing for refunds in the event of overpayment will be identical with those taxpayers filing on the due date. The need for date stamping all returns filed before the due date will thereby also be eliminated.

Heretofore, by Act 274, Session Laws of Hawaii 1969, the state law was amended to



coincide with federal law regarding the due date for amended returns and the limitation period for assessments. Hereby, there is accomplished further uniformity of the Hawaii law with the Internal Revenue Code with respect to application of the limitation period.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 108** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

**SCRep. 76 Finance on S.B. No. 582**

The purpose of this bill is to amend certain sections of Chapter 236 of the Hawaii Revised Statutes to: (1) provide that where any transfer of property is made within two years prior to a decedent's death, a rebuttable presumption shall exist that such transfer was made in contemplation of death; (2) define the term "beneficiary" in section 236-9.1, the payment to whom of pensions, stipends and other allowances, on behalf of a deceased employee, is tax exempt; (3) conform the Hawaii estate tax credit provisions in sections 236-13 and 236-14 with federal law; and (4) permit safe deposit companies, trust companies, banks, etc., to release at least 50 per cent of jointly held funds to the surviving tenant without consent of the director of taxation.

This bill incorporates the provisions of **S. B. Nos. 109, 110, 111, and 112**, being companion **H. B. Nos. 600, 601, 602, and 603**, respectively, upon each of which your Committee received and considered testimony from the director of taxation. We are satisfied that, together, these amendments to Chapter 236 will aid in the administration of inheritance and estate tax laws.

Section 1 of the bill creates a rebuttable statutory presumption under section 236-1 that any transfer of property within two years prior to a decedent's death was made in contemplation thereof. Under present law, the value of the gross estate includes all property to the extent of any interest therein of which the decedent has at any time made a transfer (except in case of a bona fide sale for an adequate and full consideration in money or money's worth), by trust or otherwise, "in contemplation of death". This phrase, although it has a well established meaning in

federal estate tax law, including the presumption similar to that proposed by this bill, has been frequently challenged by tax practitioners under the Hawaii law where the tax department has similarly contended, but in the absence of a legislative pronouncement.

It is well to point out, perhaps, since this appears to be the most controversial feature of the bill, that the presumption hereby created, i.e., that any transfer of property made within two years of a decedent's death was made in contemplation of death, is not a hard and fast rule of law. Rather, the presumption is expressly stated to be "rebuttable", meaning that upon appropriate proof to the contrary, the presumption is overcome and the transferred property with respect to which it arises is not included in the decedent's gross estate, notwithstanding.

Section 2 of the bill amends section 236-9.1 by spelling out a definition for the term "beneficiary" therein, as to whom there is a tax exemption from the residual proceeds of pensions or other allowances or stipends made by an employer in consideration of past services of a deceased person or of the surrender of rights or emoluments. This law was enacted as Act 41, Session Laws of Hawaii 1968, and in administering it, the tax department has established guidelines based upon the statement of facts contained in the urgency clause thereof, which provides that the term means the deceased employee's "surviving spouse, children, parents, brothers or sisters". However, this limitation has been challenged frequently by executors and administrators when the pensions, allowances or stipends are collectible by them, and the exemption has been disallowed. This bill, then, adopts as a definition for the term "beneficiary" the restrictive language contained in the urgency clause of Act 41.

Sections 3 and 4 of the bill amend sections 236-13 and 236-14, respectively, by conforming the tax credit provisions of Hawaii estate tax law with federal law as to resident and nonresident decedents. As the basis for calculating the Hawaii estate tax as an "additional tax", these sections presently refer to a credit factor of eighty per cent purportedly allowed by federal estate tax law (from which the so-called "inheritance tax" imposed by sections 236-2 to 236-6 is deducted). But, to all intents and purposes, the percentage referred to is no longer appropriate, having been replaced by a statutory rate table provided for in section 2011 of the Internal

Revenue Code. This table, in turn, is an integral part of Federal Form 706, United States Estate Tax Return, which is the criteria referred to and used by the Internal Revenue Service in computing the credit for state death taxes. Thus, since this table is in fact used as the basis for calculation, the phrases "credit of eighty per cent" and "eighty per cent credit" are deleted throughout sections 236-13 and 236-14, and the phrase "maximum credit for state death taxes" is substituted therefor.

Section 5 of the bill amends sections 236-24, which presently disallows financial institutions having possession of property (usually money) of a decedent and another as joint tenants or tenants by the entirety, from transferring the same to the survivor without retaining a sufficient portion to pay the tax and interest thereon, unless the director of taxation consents thereto in writing. Because of a "reprisal" provision that failure of compliance renders the financial institution liable for twice the amount of the tax and interest due, the result, in the event of a death, is commonly referred to as "freezing" the bank account—unfortunately at a time when the survivor often requires cash to pay funeral and other expenses. The amendment proposed would allow release of up to 50 per cent of jointly held savings and commercial checking accounts without the director's consent, thereby (1) minimizing the responsibilities of financial institutions, while (2) leaving at least one-half of the jointly held funds to pay the tax upon the portion transferred to the survivor, and yet (3) assuring the survivor funds necessary to meet immediate expenses.

The director of taxation has recommended that the proposed amendment to section 236-24 be further amended by deleting the phrase "executor, administrator, or other legal representative of the decedent", with reference to the financial institution identifying for the director the person to whom the property is delivered, and substituting therefor the phrase "surviving joint tenant, or tenants or tenant by the entirety", and section 5 of the bill reflects this amendment by the Senate, accordingly.

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 582, S. D. 1**, and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

**SCRep. 77 Judiciary on H.B. No. 63**

The purpose of this bill is to aid highway safety by requiring all applicants for drivers license renewals who have six or more points at the time of application to take the physical and mental examinations provided for in section 286-108, Hawaii Revised Statutes.

By requiring the re-examination of all such drivers, it may be possible to reduce highway accidents, since such re-examination not only serves to re-educate drivers, but also to deny license privileges to those who obviously are unfit to operate motor vehicles on public highways.

Your Committee upon consideration of this bill recommends that it be amended in the form attached hereto as **H.B. 63, H.D. 1**. It would be simpler to determine the number of points accumulated at the time of application for renewal instead of having to search the records of the past twelve months. By limiting such mandatory re-examination requirements to those who have six or more points at the time of application for renewal would have substitutionally similar results as **H.B. 63**, with the added advantage of easing the administrative burden.

Your Committee on Judiciary is in accord with the intent and purpose of **H.B. No. 63**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H.B. 63, H.D.1**, and placement on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 78 Legislative Management** Informing the House that **House Bill Nos. 1059 to 1100, House Resolution Nos. 180 to 185, House Concurrent Resolution Nos. 49 to 55, and Standing Committee Report Nos. 79 to 90**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 79 Public Health, Youth and General Welfare on H.B. No. 69**

The purpose of this Act is to promote the right of the people of the State of Hawaii to a quality environment and to protect the public right and trust in such a quality environ-

ment. This Act embodies present rules and regulations of the Department of Health and other areas that would be covered by rules and regulations by the Department in addition to providing larger penalties upon polluters and providing the public with an undisputed means of bringing action against polluters. Over the last few years the Department of Health has proven to be slow and ineffective in enforcing its pollution rules and regulations, and this Act is intended to implement the Legislature's feeling that a statutory law would, when enacted, be more easily enforced and administered than administrative rules and regulations.

In order to accomplish its purpose the Act is divided into five parts as follows:

1. Ambient air quality standards. The Act establishes ambient air quality standards for the Hawaii air quality control region as defined in the Act. Standards are established for carbon monoxide, hydrocarbons, particulate matter, photochemical oxidants, and oxides of sulfur all of which are the major pollutants in the atmosphere of the State of Hawaii. These standards are based on those recommended by the University of Hawaii Air Pollution Task Force and are more stringent than those recommended by the federal government or proposed by the State Department of Health. Your Committee feels that the standards used in this Act are best for the State so that the air quality of the State does not deteriorate to that of the major urban areas on the mainland for which the federal standards were suggested. It is imperative that the State of Hawaii adopt more stringent air quality standards than those set forth by the federal government.

2. Aircraft noise standards. The Act sets a 108 decibel level for all new aircraft that may come into operation in the State after the effective date of the Act. These provisions do not apply to aircraft presently operating within the State. The basis for the aircraft noise level was taken from the Federal Aviation Rules and Regulations Part 36.

3. Water quality standards. The Act fixes water quality standards for all island waters, both fresh water and salt water. These water quality standards are based upon the present Department of Health water quality standards now existing in rule form. The Act establishes water classes for salt water of Classes AA, A, and B for fresh water of Classes 1 and 2. The waters of each island in

the Hawaiian chain are placed in one of these five classes. Once placed within one of the classes the waters must meet specified standards concerning temperature, turbidity, radionuclides, microbiological requirements, pH units, nutrient materials, dissolved oxygen, and total dissolved solids, salinity, and isohaline patterns. Penalties are provided for violation of these standards. Your Committee feels that due to the number of violations of the present Health Department rules and regulations, enactment into statute of these rules and regulations would provide for strict, mandatory enforcement which is not now being undertaken by the Department of Health.

4. Permits for variance; zone of mixing. The Act establishes a permit procedure for discharges that are not controllable upon the effective date of this Act. By applying for a permit with the Department of Health, a person may discharge air, water, or noise for a period no longer than five years. Thus a polluter is given five years in which to correct his noncompliance with the standards contained in this Act. The same procedure is provided for zones of mixing in relation to discharges into the waters of the State. This permit system is based on that presently used by the Department of Health with the exception that a permit to pollute can be no longer than five years.

5. Environmental damage and standing to sue. This section of the Act provides that the public may bring actions against polluters of the environment and obtain abatement of such pollution. Under this section a person is provided with the right of intervention in adjudicatory proceedings pursuant to the Administrative Procedure Act, chapter 91. Intervention may be made for the purpose of assuring that the nature and extent of environmental damage is adequately considered and minimized. Standing to sue is provided with relief by injunction against the polluter or damages for the plaintiff against the polluter, or a combination of both. In all cases brought under this part of the Act the polluter would have to abate pollution if he were found to be polluting. This part also provides for class suits or suits for persons similarly situated. Thus a person could bring an action for all persons affected by the pollution even though the number of persons affected are too numerous to bring into court.

Your Committee upon consideration of

the bill recommends the following amendments:

1. Section 322- Natural pollutants (contained in section 3 of the Act). This section provides that air quality standards shall not be held applicable to natural pollutants. The section has been clarified to provide that where natural pollutants and artificial pollutants occur simultaneously, artificial pollutant emission shall be lowered to the extent that air quality standards can be met.

2. Section 322-72 Penalty for violation of part, rules, regulations, or standards (contained in section 10 of the Act); section 322- Penalties (contained in section 14 of the Act); and section 322- Penalties (contained in section 15 of the Act). These penalty sections relating to violation of air, water, and permit requirements have been amended by raising the penalty from not more than \$5,000 for each day of violation to not more than \$25,000 for each day of violation. Your Committee feels that in order to be effective, the fine for environmental abuse must be heavy enough to make it uneconomical to poison the air or water, or violate the permit procedures. A \$25,000 upper limit for penalties permits a court to fine the polluter in accordance with his ability to pay. A large corporation would consider a \$5,000 fine as a cost of doing business, whereas a \$25,000 fine for each day of violation would probably result in encouraging a corporation to abate its pollution activities.

Your Committee has also amended the penalty sections relating to air and water to provide that these sections shall not apply to any person who has applied for a permit allowing variance from the air and water standards provided by section 15 of the Act. Concomitant with this amendment your Committee has amended the effective date of the Act to take effect on January 1, 1972, except that section 15 relating to permits shall take effect upon approval, thus providing polluters ample time to apply for pollution permits prior to the effective date of the air and water standards.

3. Section 12 of the Act relating to aircraft noise has been deleted from the Act. Your Committee has already reported House Bill 95 relating to aircraft noise which contains the same provisions as this Act.

4. Section 322- Zones of mixing, section 322- Establishment of zones of mixing; and

section 322- Termination of zones of mixing (all contained in section 15 of the Act) have been deleted as repetitive of those provisions in section 15 of the Act relating to permits.

5. Technical changes have also been made in certain other sections to clarify ambiguous language and correct grammatical errors.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of H.B. 69 as amended herein, and recommends its passage on second reading and its referral to the Committee on Judiciary in the form attached hereto as H.B. 69, H.D. 1.

Signed by all members of the Committee.

SCRep. 80 Education on H.B. No. 640

The purpose of this bill is to appropriate money for additional physical education classes in grades K-6 for the physical fitness of students and the opportunity for preparation time for teachers.

Physical education classes coupled with preparation time was conceived by the Kalihi-Palama residents together with representatives of that area's Model Cities and the Department of Education. The purpose of the project was to relieve regular teachers with trained physical education teachers to conduct P.E. classes which would provide physical fitness of students and preparation time for teachers. Physical activities for the students are a significant and integral part of the academic learning processes. Proper physical education training provides children with the essential motoric skills for success in handwriting. Testimony was received from the Hawaii Education Association on a teacher survey which showed that a majority of the elementary school teachers requested a physical education specialist. Favorable reaction to this concept and to Makaha Elementary School's variation using art, music and Hawaiian classes in addition to P.E. was expressed at the hearing.

Your Committee upon consideration of this bill recommends the following amendments:

1. The title of the bill be amended to read: "MAKING AN APPROPRIATION FOR

**ADDITIONAL PHYSICAL EDUCATION TEACHER AND AIDE POSITIONS IN GRADES K-6”.**

2. Section 1 of the bill be amended to read, “There is appropriated out of the general revenues of the State of Hawaii the sum of \$\_\_\_\_\_, or so much thereof as may be necessary, for additional physical education teacher and aide positions in grades K-6, which purpose shall be for the physical fitness of students and the opportunity for preparation time for teachers.”

The purpose of these amendments is to make clear that the creation of the positions will make additional classes available.

Your Committee on Education is in accord with the intent and purpose of **H.B. 640**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H.B. 640, H.D.1**, and its referral to the Committee on Finance.

Signed by all members of the Committee except Representatives Hansen and Chong.

**SCRep. 81** Select Committee on Maui Representatives on **H.B. No. 203**

The purpose of this Bill, as amended herein, is to standardize the periods of the terms of office of all county mayors and councils to periods of four years each for these officials. At present, county charters are not uniform in setting forth the periods for the terms of office of these county officials.

As originally worded, the bill provides for four-year terms for mayors and council members of counties with a population of more than 35,000 but less than 55,000. Your Committee has amended this bill to provide for four-year terms for mayors and council members of all counties of the State.

Your Committee is in accord with the intent and purpose of **H.B. No. 203**, as amended herein, and recommends its referral to the Committee on Judiciary in the form attached hereto as **H.B. No. 203, H. D. 1**.

Signed by all members of the Committee.

**SCRep. 82** Public Institutions on **H.B. No. 350**

The purpose of this Bill is to enable the Department of Social Service and Housing to

make immediate welfare money payments to eligible recipients in emergency situations which is not possible under the usual procedure for disbursing State funds as provided in Section 40-51 of the Hawaii Revised Statutes.

Many of the financial assistance requests of welfare clients are of very immediate nature and the fastest payment possible under the current procedure for disbursing State funds is inadequate, timewise, to meet the needs of the welfare clients. Since other provisions, such as purchase orders, which are not of direct assistance, are often substituted for immediate money payment, Federal participation in the program is precluded, resulting in the loss of Federal funds to the State. The establishment of a welfare imprest fund is therefore very desirable.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 350** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

**SCRep. 83** Public Institutions on **H.B. No. 353**

The purpose of this bill is to amend existing law relating to compensation paid to prisoners employed in correctional industries established pursuant to Section 354-2, Hawaii Revised Statutes.

Existing statute provides that inmates shall be paid daily wages of not more than \$5.00 nor less than \$2.00. The bill provides that hourly wages shall be based on the income derived from the correctional industries. The proposed amendment is consistent with other provisions of Chapter 354, Hawaii Revised Statutes, which stipulate that the correctional industries shall be self-sustaining and that wages and other expenses shall be paid out of income generated.

The bill is endorsed by the Department of Social Services, Hawaii Correctional Association, Hawaii Council of Churches and John Howard Association of Hawaii.

Your committee on Public Institutions is in accord with the intent and purpose of **H.B. No. 353** and recommends its passage on second reading and its referral to your Committee on Finance for its consideration.



Signed by all members of the Committee except Representative Takamine.

**SCRep. 84 Public Institutions on H. B. No. 354**

The purpose of this bill is to amend existing law relating to compensation of prisoners employed in state facilities. Under existing law such prisoners are paid graduated sums of money not exceeding \$5 and not less than \$2 per day as established by rule. The bill deletes the minimum and maximum dollar limits. By eliminating the dollar limitations, the department can within limits of operational budgets and relevant correctional programs determine the most equitable performance. The bill is sponsored by the department and supported by the Hawaii Correctional Association, Hawaii Council of Churches and John Howard Association of Hawaii.

Your Committee on Public Institutions is in accord with the intent and purpose of **H.B. No. 354** and recommends its passage on second reading and its referral to your Committee on Finance for its consideration.

Signed by all members of the Committee except Representative Takamine.

**SCRep. 85 Public Institutions on H.B. No. 355**

The purpose of this bill is to provide an acceptable means of requiring a prisoner to make restitution for malicious destruction of state property out of accumulated savings of the prisoner. Supporting the purpose as being a sound correctional plan were representations of the Hawaii Council of Churches, Hawaii Correctional Association, John Howard Association of Hawaii and Department of Social Services and Housing.

**H.B. No. 355** provides in part that the department may declare forfeited the whole or any portion of a prisoner's savings. As drafted the section could be unfairly construed as permitting the department to forfeit amounts in excess of the damages inflicted by the prisoners. Your Committee, therefore, has amended the bill by prohibiting forfeitures in excess of the damages involved. As amended the bill accomplishes the stated purpose and is also consistent with the principle of restitution.

Your Committee on Public Institutions is in accord with the intent and purpose of **H.B. No. 355**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H.B. No. 355**, **H.D. No. 1**, and its referral to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takamine.

**SCRep. 86 Public Institutions on H.B. No. 670**

The purpose of this bill is to provide for the reimbursement of employees for damages to their personal properties caused by patients and inmates of public institutions.

At the public hearing it was brought to your Committee's attention that public employees do indeed suffer many different types of personal property losses which are caused by patients and inmates of our public institutions. In monetary terms these losses range from damages of a few dollars to total losses valued at many hundred dollars.

While your committee agrees in principle with the purpose of the bill, it believes that large losses and theft losses should be considered under Section 37-76, Hawaii Revised Statutes, which provides a procedure for the reimbursement of private claims by legislative appropriations. Accordingly, your Committee has amended **H.B. No. 670** by limiting the administrative reimbursement of losses to repair or replacement of damaged uniforms or clothing of employees.

Your Committee on Public Institutions is in accord with the intent and purpose of **H.B. No. 670**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H.B. No. 670**, **H.D. No. 1**, and its referral to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

**SCRep. 87 Public Institutions on H.B. No. 356**

The purpose of the Bill is to amend Section 353-27, Hawaii Revised Statutes, which relates to the custodial duty of the Department of Social Services and Housing over monies belonging to prisoners; by specifying what monies are subject to the section.



Presently, Section 353-27 provides that all sums collected under Section 353-26 (relating to income from prison labor) and all monies confiscated from prisoners during their incarceration shall be deposited by the department in an individual bank account to the credit of the prisoner. Since a prisoner can earn income from correctional industries as provided in Chapter 354, Hawaii Revised Statutes, the section under consideration has been amended to include income from such industry and all other authorized sources. As drafted, the Bill also deletes confiscated money from the section. According to testimony, this elimination will materially assist the prison officials in maintaining discipline because unauthorized money in the possession of inmates contributes greatly to illegal activities within the prison.

Testifying in favor of the Bill were representatives of the Hawaii Council of Churches, John Howard Association of Hawaii, Hawaii Correctional Association and Department of Social Services and Housing.

Your Committee is in accord with the intent and purpose of **H. B. No. 356** and recommends its passage on second reading and that it be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Takamine.

**SCRep. 88 Judiciary on H.B. No. 75**

The purpose of this bill is twofold. First, the bill allows the perpetration and the accessory before the fact to be punished alike. Second, the bill causes harsher sanctions to be imposed for unlawful use of explosives than presently allowed, where the purpose for such unlawful use is to inflict bodily injury upon a person.

Similar punishment is allowed for the principal perpetrator and accessory before the fact because there is no valid reason to treat them otherwise.

The unlawful use of dynamite or other explosive chemical or substances greatly increases the potential for widespread destruction, thereby substantially increasing the danger to society, in comparison with the use of means that will endanger only a single or few people. Also, the use of such explosive means is indiscriminate, endangering both intended victim and innocent bystander

alike. Because of this, it is felt that strong sanctions are needed to deter the use of such means. It should be noted that the term "explosive chemical or substance" means "explosive chemical or explosive substance."

The prosecutor should exercise his discretion in determining what is meant by "explosive chemical or substance". He should determine whether the explosive used was of the nature or in an amount which could endanger bystanders, as well as the intended victim. For example, car-bombing tends to endanger innocent bystanders, but the use of a single small firecracker, or the chemical explosion in the chamber of a weapon tends to endanger only the intended victim. Thus a prosecution could be brought under this Act for the car bombing, but should not be brought under this Act for either the use of the single small firecracker or the firing of a weapon.

Your Committee upon consideration of this Bill recommends that it be amended in the form attached hereto as **H.B. 75, H.D. 1** for the following reasons:

1. The present law, as modified in accordance with **H.B. 75, H.D. 1** subsection (a), is retained. It is intended that present sanctions be retained in cases where the actor's purpose is to terrify or frighten people, or to damage or destroy property.

2. Subsection (b) makes it clear that life imprisonment will be imposed with possibility of parole only where the purpose of using the explosives was to inflict bodily injury on another. Thus, although the sanction may be more severe, it applies only where a restricted result is intended.

Your Committee is in accord with the intent and purpose of **H.B. No. 75**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H.B. No. 75, H.D. 1**, and placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 89 Judiciary on H.B. No. 369**

The purpose of this bill is to aid the establishment of the "one license" concept in the State by authorizing the State to join the Driver License Compact and by amending Chapter 286, Hawaii Revised Statutes, to provide for the honoring of out-of-state driv-

ers' licenses in some instances. At present, Hawaii is one of the few states to require all nonresidents with valid drivers' licenses from their home states to be licensed within ninety days of entry in Hawaii. As a result, the volume of affected persons clog the licensing centers to the extent that the test on Hawaii traffic laws cannot be conducted and eye tests only are commonly given. With the development of fast, interstate communications systems for inquiring about licenses, this requirement of licensing all transients is unnecessary.

This bill would establish drivers' licensing reciprocity with states which have enacted the the Driver License Compact. A person with a valid drivers' license from such state would not have to be relicensed until the license from his home state expires. If and when the affected person is relicensed, he must relinquish his out of state license. The compact would be made only with states having drivers licensing requirements equal or better than Hawaii's requirements. This bill would not repeal the licensing requirement for minors, and parents of affected minors would continue to remain liable for torts of the minor. The bill would have the additional effect of eliminating the need to relicense responsible out of state drivers who are capable of effectively operating motor vehicles on public highways.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 369** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 90 Judiciary on H.B. No. 563**

The purpose of this bill is to simplify procedures for domestic corporations issuing shares without par value by amending Section 416-59, Hawaii Revised Statutes.

The present law requires corporations to file a statement with the director of regulatory agencies whenever the corporation issues shares without par value. A balance sheet must also be filed after the close of each fiscal year. These requirements are unnecessary because every domestic corporation is required to file an annual exhibit which discloses sufficient information with respect to the issuance of shares without par value during the year.

The present law also requires shares without par value to be considered the equivalent of shares having a par value of \$20 per share, in compensating fees payable to the director of regulatory agencies. The fees payable by a corporation issuing shares without par value should be similar to fees payable by corporations issuing shares with par value. Hawaii corporations issuing par value stock generally issue such stock with a par value of \$10 per share. Therefore, in computing the aforementioned fees, shares without par value should be taken as the equivalent of shares having a par value of \$10 per share.

Your Committee is in accord with the intent and purpose of **H. B. No. 563** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep 91 Legislative Management** Informing the House that **House Bill Nos. 1101 to 1222, House Resolution Nos. 186 to 197, House Concurrent Resolution No. 56, and Standing Committee Report Nos. 92 to 106**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 92 Public Health, Youth and General Welfare on H.B. No. 95**

The purpose of the Bill is to direct the Department of Health to issue rules and regulations to accomplish the following two objectives in the control of aircraft noise:

1. Application of current federal aviation noise regulations for all new subsonic aircraft to all new aircraft using state owned airports. Such application would not in any way affect current air travel, but would insure that no new aircraft being developed would be louder than the current federally allowed limits (108 EPNdB) for new subsonic jets. This would not require continuous measurement of aircraft noise but only evidence of having met the federal standard.

2. Reduction of aircraft noise to a maximum rate consistent with the welfare of the residents of the state, with reasonable economic aircraft operation, and with available noise suppression technology. This Bill would require the Department of Health to

outline responsibilities of the aircraft operators for the reduction of noise produced by their aircraft.

The legal basis for local action on noise, the major aircraft pollutant, is provided by Part 36 of the Federal Aviation Administration Regulations. As stated in the preface to Part 36:

Responsibility for determining the permissible noise levels for aircraft using an airport remains with the proprietor of that airport. The noise limits specified in Part 36 . . . are not intended to substitute federally determined noise levels for those more restrictive limits determined to be necessary by individual airport proprietors in response to the locally determined desire for quiet and the locally determined need for the benefits of air commerce (Adoption of Part 36, 34 Federal Register, 18355, 11/18/69).

In a communication received from Arthur T. Murakami, Deputy Attorney General of the State of Hawaii, dated February 23, 1971, he stated that the State as proprietor of the airport may deny or restrict the use of its airport to aircraft on the basis of noise considerations. (Further supporting evidence can be found in Opinion N. 69/216 of the Attorney General of California, Thomas C. Lynch.)

Although the Department of Transportation manages airports, Chapter 322, Part VI of the Hawaii Revised Statutes authorizes the Department of Health to "adopt such rules and regulations, including standards of excessive noise relating to the various sources thereof, for different areas of the State, as are necessary to prohibit or control excessive noise caused by any person." Thus your Committee finds that the Department of Health has the necessary statutory authority and expertise in this field and should regulate aircraft noise.

Your Committee upon consideration of this Bill recommends the following amendments:

1. Section 3 of the Bill relating to regulation for recordation and measurement of sonic booms be deleted.

2. Minor changes be made to clarify language and correct grammatical errors.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 95**, as amended herein, and recommends its passage on second reading and its referral to the Committee on Judiciary in the form attached hereto as **H. B. No. 95, H. D. No. 1**.

Signed by all members of the Committee.

**SCRep. 93 Public Institutions on H.B. No. 498**

The purpose of this bill is to recognize the rights of the blind and other handicapped persons by updating existing sections relating to the blind, thereby enacting a "Bill of Rights" for the blind and handicapped.

Each section of the bill is briefly discussed as follows:

Section 1. A legislative statement of Hawaii's concern for its blind and handicapped citizens. They are assured equal opportunities as the non-handicapped to enjoy accommodations and facilities open for the public and not be penalized because of their disability.

Your Committee agrees with the Hawaii Federation for the Blind and the Department of Social Services and Housing that Hawaii should join at least fourteen other states that have enacted similar legislation declaring such rights.

Section 2. Repeals Section 347-13, Hawaii Revised Statutes, which provides that public carriers shall not refuse to carry a blind person accompanied by a guide dog. The section is limited in scope to the blind and public carrier.

Section 3. A new section is added to Chapter 347. Instead of the limited right described in Section 347-13 (repealed), the added section affirmatively declares that the blind and other handicapped persons are entitled to rights equal to non-handicapped persons at all facilities which cater to the public.

Section 4. Amends Section 347-17 which requires a motorist to take reasonable precautions when he approaches a blind person using a white cane or guide dog. A proviso is added to the section which makes the motorist who fails to take such precaution liable in damages for any injury.

Your Committee is of the opinion that the proviso merely codifies existing law in such situations. The existing section enumerates the duties of the motorist, and the proviso states that the blind person may recover damages for injuries sustained if the motorist breaches such duty.

Section 5. Adds a new section to Chapter 347 which states that a blind person without his white cane or guide dog is nevertheless entitled to equal rights at accommodations catering to the public, and that the failure to use a cane or guide dog shall not be deemed a negligent act.

Section 6. Requires the governor to proclaim October 15 of each year as "White Cane Safety Day". Concurrently with the proclamation the governor will take the opportunity to publicize the rights of the blind and handicapped.

The Congress of the United States has adopted October 15 of each year to be White Cane Safety Day. Your Committee feels that the State should participate in this worthy project on the same day.

Upon consideration of the matter, your Committee has amended the bill in the following manner:

1. Section 3 of the bill, relating to equal rights of the blind and handicapped in all public facilities, in substance replaces the limited rights of the blind as stated in Section 347-13. Instead of being a new section to Chapter 347, the material covered in Section 3 of the bill is redesignated as an amendment to Section 347-13.

2. Section 5 of the bill (Section 4 of **H.B. No. 498, H.D. 1**) in part provides that in case a blind or visually handicapped pedestrian does not use a cane or guide dog in any of the public places added by the bill, such act shall not be deemed negligent.

Instead of blind pedestrians all other sections of the bill refer to such individuals as blind persons. While the dictionary defines pedestrian as a foot traveler, the word pedestrian is more often associated with highway traffic. The use of the word pedestrian may, therefore, present a problem of interpretation in automobile accident cases which is specifically covered by another section of the bill.

To avoid a possible problem in interpretation and to make all sections of the bill consistent, the word "person" was substituted for the word "pedestrian" wherever appearing in the section.

Your Committee is in accord with the intent and purpose of **H.B. No. 498**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H.B. No. 498, H.D. 1**, and its referral to the Committee on Judiciary.

Signed by all members of the Committee.

#### SCRep. 94 Education on H.R. No. 35

The purpose of this resolution is to have the Legislative Auditor conduct a study and submit a report to the Legislature on the workload of school classified employees, custodians, cafeteria workers, and library clericals.

Your Committee is in accord with the intent and purpose of this resolution and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

#### SCRep. 95 Education on H.C.R. No. 7

The purpose of this House Concurrent Resolution is to direct the Department of Education to develop a comprehensive statewide preschool program.

Your Committee was impressed at the hearings to learn that the department already has a planning group composed of staff members who are working on a timetable setting the completion date of the preschool plan on November, 1971 and the implementation date of this plan on September 1972. Your Committee appreciates the importance that the department has placed on the preschool program.

Your Committee upon consideration of the House Concurrent Resolution recommends the following amendment:

1. The second to the last paragraph be amended to read, "BE IT FURTHER RESOLVED that the Department of Education submit the comprehensive preschool program prior to the 1972 Legislative Session; and".

The purpose of this amendment is for the reporting of the plan to be within the timetable established by the department. There were other amendments offered by the department which suggested changes not in substance but in words and phrases. Your Committee believes that these corrections can be made in the comprehensive plan to be developed by the department.

Your Committee is in accord with the intent and purpose of **H.C.R. No. 7**, as amended herein, and recommends its referral to the Committee on Finance, in the form attached hereto as **H.C.R. 7, H.D. 1**.

Signed by all members of the Committee.

#### **SCRep. 96 Education on H.C.R. No. 18**

The purpose of this House Concurrent Resolution is to request the Department of Education to prepare a program of study concerning the environment and ecology and introduce this program into its regular curriculum.

Your Committee notes that an environmental studies curriculum entitled Foundational Approach in Science Teaching (FAST) has been in preparation since 1966 through the College of Education Curriculum Research and Development Group at the University lab school. The materials give students an insight into the ways in which the various sciences study the environment and lend themselves to the solution of environmental problems. Most important the program is designed around Hawaiian ecology.

Your Committee appreciates the fact that the FAST project is now being pilot tested in certain schools in the State. The Department of Education should prepare their program of environment and ecology with those agencies of the University who are presently developing curricula in areas of environmental studies in Hawaii. The FAST project now meets some of the considerations of this concurrent resolution and therefore could be the nuclei around which the Department can build its program.

Your Committee is in accord with the intent and purpose of this concurrent resolution and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

#### **SCRep. 97 Education on H.C.R. No. 24**

The purpose of the bill is to provide appropriations for the development of Pohukaina School, Oahu, as a model for the education of handicapped children.

In the hearings that your Committee held on this bill, it was learned that the severely handicapped students who profit from instruction in special schools are the deaf and the blind, the orthopedically handicapped and the secondary age mentally retarded trainable. The deaf and the blind currently attend Hawaii School for the Deaf and the Blind. Both the orthopedically handicapped and the mentally retarded trainable currently attend Pohukaina School. The orthopedic unit will move into new facilities at Jefferson School in December, 1972. The group that has no special school exclusively designed to meet their needs are the secondary school age mentally retarded trainables, currently at Pohukaina, special classes in regular intermediate and elementary schools and in private schools receiving state subsidies.

Your Committee upon consideration of this bill recommends the following amendments:

1. The title of the bill be amended to read, **RELATING TO THE DEVELOPMENT OF MODEL SCHOOLS FOR THE EDUCATION OF SEVERELY HANDICAPPED STUDENTS ON OAHU, AND MAKING APPROPRIATIONS THEREFOR.**"

2. The first sentence of Section 1 be amended to read, "The purpose of this Act is to provide appropriations for the development of model schools on Oahu, for the education of severely handicapped students."

Your Committee believes that by these amendments the Department of Education and the Department of Health can with legislative approval start planning to develop the orthopedic unit at Jefferson as a model school for the orthopedically handicapped students and that the site at Pohukaina or another suitable site be planned for the development of a model school for the education of secondary school age mentally retarded trainable students.

Your Committee is in accord with the intent and purpose of **H.B. No. 24**, as amended herein, and recommends its passage on Sec-



ond Reading in the form attached hereto as **H.B. No. 24, H.D. 1**, and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 98 Education on H.B. No. 179**

The purpose of this bill is to provide money for the hiring of librarian aides to assist school librarians, thereby relieving them of nonprofessional tasks and allowing them to work more effectively as librarians.

Your Committee is in accord with the intent and purpose of this bill and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 99 Agriculture on H.B. No. 17**

The purpose of this bill is to amend Chapter 171, Hawaii Revised Statutes by adding a new section regarding pro-ration of improvement costs and rent deferrals for State Agricultural leasehold lands.

If improvement cost had to be borne at the outset of a lease, this would place the farmer in an economic bind at a time when he can least afford it and has very little income if any.

Our aim is to encourage more people into farming to help strengthen Hawaii's agricultural industry. In order to achieve this aim, we must make it easier for potential farmers to get started.

Your Committee upon consideration of this bill recommends the following amendments:

1. The words "within the first two years of the lease" have been deleted from line eight.

2. The words "to be exercised in writing" have been deleted from line nine.

Your Committee is in accord with the intent and purpose of **H. B. No. 17**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H. B. No. 17, H. D. 1** and its referral to the Committee on Lands.

Signed by all members of the Committee.

**SCRep. 100 Agriculture on H.B. No. 21**

The purpose of this bill is to amend Section 155-9, Hawaii Revised Statutes, by adding a new class of loans to provide loans to college graduates in agriculture and other persons who have completed a program of instruction in agriculture, and thereby encourage more people to enter into farming.

Under the existing Farm Loan Program, most young people and some older people would not qualify under the credit requirements. The farming industry may be losing potentially qualified farmers who have the knowledge but lack the experience necessary to qualify them for credit.

This new class F loan would generally be covered under class A and C loans of the existing Farm Loan Program, under which a certified new farmer would not be able to qualify.

The term "full time farmer" is stipulated in this bill to lessen the chance of failure, thereby reducing the financial risk to the State.

Not all applicants would be at the same level of instruction. Because of this, loans should be individualized according to needs as determined by the Department of Agriculture loan officer.

Your Committee upon consideration of this bill recommends the following amendment:

1. Instead of amending Section 155-1, Hawaii Revised Statutes, and changing the definition of "Qualified Farmer", Section 155-9, Hawaii Revised Statutes, has been amended by adding a new class of loans, specifically for college graduates in farming and other persons who have completed a certified program of instruction in agriculture.

Your Committee is in accord with the intent and purpose of **H. B. No. 21**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H. B. No. 21, H. D. 1** and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 101 Agriculture on H.B. No. 62**



The purpose of this bill is to create an aqua-culture loan program as part of the Hawaiian agricultural industry, and thereby strengthen its position as a food supplier and enhance the economic development of the State.

Hawaii's position as an island state affords it a unique opportunity to alleviate some of the problems of the world's food supply, and become a leader in the development of aqua-culture.

It has been established by the Department of Planning and Economic Development that several million pounds of aqua-cultural products are imported from the mainland or foreign countries to Hawaii. The State's economy would greatly benefit if we were able to cultivate these products locally and acquire a portion of the aqua-cultural products market.

At the present time, conventional financial institutions are hesitant to extend credit on these aqua-cultural ventures. Consequently, the State should initiate a loan program to assist a potentially viable industry as this is.

Your Committee upon consideration of this bill recommends the following amendments:

1. Section 1 of the bill relating to the administrator of the aqua-culture loan program as the chairman of the board of agriculture is amended to the Director of the Department of Planning and Economic Development.

2. Section 2 of the bill relating to the powers and duties of the chairman of the board of agriculture is amended to read, Director of the Department of Planning and Economic Development.

3. Section 3 of the bill relating to the expending agency of this loan program as the department of agriculture is amended to the Department of Planning and Economic Development.

Your Committee is in accord with the intent and purpose of **H. B. No. 62**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H. B. No. 62, H. D. 1** and its referral to the Committee on Lands.

Signed by all members of the Committee.

#### SCRep. 102 Agriculture on H.B. No. 197

This bill intends to do three things. First, it proposes to give the counties the sole authority in the issuance of special permits for unusual and reasonable uses within agricultural and rural districts other than those for which the district is classified. At present, the issuance of special permits must be approved by the Land Use Commission.

Second, it gives the counties the power to determine substantial compliance in the area of incremental zoning.

Third, this bill provides for the inclusion of shoreline setback review in the periodic review of districts every five years. Currently, shoreline setback review is not part of the five year periodic review of districts.

Your Committee is in accord with the intent and purpose of **H. B. No. 197** and recommends its passage on Second Reading and its referral to the Committee on Lands.

Signed by all members of the Committee.

#### SCRep. 103 Agriculture on H.B. No. 634

The purpose of this bill is to extend the Milk Control Act to include all the counties within the State of Hawaii. It amends Section 157, Hawaii Revised Statutes, by redefining terms, revising language and other changes for clarification.

The Milk Control Act is extended to include all the neighbor islands to stabilize prices through regulation and controls in the areas of minimum prices paid to producers and the establishment of milk quotas.

Milk quotas must be realistically set based on current contract quotas held by individual producers on each island. Quotas can be adjusted when a change in market demand is foreseen, thereby insuring financial security.

Added financial benefits are provided by the fact that financial institutions look favorably on the use of milk quota certificates as collateral for dairy operation loans.

Under the Milk Control Program, there is regular monitoring of each processing plant as to utilization of milk and butterfat tests to assure that producers are properly paid for milk delivery. Also, since the program is self-supporting, the Division of Milk Control

would study and determine proper assessments through its license fee regulation to meet the cost of milk control in each county.

There are some neighbor island producers who are presently faced with the problem of having to operate without a written contract with the distributor. This along with the differences in prices paid to the producer for his milk are some of the problems that a Milk Control Program would solve.

Milk control in the Honolulu milk shed has stabilized the production, distribution and marketing of milk to the consuming public and has been instrumental in holding the retail price of milk at a reasonable level. The entire milk industry, comprising producers, distributors and consumers, has benefited from the stabilization of milk pricing and the elimination of unfair, destructive and demoralizing milk trade practices. The program provides for minimum surplus situations, thereby attaining the goal of providing for all of the fresh milk needs in the State, with the highest quality of milk, and at the lowest possible cost to the consumer. It is essential, therefore, that milk control be extended to other counties in order that all inhabitants of the State might be afforded the same benefits now enjoyed by those residing in the City and County of Honolulu. Since the inception of milk control in the Oahu milk shed in July, 1967, the local retail price of milk to the consumer has increased only seven and one-half percent while in the corresponding periods the consumer price increase nationally has been fifteen percent.

Your Committee, upon consideration of this bill, recommends the following amendments:

(a) Section 1, relating to definitions, has been amended to provide for several definitional changes. The term "distributor" has been amended to include a producer-distributor functioning in his capacity as a distributor. Your Committee finds that certain producers are also distributors; therefore, the definition was changed to include them. The term "milk" is amended to include filled milk and to exclude sterilized milk, which is a new process just introduced. The term "filled milk" or "imitation milk" is defined in the amended version of the bill. The addition of this term was felt necessary because it was not included in the original Milk Control Act. The term "milk shed" has been amended to include any county wherein milk

control is established. This definitional change will, therefore, include neighbor island counties. The definition of the term "producer" has been expanded to mean any person producing milk or a producer-distributor.

(b) A new Section 2 has been added to the bill. This new section would amend Section 157-12, Hawaii Revised Statutes, to make it clear that the commissioner may employ such assistants and employees as may be necessary to carry out Chapter 157 and all amendments to that chapter.

(c) A new Section 3 has been added to **H.B. No. 634** which relates to Section 157-13, Hawaii Revised Statutes. This amendment would extend the general powers of the Department of Agriculture so that the Milk Control Commission would have legal power to control interisland shipping of milk.

(d) A new Section 4, relating to Section 157-33, Hawaii Revised Statutes has also been added to legalize the establishment of salvage values which are already existing in the industry but have not, before this, been covered by statutory provision.

(e) The new Section 5 amends Section 157-34, Hawaii Revised Statutes, to provide for the setting of milk production quotas on the neighbor islands. The bill also provides that for the purpose of Section 157-34, an agricultural cooperative shall not be counted as a producer.

Your Committee on Agriculture is in accord with the intent and purpose of **H.B. No. 634**, as amended in the form attached hereto as **H.B. No. 634, H.D. 1**, and recommends that it pass second reading and be referred to your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 104** Judiciary on **S.B. No. 41**

The purpose of this bill is to amend Article II, Section I, of the Constitution of the State of Hawaii to change the age qualification for voting from twenty to eighteen.

In both the 1968 and 1970 elections, the voters of this state voted against changing the voting age qualifications from twenty to eighteen. However, subsequent to the elections of 1970, the Supreme Court of the United States

held that the provisions of the 1970 Voting Rights Act, fixing the voting age at eighteen, were constitutional with respect to federal elections. *United States v. State of Arizona*, 39 U.S. Law Week 4027 (dec'd Dec. 21, 1970). Because of the different age qualifications for state and for federal elections, additional expenses will be incurred in setting up separate classes of voters for these elections. Such expenses would be minimized by changing the state voting age qualifications to eighteen. Furthermore, your Committee finds that there is no compelling state interest to deny suffrage to otherwise qualified residents of this state who have attained the age of eighteen.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 41** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kuroda.

**SCRep. 105 Judiciary on H.B. No. 39**

The purpose of this bill is to establish a uniform method of handling child custody matters between Hawaii and any of the several States of the Union which have adopted the substance of the Uniform Child Custody Jurisdiction Act, as proposed by the Office of the Educational Director of the National Conference of Commissions on Uniform State Laws.

Among states, the state of the law in this area is largely unsettled. There has, in general, been a tendency to emphasize the desire for fluidity and modifiability of custody decrees at the expense of the need, from the standpoint of the child, for stability of custody decisions once made. Because there is no certainty as to which state has jurisdiction when persons seeking custody of a child approach several state courts simultaneously, because there is no certainty as to whether a custody decree rendered in one state is entitled to recognition and enforcement in another, and because there is no certainty as to when one state may alter a custody decree of a sister state, persons competing for custody of the child often resort to "seize and run" tactics, traveling from state to state to find a court which will grant them custody. This may result in severe emotional harm to children.

It is anticipated that this bill will help to create a uniform system of law in the area of jurisdiction over child custody cases, will discourage continuing controversies over child custody, will deter child abductions and similar practices employed to obtain child custody, and will create stability of custody arrangements made by a court.

Your Committee on Judiciary is in accord with the intent and purpose of **H.B. No. 39** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Wedemeyer.

**SCRep. 106 Judiciary on H.B. No. 565**

The present law provides that annual exhibits must be filed within ninety days after the end of the corporation's annual or fiscal year. Much of the information required by these exhibits is derived from the information from Federal and State tax returns required to be filed by the corporation. However, since the deadline for filing tax returns is April 20, (110 days after the close of the calendar year), corporations often request thirty day extensions of time in which to file their exhibits, so that such tax information may be utilized.

By providing that the exhibits must be filed within 120 days after the close of the corporation's calendar or fiscal year, a great number of requests for extensions will be eliminated, thus easing the workload of the Business Registration Division.

Your Committee is in accord with the intent and purpose of **H. B. No. 565** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Wedemeyer.

**SCRep. 107 Legislative Management Informing the House that House Bill Nos. 1223 to 1293, House Resolution Nos. 198 to 209, House Concurrent Resolution No. 57, and Standing Committee Report Nos. 108 to 134, have been printed and distributed.**

Signed by all members of the Committee.

**SCRep. 108 Economic Development on H.B. No. 194**

The purpose of this bill is to provide \$100,000, or so much thereof as may be necessary, out of the general revenues of the State of Hawaii, for the modernization of the Haiku Water System on the Island of Maui for domestic and agricultural use.

Your Committee on Economic Development is in accord with the intent and purpose of **H. B. No. 194** and recommends its referral to the Committee on Maui Select.

Signed by all members of the Committee.

**SCRep. 109 Agriculture on H.R. No. 92**

The purpose of this resolution is to request that the Legislative Reference Bureau in cooperation with the Hawaii Farm Bureau Federation conduct a study which would recommend incentives for encouraging farmers to enter agricultural cooperatives.

Cooperatives provide beneficial services to their members such as marketing, purchasing, processing or distribution. Non-members cannot duplicate these services.

Education of the farmer to the benefits derived from cooperatives is a keystone. Farmers can unite for their common good in numerous phases of agriculture, such as livestock feed purchase, vacuum cooling, centralized packing and grading, and volume purchases.

Incentives could be provided through tax exemptions for improvements on real property, State supported pilot plants which directly result in formation of a cooperative to operate the facility, or grants for market promotion and development of commodities.

The Legislative Reference Bureau is requested to report its finding to the House of Representatives twenty days prior to the convening of the Regular Session of 1972.

Your Committee upon consideration of this resolution recommends the following amendment:

1. That the Hawaii Farm Bureau Federation be specifically named to cooperate with the Legislative Reference Bureau in conducting this study.

Your Committee is in accord with the intent and purpose of **H. R. No. 92**, as amended herein, and recommends its referral to the Committee on Finance in the form attached hereto as **H. R. No. 92, H. D. 1**.

Signed by all members of the Committee.

**SCRep. 110 Education on H.B. No. 58**

The purpose of the bill is to make additional funds available for the hiring of more school counselors on a twelve month basis and also provides for the hiring of more counselor aides.

Your Committee upon consideration of this bill recommends the following amendment:

1. "Counselor aides" be substituted for "paracounselors" in Section 1. The purpose of the amendment is to make clear the type of aides to be hired does not necessarily mean the person must be a semi-professional in counseling.

Your Committee on Education is in accord with the intent and purpose of **H.B. 58**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H.B. No. 58, H.D. 1**, and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 111 Transportation on H.B. No. 642**

The purpose of this bill is to require any slow moving vehicle or equipment designed for use at a maximum speed of less than twenty-five miles per hour be equipped with a standardized emblem when being operated on state highways.

On today's high speed highways designed for high speed automobiles, a slow moving vehicle has proven to be a hazard. It is the cause of many accidents, particularly rear-end collisions, resulting in heavy losses to persons and property. Contrary to expectations, most of these accidents do not occur on hilly or winding roads, at night, or during dark and cloudy days. A landmark study conducted by Ohio State University in 1961-62 made many startling findings. In summary, collisions with slow moving vehicles are a year round problem. They occur mostly on good open highways where the

motorist's view is unobstructed, during daylight hours with good weather conditions.

These findings indicated that the problem was not that the motorist failed to see the slow moving vehicle, but that the motorist did not realize that it was a slow moving vehicle. To establish an effective and practical means of identifying slow moving vehicles, the same institution conducted research into the matter and its recommendation was a unique triangular emblem designed to help motorists recognize a slow moving vehicle at a distance of 1/6 mile in time to react appropriately and avoid a rear-end collision.

As the skull and cross bones symbol which immediately identifies poisonous substances, the emblem after a period of use has proven to be a very effective safety device. To date 24 states have enacted statutes requiring such emblem on slow moving vehicles. In Michigan a two year study showed a 47% decrease in rear end collisions between motorists and slow moving vehicles. The measure is recommended by the National Safety Council and over 15 other national and Canadian organizations interested in highway safety. The bill is also supported by the Hawaii Trucking Association and the Honolulu Police Department, which representative brought out that a serious accident in the tunnel a few years ago may have been avoided if the emblem was in use.

Your Committee is of the opinion that the emblem should be adopted, however, recommends that the state highway safety coordinator be delegated the authority by rule to establish the dimensional and other standards of the emblem. The bill as drafted does not adequately detail the specifications for the emblem. The recommendation will enable the safety coordinator to establish before the effective date of January 1, 1972 a uniform design which will more effectively accomplish the purpose of this bill.

Your Committee is in accord with the intent and purpose of the bill, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H. B. No. 642, H. D. 1** and its referral to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 112 Transportation on H.B. No. 726**

The purpose of this bill is to appropriate funds for the planning and construction of bikeways on Oahu. According to preliminary information bikeways and bike paths can satisfy urgent recreational and utilitarian needs. Initial studies also indicate that a program of establishing bikeways on Oahu will cost \$100,000 per year to administer. No cost estimates for improvements are available.

Your Committee is in accord with the intent and purpose of **H. B. No. 726** and recommends its referral to your Committee on Finance.

Signed by all members of the Committee.

**SCRep. 113 Transportation on H.B. No. 773**

The purpose of this Bill is to make an appropriation for the incremental realignment and improvement of Fort Weaver Road. Initial information indicates that there is need for immediate repairs of the highway and justification for widening. The total improvement project is large requiring realignment and acquisition of land. Tentatively, the Federal Highway Administration has approved bikeways for this project.

Your Committee is in accord with the intent and purpose of **H. B. No. 773** and recommends its referral to your Committee on Finance for its consideration.

Signed by all members of the Committee.

**SCRep. 114 Transportation on H.B. No. 798**

The purpose of this bill is to appropriate funds for plans and construction for widening of two increments of Kalaniana'ole Highway and for study and plans for a future freeway from existing H-1 freeway to Waimanalo.

The two incremental widening projects will be funded by the State and the designing and construction for these projects are scheduled for the next biennium. Study and plans for the extension of H-1 freeway must consider many alternatives including mass transit use. The freeway project is expected to be very costly, however, subject to federal participation.

With further increase in population projected for this area of Oahu, there is ample



justification for these projects. Furthermore, a reduction in federal participation is expected in 1974. This is another reason for the immediate consideration of the freeway project.

Your Committee is in accord with the intent and purpose of **H. B. No. 798** and recommends its referral to your Committee on Finance for its consideration.

Signed by all members of the Committee.

**SCRep. 115 Public Employment on H.B. No. 120**

The purpose of this bill is to allow those employees who have completed twenty-five years of service to retire before the age of fifty-five without any reduction in service credits. If an employee has less than twenty-five years of creditable service, he may still retire before the age of fifty-five, but his retirement allowance would be reduced two percent for each year below age fifty-five.

Your Committee is of the opinion that an employee who has completed twenty-five or more years of creditable service should not be penalized by reducing his service credits if he retires before the age of fifty-five.

Your Committee is in accord with the intent and purpose of **H. B. No. 120** and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 116 Public Employment on H.B. No. 121**

The purpose of the bill is to provide that a public employee who retires or leaves the government service in good standing with sixty or more days of unused sick leave would be entitled to additional service credit in the retirement system.

Your Committee finds that a very small percentage of government employees do at times abuse their sick leave privileges. This small percentage of employees has caused the good employees to question whether or not sick leave privileges should be treated as a privilege and not something to be taken advantage of. Your Committee feels that pro-

viding for a retirement credit for unused sick leave would reward those employees who did not take advantage of the sick leave privilege.

Your Committee is in accord with the intent and purpose of **H. B. No. 121** and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 117 Public Employment on H.B. No. 124**

The purpose of this bill is to provide elected officers, employee representatives or shop stewards of duly recognized employee organizations a reasonable amount of time off during working hours to carry out the duties of their office without loss of pay or benefits.

The bill presently provides that the employee organization would determine what amount of time off is reasonable. However, your Committee finds that it is customary to ask the employer for permission to leave the job. Consequently, it is the employer who should determine what amount of time off is reasonable. Therefore, your Committee has amended **H. B. No. 124** by replacing the words "employee organization" with the word "employer" in line 8 of the bill.

Your Committee is in accord with the intent and purpose of **H. B. No. 124**, as amended herein, and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives in the form attached hereto as **H. B. No. 124, H. D. 1**.

Signed by all members of the Committee.

**SCRep. 118 Public Employment on H.B. No. 125**

The purpose of this bill is to provide that damages to government property caused by a public officer or employee in the course of his employment would not result in the employee's liability except in cases of wilful and wanton misconduct.

Under existing law, a public officer or employee may be held liable for reimbursing the government in whole or in part for any damages incurred to government property if he had been negligent.



Your Committee is of the opinion that the negligence standard should not be removed. Your Committee has, therefore, amended **H. B. No. 125** by adding the words "negligence or" after the word "of" in line 4.

Your Committee is in accord with the intent and purpose of **H. B. No. 324**, as amended herein, and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives in the form attached hereto as **H. B. No. 125, H. D. 1.**

Signed by all members of the Committee.

**SCRep. 119 Public Employment on H.B. No. 129**

The purpose of this bill is to provide for the purchase of prior service credit by every member of the Retirement System who has rendered honorable military service, not otherwise creditable to him. However, the bill would not allow the purchase of the prior service credit unless the member of the System has had fifteen or more years of employment with the State or a county. Your Committee feels that this bill would permit proper recognition to those who have made a career of government service in the State of Hawaii and who have also served in the military prior to entering public service.

Your Committee is in accord with the intent and purpose of **H. B. No. 129** and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 120 Public Employment on H.B. No. 130**

The purpose of the bill is to provide that employees who were in the military service of the United States during the period of 1941-1949 would be able to purchase military service credit toward membership in the pension and retirement system.

Your Committee finds that there are several employees who were inducted into the service near the end of 1945 but were not discharged until late 1948. These employees were limited in their purchase of military service credit to 1945. This bill would permit

those who were inducted late in World War II and returned to employment after 1945, full credit for their military service.

While your Committee is in agreement with the increase of the period from 1941-1949, it feels that there should be a maximum number of years which can be credited. Therefore, your Committee has amended the bill so that the maximum military service credit which could be received would be four years. The bill has also been amended by printing the entire section in compliance with House Rule 24 (2).

Your Committee is in accord with the intent and purpose of **H. B. No. 130**, as amended herein, and recommends referral to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives in the form attached hereto as **H. B. No. 130, H. D. 1.**

Signed by all members of the Committee.

**SCRep. 121 Public Employment on H.B. No. 131**

The purpose of this bill is to change the composition of the Board of Trustees for the pension and retirement systems from the present seven-member to a new eight-member board. Four of the eight trustees would be general employees selected by the members of the system and the other four would be, at the time of their appointments, directors or deputy directors in departments in the state or county governments, appointed by the governor. The bill also provides for the filling of vacancies occurring in the office of the trustee and for the breaking of a deadlock where all trustees have voted.

Your Committee feels that the number of trustees should be increased further to nine. If there was a deadlock, all the trustees would be required to vote, breaking the deadlock and avoiding the time-consuming procedure of submitting the matter to an impartial arbitrator. Therefore, your Committee has amended page 1 of **H. B. No. 131** by replacing the word "eight" with the word "nine" in line 4, and replacing the word "four" with the word "five" in line 5. Further, material on page 3 has been deleted beginning with the word "If" in line 20 and ending with the word "parties" on line 24. This material has been deleted because arbitration would not be required as there would be no deadlock if all trustees vote.

Your Committee is in accord with the intent and purpose of **H. B. No. 131**, as amended herein, and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives in the form attached hereto as **H. B. No. 131, H. D. 1.**

Signed by all members of the Committee.

**SCRep. 122 Public Employment on H.B. No. 140**

This bill provides for the acquisition of credit for previous service by allowing an employee to increase his contribution to the retirement system to one and one-half times his normal contribution.

Your Committee finds that purchases under the present law, which permits an employee to purchase previous service credit by either making a lump sum payment or by making a contribution of twice the normal contribution, are very costly to members desiring to purchase prior service credit, especially those in the lower ranges of the white collar and blue collar salary schedules. This bill simply provides for a third option which would create less of a economic hardship.

Your Committee is in accord with the intent and purpose of **H. B. No. 140** and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 123 Public Employment on H.B. No. 214**

The purpose of this bill is to provide that all employees of Pahala Hospital who are transferred to the new Kau General Hospital be guaranteed civil service compensation, vacation and sick leave, and retirement system rights, benefits and privileges with full credit for all past continuous service at Pahala Hospital

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 214** and recommends its referral to the Select Committee of Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 124 Public Employment on H.B. No. 380**

The purpose of this bill is to provide for a working condition differential as inducement to the filling of vacancies under certain circumstances.

Your Committee finds that when extensive recruitment efforts over a long period fail to attract qualified persons the public is deprived of essential services involving their health, safety or welfare. Consequently, this differential could induce qualified persons to accept positions which are difficult to fill because of the unusual circumstances, abnormal conditions or exceptional demands which are attached to the positions.

Your Committee is in accord with the purpose and intent of **H. B. No. 380** and recommends its referral to your Joint Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 125 Public Employment on H.B. No. 133**

The purpose of this bill is to provide for the evaluation of the safety of a motor vehicle to be determined by a third party selected by the employee or his representative and his department head in a case where the employee feels that a motor vehicle which he has been directed to operate is unsafe. The decision of this third party would be final and binding upon the parties.

Your Committee is of the opinion that such a procedure would aid in the location and evaluation of pieces of equipment which may be unsafe to operate.

Your Committee is in accord with the intent and purpose of **H. B. No. 133** and recommends its passage on second reading and its referral to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 126 Public Employment on H.B. No. 139**

The purpose of this bill is to provide for a new procedure for appealing disputed claims for service-connected disability retirement benefits.

Under the present law, appeals from the decisions of the Medical Board would go to the Board of Trustees. This Board, after hearing an appeal, would then be able to refer the matter to the Medical Review Board, whose decision would be final and binding. This bill provides that an appeal of an adverse certification by the head of an agency or an adverse decision of the Medical Board would go to the Labor and Industrial Appeals Board. Accordingly, the applicant would then be afforded a full and adequate hearing consistent with the Administrative Procedures Act.

Your Committee is in accord with the intent and purpose of **H. B. No. 139** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 127 (Majority) Higher Education on H.B. No. 85**

The purpose of this bill is to expand the membership of the Board of Regents and to provide for student representation on the board. Section 26-11 of the Hawaii Revised Statutes provides that the board shall consist of nine members. This bill, in its present form, would amend that section to provide for thirteen members, two of whom would be full-time students from the University of Hawaii and the community colleges. The bill would also amend Section 304-3 of the Hawaii Revised Statutes, the section governing appointment of regents, to define a full-time student as a person carrying a minimum of twelve units. Appointment would be made from lists of students submitted to the governor. Finally, the bill would amend Section 304-3 of the Hawaii Revised Statutes, to provide that the term for the student members would be one year.

Your Committee is of the opinion that student representation on the Board of Regents is desirable. Your Committee feels that such representation would result in closer communication between the Board of Regents and the student body as well as occasion for consideration of the student "point of view" in formulation of policy for the University.

Your Committee desires to clarify the role of the student members on the Board of Regents: this bill does not contemplate representation of a "constituent" group, rather, it provides for expression of a point of view.

Your Committee feels that the student member should not necessarily be bound by the sentiment of the students of the University of Hawaii; indeed, even assuming that there is a consensus among the students at the University with regard to a particular issue, a student member of the Board of Regents should be permitted to express his own point of view.

Your Committee is concerned that the one-year term provided for in **H. B. No. 85** will be insufficient time for a student to acquaint himself with the functioning of the Board of Regents and to become a fully effective member of that body; therefore, your Committee recommends that Section 2. of the bill be amended by striking the word "one" appearing on line 22 and substituting therefore the word "two" and changing the subsequent word "year" to "years". Provision for a two-year term will afford a student member sufficient time to orient himself with respect to the practices of the Board of Regents and to make a significant contribution in that regard.

For the same reason, your Committee recommends that Section 1. of the bill be amended by changing the period after the word "colleges" in line 11 to a semi-colon and adding the following proviso:

"provided, further, that, in the instance a student member shall successfully complete his course of study and shall continue to reside in the state prior to the expiration of his term of membership on the board of regents, he may continue to serve in that capacity until his term expires."

This amendment would enable students appointed to the Board of Regents in their senior year to serve the proposed two-year term. Implicit in the language of the bill is a requirement that the student members be in good academic standing with their respective institutions and that in the instance a student drops out the institution he is attending, his membership on the board will terminate. The proviso would afford the one exception to this implicit condition: an ex-student may complete his term on the Board of Regents in the instance he has successfully completed his course of study and continues to reside in the State following the completion of his study.

Finally, your Committee recommends that Section 2. of the bill be amended by deleting

the restriction upon the governor's power to appoint a student member: Section 2. of the bill amends Section 304-3 of the Hawaii Revised Statutes and provides that the governor must appoint the student representatives from lists of students submitted to him. Your Committee has partially adopted the recommendation of the lieutenant governor with regard to the governor's desire to be free of any restriction in making his appointments to the Board of Regents and recommends that the two sentences beginning with the last word "The" on line 13 through the word "college." on line 20 be deleted from the bill. As such there would be minimal restriction placed upon the governor's power to appoint in this regard.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 85** as amended in the form attached hereto as **H. B. No. 85, 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. Representatives Devereaux, Hansen, Leopold, Medeiros, Saiki, Uechi did not concur.

**SCRep. 128 Finance on S.B. No. 181**

The purpose of this bill is to repeal section 266-8 relating to "Pilots; duties", section 266-9 relating to "Charges for services of pilots", section 266-10 relating to "Dockage, demurrage, defined", section 266-11 relating to "Wharfinger and harbor master, synonymous", section 266-12 relating to "Wharfinger; fee", and section 266-15 relating to "Cattle landings".

Because the appointment and duties of pilots are now covered by the civil service laws, and the charges for pilot services, dockage and demurrage and all harbor fees are now covered by the rules and regulations and **Tariff No. 3** of the harbors division, department of transportation, and because the department of transportation has now adequate authority to control all cargo handling in all harbors of the state, the foregoing sections of the law are deemed to be out of date or of no useful purpose.

\*Following its passage on first reading, **S. B. No. 181** was initially referred to your Committees on Transportation and Finance, in that order. Subsequently, companion **H. B.**

**No. 618** having been referred to your Committee on Transportation, **S. B. No. 181** was re-referred to your Committee on Finance.

Your Committee on Transportation to which was referred companion **H. B. No. 618**, in recommending its passage on second reading and its referral to your Committee on Finance in **Stand. Com. Rep. No. 39**, reported that it was satisfied that the rules and regulations, aforesaid, have "operationally replaced" the sections proposed to be repealed hereby, and that "further retention of these obsolete laws . . . would only lead to confusion for persons who are subject to them."

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 181** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

**SCRep. 129 Judiciary on H.B. No. 47**

The purpose of this bill is to provide a method, in a criminal proceeding, to secure the attendance of witnesses who are located outside of the state in which the proceeding is to be held.

Under present law, it is difficult, if not impossible at times, to secure the attendance of witnesses in a criminal proceeding if they have left the State. A Uniform Act to Secure Attendance of Witnesses from Without a State in Criminal Proceedings was designed to help alleviate such a problem. This Uniform Act has been enacted in forty-six of the fifty states. It would compel the witness to attend and testify at the criminal proceeding in the state where the proceeding is held if such attendance will not cause undue hardship to the witness, if the witness is material and necessary in the proceeding, and if the witness is has been paid his transportation fare plus expenses. Although reciprocity among states is provided for in this bill, the bill would be of great benefit to Hawaii. Because of the high percentage of transients in this State due to the tourist economy, presently Hawaii is especially plagued by the problem of witnesses leaving the State before their testimony can be obtained in criminal proceedings.

Your Committee on Judiciary upon consideration of this bill recommends Amendments of the amounts to be paid to witnesses. Instead of \$20 per day, as indicated in the Uniform Act, your Committee recommends that witnesses be paid at the rate of \$30 per day. This rate reflects the recent increase in cost of living as well as the inconvenience suffered by witnesses under this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 47, as amended herein, and recommends its passage on Second Reading in the form attached hereto as H.B. No. 47, H.D.1, and placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Wedemeyer.

#### SCRep. 130 Judiciary on H.B. No. 53

The purpose of this bill is twofold. First, in a criminal prosecution for violation of section 291-4, Hawaii Revised Statutes, it expands the types of analytical techniques which may be employed to determine whether the defendant was under the influence of intoxicating liquor. Second, it changes the weight requirements of alcohol in the bloodstream to create certain presumptions.

The present law allows chemical analysis of the defendant's blood, urine, breath, or other bodily substance to be made in determining the amount of alcohol in the defendant's blood. This bill, while restricting the matter which may be analyzed to blood or breath, nevertheless expands the methods of analysis which may be employed by allowing any approved analytical technique to be used.

The present law allows the fact that there was in excess of five-hundredths per cent but less than fifteen hundredths per cent by weight of alcohol in the defendant's blood to be used as evidence of intoxication. This bill would retain the excess of five-hundredths per cent minimum but would lower the maximum to amounts less than ten-hundredths per cent.

If there was fifteen-hundredths per cent or more by weight of alcohol in the defendant's blood, the present law creates a presumption of intoxication. This bill would lower the amount to ten-hundredths of a per cent.

The amount of alcohol in the bloodstream appears to be a true indicator related to in-

toxication. Also, scientific observation of blood-alcohol levels as related to human reaction times and judgment factors exist to justify the change of critical level of alcohol-blood ratio from fifteen-hundredths to ten-hundredths of one per cent.

Your Committee on Judiciary is in accord with the intent and purpose of H. B. No. 53 and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kuroda.

#### SCRep. 131 Judiciary on H.B. No. 72

The purpose of this bill is to require registration of lobbyists in order to make available to the legislators and the public information relative to the activities of persons who seek to influence the content, introduction, passage, or defeat of legislation.

At present there is no law requiring the registration of lobbyists. While affirming that the preservation of responsible democratic government requires that the fullest opportunity be afforded to the people of the State to petition their government for the redress of grievances and to express freely to individual legislators and to committees of the legislature their opinions of legislation and current issues, your committee finds that the preservation and maintenance of the integrity of the legislative process requires the identification in certain instances of persons and groups who seek to influence the content introduction, passage, or defeat of legislation. The structure of life today is such that ordinary citizens find little time, if any, to attend the many legislative functions and must therefore depend, for the most part, on their elected legislators to protect their interests. On the other hand, various moneyed interest groups can, and do engage persons for consideration to attend legislative functions for the purpose of influencing legislation, which may afford such interest groups undue leverage regarding legislative matters, in comparison to the ordinary citizens of this State. This bill would require the mere registration of such persons who engage themselves for any consideration for the purpose of attempting to influence legislation. Such registration is not intended to act in any manner as a deterrent to the free expression of opinions. In ac-



tual practice, people who voice their opinions on legislative matters generally identify themselves anyway.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 72**, and recommends its passage on Second Reading and placement on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kuroda.

**SCRep. 132 Judiciary on H.B. No. 148**

The purpose of this bill is to make a married person competent to give evidence against his or her spouse in cases where the accused is charged with the commission of an offense against the person of the children of either party to the marriage.

The present law provides that a married person may give evidence against his or her spouse only in cases where the accused is charged with the commission of an offense against the person of the spouse. This bill expands the circumstances in which a person is competent to give evidence against the spouse by making such person competent to give evidence against the spouse where the spouse is charged with the commission of an offense against the children of either party to the marriage. The word "children" is meant to include any child of either party to the marriage, including, but not limited to a step-child, an adopted child, or the natural child.

Your Committee upon consideration of this bill recommends its amendment in the form attached hereto as **H.B. 148, H.D. 1** by providing as follows:

**"Section 621-18 - WITNESS IN CRIMINAL CASES. Nothing herein shall render any person who in any criminal proceeding is charged with the commission of an indictable offense, or any offense punishable on summary conviction, compellable to be a witness against himself;**

If the suggested words, "answer any question tending to incriminate himself" were employed, it is conceivable that this section could be subject to attack on the grounds of unconstitutionality where, for instance, the accused is put on the stand and required to answer questions which the prosecutor claims will not tend to incriminate the ac-

cused. By giving the accused the right not to be a witness against himself, the section would be less susceptible of the constitutional attack, since such words are taken from both the Constitution of the State of Hawaii and the Amendments to the Constitution of the United States.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 148**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H.B. 148, H.D. 1**, and placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Wedemeyer.

**SCRep. 133 Transportation on H.R. No. 96**

The purpose of **H. R. No. 96** is to request the department of transportation to investigate the reason for the delay in starting Haleakala Highway project and that the department submit a status report to this body before the end of the 1971 Regular Session. Funds dating back to 1967 have been appropriated for this project and the request is reasonable.

Your Committee concurs with the purpose and intent of **H. R. No. 96** and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 134 Finance on H.C.R. No. 49**

The purpose of this Concurrent Resolution is to urge the Congress of the United States to enact such legislation as is necessary to place responsibility upon the United States Government for assumption of the cost of the welfare programs now jointly financed by the state and federal governments.

Congress, in enacting such legislation, is further urged to create a Uniform National Public Welfare System in the categories of Aid to the Aged, Aid to the Blind, Aid to the Permanently and Totally Disabled, and that payments in such categories be issued by the Social Security Administration; that, in the category of Aid to the Families with Dependent Children, this be administered by the states under federal laws and policies, such laws and policies requiring the states to supervise the appropriate work and training programs for recipients in such categories, in



order to promote self-support, self-care and to strengthen family life.

**H. C. R. No. 49** expresses the manifestation of a mounting national concern relative to existing public welfare programs, in terms of both their equity and effectiveness in achieving the desired objectives of providing for basic needs of those who are unable to provide for themselves and, simultaneously, of assisting as many as possible of those aided to assume or return to productive, self-fulfilling lives. The staggering welfare burden, with some 13.5 million citizens dependent upon public assistance throughout the United States, at a total cost of approximately \$15 billion annually, is reported swiftly to be propelling state and local governments toward the brink of financial disaster.

Your Committee on Finance, which, pursuant to **House Rule 53**, is charged with the duty of considering matters relating to revenues and proposed expenditures referred to it by the House and report thereon, has, in compliance therewith, undertaken consideration of the welfare requirements of the state for the ensuing fiscal biennium. Presently, there are approximately 43,000 public welfare recipients in Hawaii. Annually, their number and the cost of providing for their needs progresses prodigiously. Compared with welfare payment costs of \$42,836,000 in 1969-70, for example, the cost by 1972-73 is estimated to more than double at \$95,141,000, of which only about 42% represents federal assistance.

In order to meet these increased needs, therefore, and to furnish the various welfare services (including economic assistance and medical care) essential to the maintenance of "basic living standards" for all of Hawaii's people, the public welfare division, alone, of the department of social services and housing has submitted a request for general fund appropriations out of the tax revenues of this state in a sum totaling nearly \$121,500,000 for the budget period 1971-73. According to the director of the department, who is charged with administering the state welfare program, and who testified before your Committee urging adoption of **H. C. R. No. 49**, the present welfare system is placing the state "in an impossible fiscal and administrative situation precluding allocation of resources to other pressing areas of responsibility."

Your Committee hereby takes legislative notice that the soaring costs of all phases of

public assistance has come to constitute the most crucial domestic problem in this state and throughout the nation today, forcing severe cutbacks in other vital state and municipally sponsored services such as public safety, education and transportation. Additionally, taxpayers are burdened by a substantial number of related government aid programs for the underprivileged, including job training, public housing, rent supplements, food stamps, model cities, community-action projects, progressive neighborhoods programs, neighborhood health centers, legal services for the indigent, and other innumerable elements of the so-called "war on poverty."

Finally, it is painfully evident that great disparities exist among the public welfare programs currently in effect in the several states, resulting in serious inequities to the recipients of such programs as well as disproportionate burdens in the financing thereof. In view of the United States Supreme Court decision striking down state residency requirements for welfare purposes, and in other respects as well, public welfare has become a matter of national scope and concern and should, therefore, be approached from the national perspective, as the national government alone has both the power and resources at its command to attack the problem with any prospects of successful and rational solution.

There is an urgent necessity for immediate reform. Federal assumption of the cost of welfare in conjunction with the nationalization of the system would give immediate and monumental relief to the financial plight of state and local governments and release funds for equally pressing and important responsibilities of those governments. Your Committee believes strongly that the presiding officers of the House of Representatives and the Senate of the Congress of the United States and the members of the Hawaii delegation in Congress should be respectfully so apprised.

Your Committee on Finance concurs with the intent and purpose of **H. C. R. No. 49** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 135 Legislative Management Informing the House that **House Bill Nos.**

1294 to 1460 and Standing Committee Report Nos. 136 to 141 have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 136 Agriculture on H.R. No. 23**

The purpose of this resolution is to request the University of Hawaii, in cooperation with the Department of Agriculture, to conduct a study to determine the beneficial and efficient uses of sugar and pineapple waste products by the feed industry.

The disposal of sugar cane and pineapple residual or waste products following harvesting and processing has been a long-standing agricultural problem. Industry has expended considerable effort on this problem and, as a result, some residual products are utilized for feed.

Almost 100 percent of pineapple fruit processing waste is now used for beef and dairy cattle feed. Currently, the demand for pineapple green chop hay exceeds the supply in the quantity now made available.

The increased utilization of pineapple and sugar cane leaves as feed will have other benefits such as eliminating or reducing field burning and thereby reducing air pollution.

Special attention should be focused on economic utilization of the high fibrous waste that is low in energy content. If the energy content of these fibrous wastes could be increased two to three times, they could be made into good feed.

A report of the findings of this study is to be made to the House of Representatives twenty days prior to the convening of the Regular Session of 1972.

Your Committee is in accord with the intent and purpose of **H. R. No. 23** and recommends its referral to the Committee on Higher Education.

Signed by all members of the Committee.

**SCRep. 137 Judiciary on H.B. No. 46**

The purpose of this bill is to provide a method for effectuating the return of persons accused of crime in another state and

released from custody by a court of that state and whose presence in the asylum state constitutes a violation of the terms of his release.

The present law provides for interstate extradition of persons charged with a crime, including those who have broken the terms of their bail. Under such law, if the accused refuses to execute a written waiver of formal extradition procedures, he may be committed to the county jail pending arrest and return on a governor's warrant pursuant to such formal procedures.

This bill provides a less cumbersome method than that which exists under formal extradition proceedings, while continuing to safeguard the individual rights of the person who has been released on bail or on his own recognizance. If a person charged with a crime and subsequently released from custody prior to final judgment is alleged to have violated the terms and conditions of his release, and is present in the asylum state, a designated agent from the demanding state may request the issuance of a warrant for his arrest. Before issuance of the warrant of arrest, certain documents setting forth the propriety and necessity of the arrest must be filed and the judge or magistrate issuing the order of arrest must have probable cause for believing that the person whose removal is sought has violated the terms of his release. Upon arrest, the fugitive is brought before the court of the asylum state, advised of his rights to assistance of counsel, and to have a hearing. The arrested person may waive some or all of this procedure. After the hearing, the court may either release the person or issue an order authorizing the person's return to the custody of the demanding court, judge or magistrate.

Your Committee on Judiciary upon consideration of this bill recommends its amendment in the form attached hereto as **H.B. 46, H.D. 1**, for the following reasons:

1. The district court is given the discretion to use a penal summons instead of an arrest warrant to avoid the embarrassment that is attendant with the use of the arrest warrant;

2. Even if a person is found to have violated the terms and conditions of his release in the demanding state, the district court would have the discretion of refusing to issue an order authorizing the return of the person to the demanding state if the court is convinced that such an order could cause more

harm than good. Facts may indicate, for instance, that the person has reformed, is living a decent life, and that to require his return to the demanding state would work an undue hardship upon him.

3. Reasonable attorneys fees should be awarded to the person whose removal is sought if an order authorizing the return of the person whose removal is sought is not issued. Also, regardless of whether or not an order is issued, costs should be paid by the designated agent. The reason for this change is that this procedure benefits the demanding state by providing an expedient means of returning a fugitive to custody, at the expense of the asylum state whose courts and officers are utilized in this process.

Your Committee is in accord with the intent and purpose of **H.B. No. 46**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H.B. No. 46, H.D. 1**, and placed on the calendar for Third Reading.

Signed by all members of the Committee.

#### SCRep. 138 Judiciary on **H.B. No. 52**

The purpose of this bill is to modify the law on peace bonds to assure minimum due process standards in peace bond proceedings.

Although peace bond proceedings are intended to provide preventative justice by deterring a person who has not committed a criminally actionable wrong from committing a criminal offense in the future, the present peace bond law can have an undeniably punitive effect since persons who are unable to give security may bear the burden of imprisonment. Furthermore, the present peace bond law may be susceptible to constitutional attack because it requires the accused to prove his innocence, and so it fails to give the accused the right to cross-examine the complainant.

Under this bill, the accused would be given the right to cross-examine the complainant, and the burden of proof would be placed on the complainant.

Your Committee upon consideration of this bill recommends amendments in the form attached hereto as **H.B. 52, H.D. 1**. The reasons for the amendments are as follows:

1) The term "judge or" is inserted between the words "district" and "magistrate" to conform to the nomenclature of Act 188/70, effective January 1, 1972, wherein district magistrates are changed to district judges;

2) Allowing use of a penal summons:

The district judge or magistrate should be allowed to issue either a warrant of arrest or a penal summons. It is often highly embarrassing for a person to be arrested on a minor accusation where there may be little substantive proof of the accusation. By allowing the use of a penal summons, the embarrassment occasioned by the arrest procedure may be avoided.

3) "ordered not to commit the offense" - This penalty gives more flexibility to the district judge or magistrate in dealing with persons who have acted in such a manner that there is just cause to fear the commission of the offense, as well as avoiding the constitutional issues of whether it is permissible to incarcerate a person who cannot afford to give bond. By allowing the court to order that the offense not be committed, the accused may be subject to sanctions for contempt of court, in addition to criminal penalties for the commission of the criminal act. As such, it would act as a deterrent.

4) Expunging of arrest record. The arrest record of the person complained of shall be expunged if the district judge or magistrate finds that there is no just cause to fear the commission of the offense. Many forms of a personal nature, such as employment application forms, require the applicant to state whether he has been arrested, even if the applicant may not have been convicted of an offense. Accusations under the peace bond law may be so spurious that it would be unduly harsh to require that one who has been arrested, but not convicted, under that law, to have such an arrest record.

Your Committee is in accord with the intent and purpose of **H. B. No. 52**, as amended in the form attached hereto as **H.B. 52, 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. 139 (Majority) Judiciary on **H.B. No. 591**

The purpose of this bill is to provide an exemption from the State antitrust laws for certain combinations and arrangements necessary for the survival of failing newspapers.

In 1970, the Congress of the United States passed P.L. 91-353, 84 Stat. 466, known as the Newspaper Preservation Act, to preserve the publication of newspapers in areas where a joint operating arrangement had been entered into because of economic distress or might be effected in the future by providing a limited exemption from the federal antitrust laws. No similar exemption from the State antitrust laws presently exists. While it may be arguable that such an exemption from State antitrust laws is unnecessary because P.L. 91-353, 84 Stat. 466 preempts the field, nevertheless, it is possible that such legislation merely covers the federal area, leaving the State free to prosecute violators under its antitrust laws. Therefore, in order to insure similar relief on the State level, your Committee recommends passage of this bill as amended.

Your Committee upon consideration of this bill recommends that it be amended in the form attached hereto as follows:

1. On Page 4, line 19, the second word should be "unlawful" instead of "lawful" to correct a typographical error;

2. Page 4, line 25, should be amended to read: "financially sound publication: Provided, that the terms of a renewal or amendment", instead of its present reading, to correct a typographical error, and conform the passage to the provisions of P.L. 91-353;

3. Page 5, line 1 should be amended to read: "department of the attorney general and that the amendment does", instead of its present reading, to correct a typographical error and make the passage similar to the provisions of P.L. 91-353.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 591**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H. B. No. 591, H. D. 1**, and placed on the calendar for Third Reading.

Signed by all members of the Committee Representative Roehrig did not concur.

#### SCRep. 140 Finance on S.B. No. 113

The purpose of this bill is to conform certain essentially administrative functions related to real property assessment with the present assessment schedule.

Act 170, Session Laws of Hawaii 1969, which consists of a comprehensive series of amendments to no less than thirty-three different sections of the Hawaii Revised Statutes, has the effect of causing real property assessment functions, theretofore conducted during the preceding calendar year, to be performed on a fiscal year basis coinciding with the fiscal year of the counties and defining the "tax year" accordingly.

Apparently overlooked, however, were the sections which this bill now seeks to amend relating, under section 231-23(a)(4), to adjustments and refunds within two years after the end of the "tax year" (vice "calendar year"); and, under section 248-2(e), to notification of the director of taxation by each county council of the rates for the "tax year" (vice "calendar year"). In the latter section there is also an incidental amendment deleting the phrase "board or" from the context of "council."

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 113** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

#### SCRep. 141 Judiciary on H.C.R. No. 43

The purpose of this Concurrent Resolution is to request the Honorable Governor of Hawaii to designate the week preceding May 1 as Hawaii Law Week.

Your Committee is in accord with the proposed and intent of **H.C.R. No. 43** and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 142** Legislature Management Informing the House that **House Bill Nos. 1461 to 1635**, **House Resolution Nos. 212 to 239**, **House Concurrent Resolution Nos. 58 to 62**, and **Standing Committee Report Nos. 143 to 150** have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 143 Public Employment on H.B. No. 237**

The purpose of this Bill is to amend the service-connected total and occupational disability retirement statutes, which now cover firemen, to include sewer workers.

Under existing statutes, any fireman who has been disabled as the result of the cumulative effect of the inhalation of smoke, poison gasses, chemical fumes, and other toxic vapors on the heart, lungs, and respiratory system, shall be construed as having been injured in the line of duty. Your Committee is of the opinion that sewer workers are also exposed to poison gasses, chemical fumes, and other toxic vapors and they should, therefor, receive the same consideration with regard to the retirement laws relating to service-connected and occupational disability.

Your Committee is in accord with the intent and purpose of **H. B. No. 237** and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu, and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 144 Public Employment on H.B. No. 239**

The purpose of **H. B. No. 239** is to provide prison guards and matrons with the identical benefits now available to policemen, firemen, jail guards and matrons.

The existing law provides that the normal contribution to the annuity savings fund by firemen and policemen is 10-4/10 per cent of their compensation. On retirement for service, if a fireman or a policeman has at least ten years of credited service of which the last five or more years prior to retirement is credited service as a fireman or a policeman, then the retirement allowance would be 2-1/2 per cent of his average final compensation per year of credited service. Presently, prison employees are in the regular retirement plan, paying 6 per cent of their salaries and enjoying only a 2 per cent benefit on retirement. Your Committee is of the opinion that the prison guards should be provided with the same retirement benefit formula as that now provided for policemen, firemen, and jail guards and matrons.

Your Committee is in accord with the intent and purpose of **H. B. No. 239** and recommends its referral to your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 145 Select Committee of Maui Representatives on H.B. No. 194**

The purpose of this bill is to provide \$100,000, or so much thereof as may be necessary, out of the general revenues of the State of Hawaii, to be used for the modernization of the Haiku Water System on the Island of Maui for domestic and agricultural use.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 194** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 146 Select Committee of Maui Representatives on H.B. No. 1035**

The purpose of this Bill is to make appropriations for capital improvement projects for the County of Maui.

Your Committee has amended this Bill to incorporate capital improvement projects for Maui County proposed in other bills.

Your Committee is in accord with the intent and purpose of **H. B. No. 1035**, as amended herein, and recommends its referral to the Committee on Finance in the form attached hereto as **H. B. No. 1035, H. D. 1.**

Signed by all members of the Committee.

**SCRep. 147 Transportation on H.R. No. 103**

The purpose of **House Resolution No. 103** is to request the Department of Accounting and General Services to designate bicycle parking areas and install bicycle racks at all state facilities.

Your Committee feels there is a big demand for such improvements at state facilities particularly our schools and libraries.

Your Committee concurs with the intent



and purpose of **H. R. No. 103** and recommends its referral to your Committee on Finance for its consideration.

Signed by all members of the Committee.

**SCRep. 148** Transportation on **H.B. No. 623**

The purpose of this bill is to regulate the movement of motor vehicles and equipment with overhanging or projecting structures or loads on public highways.

Section 291-34 of Hawaii Revised Statutes regulate the width, height and length of motor vehicles using our highways. Existing law prescribes the maximum overall length of vehicles or combination of vehicles allowed to operate on a public highway but is silent as to the length of loads which may protrude in front of or to the rear of the vehicles. The law is also silent as to special equipment other than motor vehicles.

Your Committee finds that as traffic volume and density on our highways continue to increase, it is becoming extremely hazardous to allow the uncontrolled movement of motor vehicles with overhanging loads and special equipments other than motor vehicles on public highways. For example oscillating booms of mobile cranes are threats to highway signs and motorists. Many motorists have complained that they had to make "panic stops" in order to avoid the oscillating cranes on straight stretches and swinging cranes on turns.

Upon consideration of the Bill your Committee recommends that it be amended. Since the amendments are editorial in scope your Committee will discuss the Bill in its amended form. Section 291-34 (c), Hawaii Revised Statutes, relating to length of vehicles, is amended by expressly subjecting self-propelled construction or farm equipment to the subsection. As amended the subsection will require that projections to the front or rear of the vehicles or equipment (1) will be held securely in place, (2) will not obstruct the driver's vision, (3) will not impair the driver's ability to control the equipment, (4) will be at least seven feet above the roadway surface if the projection extends beyond the front tire, and (5) will not extend more than four feet past the extremity of the equipment or motor vehicle.

Concurrently with the above amendment to existing law, section 291-36 was amended. This section provides that in the event a motor vehicle exceeds the specifications for load, width, height or length a special permit may be issued. Inasmuch as construction and farm equipments were made subject to the length requirement under section 291-34, these equipments are also subject to permits in special situations.

In addition to the Department of Transportation, the Bill as amended is endorsed by the Hawaii Trucking Association and Public Utilities Commission.

Your Committee is in accord with the intent and purpose of **H. B. No. 623**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H. B. No. 623, H. D. 1** and its referral to your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 149** Transportation on **H.B. No. 622**

The purpose of this Bill is (1) to clarify the conditions under which the gross weight formula for loads on axles for motor vehicles are to apply and (2) to require adequate safety measures when permitting movement of exceptional loads on our highways.

The intent of this bill in amending section 291-35 relating to gross weight of vehicles is not to impose additional restrictions. Chapter 168, Session Laws of Hawaii 1970, established the formula  $W = 800(L + 40)$  to be applied to axle spacings ranging from 13 feet to 18 feet. The Act inadvertently overlooked the fact that the formula applied to loads where the distance 'L' was between the first and last axles. Our bridge and roadway designs are based on 'L' being the distance between any group of two or more axles rather than between the first and last axles only. The Bill makes this correction.

The Bill also amends Section 291-36 which section allows the department of transportation to issue permits for exceptional situations in terms of size and load of vehicles. The department may deny a permit based on expressed statutory conditions. Whereas the

department has been imposing safety measures on a discretionary basis, this Bill will make safety a mandatory consideration.

Upon consideration of the Bill, your Committee recommends the bill be amended by regrouping the various sections so it will further clarify the requirements of the statutes. Specifically, the following revisions are suggested. The majority of the provisions in existing section 291-35 (1), (2) and (3) have been regrouped into the proposed 291-35 (1). The Table of Allowable Maximum Weights in existing 291-35 (1) is listed under proposed 291-35 (2), and other similar technical changes have been made.

Your Committee believes that the Bill, as amended, will clarify the design intent of the engineers, eliminate possible misinterpretation of the law and overstressing of our highway structures. The addition of the safety measure will strengthen and improve highway safety.

Your Committee is in accord with the intent and purpose of H.B. No. 622, as amended herein, and recommends its passage on Second Reading in the form attached hereto as H.B. No. 622, H.D. 1 and its referral to your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 150 Transportation on H.B. No. 628**

The purpose of this bill is to reduce under Section 1 the level of alcohol in the blood of a motor vehicle operator before he can be presumed to have been driving while under the influence of intoxicating liquor, and under Section 2 to appropriate funds to inform the public on the problem of intoxicated drivers.

Section 1 of the bill amending Section 291-5, Hawaii Revised Statutes, and relating to the presumptive level of alcohol in the blood is the identical subject matter provided in H. B. No. 53 which was referred to your Committee on Judiciary. This body upon consideration of **Standing Committee Report No. 130** passed on second reading H. B. No. 53 on March 10, 1971.

Section 2 of the bill appropriates the sum of \$20,000 to educate the public concerning persons who operate automobiles while un-

der the influence of liquor. The drinking driver is a major traffic safety hazard, and your Committee fully endorses this program.

Your Committee has amended the bill in the following particulars:

1. Inasmuch as the matter relating to presumptive level of alcohol content of the blood has been considered by this body, Section 1 of the bill has been deleted.

2. The title of the bill was amended so it will reflect only the undeleted portion and to read: "A BILL FOR AN ACT PROVIDING FOR AN APPROPRIATION FOR PUBLIC EDUCATION AND INFORMATION PROGRAMS CONCERNING THE PROBLEM OF THE DRINKING DRIVER."

Your Committee is in accord with the intent and purpose of H. B. No. 628, as amended herein, and recommends that H. B. No. 628, H. D. 1, in the form attached hereto be referred to your Committee on Finance.

Signed by all members of the Committee.

**SCRep. 151** Legislative Management Informing the House that **House Resolution Nos. 240 to 246, House Concurrent Resolution Nos. 63 to 65, House Bill No. 85, House Draft 2, and House Draft 3, Standing Committee Report Nos. 152 to 164, Special Committee Report Nos. 2 and 3, and Status of Bills**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 152 Lands on H.B. No. 38**

The purpose of this act is to provide the residents of Hawaii, as well as visitors to the islands, additional areas of recreation by expanding public access as well as sufficient signs indicating existent access.

Your Committee recognizes the value of recreational areas, both as an opportunity for the relaxation of the residents of this state, as well as a stimulus to the visitor and tourist industry. Unfortunately, even though areas exist, neither sufficient access nor notice of the area is given. This act would seek to correct this fact to maximize the use of recreational areas.

Your Committee on Lands is in accord with the intent and purpose of H. B. No. 38

and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 153 Lands on H.B. No. 208**

The purpose of this act is to appropriate the sum of \$30,000 for the operation of the soil and water conservation district program.

There are 15 soil and water conservation districts in the State of Hawaii. These districts, organized by the residents of Hawaii under state law, include over 3.9 million acres, or 96% of the total land in Hawaii. The soil and water conservation district program affords those falling within the districts a number of services of infinite value in regard to the conservation of soil, water, plant and animal wildlife in this state.

Your Committee is aware of the benefit of such a program to the residents of this state. Preservation of our environment is one of our primary concerns.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 208** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 154 Lands on H.B. No. 383**

The purpose of this act is to broaden the prohibition against the taking of various forms of sea life by use of firearm or spear. Section 188-25 of the Hawaii Revised Statutes presently makes illegal the taking of a fish or turtle with a firearm. This section also provides that spear fishermen must abide by the minimum size limitation contained in Section 188-40 of the Hawaii Revised Statutes with regard to any fish they take.

This act would expand the prohibition by making it unlawful to take or kill crustaceans, mollusk or aquatic mammal as well as fish and turtle by the use of firearms as defined in Section 134-1 of the Hawaii Revised Statutes. This act would also prohibit the unsupervised use of a spear-gun by a person below the age of fourteen years. Finally, this act would eliminate the proviso which is part of the present law allowing for the taking of fish or turtle by any means whatsoever

outside kuuna fishing grounds as long as the fish or turtle is killed or caught for home consumption.

Your Committee is in accord with the purpose of this act and because of the need to preserve the various forms of sea life within the State of Hawaii, would suggest amending Section 1 of the bill by changing the comma after the numbers "134-1" contained in the first paragraph to a semi-colon and adding the following proviso:

"provided further that it shall be unlawful to take or kill by use of a spear-gun a turtle, fish, mollusk, or an aquatic mammal except for home consumption."

To render such an amendment of the bill effective, your Committee would also recommend the mention of a rebuttable presumption as a new paragraph following the penalty provision of the bill:

"The spearing of a turtle, fish, crustacean, mollusk or aquatic mammal shall be presumptively established by proof that, at the time the detection of an alleged violation of this section, there was a discernible puncture wound on the body of said fish, turtle, crustacean, mollusk, or aquatic mammal."

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 383** as amended in the form attached hereto as **H. B. No. 386, H. D. 1**, and recommends its referral to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 155 Transportation on H.B. No. 806**

The purpose of the bill is to appropriate \$250,000 for the resurfacing of the runway at Upolu Airport, North Kohala, Hawaii. The facility has been in continuous use as an important emergency landing field. The Coast Guard LORAN station at Upolu Point receives its supplies through this airport which is also often used as a base for search and rescue operations by this federal agency.

Your Committee is in accord with the intent and purpose of **House Bill No. 806** and recommends its referral to your Committee on Finance.

Signed by all members of the Committee.

**SCRep. 156 (Majority) Housing and Consumer Protection on H. B. No. 348**

The purpose of the bill is to expand the definition of "qualified tenant" in Section 359-123 of the Hawaii Revised Statutes. The amendment would include in the definition any single person who has attained the age of 62 or who is unable to engage in any substantial gainful activity by reason of physical or mental impairment which can be expected to result in death within one year or to be of long and indefinite duration. It would also expand the definition of "family" in the same section to include other persons who live regularly as part of the family group.

Existing statutes provide a definition based on income criteria as set forth in section 221 (d) (3) of the National Housing Act. Your Committee feels that this may inadvertently exclude others who deserve benefits from getting them. In the climate of an acute housing shortage, unnecessary statutory limitations should not be allowed to exacerbate the situation.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of H. B. No. 348 and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee. Representative Carroll did not concur.

**SCRep. 157 Judiciary on H.B. No. 33**

The purpose of this bill is to provide some uniformity in traffic regulation in the State.

The present law includes a few provisions having statewide applicability on rules of the road. Most traffic regulation, however, is dealt with by comprehensive traffic ordinances enacted by the several counties. The four county traffic ordinances contain many provisions which are similar to the provisions of the Uniform Vehicle Code published by the National Committee on Uniform Traffic Laws and Ordinances.

This bill is intended to achieve some uniformity in traffic regulation, eliminate the need for duplications in county codes, and bring Hawaii into conformance with the Federal Highway Safety Program Standard on Codes and Laws. This bill is not intended to

replace the various county traffic codes entirely. Instead, the intent is to have the counties adapt complementary traffic ordinances which would supplement, rather than duplicate, the State law. To achieve this end, this bill allows provisions to be made in the various ordinances for situations unique to the particular county.

Your Committee upon consideration of this bill recommends that it be amended in the form attached hereto as H. B. No. 33, H. D. 1. This amended form has corrected several typographical errors found in H. B. No. 33, and altered the wording in several instances for reasons of improving clarity and preciseness. Certain substantive amendments are as follows:

(1) Sec. -1(11): **House trailer** - this definition has been added to cover situations in which vehicles as defined by this section are involved;

(2) Sec. -12: **Accidents involving death or personal injury.**

Subsection (b) increases the length of time for incarceration but decreases the monetary fine, if a person violates this section. It is felt that the gravity of the offense is so serious as to warrant the imposition of such penalties.

Subsection (c) changes the agency acting to revoke the offender's license to conform with current practice;

(3) Sec. -18: **False Reports:** This section has been added because it is felt that there is a need to safeguard the fact finding process. False information not only causes delays in this process, but also hinders the administration of justice.

Other differences between H.B. No. 33 and H.B. No. 33, H.D. 1, reflect the intent that counties be allowed to enact ordinances, which supplement and, in a few clearly expressed instances, supersede state law. A few examples of sections which allow county ordinances to take the place of state law are sections \_\_\_-65, \_\_\_-77, and \_\_\_-102.

Except for the enactment of county ordinances to cover such situations, however, these amendments are not intended to detract from the bill's intent of creating a uniform traffic code throughout the State. Such intent is clearly expressed in section \_\_\_-162 of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of **H.B. No. 33**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H.B. No. 33, H.D. 1**, and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 158 Judiciary on H.B. No. 56**

The purpose of this bill is to allow certain persons who might refuse to testify on the grounds of possible self-incrimination to be granted immunity and thereafter not be excused from testifying.

The present law allows a witness to be granted immunity in gambling, lottery, conspiracy, and insurance offenses only. This bill would permit a court, upon application by the state, to grant immunity to a witness in any matter.

Your Committee upon consideration of this bill recommends that it be amended in the form attached hereto as **H.B. 56, H.D. 1**, for the following reasons:

1. It would permit prosecution by using untainted evidence;
2. It would require the assertion of the privilege against self-incrimination, thereby preventing an unwitting automatic grant of immunity;
3. It would allow the issuance of the direction to testify or produce evidence prior to the assertion of the privilege against self-incrimination, but making the effect of such direction contingent upon the assertion of such privilege; this would avoid the interruption of proceedings to secure a direction to testify or produce evidence after the privilege has been asserted in cases where it may be fairly anticipated that the privilege will be asserted.

At the same time this bill would protect a witness from the use of such testimony or evidence, or the fruits therefrom, in any criminal case against him, except a prosecution for an offense arising out of a failure to comply with the direction to testify or produce evidence, or for perjury.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 56**, as amended herein, and recommends its pas-

sage on Second Reading in the form attached hereto as **H. B. 56, H. D. 1**, and placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 159 Lands on H.R. No. 95**

The purpose of this resolution is to authorize a study of the land leasing policy by the Economic Research Center as well as the Land Study Bureau of the University of Hawaii, the Department of Agriculture and the Department of Planning and Economic Development.

Much of Hawaii's agriculture utilizes leased public lands, and consequently the tenancy arrangements negotiated with the state effect the performance of the agricultural sector of the economy. One of the objectives of the proposed study would be to determine the benefit resulting from differentiation of these agricultural leases by the type of commodity produced on the leased land. The proposed study would also examine alternative ways of rental determination, including that of basis on auction, negotiation, renegotiation, average productivity, and set levels.

Because the results of this study may well effect the policies of the Department of Land and Natural Resources, your Committee recommends amendment of the resolution to include that Department within the study group. Such amendment would be as follows:

Amend the first paragraph of the second page to read:

**"BE IT RESOLVED** by the House of Representatives of the Sixth Legislature of the State of Hawaii, Regular Session of 1971, that the Economic Research Center, in cooperation with the Land Study Bureau of the University of Hawaii, the Department of Agriculture, the Department of Planning and Economic Development, and the Department of Land and Natural Resources, is requested to conduct a study to determine the best land leasing policy for the State by commodity; and"

Your Committee on Lands concurs with **H. R. No. 95** as amended in the form attached hereto as **H. R. No. 95, H. D. 1**, and recommends its adoption.



Signed by all members of the Committee.

**SCRep. 160 Lands on H.B. No. 42**

The purpose of this bill is to require the Department of Hawaiian Home Lands to submit a written report within ten days prior to the convening of each regular session of the legislature describing any land which has been subleased during the prior calendar year. Essentially, such a disclosure would insure public scrutiny of transactions involving public and quasi-public property.

To accomplish this result, the bill would amend Section 222 of the Hawaiian Homes Commission act as well as Section 171-29 of the Hawaii Revised Statutes. As amended by this bill, Section 222 of the Hawaiian Homes Commission act would require disclosure of the names of the persons involved in the sublease transaction, the size of the area under the lease, the purpose of the lease, the land classification of the land subject to the lease, the tax map key number of the land, the lease rental, reason for approval of the sublease department, and the estimated net economic result as a result of the sublease. Similarly, the amendment of Section 171-29 of the Hawaii Revised Statutes would result in disclosure of the above information as well as the reason for approval of the sublease by the board and the estimated net economic impact on the state as a result of the sublease.

Your Committee is of the opinion that disclosure of this information will instill public confidence as well as provide a basis for scrutiny of transactions involving public and quasi-public lands. Your Committee finds both of these results particularly desirable.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 42** and recommends its passage on second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 161 Lands on H.B. No. 386**

The purpose of this Act is to incorporate into Chapter 171 of the Hawaii Revised Statutes the definition of "public purpose". While there is a partial definition of this phrase in Section 171-50, the fact of the lack of a complete definition makes such an amendment desirable. Such a result would be achieved by amending Section 171-1 of the Hawaii Re-

vised Statutes to add the definition of this term.

Your Committee is of the opinion that the self-evident justification for this amendment does not extend to one aspect of the definition of "public purpose" given in this Act: "public purpose" does not contemplate the development of resort complexes. Traditionally, decisional authority developed in the law of eminent domain construing terms such as "public use" and "public purpose" has indicated that the development of resort complexes is without the scope of "public purpose".

Your Committee recommends that an amendment be made to eliminate the phrase "resort complexes" from the definition of "public purpose" in order that this definition be reasonably limited.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 386** as amended herein and recommends its passage on Third Reading in the form attached hereto as **H. B. No. 386, H. D. 1**.

Signed by all members of the Committee.

**SCRep. 162 Finance on H.B. No. 4**

The purpose of this bill is to appropriate or authorize, as the case may be, funds for the financing of general public improvements for the fiscal biennium 1971-73.

Having considered the executive budget and all departmental requests referred to your Committee, including a diversity of bills, resolutions and other matters relating to revenues and proposed expenditures, we are, among other determinations and in light thereof, presently formulating recommendations as to capital investment appropriations for the improvement projects included under **H. B. No. 2, H. D. 1**, the General Appropriations Acts of 1971. In anticipation of this session's legislative accomplishments pursuant thereto and in other areas as well, we have concluded that a comprehensive capital improvements program is essential to full and effective implementation thereof.

Therefore, the projects herein contained are consistent with other reasonably foreseeable legislative achievements and are intended to complement the capital improvement projects included under the General Appropriations Act. The appropria-

tions and authorization include land purchase, plans, site preparation improvements to land, construction and necessary equipment. Upon their implementation or programming for implementation, these general public improvements shall be included in the six-year program and financial plan encompassing all State programs in accordance with and in the same manner provided under section 9 of Act 185, Session Laws of Hawaii 1970.

Your Committee is in accord with the intent and purpose of **H. B. No. 4** and recommends that it pass second reading and be recommitted to your Committee on Finance.

Signed by all members of the Committee.

**SCRep. 163 Finance on H.B. No. 1314**

The purpose of this bill is to lapse certain funds or portions thereof heretofore appropriated or authorized for certain public improvements or other programs which have proved unnecessary because of project deferral, cancellation or completion, or because of other changes in the purpose expressed in the act for which the funds were intended to be expended, not otherwise lapsed by law.

Your Committee has amended the bill by inserting therein at section 2 the specific projects recommended for lapsing by departments and by Acts (including specific items). A resume thereof (including the funding sources) is as follows:

DEPARTMENTS	FUNDING SOURCE	AMOUNT
Dept. of Land & Natural Resources	Cash or G.O.B.	\$ 328,452.03
Dept. of Transportation	Cash or G.O.B.	1,165,590.86
	Special	233,000.00
	Revenue	750,000.00
		\$2,148,590.86
Dept. of Education	Cash or G.O.B.	\$1,116,119.57
Dept. of Health	Cash or G.O.B.	10,000.00
Dept. of Defense	Cash or G.O.B.	81,170.04
Dept. of Accounting & General Services	Cash or G.O.B.	79,359.59
Judiciary	Cash or G.O.B.	2,195.43
<b>TOTAL</b>	<b>CASH OR G.O.B.</b>	<b>\$2,782,887.52</b>
	<b>SPECIAL</b>	<b>233,000.00</b>
	<b>REVENUE</b>	<b>750,000.00</b>
<b>GRAND TOTAL</b>		<b>\$3,765,887.52</b>

Your Committee has not enumerated the lapsing justification for each project. In the main, particularly under the departments of education, accounting and general services, and judiciary, the projects have been completed and the lapsing amount represents allotted and/or unallotted balances. Some projects were never started: under the department of land and natural resources, because sites proved unsuitable or were no longer available, and under other departments, particularly the department of transportation, because the projects were not justifiable or otherwise unnecessary.

Suffice it to say that although the capital improvements program may indicate quite precisely the required funds as well as the timing of projects for implementation, factors difficult to quantify at the time of programming may later intervene to greatly influence the actual initiation of construction. These are in addition to the more basic influences of revised program objectives, changes of scope and other impingements on the implementation of projects.

A fundamental tenet to be recognized here is that the capital improvements program is not an inflexible document and that it must be adjusted or altered in accordance with changing real world conditions. Your Committee has reviewed each of the projects herein and the departmental lapsing justification, and we are satisfied that the appropriations or authorization for these public improvements should be lapsed.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1314**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 1314, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 164 Education on H.B. No. 178**

The purpose of this bill is to provide money for the hiring of general aides to be assigned to schools on a priority basis. The aides shall be assigned to those schools which have used the fourth, fifth and sixth grade

follow-up to the 3 on 2 program for K-3 the longest.

Your Committee upon consideration of this bill recommends the following amendments:

1. The title be amended to read: "RELATING TO EDUCATIONAL ASSISTANTS".

2. Whenever the term "general aides" or the term "aides" is used in section 1 and section 2, it be amended to the term "educational assistants".

The purpose of the amendments are to incorporate the Department of Education's recommendation and differentiate between "general aides", aides attached to the principal to provide general office and clerical aid and "educational assistants", who provide aid to the instructional staff. The sponsor of this bill concurs with the recommendations.

Your Committee is in accord with the intent and purpose of **H.B. No. 178**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H.B. No. 178, H.D. 1**, and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 165 Legislative Management Informing the House that House Resolution Nos. 247 to 252 and Standing Committee Report Nos. 166 to 170 have been printed and distributed.**

Signed by all members of the Committee.

**SCRep. 166 Education on H.B. No. 36**

The purpose of this bill is to provide state general funds for the operation of a statewide school lunch program for Headstart students.

At the present time, the Department of Education has no program for the pre-school populace. The Office of Economic Opportunity is responsible for this project and the

funding therefor. The responsibility includes providing lunches for the students in Headstart and this is done by buying lunches from the Department of Education at prices considerably higher than those charged who are enrolled in the regular programs of the department. This inequity will be corrected at such time as the department develops and establishes a pre-school program which should include as a part, the Headstart project.

Your Committee upon consideration of this bill recommends the following amendment:

1. Section 2 is amended to read, "The sum appropriated shall be expended by the Office of Economic Opportunity for the purposes of this Act".

The purpose of this amendment is to insure that all Headstart classes would benefit from this bill. The Department of Education presently is the delegate agency for about half of the Headstart classes, while the Office of Economic Opportunity is responsible for the entire project.

Your Committee is in accord with the intent and purpose of **H.B. No. 436**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H.B. No. 436, H.D. 1** and its referral to the Committee on Finance.

Signed by all members of the Committee.

#### SCRep. 167 Lands on H.B. No. 454

The purpose of this act is to suspend the right to petition the State Land Use Commission, for a period of five years, for changes in the boundaries in the agricultural district on the Island of Oahu where such districts are rated A or B in productivity according to the detailed land classification map of the Land Study Bureau of the University of Hawaii.

This bill would effect a limitation on the language of Section 205-4 of the Hawaii Revised Statutes which provides for the amendment of district boundaries. Your Committee is in agreement with the ultimate objective of this act: to provide for a period of reevaluation with respect to the reclassification of agricultural land into urban land for the purposes of development. The demands of industry and the society are such that, absent such a moratorium period, development may take

place without regard to all the needs of this society.

In addition, a statewide open space study is presently being prepared by Overview, a planning organization headed by former Interior Secretary Stewart L. Udall. This study will produce recommendations for new legislation which is scheduled to be submitted to the legislature for consideration next January. It is our understanding that Mr. Udall has already submitted a strong recommendation to the Governor that the State Land Use Commission impose a moratorium on major decisions until the conclusion of the 1972 legislative session.

Although in accord with the purpose of this act, your Committee feels that five years is more than enough time for the reevaluation and would constitute an undue restriction on the type of development which would take place after the reevaluation has been made. As such, your Committee recommends an amendment for the purpose of limiting the reevaluation period. Such amendment would be as follows:

Amend the first sentence of the last paragraph of SECTION 2. to read:

"Notwithstanding the foregoing provisions, the right to petition the land use commission by any department, agency, owner or lessee as aforesaid for changes in the boundaries of any agricultural district situated in counties with populations in excess of 500,000 persons and which land is rated A or B in productivity on the detailed land classification map of the Land Study Bureau of the University of Hawaii shall be suspended for a period of two years from the effective date of this Act."

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 454** as amended in the form attached hereto as **H. B. No. 454, 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. 168 Education on H.R. No. 116

The purpose of this Resolution is to request the Department of Education to study the feasibility of restructuring the public school schedule so as to provide for school sessions on a full year basis. The analysis

should provide for the potential effect on traffic congestions and potential benefits to the agricultural industry.

Your Committee upon consideration of this bill recommends the following amendments:

1. The title of the Resolution be amended to read: "REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE FEASIBILITY OF RESTRUCTURING THE PUBLIC SCHOOL SCHEDULES SO AS TO PROVIDE FOR SCHOOL SESSIONS ON A FULL YEAR BASIS".

2. Whenever "Department of Education" appears in the body of the resolution, it be amended to read, "legislative reference bureau".

3. The last paragraph of this Resolution be amended to read, "BE IT FURTHER RESOLVED that a certified copy of this resolution be transmitted to the Director, Legislative Reference Bureau". The reason for the amendments is to let another agency study and analyze the proposal for the department's full year scheduling, because the potential effects of this proposal go beyond the Department of Education.

Your Committee concurs with the intent and purpose of **H.R. 116**, as amended herein, and recommends its adoption in the form attached hereto as **H.R. 116, H.D. 1**.

Signed by all members of the Committee.

**SCRep. 169 Education on H.R. No. 175**

The purpose of this Resolution is to request the Board of Education to provide leadership in the establishment of a task force on guidance. The task force would study the role and function of counselors, evaluate current guidance programs and recommend a realistic and meaningful statewide guidance program. Members on the task force would include students, teachers, parents, counselors, principals, legislators, School Advisory Council members and members of the Board and Department of Education and the Hawaii State Commission on Children and Youth.

Your Committee, at its public hearing on "school counselors" on February 22, 1971, was told by a representative of the Hawaii

School Counselor Association of a presentation to the Board of Education in June 1970, recommending that a task force be established to help resolve the numerous concerns in the area of guidance. As of this date, the Board of Education has not made known its intention on the recommendation.

Your Committee felt that this proposal merited serious consideration. This Resolution was prepared after that public hearing to reflect your Committee's concern. Your Committee believes that the guidance program must be evaluated and implemented according to meaningful statewide guidance program as soon as possible.

Your Committee concurs with the intent and purpose of **H.R. No. 175** and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 170 Transportation on H.B. No. 624**

The purpose of this bill is to regulate all work performed within the highway rights-of-way. Present statutes apply primarily to excavations and trenches for the installation of utility facilities such as pipes, poles, cables and sewer mains. The law is silent on other types of work such as subdivision entrances, driveways, sideroads, and concrete curbs.

To accomplish the stated purpose your Committee recommends the bill be revised in form by rearranging the addition of amendatory provisions in the sections affected. As amended **H. B. No. 624** provides as follows:

Section 1. Section 1 of the bill allows the director to waive the permit fee if he determines that the work to be done will either improve the highway or otherwise be of benefit to the State in lieu of existing law which exempts government agencies only. Many service organizations such as the Outdoor Circle, Lions Club and Boy Scouts perform landscaping and other activities in the highway rights-of-way as community-aid projects. The proposed amendment will provide a means to exempt them from paying the permit fee.

Section 2. Section 2 of the bill amends existing law by adding connections for streets, driveways and other structures not presently included in Section 264-8, relating to standards.



Section 3. Section 3 of the bill makes it clear that the permittee will be responsible for all costs connected with his improvement, subject, however, to an exception for utility companies whose rights are covered under another section.

Section 4. Section 4 of the bill adds a new section to Chapter 264. It requires the owner of a new residence to pave that portion of the right of way which connects his driveway to the paved portion of the highway. Although there is general acceptance with this requirement the department has encountered some resistance. The addition will provide the department with the necessary legal authority.

Your Committee is in accord with the intent and purpose of **H. B. No. 624**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H. B. No. 624, H. D. 1**, and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kuroda.

**SCRep. 171** Legislative Management Informing the House that **House Resolution Nos. 253 to 259, House Concurrent Resolution Nos. 66 and 67, and Standing Committee Report Nos. 172 to 200**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 172** Select Committee of Hawaii Representatives on **H.B. No. 214**

The purpose of this bill is to provide that all employees of Pahala Hospital who are transferred to the new Ka'u General Hospital be guaranteed civil service compensation, vacation and sick leave, and retirement system rights, benefits and privileges with full credit for all past continuous service at Pahala Hospital.

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 214** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 173** Public Health, Youth and General Welfare on **H.R. No. 104**

The purpose of this resolution is to request the Department of Health to disseminate population stabilization, family planning, and birth control information to all persons applying for marriage licenses. This program undertakes to inform those who are newly married and are about to start families of the necessity for population stabilization, family planning, and birth control. Further, the program endeavors to control population growth as it is a basic cause for the deterioration of the environment, increasing problems of water, air, and noise pollution, pesticide contamination, health, education, famine, poverty, crime, housing, transportation, and urban congestion.

Your Committee on Public Health, Youth and General Welfare concurs with the purpose of **H. R. No. 104** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 174** Public Health, Youth and General Welfare on **S.B. No. 69**

The purpose of the bill is to relieve the Department of Health of its statutory responsibility for disposition of unadministered estates of deceased leprosy patients. Unadministered estates of deceased leprosy patients will be treated in the manner provided by statute for unadministered estates generally.

In its testimony before the Committee, the Department of Health stated it is not adequately staffed for the responsibility of administering the estates of deceased patients which is foreign to its normal function. Also, persons afflicted with leprosy should not be set aside and treated differently from persons with other ailments.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **S. B. No. 69** and recommends its passage on second reading and its referral to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 175** Public Health, Youth and General Welfare on **H.B. No. 97**

The purpose of this bill, as amended herein, is to give emancipated minors, 14 years of age or older, the legal capacity to

consent to medical, surgical, and dental care and services.

This bill would aid the largest group not at present receiving adequate medical and dental care - minors who may be practically, if not economically, emancipated from their parents or guardian. Being able to obtain medical services in order to maintain one's health should be a basic right for everyone in our society, regardless of age or legal status.

As presently worded, this bill would give all minors 14 years of age or older the legal capacity to consent to medical and dental care. This provision could be construed as relieving parents of all responsibilities and care for their adolescent children. Your Committee recognizes the fact that parents want to be of help to their children when they are in trouble and do not want to be relieved of this responsibility. Your Committee also recognizes the public policy of placing protection and disabilities on minors which prevent them from taking any action which would prejudice them in later life, and also prevent adults from taking advantage of them. Accordingly, this bill has been amended to cover only emancipated minors.

Your Committee is in accord with the intent and purpose of **H. B. No. 97**, as amended herein, and recommends its passage on second reading, in the form attached hereto as **H. B. No. 97, H. D. 1** and its referral to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 176** Public Health, Youth and General Welfare on **H.B. No. 165**

The purpose of the bill is to enable the State of Hawaii to assume ownership and operation of Lanai Community Hospital as an Act 97 hospital with the provision that it be an administrative unit of Maui Memorial Hospital. On December 19, 1969, the Board of Trustees of the hospital unanimously voted that the State take over the hospital for several major reasons. One reason is the perennial operating deficit which had to be met by a subsidy from the State Legislature. This subsidy grew from fifty percent of the total operating budget to seventy-three percent of the budget because of salary increases necessary to keep in line with comparative institutions. The Board, unable to secure a retirement program for employees, also felt the employees would be in a more secure

position if they became civil servants eligible to participate in the State's retirement program.

Your Committee is in accord with the intent and purpose of **H. B. No. 165** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 177** Public Health, Youth and General Welfare on **H.B. No. 166**

The purpose of the bill is to appropriate \$2,500 for capital improvement and purchase of equipment at Lanai Community Hospital.

Your Committee is in accord with the intent and purpose of **H. B. No. 166** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 178** Public Health, Youth and General Welfare on **H.B. No. 190**

The purpose of the bill is to appropriate \$2,000,000 for construction at Wahiawa General Hospital. In his testimony, Mr. Henry Thompson, Administrator of the hospital, presented a master plan, the first phase being concerned with construction, renovations, and equipment estimated at \$6.5 million, out of which \$2,000,000 is being requested for grant assistance.

Your Committee is in accord with the intent and purpose of **H. B. 190** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 179** Public Health, Youth and General Welfare on **H.B. No. 372**

The purpose of this bill is to provide an additional deputy position for the Department of Health which would be exempt from the requirements of the State civil service. The Department of Health presently has two exempt deputies, including one which is specifically responsible by law for the administration of all hospitals within the jurisdiction of the Department of Health. Since statehood, however, the number of employees in the Department has increased from 641 to 3,415, and the annual operating budget for

the department has increased from \$6 million to \$43 million. These increases in the department's attempt to meet the needs of Hawaii's expanding population. These increases are also a result of the assimilation of new programs since statehood such as the Hawaii State Hospital, Waimano Training School and Hospital, the dental hygiene program, and the Act 97 hospitals.

Your Committee is in accord with the intent and purpose of **H. B. No. 372** and recommends its passage on Second Reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 180** Public Health, Youth and General Welfare on **H.B. No. 379**

The purpose of this Bill is to provide a new part to Hawaii's health laws which would prohibit the use of unsafe glass in hazardous locations in residential, commercial, and public buildings. Over the past ten years there have been increasing numbers of reports of injuries associated with sliding glass doors and panels, and several studies of the problem have been made by Public Health Departments, the National Safety Council, and the glass industry. There has been a resultant concern by health and safety people and the glass industry over the dangers inherent in the expanding use of glass, especially in residential construction. The danger is considered greater in Hawaii where large glass panels are more often used in housing than in less temperate climates. The Bill would protect the consumer from such dangers and encourage the highest standards of construction safety.

Your Committee on Public Health, Youth, and General Welfare is in accord with the intent and purpose of **H. B. No. 379** and recommends its passage on Second Reading and its referral to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 181** Public Health, Youth and General Welfare on **H.B. No. 512**

The purpose of the Bill is to appropriate the sum of \$500,000 for the construction of a mental health unit at Queen's Medical Center.

In his testimony, Mr. Will J. Henderson, administrator of the hospital stated that the projected cost has increased from \$1,537,150 in 1969 to \$2,976,900 in 1970. The lowest contract price offered was \$2,226,900; in addition, \$750,000 will be required for equipment and furnishment resulting in a total cost of \$2,976,900. In 1969, the State Legislature appropriated \$400,000 for a grant-in-aid for construction of the unit but because of the increased cost, a grant-in-aid of \$500,000 has been requested.

Your Committee is in accord with the intent and purpose of **H. B. No. 512** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee except Representative O'Connor.

**SCRep. 182** Public Health, Youth and General Welfare on **H.B. No. 572**

The purpose of this bill is to enable the Hawaii Board of Chiropractic Examiners to accept a certificate issued by the National Board of Chiropractic Examiners in lieu of giving its own examination. The National Board consults and cooperates with chiropractic institutions of higher learning and any other organizations at both state and national levels who are interested in advancing the quality of chiropractic education. The final result is an examination current in all respects, which is constantly being evaluated, upgraded and updated to a degree not possible on a state level. The Hawaii Board has reviewed the National Board Examinations and finds them equal to or exceeding its own examinations in quality and in current level of knowledge in chiropractic.

Your Committee is in accord with the intent and purpose of **H. B. No. 572** and recommends its passage on second reading and its referral to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 183** Public Health, Youth and General Welfare on **H.B. No. 576**

The purpose of the bill is to delete that portion of the present law which requires dental hygienists to work with a dentist in private practice "under the continuous supervision and inspection of the dentist". Your Committee feels this is an unreasonable

requirement placed on a dentist in private practice in that his continuous physical presence is required to oversee the licensed hygienist's work. The dentist's supervision should only be direct or general in nature. Dental hygienists employed by legally incorporated eleemosynary dental dispensaries or infirmaries, or welfare centers, or by the State or City and County agencies are permitted to work under the direct or general supervision of a licensed dentist.

Your Committee is in accord with the intent and purpose of **H. B. No. 576** and recommends its passage on second reading and its referral to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 184** Public Health, Youth and General Welfare on **H.B. No. 578**

The purpose of this Bill is to raise the fee for a regular medical license from \$75 to \$125. The current fee of \$75 was raised in 1970 by Board rule. This is the limit to which the fee can be raised under the provision of Section 92-28, Hawaii Revised Statutes, which permits the boards to raise or lower fees by fifty per cent. Beginning in June, 1971, the Board of Medical Examiners will administer FLEX (the Federal Licensing Examination) twice each year. The cost of FLEX is \$65 per candidate, but there are other expenses such as staff services, postage, rental of facilities, and equipment. Consequently, the cost of administering FLEX will be above the basic \$65 for each candidate, and there will not be a balance out of the current \$75 fee to cover costs.

Your Committee is in accord with the intent and purpose of **H. B. No. 578** and recommends its passage on second reading and its referral to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 185** Public Health, Youth and General Welfare on **H.B. No. 580**

The purpose of this bill is twofold:

1. To change the date of closing out of provisional licensing to conform to Federal law. Title 45 of the Federal Register, Part 252 Medical Assistance Program, under which mandate, Chapter 457-B, Hawaii Revised

Statutes, was enacted, stipulates under subsection d(1) that a provisional license "may be valid for 2 years or until July 1, 1972 or until the individual meets the qualification of a fully licensed nursing home administrator, whichever is earlier." The Hawaii statute provides December 31, 1972 as the closing date and should be changed to conform with the Federal law.

2. To increase the examination license fee from \$25 to \$40 and re-examination fee from \$10 to \$20. The increase in fees is necessary to sufficiently cover costs of staff time and administrative expenses.

Your Committee is in accord with the intent and purpose of **H. B. No. 580** and recommends its passage on second reading and its referral to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 186** Public Health, Youth and General Welfare on **H.B. No. 581**

The purpose of the bill is to change the present requirement of one year practical experience in Hawaii to one year practical experience in any state of the United States in order to qualify for a license as a pharmacist. Under the present provision, students attending approved colleges of pharmacy in other states cannot receive credit from the Hawaii Board of Pharmacy for any practical experience they may obtain through employment during summer vacations in other states.

Your Committee is in accord with the intent and purpose of **H. B. No. 581** and recommends its passage on second reading and its referral to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 187** Public Health, Youth and General Welfare on **H.B. No. 672**

The purpose of the bill is to appropriate the sum of \$90,000 for a hospital subsidy to Molokai General Hospital.

Your Committee is in accord with the intent and purpose of **H. B. No. 672** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 188** Public Health, Youth and General Welfare on **H.B. No. 673**

The purpose of the bill is to appropriate the sum of \$25,000 for the completion of capital improvements and for purchase of equipment at Molokai General Hospital.

Your Committee is in accord with the intent and purpose of **H. B. No. 673** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 189** Select Committee of Kauai Representatives on **H.B. No. 161**

The purpose of this bill is to provide for certain capital improvements on the county of Kauai.

Your Committee is in accord with the intent and purpose of **H. B. No. 161** and recommends that it pass Second Reading and be referred to your Committee on Finance.

Signed by all members of the Committee.

**SCRep. 190** Select Committee of Kauai Representatives on **H.B. No. 1269**

The purpose of this bill is to provide for certain capital improvements on the county of Kauai.

Your Committee is in accord with the intent and purpose of **H. B. No. 1269** and recommends that it pass Second Reading and be referred to your Committee on Finance.

Signed by all members of the Committee.

**SCRep. 191** Select Committee of Kauai Representatives on **H.B. No. 1270**

The purpose of this bill is to provide for certain capital improvements on the county of Kauai.

Your Committee is in accord with the intent and purpose of **H. B. No. 1270** and recommends that it pass Second Reading and be referred to your Committee on Finance.

Signed by all members of the Committee.

**SCRep. 192** (Majority) Education on **H.B. No. 314**

The purpose of this bill is to exempt the Department of Education from the ceiling of \$5,000 imposed by Section 40-84 of the Hawaii Revised Statutes pertaining to regulations of petty cash funds.

At the present time, the Department of Education has many small expenditures for which individual warrant vouchers are issued. If the exemption was lifted as proposed by this bill, the Department can utilize the concept of petty cash for its 217 schools, 37 public libraries and the various District and State offices. This will result in eliminating the issuance of costly and time consuming individual warrant vouchers and the immediate payment of small purchases.

Your Committee is in accord with the purpose and intent of **H.B. No. 314** and recommends its passage on Second Reading and its referral to the Committee on Finance.

Signed by all members of the Committee. Representative Carroll did not concur.

**SCRep. 193** Education on **H.C.R. No. 39**

The purpose of this Concurrent Resolution is to request the Department of Education to conduct a feasibility study concerning the use of paved parking areas in public schools for recreational purposes after school hours.

Your Committee was informed at the public hearing on this Concurrent Resolution by the assistant superintendent for business affairs of the Department of Education of a new policy adopted by the Board of Education permitting use of school facilities after school hours to private organizations. The study requested by this Concurrent Resolution will investigate the possibility of opening additional areas of the school grounds for public use after school hours. The direction of the Board of Education's new policy and this Concurrent Resolution will permit extended use and greater utilization of the public's expenditures in school grounds and facilities.

Your committee concurs with the intent and purpose of **H.C.R. No. 39** and recommends its referral to the Committee on Finance.



Signed by all members of the Committee.

**SCRep. 194** Select Committee of Hawaii Representatives on **H.B. No. 845**

The purpose of this Bill is to make appropriations for capital improvement projects for the County of Hawaii.

Your Committee has amended this Bill to incorporate capital improvement projects for Hawaii County proposed in other bills.

Your Committee is in accord with the intent and purpose of **H. B. No. 845**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H. B. No. 845, H.D. 1** and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 195** Select Committee of Hawaii Representatives on **H.B. No. 1120**

The purpose of this bill is to make appropriations to the Department of Water Supply, County of Hawaii, for certain capital improvements to its water system.

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 1120**, and recommends its passage on Second Reading and referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 196** Select Committee of Hawaii Representatives on **H.B. No. 1248**

The purpose of this bill is to make certain appropriations for capital improvement projects for the County of Hawaii.

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 1248**, and recommends its passage on Second Reading and referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 197** Select Committee of Hawaii Representatives on **H.B. No. 1263**

The purpose of this bill is to make appropriations relating to Department of Education repairs and maintenance from monies in the treasury received from general revenues.

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 1263**, and recommends its passage on Second Reading and referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 198** Select Committee of Hawaii Representatives on **H.B. No. 1325**

The purpose of this bill is to make appropriations relating to Department of Education repairs and maintenance from monies in the treasury received from general revenues.

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 1325**, and recommends its passage on Second Reading and referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 199** Public Health, Youth and General Welfare on **H.B. No. 374**

The purpose of this bill is to allow the director of health to make adjustment for expenses incurred at public mental health facilities where a patient's family is involved. Under the present law when a father or breadwinner himself is undergoing treatment, an adjustment or lowering of charges can be made, but if any member of his family is undergoing treatment, the father would have to pauperize himself before any reduction can be made. This proposal advances the concept that a breadwinner's financial burden should be reduced, commensurate with his ability to pay, whether he himself or his minor child or spouse is undergoing treatment for mental illness. The bill then clarifies what is generally felt to be implicit in the present law - that a man is responsible for the expenses of his minor children and his wife.

Your Committee is in accord with the purpose and intent of **H. B. No. 374** and recommends its passage on Second Reading and that it thereafter be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 200** Higher Education on **H.R. No. 138**

The purpose of this House Resolution is to request an analysis of the student housing

problem at the University of Hawaii, especially in view of the expected sharp increase in student enrollment. The University has taken some steps to solve the problem, but it is the opinion of your Committee that a careful program analysis is in order at this time.

In light of this concern of your Committee, the following amendments have been made to **H. R. No. 138**:

1. The title of the Resolution was altered in two respects: (a) "program analysis" was substituted for "in-depth analysis"; and (b) the scope of the study was expanded to include all campuses of the University inasmuch as the enrollment increase and concern for housing affects all campuses.

2. The three "WHEREAS" clauses were re-worded and expanded to four.

3. The "BE IT RESOLVED" clause was re-worded to bring this Resolution in consonance with the provisions of Act 185, SLH 1970; and in this regard, the first "BE IT FURTHER RESOLVED" clause in this **H. D. 1** contains the elements of program analysis as outlined in the committee reports to Act 185, SLH 1970.

Your Committee on Higher Education is in accord with the intent and purpose of **H. R. No. 138** as amended herein and recommends its adoption in the form attached hereto as **H. R. No. 138, H. D. 1**.

Signed by all members of the Committee.

**SCRep. 201** Legislative Management Informing the House that **House Resolution Nos. 260 to 267, House Concurrent Resolution Nos. 68 and 69, and Standing Committee Report Nos. 202 to 213**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 202** (Majority) Labor on **H.B. No. 171**

The purpose of this bill is to amend the section of the workmen's compensation law which covers the payment of compensation for permanent partial disability by increasing the basis for computing benefits for disabilities not specifically covered by the schedule of compensation payments contained therein.

Section 386-32(a) contains a schedule of compensation benefits payable for the permanent loss or loss of use of specific parts of a claimant's anatomy. For example, the permanent loss or loss of use of an arm entitles a claimant to 312 weeks of compensation while the permanent loss or loss of use of a leg entitles him to 288 weeks of compensation. In addition said subsection provides a method for computing benefits for permanent impairments of function which are not subject to clear categorization or classification under the schedule. Examples of this type of impairment are back injuries and mental impairment. Under present law, a claimant's non-scheduled permanent impairment is measured as a percentage loss of function of the whole man and his compensation benefits for such impairment are computed on a corresponding percentage of \$35,100. Thus, if he is rated as having been impaired to the extent of 10% of the whole man, his compensation for permanent partial disability would be \$3,510. By comparison, a claimant who suffers a 10% loss of use of an arm would also be paid \$3,510 if his compensation rate is at the maximum.

This bill proposes to raise the basis for computing permanent partial disability compensation from the present \$35,100 to \$50,000. The claimant who suffers a 10% permanent impairment of function of whole body would be compensated by the payment of \$5,000 rather than the present \$3,510. The maximum employer liability for compensation, however, would not be changed by this amendment.

The director of labor and industrial relations in his testimony before your Committee gave several examples of present inequities in the application of said subsection. Your Committee agrees that the basis for computing nonscheduled injuries should be raised to minimize said inequities.

The bill as introduced listed the present basis for computation as \$35,000 rather than \$35,100, the correct figure. Your Committee has made the necessary technical correction by changing said figure in the bill to \$35,100.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 171**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 171, H. D. 1**, and that it be referred to your Committee on Judiciary for further consideration.

Signed by all members of the Committee. Representatives Aduja, Ajifu, Judd and Leopold did not concur.

**SCRep. 203 (Majority) Labor on H.B. No. 432**

The purpose of this bill is to amend the workmen's compensation law by deleting the two-day waiting period before temporary total disability compensation benefits become payable to an injured and disabled employee.

A worker who now sustains a work injury which temporarily incapacitates him for work is entitled to compensation for the period he is temporarily unable to work. This temporary total disability benefit, however, is not payable during the first two days of the disability, unless the period of incapacity extends beyond seven days. If the disability lasts more than seven days, the compensation for the first two days then becomes payable.

This bill proposes to eliminate the two day waiting period and to make temporary total disability compensation benefits payable from the first day in all cases.

Temporary total disability compensation is intended as a means of partially alleviating wage loss by the payment of compensation equivalent to two-thirds of the injured worker's average weekly wage. The maximum payable in such compensation is \$112.50 per week. An injured worker therefore is faced with a loss of at least one-third of his wages during a period of temporary total disability. His wage loss would be even greater if his average weekly wage were more than \$168.75 per week. The waiting period imposed by the law now further compounds the wage loss if his disability does not extend beyond seven days. Your Committee agrees that an elimination of the waiting period is presently in order. The policy of the workmen's compensation law to replace two-thirds of wages lost would be furthered by the proposed amendment.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 432** and recommends its passage on second reading and that it be referred to your Committee on Judiciary for further consideration.

Signed by all members of the Committee. Representatives Aduja, Ajifu, Judd and Leopold did not concur.

**SCRep. 204 (Majority) Labor on H.B. No. 433**

The purpose of this bill is to amend the workmen's compensation law to limit the basis on which a supersedeas or stay of decision may be granted by the appeals board or by the Supreme Court.

The present law states that an appeal for a workmen's compensation decision shall not act to hold the payment of compensation in abeyance during the period a case is on appeal unless the appellate board or the court so orders. The law, however, does not limit the authority of either body to grant stay orders in any way.

This bill proposes to limit the authority of the appellate board or the court to grant stays to cases where there is a showing of compelling grounds for the granting of the stay or where there would be substantial injustice to a party if it were not allowed. It would specifically prohibit the granting of a stay order based solely on the financial inability of the injured worker to repay compensation in the event there is a reversal of the decision.

The purpose of the workmen's compensation law is to protect workers and to alleviate economic hardship occasioned by work injuries. Compensation is intended to partially replace lost wages and to partially indemnify the worker for injuries sustained. It would be unjust to delay the payment of compensation by the granting of a stay during the period when a case is on appeal, unless there is good reason for the granting of a stay. This bill would remove the possibility of unjust and undue delays in most cases by limiting the circumstances under which stays may be granted.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 433** and recommends its passage on second reading and that it be referred to your Committee on Judiciary for further consideration.

Signed by all members of the Committee. Representatives Aduja, Ajifu, Judd and Leopold did not concur.

**SCRep. 205 Labor on H.B. No. 481**

The purpose of this bill is to amend the workmen's compensation law to enable an unmarried dependent child of a worker killed in an industrial accident to continue to re-

ceive dependency benefits up to the age of 22, if he is a full-time undergraduate college student.

The law presently entitles an unmarried, dependent child below the age of 20 to receive dependency benefits if he is a full-time student at a high school, business school, technical school or college. This bill proposes to amend the law to permit an unmarried, dependent child who is attending college to receive such benefits until he reaches the age of 22. Its purpose is to enable a dependent child to complete his undergraduate college education.

Your Committee agrees that a dependent child of a worker who is killed in an industrial accident should be afforded the means to complete his undergraduate college education.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 481** and recommends its passage on second reading and that it be referred to your Committee on Judiciary for further consideration.

Signed by all members of the Committee.

**SCRep. 206 Labor on H.B. No. 485**

The purpose of this bill is to amend the Hawaii Workmen's Compensation Law to give the director of labor and industrial relations the discretion to impose fines on physicians who fail to file required medical reports or to file them within required periods.

The workmen's compensation law requires the filing of periodic medical reports by physicians who treat workers injured in industrial accidents. Since the payment of compensation is often conditioned upon a determination of the injured worker's physical status, the prompt receipt of medical reports is essential for an effective administration of the law. There is, however, no penalty which may be imposed for failure to comply with said filing requirement.

The department of labor and industrial relations has informed your Committee that delayed medical reports have often resulted in late compensation payments. It is of the opinion that the imposition of a penalty would serve to deter non-compliance with the filing requirements of the law by physicians. The law presently permits the director of labor and industrial relations to impose a

maximum fine of \$100 on employers who fail to file required reports. This bill proposes to also grant the director discretion to impose similar fines on non-complying physicians.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 485** and recommends its passage on second reading and its referral to your Committee on Judiciary for further consideration.

Signed by all members of the Committee.

**SCRep. 207 Labor on H.B. No. 480**

The purpose of this bill is to amend the workmen's compensation law by increasing the maximum monthly amount payable for the services of an attendant for an injured employee who constantly requires such services from the present \$150 to \$300 per month.

When the director of labor and industrial relations determines that an injured employee constantly requires the services of attendant, he is authorized to award up to \$150 per month for such services. The present maximum was enacted in 1955. The payment of this benefit is a responsibility of the employer and is classified as a medical and rehabilitation expense.

The \$150 is clearly insufficient to enable a seriously injured and disabled employee to secure the services of an attendant in the present labor market where wage rates are considerably higher than they were in 1955. Your Committee agrees that an increase to \$300 in the maximum amount payable for attendant services is presently required.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 480** and recommends its passage on second reading and that it be referred to your Committee on Finance for further consideration.

Signed by all members of the Committee.

**SCRep. 208 (Majority) Education on H.B. No. 26**

The purpose of this Bill is to propose a change to the manner of selection of the members of the board of education.

Your Committee upon consideration of this Bill recommends the following amendments:

1. Section 1 of the Bill be amended to read: "The purpose of this Act is to propose an amendment to section 2 of Article IX of the Constitution of the State of Hawaii."

2. Section 2 of the Bill be amended to read: "Section 2 of Article IX of the Constitution of the State of Hawaii is amended to read as follows:

#### "BOARD OF EDUCATION

SECTION 2. There shall be a board of education, the members of which shall be nominated and, by and with the advice and consent of the senate, appointed by the governor. At least part of the membership of the board shall represent geographic subdivisions of the State."

3. Section 3 of the Bill be amended to read: "This amendment shall take effect upon compliance with Article XV, section 3, of the Constitution of the State of Hawaii."

The purpose of the amendments is to propose a constitutional amendment which would change the present elected board into an appointive one. The amendments also provide for the effective date to be upon compliance with Article XV, section 3, of the Constitution of the State of Hawaii.

In the general election of 1970, the electorate voted not to ratify a constitutional amendment which would have provided for an appointed board of education. The reasons given were many. One of the reasons was that the people were apprehensive to ratify a constitutional amendment not knowing what type of mechanism would be created by the legislature for the implementation of the amendment. Others rejected the amendment on the basis that the other constitutional question presented, taking the selection of the superintendent from the board of education and leaving it up to the legislature, was not the best alternative and therefore both questions should be defeated.

Your Committee does not intend to shirk its responsibility to the people of Hawaii by not initiating corrective proposals to the clearly mal-apportioned and an unconstitutional constituted board of education. The many possible legal problems inherent in the present mal-apportioned board mandates immediate action. Your Committee, therefore, in considering alternatives to the manner of the selection of the membership of the board

of education has formulated a package of three bills, each depended on the other.

The first bill in the "package" in this bill, as amended. The proposed constitutional amendment will provide for an appointed board of education. The Governor shall nominate and, by and with the advice and consent of the senate, appoint the members to the board of education within the provisions of Article IV, section 6, of the Constitution of the State of Hawaii. Also, unlike the 1970 proposal, there will be no proposed constitutional amendment to change the selection of the superintendent from its present method of appointment by the board of education.

The second bill in the "package", **H. B. No. 1441, H. D. 1** will detail the procedures to be followed and the mechanism that will be set up in implementing this proposed constitutional amendment, if it is ratified by the electorate. An important provision will be in the effective date section. The effective date of **H. B. No. 1441, H. D. 1** is November 7, 1972, the date of the next general election when the proposed constitutional amendment, if passed by the legislature in the manner provided by the constitution, will be presented to the electorate for ratification. The effective date of **H. B. No. 1441, H. D. 1** will also have the proviso that the constitutional amendment as proposed by the legislature must be ratified on November 7, 1972. Then, if the amendment is ratified, the result of that ratification would also mean that **H. B. No. 1441, H. D. 1** will take effect immediately. Another provision in **H. B. No. 1441, H. D. 1** provides for the present board of education to serve for a term till the next primary election, at which time the mechanism and procedures in **H. B. No. 1441, H. D. 1** will be implemented. This will provide for continuity in our education system. If the proposed constitutional amendment is not ratified by the electorate at the general election on November 7, 1972, then **H. B. No. 1441, H. D. 1** does not become law.

If the proposed constitutional amendment is not ratified this would be a clear indication that the electorate prefers an elected board of education. However, your Committee believes that the people of Hawaii, at that time, November 7, 1972, should not be in the same situation as they are now in faced with a mal-apportioned board. Therefore, **H. B. No. 1446, H. D. 1** is offered as the third bill in the "package". **H. B. No. 1446, H. D. 1** will provide for the election of the mem-



bers of the board of education to conform, as nearly as possible, to the U. S. Supreme Court's rule of "one man-one vote", by providing for the districts for the board of education members to be the same as those for the senate of the State and that the number of members to be elected shall be the same as the number of senators. The effective date of **H. B. No. 1446, H. D. 1** is also on November 7, 1972, conditioned with the proviso that the proposed constitutional amendment is not ratified. There will be a provision in **H. B. No. 1446, H. D. 1** for the present board of education to serve, for the purpose of continuity, until the general election of 1974, at which time the provisions of **H. B. No. 1446, H. D. 1** will be implemented.

Your Committee believes that by offering a choice to the electorate, between an appointed or an elected board in the "package" as described above, and by having a full year to run an effective educational program on the merits and de-merits, pros and cons of the proposals for an appointive and elective board, keeping in mind that there is another legislative session before the next general election to amend any of the proposals, is a fair and just presentation to the people of Hawaii on this very important question.

Your Committee has departed from the normal procedure in this standing committee report by not only reporting on this bill and its amendments, but by also explaining its direct relationship with two other bills. The purpose was not to detract from the contents of this bill as amended, but, on the contrary, to fully explain the intent of your Committee of packaging three bills so that it would be possible for the people of Hawaii to make an intelligent choice between an appointed board of education or an elected board of education.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 26**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H. B. No. 26, H. D. 1**, and placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Iha. Representatives Kato and Roehrig did not concur.

SCRep. 209 Education on H.B. No. 1441

The purpose of this bill is to improve the educational system of the State of Hawaii by making the board of education an appointed board.

Your Committee upon consideration of this bill recommends amendments to **H. B. No. 1441**, which was a short form bill, so that the amendments could be incorporated into a bill as attached as **H. B. No. 1441, H. D. 1**.

The purpose of these amendments is to make the board of education an appointed board by the governor with the advice and consent of the senate. It will also provide for elected district school advisory councils which district boundaries shall be the same as those for the senate and that the number of councilors to be elected shall be the same as the number of representatives from that senatorial district. It will also provide that the district boundaries of the district school advisory councils and the number of members shall change as the senatorial district boundaries and the number of representatives from that senatorial district are reapportioned by a reapportionment commission constituted pursuant to Article III, section 4, of the Hawaii Constitution, thus providing for continuous reapportionment of the district school advisory councils.

The bill will provide that the board of education members elected in the 1970 general election shall serve until the primary election of 1974. The purpose of this provision is to provide continuity of the educational system and to fill the void until the procedures of this bill as amended can be implemented.

The effective date of this bill, as amended, is November 7, 1972, provided that the constitutional amendment for an appointed board of education is ratified by the electorate. If the proposed constitutional amendment is not ratified, then this bill, as amended, will not become law.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 1441**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1441, H. D. 1**, and placed on the calendar for third reading.

Signed by all members of the Committee except Representative Iha.

**SCRep. 210 Education on H.B. No. 1446**

The purpose of this Bill is to meet the requirement of the "one man one vote" rule established by the United States Supreme Court in *Reynolds v. Sims*, 377 U. S. 533 (1964) by providing that the districts for the board of education members shall be the same as those for the senate of the State and that the number of members to be elected to the board shall be the same as the number of senators. This Bill will also provide that the districts and the number of members shall change as the senatorial districts are reapportioned by a reapportionment commission constituted pursuant to Article III, section 4, of the Hawaii Constitution, thus providing for continuous reapportionment of the board of education.

Your Committee upon consideration of this Bill recommends the following amendments:

1. Section 4 of the Bill is amended to provide for the election of the members to the board of education on a nonpartisan basis.

2. Section 5 of the Bill is amended because it provided for partisan election of the members to the board of education.

3. A new section is added to provide that the members of the board of education elected in the 1970 general election serve their full term. The purpose of this amendment is to provide for the continuity of the educational system until such time as the provisions in this Bill, as amended, can be implemented.

4. The effective date is amended to take effect on November 7, 1972 with a condition that the proposed constitutional amendment for an appointed board of education is not ratified.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 1446**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H. B. No. 1446, H. D. 1**, and placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Iha.

**SCRep. 211 Judiciary on H.B. No. 54**

The purpose of this bill is to provide for standards of conduct for public officers and employees.

The present law relating to standards of ethical conduct in state government was enacted in 1967. Since that time, it has been found that the present law is defective in several respects. This bill would cure such defects.

Your Committee upon consideration of this bill recommends that it be amended in the form attached hereto as **H. B. No. 54, H. D. 1**. The amended bill:

(1) provides for certain restrictions in transactions involving the state and in conduct of post-employees without using a standard of "undue advantage." Use of such a standard was a reason for the veto of **H. B. 111-70** on the grounds that it was unconstitutionally vague;

(2) provides a variety of sanctions for violation of the law, including:

(a) the recovery of fees, compensation, gifts and profits obtained in violation of the law;

(b) the voiding of State action obtained in violation of the law, and

(c) informing the public of a violation of law after due hearing.

(3) permits the Commission to obtain writs of mandamus, seek temporary restraining orders and permanent injunctions, to sue for unlawful profit and to seek other legal or equitable relief suitable in carrying out the law.

(4) provides for mandatory public disclosure of financial interests above \$5,000 which may be affected by the agency of the employee or an agency over which the employee may have official authority. Such financial disclosure provisions are a vital part of the ethics law because disclosure is related to effective enforcement of the provisions relating to conflicts of interest.

(5) redefines "employee" to include legislators.

(6) provides for exceptions to the conflict of interest prohibitions to cover the circumstances legislators, department heads and

members of boards and commissions. See sec. 84-14. It is intended that these exceptions shall apply only if the employee first makes a written disclosure of the financial interest affected.

(7) contains provisions relating to the statute of limitations which clearly prescribe the time period during which the Commission may exercise jurisdiction over alleged violations of this chapter. See sec. 84-13 (a) (7).

(8) allows the State Ethics Commission to hire its own attorneys. This power is necessary to assure the independence of the Commission. If, for example, the Commission were required to use the services of the Office of the Attorney General, conflict of interest problems could arise when that Office, itself, is investigated by the Commission.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 54**, as amended in the form attached hereto as **H. B. No. 54, H. D. 1**, and recommends that it pass Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 212** Select Committee on Hawaii Representatives on **H.C.R. No. 60**

The purpose of this Resolution is to establish a task force which would recommend a plan of action for saving the Kohala Sugar Company and for stimulating growth and prosperity in the community.

The Kohala Sugar Company presently plans to discontinue its operations on Hawaii because of business losses and poor profitability projections for the future. One direct and immediate result of this action would be the placing of 425 bargaining unit members and 91 salaried personnel on the State's unemployment rolls. Moreover, the psychological, social, and economic reverberations felt by the community could very well lead to the deterioration or break-up of the entire community.

A task force charged with making specific recommendations and including representatives from varied areas, such as the County of Hawaii, the University of Hawaii, the Hawaiian Sugar Planters' Association, the Kohala Sugar Company, the International Longshoremen's and Warehousemen's Union, and a number of state departments, may be able

to offer workable solutions to the problems of the Kohala, Hawaii, area.

Your Committee is in accord with the intent and purpose of **H.C.R. No. 60**, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 213** Finance on **H.B. No. 2**

The purposes of this bill are to appropriate monies for Research and Development, Investment, and Operating Expenditures for the fiscal biennium beginning July 1, 1971 and ending June 30, 1973, and to authorize the issuance of bonds for capital investment purposes.

Heretofore, by amendment hereto as **H. D. 1**, your Committee has indicated the format it will undertake in making the appropriations called for in the title of this bill, as follows:

#### The Appropriations Format

State government is in the transitional phase of moving from traditional budgeting to the Planning-Programming-Budgeting System specified by Act 185, S.L.H. 1970, the Executive Budget Act. Some programs have already been brought under Act 185 implementation, and the administration has committed itself to full complementation of Act 185 for all programs by the 1973 legislative session.

During this transitional period, with some programs presented in a format which conforms to the requirements of Act 185 and with the overall executive budget being presented in the traditional format, your Committee believes that it is necessary for the legislature to develop, in turn, a transitional appropriations format. Such a format needs to accommodate, where it can be done, those programs which have already been phased into Act 185 implementation. It also needs to accommodate those budget categories which are still being displayed conventionally.

In addition, your Committee believes that a transitional appropriations format is required so that the legislature may begin to move in the direction of focusing on programs rather than agencies and assessing the full-cost implications of programs rather than treating capital and operating costs as separate requirements. The reasons for the

program and full-cost approach have been well-documented in other reports of the legislature.

By developing an appropriations format for the transitional period, the legislature will be moving in the direction intended by Act 185. Because such a format should incorporate as many of the elements of Act 185 as can be reasonably incorporated at this time, it provides the legislature with actual, albeit partial, experience of formulating a general appropriations bill which will accommodate Act 185. By taking the transitional step, the legislature will thus be better prepared to handle the full submissions of the administration under Act 185 in the 1973 legislative session.

As developed by your Committee, the appropriations format contains three principal features:

(1) It focuses on programs. It is recognized that some of the "programs" are not programs in the PPB sense that a program is a combination of resources or activities to achieve an objective or objectives. For the most part, the lowest level of the appropriations structure displays the conventional budget categories, including programs, functions and organizational units. These are as they generally now appear in the executive budget or in the departmental budgets. The difference is that these "programs" have been grouped by subject matter in a hierarchical display rather than by the conventional grouping under agencies. It should be emphasized that the "programs" as displayed **do not constitute a program structure**. What is displayed is simply an **appropriations structure** which is designed to assist in developing some program focus during the transitional period.

(2) It integrates the operating and capital requirements for each program. Where possible, it also identifies research and development costs and non-capital investment costs.

(3) While it focuses on programs, it nevertheless appropriates money to agencies. The format designates the agencies which are to expend the amounts for each program cost category.

The bill is in several parts:

Part I explains and defines:

(1) The abbreviations used to designate expending agencies.

(2) The symbols used to designate the source of funds.

(3) "Position ceiling" and how it is specified in the bill.

Part II appropriates the money needed to implement the programs. The key features are:

(1) Appropriation by programs.

(2) For each program, specification of how much is to be spent in each major cost category.

(3) Designation of the agencies authorized to expend the amounts appropriated. Each agency involved in the expenditure of the amount appropriated in each cost category and the amount to be expended by each agency are specified.

(4) Limitation on the amount that may be expended in each fiscal year.

(5) Total appropriation for the biennium.

(6) Limitation on the number of positions that may be filled in each fiscal year.

(7) The designation of the source of funding. All funds from which monies are appropriated and all approved sources from which monies are to be received (and expended) are designated. (Former appropriation formats enumerate the amounts to be paid out by specific funds, federal funds, etc., then deduct them to produce a net general fund amount. The bill does not net out the general fund portion of the appropriated amount, because it is not necessary to do so.)

Part III specifies the capital improvement projects included in the total amount appropriated for capital investment in Part II.

The remaining parts of the bill provide for the issuance of bonds and technical provisions.

#### Cost Categories

In making appropriations for each program, your Committee has attempted to identify, wherever possible, the amounts to be expended by major cost categories as in-

tended by Act 185. In doing so, your Committee has followed the cost category guidelines formulated by the Joint Interim Committee on Legislative Review and Organization. These guidelines are:

**General.** Act 185 requires that the costs associated with programs are to be identified and grouped under four cost categories: (1) **research and development**, (2) **capital investment**, (3) **non-capital investment**, and (4) **operating**. These cost categories follow the "life cycle" approach to costs and flow from the principle that a decision to undertake a program must take into account the full cost impact of the program over time. They embody the concept that a program, from its conceptualization to its introduction into service, goes through the several sequential phases, or "life cycle," reflected by the cost categories. To the decision-maker, it permits him to assess not only the full cost of the program over time, but it affords him the opportunity to make incremental program decisions. For example, in undertaking a new program, no commitment needs to be made on the size and duration of the program (or even to introduce the program into operational use) until the **research and development phase** is completed.

#### Definitions and Characteristics of Cost Categories.

(1) **"Research and development costs"** means costs primarily associated with the development of a new program, system or capability to the point where capital and/or non-capital investments are required to introduce the program, system or capability into operational use. The cost elements under this cost category include costs for **research, design, and test and evaluation**. **Research and development costs** are one-time costs, and the costs do not normally vary with the size or duration of the program; they should result in a proven and tested program configuration. It is the intent of Act 185 that these costs would be reported only with the development of a **new program, system or capability** or with the development of a **major change** to a program, system or capability.

(2) **"Capital investment costs"** means costs, beyond the research and development phase, associated with capital improvements including the acquisition and development of land, the design and construction of new facilities, and the making of renovations or additions to existing facilities, which are re-

quired for a new program, system or capability to be introduced into use. The cost elements for this category include costs for **land acquisition, design and construction**. **Capital investment costs** are essentially one-time costs, and the costs will vary with the size of the program.

(3) **"Non-capital investment costs"** means costs, beyond the research and development phase, other than investment costs for capital improvements, which are required for a new program, system or capability, to be introduced into use. This category would include such costs as the costs of training of personnel and the procurement of materials to get the program under way. These costs will vary with the size of the program. It is the intent of Act 185 that non-capital investment costs would be reported only with the installation of a **new program, system or capability** or with the installation of a **major change** to a program, system or capability.

(4) **"Operating costs"** means costs of operating, supporting and maintaining authorized programs. The cost elements of this category include costs for personnel services, other current expenses, equipment and motor vehicles. Operating costs are recurring costs and will vary with the size and duration of the program.

#### Legislative Responsibility

Pursuant to the provisions of House Rule 53, your Committee on Finance has examined all matters relating to revenues and proposed expenditures referred to it for report in accordance with section 6 of Act 185. Accordingly, we have:

(a) Considered the long-range plans, including the proposed objectives and policies, the six-year State program and financial plan, and the budget and revenue proposals recommended by the governor and any alternatives thereto.

(b) Hereby recommended the adoption of programs and the State budget, and recommended the appropriation of monies to implement the programs which we deem appropriate.

(c) Recommended (and we shall further recommend) such other legislation as necessary to implement State programs.



Presently, your Committee is unable, literally, to prospectively "review the implementation of the State budget and programs accomplishments and execution of legislative policy direction," as prescribed by section 6(d), retrospectively. Fundamentally, we have systematically strived to formulate "programs" for display upon the appropriations structure so that agency recommendations are a realistic reflection of legislative responsibility. Notwithstanding, we can, considering the course of tradition, contemplate certain continued complications which the admonition following is consummated to contain.

#### **Resource Allocation Ceilings for Budgeting**

Your Committee has been concerned for some time that agency budget recommendations far exceed the executive budget recommendations of the governor. This condition is traceable to a budget allocation ceilings under which agencies' programs are to be planned, programmed and budgeted. The absence of financial ceilings has resulted in agency recommendations which are unrealistic when viewed in the context and against the limitations of the total financial resources of the State.

When Act 185 is fully implemented for all programs of the State and the next biennial budget, and the six-year program and financial plans are submitted to the legislature in 1973, the documents should be consistent with each other. Act 185 provides that the level of expenditures which the governor recommends in the budget will be the same as the level of expenditures programmed in the first two years of the program and financial plans.

However, the problem of unrealistic planning, programming and budgeting on the part of the agencies will continue unless the administration process provides for informing the agencies of the tentative dollar allocations to major program areas even before the agencies begin to plan, program and budget. The joint interim committee on legislative review and organization, the joint interim committee on education, and the legislative auditor in his report on the State hospital program, all have recommended that the department of budget and finance provide the agencies with resource allocation ceilings so that budget-making can proceed under realistic financial constraints. Only under such constraints will there be induced in agencies,

as part of their budget formulation process, the necessity to rank priorities and to analyze the tradeoff possibilities between programs. Therefore, your Committee requests that the department of budget and finance explicitly provide for a process of tentative dollar allocations to agencies and to include that process in instructions issued for the implementation of Act 185.

The department of budget and finance should also re-examine its role in budget review, particularly with respect to the department of education, the university of Hawaii, and the judiciary. In the case of the DOE and the UOH, these are agencies which have, as governing bodies, boards which are formally charged by the State Constitution with responsibility for the formulation of policy. In the case of the judiciary, it is a separate and co-equal branch of government. Under such a political framework, the appropriate course is for the department of budget and finance to inform the two agencies and the judiciary of the aggregate financing ceilings under which programs may be budgeted, and conduct its budget review only to determine that the ceilings are adhered to. The establishment of aggregate financial controls would be sufficient to retain the integrity of the governor's financial plan, while permitting the respective governing boards of the department of education and the university of Hawaii, and the judiciary, to formulate their own program and budgetary recommendations within the limitations of overall financial policy.

Your Committee therefore requests that the department of budget and finance, the university of Hawaii, the department of education and the judiciary hereafter formulate a process for budget-making and budgetary review in accordance with the guidelines expressed herein, and to report to the 1972 session of the legislature on agreements reached. The department of budget and finance is assigned responsibility for coordinating the agreement and the report.

#### **Legislative Objectives and Policy**

For the fiscal biennium beginning July 1, 1971 and ending June 30, 1973, your Committee has appropriated or authorized, as the case may be, funds sufficient to accomplish the purposes and programs designated in the bill. The major program areas displayed in the appropriation structure are nine in number. They are:

- A. Ecology, Environment and Recreation
- B. Economic Development
- C. Education and Culture
- D. Government Direction and Support Activities
- E. Health
- F. Human Resources
- G. Human Rights and Justice
- H. Public Employment
- I. Transportation

Again, this year, your Committee has been guided in its recommendations by focusing upon achievement of the following objectives:

- (1) Improving the quality of education at all levels;
- (2) Helping the less fortunate members of our community to achieve a better quality of life;
- (3) Preserving and protecting our physical environment;
- (4) Expanding and strengthening the broad economic base of our State; and
- (5) Alleviating the existing housing crises of the State.

Our decision-making process has been guided also by the performance of the expending agencies designated herein over the current fiscal year, and by other legislation which we have recommended as necessary to achieve the foregoing objectives and to implement State programs. Before we undertake to stipulate, clarify and underscore those matters and areas of special concern to your Committee, which we hereinafter advance in order to provide more adequate guidance to the expending agencies charged with execution of the approved budget, we shall advance some of the very basic policies by which we have been influenced.

First, again this year, all current services and workload increase requests have been subject to careful consideration. Even more carefully construed have been requests for program adjustments. In entertaining these demands upon available revenues, your Committee has adopted a policy of fiscal restraint, of necessity, in view of present and foreseeable economic conditions. Notable among these are the reputed leveling off of tourist activity and the completion of major

construction projects. Additionally, the economy has been somewhat plagued by business disruptions attributable to strikes, including that of the Rapid Transit System in Honolulu and neighbor island hotel workers, which have adversely affected merchandising and tourism, respectively.

Notwithstanding these momentary setbacks, however, our suggested budget provides adequate funds to hold the hard line of required government services and improvement projects while perpetuating formative yet promising programs initiated by previous legislatures. And, we have provided other funds for the initiation of other programs which your Committee has determined to constitute a current need. Thus, and in order to accomplish this, in the area of proposed workload increases and program expansions, your Committee has exacted specific goals and detailed budgetary requirements for the near and distant future as the basis for reaching its recommendations.

In this respect, with regard to requests by private organizations for subsidies, your Committee has found still prevalent the problem prompting the following remarks made last year in **Conference Committee Report No. 20**:

“Your Committee finds that the lack of uniformity in the manner in which these funds are requested, hampers decision making on these subsidies. Each organization submits a budget peculiar to its needs while some requests are not even presented to the Legislature directly, but come through the department as a lump-sum request. Your Committee believes that this practice should cease. Your Committee recommends that all organizations requesting State funds submit their total fiscal budget in the form that is used by all State agencies in order to qualify for State funds. In addition, the responsible department, and the Department of Budget and Finance are expected to review these requests as they review other departmental requests. Upon legislative approval of the subsidy, the organization shall comply with the allotment system as provided in Chapter 37, Hawaii Revised Statutes.”

Your Committee concedes that there has been colorable compliance by the departments concerned. However, agency justifications, if any, are too often sparse; and without them it is impossible for us to discern where-

fore the appropriation requested is to be expended, and we are therefore reluctant to make it. Some requests have, as a result, been included in the budget; others have been included in other legislation; perhaps others have been missed.

Hereafter, agencies presently receiving subsidies shall comply with the above; for subsidies, although they are established by legislative action, remain justifiable only so long as the legislature remains satisfied that subsidies programs continue to further their own and community objectives. If not, subsidies, as well as the community programs they support, may be curtailed.

On the subject of revenue requests and your Committee's recommendations thereon, although we are in receipt of a comprehensive summary of positions abolished on December 31, 1970, pursuant to section 23 of Act 175, S.L.H. 1970, the worksheets and related documents upon which we have based our recommendations do not reflect these alterations, and the positions which will be abolished as of April 30, 1971, cannot be anticipated. Therefore, whatever salary savings these abolishments may reflect for the current fiscal year, and for whatever purposes they may have been or will be expended otherwise (including, perhaps, meeting the deficit in the economic assistance program), these adjustments to position count have not figured into our classifications of current services or our justifications for workload increases and programs adjustments which are contained in the recommended budget.

Finally, we have consistently and nearly

without exception, wherever appropriate, made available to all expending agencies, in accordance with their respective suitability, appropriations essential to the hiring of student help. In so doing, it is your Committee's intention that as and whenever temporary employment opportunities arise, agencies requiring personnel services itinerately shall, subject to the usual administrative approval, encourage, recruit and obtain the services of students, as appropriate. The funds we have appropriated therefor represent one of the best investments which can be made; they provide reciprocally mutual benefits: (1) needy and deserving students finance part of their education, (2) work experience may often directly relate to formal education, and (3) agency costs for essential services are reduced to reasonable rates which otherwise require regular employees at higher rates. Particularly in the areas of education (at all practical levels) and summer programs (such as forestry planting) do we commend this practice.

#### Program Appropriations

Although the transitional appropriations structure of H. B. No. 2, H. D. 1, focuses on programs rather than agencies, it nevertheless appropriates money to "agencies". So-called "program cost categories" are essentially subordinate to the format-designated agencies which are to expend the amounts allocated thereto. Because this appropriations process suggests to your Committee a reminiscent resemblance to traditionally functional categorization, we have determined hereat to set forth a general fund/other funds display accordingly:

	All Funds	General Fund	Other Funds
<b>EDUCATION</b>			
Department of Education	326,639,447	275,104,784	51,534,663
University of Hawaii	179,752,892	142,628,070	37,124,822
<b>DEVELOPMENT AND NATURAL RESOURCES</b>			
Agriculture	11,901,883	7,882,026	4,019,857
Land and Natural Resources	10,973,916	9,246,553	1,727,363
Planning and Economic Development	8,644,953	7,979,023	665,930
Transportation	98,168,692	813,369	97,355,323
<b>HEALTH, PROTECTIVE AND SOCIAL</b>			
Defense	3,654,051	3,038,423	615,628
Hawaiian Home Lands	3,757,148	726,100	3,031,048
Health	87,963,235	63,073,631	24,889,604
Judiciary	15,650,800	15,645,900	4,900
Labor and Industrial Relations	50,629,791	5,297,601	45,332,190
Social Services and Housing	212,190,866	116,512,669	95,678,197

	All Funds	General Fund	Other Funds
<b>FINANCE, COMMERCE, AND STAFF AGENCIES</b>			
Accounting and General Services	33,211,716	31,361,244	1,850,472
Attorney General	3,047,815	2,563,681	484,134
Budget and Finance	204,085,405	200,818,257	3,267,148
Governor	11,521,098	6,794,455	4,726,643
Lieutenant Governor	1,398,193	1,398,193	—
Personnel Services	1,977,531	1,970,059	7,472
Regulatory Agencies	4,097,875	3,908,570	189,305
Taxation	9,219,291	9,219,291	—
<b>SUBSIDIES</b>	632,500	632,500	—

#### **A. ECOLOGY, ENVIRONMENT AND RECREATION**

This program is designed to protect, restore, and enhance the natural and man-made physical environment, and provides for the enrichment of the lives of people of all ages by providing and preserving opportunities and facilities for recreational activities.

##### **Ecology and Environment**

With regard to programs principally concerned with ecology and environment, your Committee has provided sufficient funds to continue the current level of services and workload increases sufficient to meet the needs of expanding agencies within this program.

Particularly, with reference to pollution prevention and control, and in deference to a finding in *Conf. Com. Rep. No. 20*, that "we may be too late and too parsimonious in making Hawaii the best place in which to live," your Committee has appropriated funds sufficient to accommodate certain significant program adjustments in the area of environmental health.

In the field of air sanitation, we have provided for environmental health specialists and a mechanical engineer in order to control air pollution as required by the Air Quality Act of 1967. We have provided for a meteorologist and a laboratory aide in the technical section. The community noise control branch staff was increased from three to seven principally to enforce vehicular noise.

In the area of environmental health we provided for a total of six registered sanitarians, two of which (and a stenographer) will augment the sanitation branch staff in implementation of Act 144, S.L.H. 1970, the Waste Disposal Act. Neighbor island staffs, principally to serve the expanding tourist and construction industries, have been authorized to supplant personnel presently assigned

from Oahu.

Finally, two vector control positions, where desperately needed, are authorized for West Hawaii.

##### **Conservation**

Conservation is principally the function of the "traditional" department of land and natural resources. Your Committee has appropriated the following sums to that expending agency as adjustments to the following programs: \$25,000 for the fiscal year 1971-72 only for preparation of a comprehensive long-range fish and wild life plan (emphasizing wild life), and \$30,000 for the fiscal biennium as current expenses to implement Act 195, S.L.H. 1970, relating to the protection of indigenous fish, bird, animal, and vegetable life.

In providing the sum of \$2,500 each year for the purchase of marine patrol and surveillance equipment, your Committee requests that the fish and game enforcement division submit a report itemizing of specific equipment purchased, 20 days prior to the convening of the Regular Session of 1972.

In order to stimulate the prospective utilization of commercial marine resources, your Committee has provided for an additional aquatic biologist and fishery technician in the fisheries and research management division, initially for expansion of the commercial prawn cultivation program, thereby providing technical assistance to private concerns who are risking and will risk capital for this emerging and promising phase of State industry.

Your Committee is not unmindful of departmental requests for shark control and aku purse seining contracts for which separate bills have been introduced for legislative action. We have, however, outright appropriated \$40,000 for an opihi management study contract, the purpose of which is to identify species, distribution and abundance, and to formulate management techniques

and hatchery propagation of this evasively sought urchin which is the source of needless human loss of life in its quest. Finally, as a current service appropriation, \$13,500 per year has been designated for the final phase of the Ala Wai ecology survey and management plan.

For the division of forestry, because your Committee is concerned over the tragic loss of unexplainedly large quantities of ohia and other indigenous trees, we have appropriated the sum of \$50,750 for the biennium for a research study.

In the area of outdoor recreation, your Committee has authorized the position of one park caretaker (including a pickup truck) for the Wahiawa Mauka State Park, Kauai district, provided that said caretaker shall perform on a revolving basis to Russian State Park also.

#### **Small Boat Harbors**

**Conf. Com. Rep. No. 20** requested a study of the small boat harbor program and report to the Legislature. Concern was that costs for this program were significantly higher than the revenues received. It was recognized that these harbors form an integral part of the State's recreational and harbors refuse program for which public funds are necessary; but in further recognition that the users' fees were sufficient to cover only operating expenses, it was felt that an equitable fee system should also take into consideration fair share of the capital cost. But, the legislative request for a study and report upon this matter went unanswered; and we, therefore, hereby request that the findings previously requested be reported to the Legislature 20 days prior to the convening of the Regular Session of 1972.

#### **Spectator Sports Facilities**

Your Committee has authorized the appropriation of \$6,000,000 in fiscal year 1971-72, to supplement prior appropriations for plans and construction of the Halawa Stadium.

### **B. ECONOMIC DEVELOPMENT**

The purpose of this major program area is to develop and stimulate vigorous growth in all sectors of the economy and areas of the State by providing policies, operations, facilities, services, advice, and information so as to

achieve high levels of employment, reasonable returns on investments, and steady gains in real personal income.

#### **Meat Inspection**

Your Committee's chief concern has been in the area of agriculture, essentially with meat and poultry inspection because of contemporary reports that Hawaii's slaughterhouse and meat processing industry is in the throes of federal assumption. In the event of materialization, we have provided for immediate discontinuance of the meat inspection appropriation, and we hereby respectfully urge the State Department of Agriculture to impose upon federal authorities for transfer thereto of all incumbent positions hereby authorized; and if not, the department is urged to utilize them laterally within other divisions; and if not, they are, to the extent possible, to be retained in other agencies of state government.

Concurrent therewith, your Committee has appropriated the sums of \$750,000 and \$250,000 for the fiscal years 1971-72 and 1972-73, respectively, to the Farm Loan Fund for allocation exclusively as direct loans for upgrading of slaughterhouse and meat processing facilities in accordance with federal standards under the Hawaii Meat Inspection Act.

#### **Other Animal Industry**

With regard to animal quarantine, your Committee echoes concern over the consistently and constantly increasing costs of continuing this program. We shall not allude to the recent false "rabies scare" either to sustain (or deny) the appropriations for workload increases, which we recommend. However, your Committee requests that the department, which we believe is adequately staffed for the purpose, undertake a serious study for reduction of the animal quarantine period without endangering the safety of Hawaii's people.

#### **Commerce and Business**

Generally, your Committee has provided for sufficient funds to continue the current level of services and meet certain workload increases. This is true in the case of the foreign trade zone because of marked activity increases. We have added \$500,000 per fiscal year in small business loans. In the area of industry and product promotion, principally



because of the anticipated continued decline in tourist activity, your Committee believes in opening wide this avenue to broadening the State's economic base. On the basis of funds to be matched by industry, for the ensuing biennium, we recommend the appropriation of \$532,000, as follows:

Coffee	\$100,000
Papaya	140,000
Garments	65,000
Pacific Headquarters	40,000
Anthurium	60,000
New York World Trade Center	60,000
Multi-Agricultural Promotion	20,000
Multi-Product Promotion	30,000
Trade Fairs	2,000
Hawaiian Hardwoods	15,000

For tourism development (Hawaii Visitors Bureau), your Committee has appropriated sufficient sums to continue the diversity of community-wide programs and special events. Furthermore, from the tourism development activities to be augmented by private contributions, there is adequate funding for advertising and other promotional efforts, in the sum of \$150,000 per fiscal year to counterbalance the anticipated tourist decline.

For the information support services, your Committee made essentially non-remarkable appropriations for current services, except perhaps for HAWTIC where over \$50,000 was allowed on a federal matching basis for contractual services to provide direct personal contact with prospective business and professional users.

### C. EDUCATION AND CULTURE

The purpose of this program is to make available a graduated series of high quality formal education programs at various levels intended to minimize the realization of each individual's intellectual potential in terms of personal development, social effectiveness and vocational satisfaction.

#### Lower Education

The processes of the lower education program are carried out through an ever-increasing number of regular (and special) schools, for which, although expenditures for public education have significantly increased during recent years, the appropriations recommended by your Committee for the biennium

1971-1973 basically reflect maintaining the current level of services while providing for estimated increases in enrollment.

Among the exceptions, and for which your Committee has provided increased funding, are those programs which we recognize as meritorious in promoting individualized instruction and the establishing of a firm learning foundation. Accordingly, we have provided for some \$1 million in funds for additional 3-on-2 classes, and \$1.8 million for the continuance of the Hawaii English Program.

#### 3-on-2 Program

Under the budget format, the 3-on-2 program, in the grade levels to which it applies, has permeated through all phases of intellectual learnings and social-personal learnings. Your Committee has reviewed the 3-on-2 program report submitted to us as requested in **Conf. Com. Rep. No. 20**, and we are satisfied from initial evaluation, that since its inception in the 1968-69 school year, the program has proven sufficiently successful to justify its expansion. Therefore, we have resorted the positions previously created for which teachers were hired; and we have added 25 positions for fiscal year 1971-72 and 75 additional positions for fiscal year 1972-73. Thus, at the close of the biennium, there will be an additional 100 such classes, thereby fast progressing toward 100% 3-on-2 coverage for Grades K-3.

#### Hawaii English Project

The Hawaii English Project was established in May of 1966 as the development project of the Hawaii Curriculum Center with the goal of revising the teaching of English. The principal activity of the project has been the production and testing of instructional designs and materials. At present, a fairly complete K-2 skills sequence and major parts of K-3 literature and 4-6 language systems sequence are in various stages of testing around the State. Your Committee has provided sufficient funds for the installation of the program at the rate requested by the department: \$1,564,022 for fiscal 1971-72 and to \$300,000 for fiscal 1972-73. The appropriation for fiscal year 1971-72 is intended to be used for installing the new language systems in 2 classes in each of the grades 4, 5, and 6 in 160 schools. The language skills will be expanded into 99 K-2 3-on-2 classes and into 80 self-contained classes. In-service

training will also be expanded and 34 additional installation teachers will be provided. Funds will also be expended for the expansion of the program based on shared utilization or the sharing of materials and equipment. We would hope that the expected 20% for the first fiscal year will be expanded to 100% for the second. In fiscal year 1972-73, \$300,000 is provided for continued expansion of the program K-6.

#### **Comprehensive School Alienation Program**

The schools of Hawaii are facing critical problems in school alienation; the impact cannot be ignored. Overt actions such as drug abuse, high-jacking and student unrest threaten the safety and welfare of the entire school populace. Until the regular school curricula and structure can be adapted to adequately incorporate approaches designed to alleviate the problems of school alienation, special innovative programs are necessary to cope with crisis situations, to take corrective measures to insure safety in school, and to seek effective avenues of prevention.

The problems differ at each school. It is therefore imperative that the department identify the attendance areas with the most critical problems and needs. And second, the department must assess the specific program needs of these schools.

The Statewide Dropout Program is structured with sufficient flexibility to permit its operation in crisis situation, on corrective measures, and toward prevention as evidenced by the many approaches incorporated in its design. The design includes the following activities: Staggered and aggressive counseling, classes located outside the formal school environment, tutorial and remedial course work for the alienated youth, after-school motivational activities, University-DOE sponsored in-service training, curriculum modification for the potential and actual dropouts, community-governmental involvement activities, and work study opportunities.

Your Committee is authorizing \$731,143 for the biennium 1971-73 for this new program to include the development of a comprehensive plan with statewide evaluation and monitoring capabilities, in-service training and 57 positions in the following capacities which meet the needs of the schools: Outreach counselor, outreach aide, student safety worker, student safety aide, special

motivation instructor, and community school counselor. The comprehensive plan, in addition to crisis and stop-gap approaches, should include programs at the elementary level where alienation can be curbed. Included in this plan should be time-tables for implementation at the elementary level. This report should be submitted by the department of education to the Legislature twenty days before the convening of the Regular Session of 1972.

#### **Vocational-Technical Education Program**

Your Committee feels that a high priority must be given to educational programs which contribute to the relevancy of school experiences for all students. To this end, the following recommendation for the expansion of vocational-technical programs is being submitted: A total of \$774,380 be included for the purpose of expanding Vocational-Technical education in the three sub-programs of Pre-Industrial Preparation, Introduction to Vocational Programs, and the Occupational Skills. Basically, all three programs will increase the options available to individuals to take employment at entry level jobs, to move toward occupational specialization at the post-secondary level, or to continue into preparation for professions. There is a large percentage of our secondary students who need an alternative plan to reach their educational goals.

Additionally, the following areas of concern have been expressed to us by your Committee on Education, and the department is accordingly hereby apprised:

1. That the department's administrative staff should provide technical and analytical services through the office of the superintendent, if and when required.
2. That no funds are to be expended to support or create additional staff positions in the Board of Education.
3. That no funds are to be expended to support or create additional staff positions in the proposed pilot project of expanding the educational complex model to include the whole of the Leeward school district.
4. That the department review the organizational plan of the office of planning and analytical studies and come to an immediate resolution on the make-up of that office with the department of budget and finance.

5. That evaluative and meaningful accountability measures be adopted by the department of education to accurately measure the educational levels reflected by the sums expended by the Department of Education.

6. That the department submit a report to the legislature, twenty days before the 1972 session, on the justification and rationale for the sums expended for rentals of private buildings for storage, office and classroom use and include a timetable for phasing out of such rentals.

Lastly, the prevalence of pleading for duty free lunch and preparation periods have come to your Committee's attention because the commonly conceived consolation thereof consists of program adjustments calling for cash consideration. We sympathize with the deserving educators on whose behalf this request is made. We therefore urge that the department employ such innovative techniques as are necessary to realize savings which might in turn be used to provide teachers, general aides, or educational assistants for the effective implementation of this program.

#### Higher Education

The proposed operating budget of the University of Hawaii (UOH) makes it clear to your Committee that the most significant problem posed is accommodating the increasing demands for higher education while improving the quality thereof, and achieving these presently within the bounds of available resources.

Aside from needed programs that will suffer curtailment if funds are not provided, the following criteria were applied in selecting programs for additional funding on a priority basis: (1) programs that are basic for a solid foundation of knowledge; (2) programs that have utility values; (3) and programs that are unique and especially suited for Hawaii's geography and ethnic backgrounds.

Generally speaking, we have provided the sum of \$1,543,000 for the biennium to continue utilization of student help at the same rate. Funds are provided to augment curriculum, and extend instruction to the disadvantaged and those living in peripheral areas in the various community colleges. There is a provision for instituting new community college programs in the Windward and East Honolulu areas to meet enrollment increases.

For the biennium, \$486,533 (26.0) was appropriated to Windward and \$485,000 (26.0) to East Honolulu. Also for the biennium, additional funds of \$213,000 (5.0) have been provided for the Manoa Campus to improve library services to students; \$193,000 (19.0) to improve the chemistry program so that students will have a strong base for further specialization in scientific endeavors; and \$335,000 (10.5) which includes Sea Grant Program, and oceanographic to expand the oceanography and marine related programs so that Hawaii can attract new industries which will tap the vast resources surrounding us. Funds of \$60,500 (2.0) are provided to augment student services to meet the demands of increasing students; \$25,000 to develop a comprehensive Hawaiiana curriculum as one means to foster the preservation of Hawaii's culture and heritage; \$67,000 (2.0) to develop an undergraduate program in social work to train social work technicians needed to fill jobs in human services occupations; and \$70,000 (4.0) to expand the Asian-Pacific ethnic studies programs so that our students can develop a greater appreciation and sense of ethnic background and identity.

#### Academic Planning

As the Statewide University System develops rapidly to accommodate increasing enrollment through existing and planned campuses, an urgent need exists for an adequate academic planning staff. This staff must plan and replan for the system as a whole and provide assistance to individual campuses to assure that system wide coordinated academic plans are being developed and implemented within established policies such as controlled growth and open admissions. It is imperative that this staff be established immediately so coordinated planning occurs well in advance of the opening of new campuses. Your Committee, therefore, recommends for this expanding and vital program an appropriation for fiscal year 1971-72 of \$80,000 (3.0), increasing to \$150,000 (6.0) in fiscal year 1972-73.

#### Schools of Law and Medicine

In recent years, much has been said on the subject of schools of law and medicine for the University. But, short of a diversity of studies relative thereto, little has been done. Legislative consensus seems to have been that the projected and accelerated undergraduate and graduate student enrollment increase, and

the desire to attain and maintain academic excellence will require heavy financial commitments in the future. It is intended that our financial commitments be first directed towards providing the basic undergraduate needs and secondly, to graduate programs on a selective basis. See, e.g., **Conf. Com. Rep. No. 20.**

Your Committee believes that notwithstanding enrollment increases in unprecedented numbers, the basic undergraduate needs are being satisfactorily met, and that if this were, therefore, the only impediment to initiation thereof, we should proceed forthwith. Obviously, the problem is not so simple.

We are aware of the sizeable financial commitment a law school and a four-year medical school will have upon resources, and that funding of such schools without carefully examining the full implications, financial or otherwise, would not be the proper course. The task of making studies and recommendations thereon to the House of Representatives has been charged to the Committee on Higher Education. The Committee on Higher Education is presently conducting intensive studies of all available data in evaluating the necessity and feasibility of instituting these programs at the University. While these studies and recommendations have not been completed, your Committee deems it wise to appropriate sufficient funds to cover the planning and initial implementation costs of the law and four-year medical programs. This action is taken with full regard to the varying possible recommendations to be made by the Committee on Higher Education and the ultimate action taken by the House of Representatives and the Legislature.

Upon these contingencies, the recommended appropriation is \$40,814 (3) for fiscal year 1971-72, and \$384,254 (5) for fiscal year 1972-73, for a total of \$425,068 (8) for the biennium. The recommended appropriation for the four-year medical program is \$300,000 (18.75) for the fiscal year 1971-72, and \$562,656 (12.25) for the fiscal year 1972-73, for a total of \$862,656 (31.0) for the biennium.

Finally, the following concerns have been presented to us by your Committee on Higher Education, and the department is hereby apprised accordingly:

1. The report submitted by the University regarding average faculty teaching loads indicates that there may be under utilization of existing manpower resources. The University is conducting in-depth analysis of workloads by colleges. The University should be encouraged to continue this because there is a real need to tap all available resources in order to meet the burgeoning student enrollment, and requested to report its findings to the next Legislature.

2. There has been no statement of positive achievements by the University with regards to most of its special innovative undergraduate programs such as the Honors and Selected Studies, New College, Survival Plus, Johnson Hall, etc., other than the fact that more students are desirous of enrolling in these programs. Furthermore, the University's general approach seems that of enlarging these programs at the expense of other on-going programs. We think that it would be more beneficial if the positive results of most of these experimental programs could be in-putted into the regular on-going undergraduate programs. The University's approach benefits only those students enrolled in these special programs. We believe that the University should evaluate these programs more carefully before any further expansion is made.

3. One of the more critical needs of furthering agricultural development in Hawaii is that of developing foreign markets for our agricultural products of the small farmers. The agricultural research capabilities of the University should be more geared toward this end.

4. The Summer Sessions Program at the University seems to be a highly successful one which pays for itself through the use of a revolving fund. The University should be encouraged to look into the possibility of making more use of such self-financing programs.

5. We note some very expensive instructional programs which serve a relatively small group of people in isolated areas. Although these programs serve to equalize educational opportunities, the University should be encouraged to look into alternative ways to make these programs more efficient.

6. In reviewing the patterns by which new programs are being initiated at the University, there seems to be little attention paid to

finding out actual needs within the community. We suggest that the University survey target populations to determine actual needs of the community in developing and initiating new programs.

7. We identified two programs that we believe should more properly belong elsewhere than the University. The Hawaii State Senior Center is a program that has a heavy emphasis on meeting recreational and social needs of elderly persons. The Kapaa Center is a program that seemingly duplicates DOE's Compensatory Education program. The University should be requested to investigate the desirability of transferring these programs to a more appropriate department.

8. The Committee was impressed with the innovative and experimental programs conducted by the Social Welfare Development and Research Center. Solutions for dealing with deviant behavior do not come easy and it is through research and preventive measures that we may be able to make some forward strides. We admire the courage for promoting new ideas even if we may sometimes disagree with new thinking. The programs can be looked on as a practical mechanism to combat certain aspects of social ills in our community.

9. It is our view that the Center for Governmental Development located in the College of Continuing Education and Community Service of the University of Hawaii is doing a commendable job of discharging duties assigned to it under Act 190 (SLH 67). Your Committee, therefore, recommends that the entire amount as submitted under the Governor's budget for the Center be left intact. It is further recommended that the Center remain physically and functionally with the University's College of Continuing Education under the present co-chairmanship.

10. Your Committee has also been asked to note that the appropriation to the University of Hawaii for the Library, \$1,500 annually, is provided for the purpose of keeping the libraries open for 24 hours during final examination periods.

#### **D. GOVERNMENT DIRECTION AND SUPPORT ACTIVITIES**

This major program area consists, essentially, of those expending agencies traditionally classified functionally as "Finance,

Commerce and Staff." The primary purpose hereof is to maximize the effectiveness and efficiency with which the objectives of the State are achieved by providing executive direction, overall policy making, and general support for all program.

For the programs of Accounting and General Services, Central Government Operations, Financial Management, Executive Direction and Legislative Support, your Committee has appropriated sums sufficient to maintain the current level of services.

As part of the appropriations for operations to the Office of the Governor, your Committee has earmarked the sum of \$100,000 to conduct to its conclusion the study on programs and objectives of the department of Hawaiian Home Lands pursuant to Act 275, S. L. H. 1970. In order to assure that the same represents a manifestation of legislative intent, your Committee has attached a proviso to the expenditure of this money, the substance of which we believe is worth repeating here: That the consultant contract, before execution, be submitted to the legislative auditor who shall report his findings thereon to the President and Speaker of the Senate and House, respectively.

#### **E. HEALTH**

To improve the health of all the people by reducing the incidence of, and disability due to, physical and mental illness through assuring an adequate supply of high quality health facilities and services for individuals and a healthful environment for the general public. Such is the purpose of this major program area.

Believing as we do, that the right of the people to avail themselves of the medical and hospital services offered by the State is indisputable, your Committee has appropriated adequate funds to assure an adequate supply of high quality health facilities and services over the ensuing two years.

Your Committee feels that the recent audit of the state hospital program by the legislative auditor could provide information basic to the improvement of health services. We have not had sufficient time to review its findings, and must therefore withhold specific comment at this time.

Your Committee is concerned over the lack of coordination and cooperation among



existing units that function as independent units, rather than an integral part of the state hospital; and therefore recommends that the hospital review its existing staffing patterns to insure effective and efficient use of personnel.

Because the Wahiawa Mental Retardation Center will be completed by July 1972, we have appropriated funds for three staff members thereat for fiscal year 1972-73.

To extend family planning services to a target group of some 7,500 women of low-income in rural Oahu, your Committee has appropriated \$78,303 (5) for the biennium conditioned upon the availability of matching federal funds.

In order to convert civil defense medical consultant and health mobilization coordinator positions to 100% state funded, an appropriation of \$32,429 was made. The positions affected were formerly funded on a matching basis by Federal Civil Defense P and A funds, which are no longer available.

On the subject of expiring federal funds, your Committee is informed that receipts for the HIP I program at Waimano Training School and Hospital concerned with habilitation of severely retarded/hyperactive males, are scheduled to terminate. It is requested, therefore, that the department evaluate the effectiveness of the entire HIP program and report its findings to the Legislature twenty days before the convening of the Regular Session of 1972.

Finally, your Committee has received various reports commending the efforts of the Pre-School Programs at Variety Club Schools and we believe it contributes constructively to the Children's Health Services of the department. Because this private community activity has complied with the legislative mandate regarding requests for subsidies heretofore discussed, notwithstanding that appropriations may heretofore have been made by separate support legislation, your Committee this year recommends a budget appropriation, and we have provided \$50,000 for each fiscal year of the biennium for this program.

#### F. HUMAN RESOURCES

The objective of this program is to enable individuals and families in need of aid to attain a minimally adequate standard of living,

to achieve the social and psychological adjustments necessary to successful living in modern society, and to assure all workers full and equal opportunities to work, decent working conditions, fair treatment on the job, equitable compensation, and assistance in work-related difficulties.

#### Social Welfare

The social, and particularly the economic, well-being of our residents is of grave concern to our state government. One of the means to achieve the objective of this program is through the economic assistance program, income maintenance and food stamps program. Your Committee is concerned about the lack of information given to the Legislature concerning this welfare program. The department has not identified the actual number of individuals on welfare. They are almost one year behind their predictions. The department should reflect their need of predicting caseloads so that the budgetary request for income maintenance and food stamps is realistic. The overall scheme is to get to the people who are potentially eligible for welfare benefits but are not on the welfare program.

#### Food and Clothing Allowance

Your Committee has appropriated the additional sum of \$1,686,238 to increase the clothing allowance for children and adults providing that the amounts appropriated shall not exceed \$51.72 and \$44.77 for children in the fiscal years 1971-72 and 1972-73, respectively, and \$37.35 and \$32.35 for adults for the fiscal years 1971-72 and 1972-73, respectively. We have further provided that this appropriation shall be treated as a "special allowance", apart from the clothing allowance which is already apart from the standard monthly allowance. (For several years, the Department of Social Services has requested supplementary appropriations for its economic assistance program.)

#### Income Maintenance

Under the proposal of aid to families with dependent children, your Committee has appropriated the sum of \$119,800 for continuance of the demonstration project for such mothers for the fiscal years 1971-72 only, upon the discontinuance of which the methods thereby developed shall be applied to other relative programs. Furthermore, the sum of \$144,880 has been appropriated for 10

social service assistants for money payment units.

The Department of Social Services and Housing started a reorganization to separate social services (home services, adoption services, family counsel, etc.) from the financial cases. The financial part would be handled by clerks called social service assistants. There is a proviso that states that they should be recruited from the recipient population.

In the area of vocational rehabilitation, your Committee appropriated the sum of \$74,691 for the biennium for additional vocational rehabilitation specialist program specifically for the purpose of consulting and assisting the deaf. If possible, someone experienced in working with the deaf or preferably someone who is deaf and also a teacher should be hired for this position. Furthermore, your Committee suggests that this division hire more blind to work with the blind.

Your Committee is not unmindful that the sum appropriated for income maintenance is substantially less than the expending agency's request therefor. We are not endeavoring thereby to deprive the truly needy shelter, food, and clothing necessary to sustain them through their temporary hardship. However, we are firm in our resolve that there should be stricken from the welfare rolls those individuals and families who are paid living wages but who scheme their way to taxpayer generosity because of quirks in the present laws or the way in which they are administered. In this respect your Committee invites attention generally to **Stand. Com. Rep. No. 134** reporting upon **House Concurrent Resolution No. 49**.

### Housing

The Hawaii Housing Authority is attached to the Department of Social Services and Housing for administrative purposes only although in the appropriations format the department is shown as the expending agency. Act 105, S.L.H. 1970, the Omnibus House Act, provides a variety of programs for state developmental and financial assistance in housing. Heretofore the Legislature provided a \$100,000,000 bond authorization to carry out the provisions of the Act. Your Committee, has been apprised that the Housing Authority has concluded its re-organization, has

published rules and regulations and is prepared to proceed with relief to the State housing crisis.

Funds have been provided from general revenues for purposes of implementing the omnibus housing act. Among the positions authorized are attorney, finance administrator, mortgage administrator, switchboard operator, stenographer, development services administrator. Additionally, the sum of \$55,066 was appropriated out of the current expenses associated with these positions.

### Public Housing

For the Hawaii Housing Authority's public housing program, your Committee appropriated funds sufficient to provide for requested workload increases. The unusually high number of positions, all of which are "specially funded", are required to meet federal standards in order to provide the services necessary for administering projects near completion. The positions include: 2 public housing specialists, 5 switchboard operators, and 5 positions to staff the proposed housing project management section 7.

### Rent Supplements

Rent supplements which are general funded are appropriated in the amount of \$737,510 for fiscal years 1971-72, which is \$200,000 above the level of current service in anticipation of additional applicants for rent supplements.

### Labor and Industrial Relations

The Department of Labor and Industrial Relations administers programs designed to increase the economic security, physical and economic well-being, and productivity of workers, and to achieve good labor-management relations.

To assure the job security of workers displaced or unemployed in the event of the termination of major business operations, your Committee has provided \$50,000 for a Re-employment Training Fund, to be utilized for the establishment of re-training programs to enable displaced workers to acquire new job skills.

Mindful of the implications of collective bargaining on public employer and employee relationships, your Committee has provided sufficient funds to the Public Employment

Relations Board to implement the intent of Act 171, SLH 1970.

Additional positions have also been provided to handle increased enrollment in the Apprenticeship Program and to improve management capabilities in Workmen's Compensation Program.

Act 148 signed into law on June 30, 1969, established the Temporary Disability Insurance (TDI) program. The TDI program is a wage loss replacement program designed to insure all eligible who suffer wage loss resulting from off-the-job sickness or accident with prompt disability benefits provided by their employers.

In assessing the division's experience since the inception of the TDI program 18 months ago, the major problem in achieving their objective is that of inadequate staffing, particularly in the Enforcement and Administrative branches. Sufficient funds have been provided to upgrade this meritorious program, and the four temporary TDI representative positions on the neighbor islands are thereby "annualized". The department is encouraged to place in such positions those persons presently occupying them temporarily.

#### **Hawaiian Home Lands**

Your Committee supports the department's plan to expand their programs, which are presently narrow in only providing suitable homesites and homes, to include other social and economic services to enable Hawaiian families to move into the mainstream of society.

To implement innovative programs, \$286,623 has been provided for 12 special funded positions to improve the department's administrative services. Included in the 12 positions is a Social Worker V which has been authorized with intent of fostering a closer relationship among the Hawaiian families, the Hawaiian Homes Commission and the department of Hawaiian Home Lands.

It is our intent that for the Interest Subsidy Program, subsidies be provided to only those who are economically indigent and unable to qualify for mortgage loans from lending institutions but for the subsidy.

Recognizing the importance of education as a fundamental base necessary for the development of each individual to his fullest

potential, and as a means by which to breach the bounds of poverty, your Committee has provided the sum of \$250,000 for the biennium to continue and encourage the department of education, university of Hawaii and department of Hawaiian Homes in their efforts to upgrade the educational attainments of Hawaiian children.

#### **G. HUMAN RIGHTS AND JUSTICE**

The principal objective of this major problem area is to protect the individual as a consumer from fraud, deception, and exploitation; to provide administrative redress of the individual's grievances caused by private or public agencies; and to protect the individual from loss or impairment of his rights. Generally, your Committee has appropriated revenues for the maintenance of current levels of services to all expending agencies comprising this program, including the authorization of a few positions for workload increases.

It is noteworthy that whereas your Committee appropriated sufficient funds to continue the commendable services of the Office of the Public Defender in providing legal assistance to indigents, we have provided that all such monies are for that purpose and for funding of additional positions, but not as increases in salary to professional personnel.

Within the Department of Regulatory Agencies, administratively, special emphasis was provided the Public Utilities Commission which has been appropriated sufficient funds for a full-time three-member commission beginning in fiscal year 1972-73.

#### **H. PUBLIC EMPLOYMENT**

Your Committee has provided funds sufficient to accomplish the purposes of programs within this area at the current level of services, while providing also for necessary workload increases.

#### **I. TRANSPORTATION**

A modern, integrated and properly maintained transportation system of highways, airports, and harbors is necessary for the State's economic and social advancement. In order to meet Hawaii's transportation needs, your Committee has provided the department with the resources to continue to accelerate and upgrade its programs and services. A number of general laborer, equipment op-

erator, maintenance and janitorial positions have been authorized to meet workload increases.

#### Civil Air Patrol

Section 261-6 of the Hawaii Revised Statutes provides for an annual appropriation of \$30,000 for the Civil Air Patrol. Your Committee recommends that this sum be increased to \$56,000 for statewide use, provided that not less than \$2,000 each fiscal year shall be appropriated to neighbor island wings.

#### Other Concerns

Your Committee is concerned that past appropriations for studies have frequently resulted in less than optimal results due to the inadequacy of project proposals and contract specifications. We, therefore, direct that whenever contracting for services of consultants, departments shall have the legislative auditor review such contracts, before execution, for the purpose of determining that the specifications manifest legislative intent, and that he report thereupon to the President of the Senate and the Speaker of the House of Representatives.

The attached bill calls for the appropriation of \$1,788 million for the 1971-73 biennium. This includes \$509 million for capital investments and \$1,279 million for operating, research and development, and non-capital investment items. These proposed expenditures are predicted on a financial plan which foresees moderate economic growth. While this projected growth rate is substantially lower than that realized in the immediate past, there does exist the possibility that revenues would fail to meet current projections. In such case, the Governor is urged to maximize economies and delay the implementation of newly authorized programs.

Your Committee cautions that this pioneering effort in PPB decision-making and displaying appropriations in a program format may have led to the inclusion of some activities in program elements to which they bear limited relationship.

#### Modified Variance Report

The joint interim committee on legislative review and organization has reported that the legislature, in order to perform program review, needs information in 1972 to fill the

temporary void of the variance report required by Act 185. Given the current timetable for the implementation of Act 185, a variance report meeting the specifications of the act cannot be expected for all State programs until 1974. Your Committee concurs with the joint interim committee that it is necessary for the legislature to receive from the administration a modified variance report for review in the 1972 legislative session.

The report would be based on the budget categories identified in the appropriations format. It would differ from the Act 185 requirements in that it would not compare planned and actual levels of program effectiveness and program size. The report would cover for each budget category in the appropriation format a comparison between: (1) the amount budgeted for FY 1971-72 as against the amount actually expended in the first quarter and the estimated expenditures for the remaining three quarters of the fiscal year (the actual and the estimated to be separately identified but with one combined total); and (2) the number of positions budgeted as against the actual number of filled positions in the first quarter and the estimated number of filled positions in the remaining three quarters (with the actual and the estimated to be separately identified).

However, the full requirements of the variance report as specified by Act 185, including variances in program size, program effectiveness, and program expenditures would apply to all programs which have been brought under Act 185 implementation and for which appropriations have been made in the same or similar format. In those cases where the appropriations differ from the amounts represented in the budget and the program and financial plans, the program and financial plans will be reprogrammed accordingly, and, if appropriate, the base for determining variances between planned and estimated expenditures, program size, and program effectiveness shall be adjusted to be consistent with the appropriations.

Your Committee is in accord with the intent and purpose of **H. B. No. 2, H. D. 1**, as amended herein, and recommends its passage on Third Reading in the form attached hereto as **H. B. No. 2, H. D. 2**.

Signed by all members of the Committee.

**SCRep. 214-71** Legislative Management Informing the House that **House Resolution Nos. 268 to 277**, **House Concurrent Resolution No. 70**, and **Standing Committee Report Nos. 215 to 229** have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 215** Higher Education on **H.B. No. 793**

The purpose of this bill is to establish a quota of state college scholarships on a five percent basis of enrollment rather than on a fixed number basis, and to eliminate fixed quotas for each of the counties. The scholarships provide for waiver of tuition and registration fee amounting to \$103.00 per semester. The present law fixes the quota at 400 for the University and 200 for the community college system. The establishment of a quota on a percentage basis will have an immediate effect of increasing the number of scholarships from 600 to about 800 and facilitate recipients of community college scholarships to continue their education toward a baccalaureate degree. The elimination of fixed quotas for each county will permit more flexibility and enable the program to be administered more equitably so that the more deserving students can be given the opportunities for higher education.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 793** and recommends its passage on second reading and be referred to the Committee on Finance for further consideration.

Signed by all members of the Committee.

**SCRep. 216** Labor on **H.B. No. 397**

The purpose of this bill is to amend Chapter 385 of Hawaii Revised Statutes, the Additional Unemployment Compensation Benefits Law, by (1) repealing the provisions which extend the duration of unemployment compensation payments during periods of high unemployment, (2) increasing the benefit amount for individuals eligible for benefits under Chapter 385 but ineligible for regular unemployment compensation benefits from \$35 per week to the average weekly benefit amount payable to claimants under the unemployment compensation law, and (3) adding a provision which would prevent

the duplication of benefits received under Chapter 385 with disaster benefits under any other state or federal law.

Chapter 385 presently provides unemployment compensation benefits in addition to those provided in Chapter 383, the Hawaii Employment Security Law, to unemployed individuals who have either exhausted their benefits under said Chapter 383 or who are not otherwise eligible for benefits when (1) there is a natural or manmade disaster resulting in substantial damage and an unemployment problem or (2) the extent of unemployment in any county or counties is 6% or more of the civilian work force. Under either condition, 13 weeks of additional unemployment benefits are made payable to unemployed individuals in the affected county or counties.

Congress recently enacted P. L. 91-373, popularly referred to as the "Employment Security Amendments of 1970", which provides a program of extended benefits for periods of high unemployment. All states are required to adopt the standards enacted therein for their unemployment compensation laws to remain in conformity with federal law. Since the extended benefit provisions in Chapter 385 applicable to high unemployment periods do not conform to the new federal law, this bill proposes their repeal. Provisions compatible with the new federal requirements for inclusion in Chapter 383 are being proposed in another bill (**H. B. No. 551**).

**H. B. No. 397** also proposes to amend the disaster benefit provisions of Chapter 385, although they are unaffected by P. L. 91-373, by changing the benefit amount payable to individuals eligible for disaster benefits but ineligible for regular unemployment benefits from \$35 to the average weekly benefit amount payable to regular claimants. This will undoubtedly effect an increase in the weekly benefit amount payable to such individuals. The bill further proposes to add a provision to prevent the duplication of benefits paid under Chapter 385 and other disaster payments under either state or federal law.

Since P. L. 91-373 has necessitated major changes in the Hawaii extended unemployment compensation plan, the proposal to repeal that portion of Chapter 385 covering extended benefits during high unemployment periods is in order. As stated above, amend-



ments to bring the unemployment compensation law into conformity with the new federal law are being proposed in **H. B. No. 551**. Your Committee is also of the opinion that the other proposals to amend Chapter 385 will improve the remaining portion of Chapter 385 which will continue to provide additional unemployment benefits in disaster situations.

Your Committee is in accord with the intent and purpose of **H. B. No. 397** and recommends its passage on second reading and that it be referred to your Committee on Judiciary for further consideration.

Signed by all members of the Committee.

**SCRep. 217 (Majority) Labor on H.B. No. 434**

The purpose of this bill is to amend the workmen's compensation law to require an employer of an injured employee to furnish said employee or his representative with copies of all records or transcripts relating to the injury which are in the employer's possession.

The law presently requires an employer to furnish medical reports upon the request of the injured employee or his representative. This bill proposes to add all "records and transcripts" related to the injury to the list of documents which must be furnished. It would make such documents as private investigation reports, voluntary statements from any person, and transcripts of depositions available to the injured employee or his representative.

At a public hearing, the Board of Underwriters of Hawaii and the Inter-Industry Workmen's Compensation Study Committee, an employer group, voiced strong objections to the proposal on the ground that the investigation of claims by the employer or insurance carrier would be hampered by it. The director of labor and industrial relations on the other hand favored the proposal and emphasized that the limited resources available to claimants hampered the prosecution of their claims.

Depositions of prospective witnesses, for example, which are normally instigated by insurance carriers and employers can be an expensive proposition for claimants. They usually require the presence of attorneys and transcripts of testimony must be obtained. It

is now a common practice for insurers and employers to depose orally or by written interrogatories witnesses prior to hearing and depositions can only be taken after notice to the other party. Copies of transcripts of depositions are by no means intended for the confidential use of the employer or insurer even though other investigation reports may be.

Your Committee upon consideration of the bill is of the opinion that copies of transcripts of depositions taken orally or by written interrogatories should be furnished injured employees or their representatives upon request. This requirement will not hamper employer investigative efforts as depositions are normally taken in the presence of the injured employee or his representative or with notice to them. Your Committee has therefore amended the bill to add only transcripts of depositions to the list of documents to be furnished injured employees. Copies of all medical reports and transcripts of depositions (including exhibits therein) would have to be furnished upon request.

Your Committee is in accord with the intent and purpose of **H. B. No. 434**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 434, H. D. 1**, and that it be referred to your Committee on Judiciary for further consideration.

Signed by all members of the Committee. Representatives Aduja, Ajifu, Judd and Leopold did not concur.

**SCRep. 218 (Majority) Labor on H.B. No. 482**

The purpose of this bill is to amend the workmen's compensation law to increase the amount an employer must pay into the special compensation fund in cases of industrial death where the deceased worker leaves no surviving dependents and in industrial death cases where the employer's liability for dependency benefits terminates before the payment of \$2,000 to dependents.

The workmen's compensation law presently requires the employer of an employee who is killed in an industrial accident but leaves no surviving dependents to pay \$2,000 into the special compensation fund. In a death case where the deceased worker has dependents surviving him but dependency benefits are terminated for any reason before

they total \$2,000, the difference between the benefits paid and \$2,000 is paid by the employer into the special compensation fund.

This bill proposes to increase the amount an employer must pay into the special compensation fund in death cases where there are no dependents from the present \$2,000 to a sum equivalent to 50% of an employer's maximum aggregate liability for weekly benefit payments under the law, said maximum now being \$35,100. It also proposes to require the payment in other death cases of any unpaid balance of 50% of said maximum liability into the special compensation fund in place of the present requirement of paying the unpaid balance of \$2,000 into said fund.

Your Committee agrees with the director of labor and industrial relations that a no-dependency death case represents a windfall for the employer in benefit liability. An early termination of dependency benefits is likewise a windfall in benefit liability for the employer. The proposal to increase payments into the special compensation fund in the above circumstances would help insure the solvency of the special fund to which all employers and insurers contribute and is worthy of consideration. Your Committee is of the opinion, however, that payments of 25% of maximum liability, or \$8,775 under the present law, would be a more equitable proposal. It has therefore amended the bill to provide that in an industrial death case where there are no surviving dependents the employer should pay 25% of the maximum aggregate weekly benefits into the special fund. It has also amended the bill to require an employer whose liability for dependency benefits terminates before they total 25% of the maximum aggregate weekly benefits to pay the difference between the amount paid and said 25% into the special fund.

Your Committee is in accord with the intent and purpose of **H. B. No. 482**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 482, H. D. 1**, and that it be referred to your Committee on Finance for further consideration.

Signed by all members of the Committee. Representatives Aduja, Ajifu, Judd and Leopold did not concur.

**SCRep. 219 Labor on H.B. No. 483**

The purpose of this bill is to amend the Hawaii Workmen's Compensation Law to increase the maximum allowance for funeral and burial expenses in industrial death cases from the present \$1,000 to \$2,000.

The workmen's compensation law presently requires the employer of a worker who is killed in an industrial accident to pay funeral and burial expenses up to a maximum of \$1,000. The law also provides for such payments to be made directly to morticians chosen by families of deceased workers.

This bill proposes to raise the total employer liability for funeral and burial expenses to \$2,000 by allowing a maximum of \$1,000 to be paid for funeral expenses and a maximum of \$1,000 to be paid for burial expenses. The payments would be made directly to the mortician and to the cemetery.

The present maximum allowance was established in 1961 and is inadequate to meet current funeral and burial costs. Your Committee agrees that an adjustment of the maximum allowance should be made to closely reflect the actual funeral and burial costs which must be incurred by the families of deceased workers.

Your Committee is of the opinion that average funeral and burial costs are closer to \$1,500 than to \$2,000. It has, therefore, amended the bill to provide a maximum allowance of \$1,500 for funeral and burial expenses rather than a maximum allowance of \$2,000 as proposed by the bill as introduced.

Your Committee is in accord with the intent and purpose of **H. B. No. 483**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 483, H. D. 1**, and that it be referred to your Committee on Finance for further consideration.

Signed by all members of the Committee.

**SCRep. 220 Labor on H.B. No. 484**

The purpose of this bill is to amend the workmen's compensation law by adding a provision to Section 386-92 which would authorize the director of labor and industrial relations to assess a 10% penalty in cases where an employer or his insurance carrier is notified of a work injury, does not deny liability for said injury under the law, and still neglects to pay compensation to a tem-

porarily totally disabled worker within 10 days of such notification.

The law presently requires an employer or his insurance carrier to make the first payment of temporary total disability compensation within 10 days of notification if he does not deny the occurrence of disability. The law, however, does not provide a remedy for the effective enforcement of the foregoing provision. Where payment is not made, the director must now conduct a hearing and issue a decision ordering payment. Even upon the issuance of such an order, the employer or insurance carrier can still wait until the 30 day appeal period has run before making payment.

This bill proposes to grant the director of labor and industrial relations discretion to add a 10% penalty on the compensation payments in cases where liability is not denied and there is no question that the compensation is due the injured worker. Your Committee agrees that the enforcement remedy proposed above would further the policy and purpose of the workmen's compensation law by encouraging prompt payments of temporary total disability benefits to injured workers whose earning capacities have been temporarily impaired.

Your Committee upon consideration of the bill, however, is of the opinion that the 10 day period proposed in the bill for the first payment of temporary total disability benefits would be too short a compliance period for most employers and insurance carriers. Since wage payments are required by law to be made on a semi-monthly basis, a 15 day period for the first payment of compensation appears reasonable. Your Committee has therefore amended the bill by setting the period within which the first payment of temporary total disability benefits should be made at 15 days from the time of notification rather than at 10 days.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 484**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 484, H. D. 1**, and that it be referred to your Committee on Judiciary for further consideration.

Signed by all members of the Committee.

#### SCRep. 221 Labor on H.B. No. 486

The purpose of this bill is to amend the Hawaii Workmen's Compensation Law by adding a new section which would require employers to post notices prescribed by the director of labor and industrial relations concerning the application of the law. Such notices would be required to be posted in conspicuous places so employees may readily see them on the way to or from their working places.

Every worker should be apprised of his legal rights and benefits when he incurs a work injury. A requirement to post notices about the law as prescribed by the director of labor and industrial relations would serve to make workers more aware of their rights and benefits under the law.

Your Committee upon consideration of the bill agrees with its purpose but is of the opinion that the requirement to post notices in conspicuous places where an employee can readily observe them "on the way to or from his place of employment" may be unduly restrictive. The purpose of the bill would be adequately served by the requirement to post notices in conspicuous places. It has therefore deleted the words "on the way to or from his place of employment" from the bill.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 486**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 486, H. D. 1**, and that it be referred to your Committee on Judiciary for further consideration.

Signed by all members of the Committee.

#### SCRep. 222 Labor on H.B. No. 487

The purpose of this bill is to amend the Hawaii Workmen's Compensation Law to authorize the director of labor and industrial relations to contract with out-of-state collection agencies for the collection of moneys owed to the special compensation fund by defaulting employers who move away from Hawaii.

The workmen's compensation law provides that an injured employee shall be paid his compensation benefits from the special compensation fund if his employer fails to pay the compensation awarded. The defaulting employer then becomes obligated to

repay the special compensation fund. If the defaulting employer moves out of the state, the collection of repayments then becomes very difficult for the department.

This bill proposes to permit the director of labor and industrial relations to contract on a fee for service basis with out-of-state collection agencies for the collection of required repayments to the special compensation fund from defaulting employers who move away from Hawaii. Your Committee agrees that this would facilitate collection and would help protect the special compensation fund.

Your Committee upon consideration of the bill is of the opinion, however, that the authorized contracts for collection should specifically be contingent fee agreements. This type of agreement is customary with collection agencies and the director would be able to effect collections without the expenditure of large sums of money. Your Committee has therefore amended the bill to authorize the director "to contract, on a contingent fee basis", for the collection of amounts due from employers who move out of the state of Hawaii.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 487**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 487, H. D. 1**, and that it be referred to your Committee on Judiciary for further consideration.

Signed by all members of the Committee.

**SCRep. 223 Labor on H.B. No. 489**

The purpose of this bill is to amend the unemployment compensation law to clarify the authority of appeals referees in reopened unemployment appeal cases.

Section 383-38, Hawaii Revised Statutes, now states that if an unemployment appeals referee reopens a case in which he has already rendered a decision, he shall render a further decision, "either reaffirming or modifying his" original decision. In practice referees have reaffirmed, modified, or "reversed" on reopening, on the assumption that the term "modify" is broad enough to include "reversals".

This bill proposes to clarify the language of said section by specifically including the terms "reverse" and "reversing" in the ac-

tions the referee may take on reopening a case. This amendment is desirable since the practice of the referees in "reversing" reopened cases may be subject to challenge on technical grounds. The bill further proposes to clarify language by substituting the phrase "the decision" for "his decision" as used in the section. This amendment would clarify the law to unquestionably permit a referee other than the original referee who heard the case to hear a reopened case. It would also provide a desired clarity in the law.

Your Committee has made technical corrections in the bill as introduced. An added phrase "or reverse" in 15 of page 2 was not underlined and an added word "or" in line 17 of the same page was not underlined also.

Your Committee is in accord with **H. B. No. 489**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 489, H. D. 1**, and that it be referred to your Committee on Judiciary for further consideration.

Signed by all members of the Committee.

**SCRep. 224 Labor on H.B. No. 490**

The purpose of this bill is to amend the unemployment compensation law to make benefits payable promptly in accordance with the original entitlement determinations of the unemployment insurance division in spite of any allegation of disqualification by the employer or of any appeal filed by him.

Under present law, benefit payments in a case where the employer has alleged the existence of a disqualifying factor are suspended for the 10 day period in which an appeal may be filed. Benefit payments are further suspended for the pendency of the possible disqualification period if the employer actually appeals. The allegation of a disqualification or an appeal suspends benefit payments even though the unemployment insurance division has determined that the claimant is entitled to benefits after its investigation of the claim.

This bill proposes to delete the provisions which suspend benefit payments during the 10 day period for appeal and during the possible disqualification period. This deletion would make all benefits payable promptly in accordance with the original determinations made by the unemployment insurance division.

The law now permits an employer to block unemployment compensation benefits by simply alleging a disqualification and by filing an appeal. This often works a hardship on unemployed individuals who have been deemed entitled to benefits by the unemployment insurance division and defeats the purpose of a law specifically designed to alleviate hardship during periods of unemployment. This practice of suspending benefits has already been challenged in California and New York on constitutional grounds and a federal court in California has ruled it invalid. The practice was ruled to be in violation of the principle enunciated in a recent U. S. Supreme Court case, *Goldberg v. Kelly*, 397 U. S. 254, which held that welfare benefits could not be suspended without a hearing.

Your Committee agrees that the present practice of suspending benefits without a hearing defeats the purpose of the unemployment compensation law and should be terminated.

Your Committee is in accord with the intent and purpose of **H. B. No. 490** and recommends its passage on second reading and that it be referred to your Committee on Judiciary for further consideration.

Signed by all members of the Committee.

#### **SCRep. 225 Education on H.B. No. 639**

The purpose of this bill is to lower the compulsory school attendance age from eighteen to sixteen.

Your Committee has had several public meetings with teachers who have expressed the concern that the compulsory school attendance law should be examined critically. The many problems attendant to boredom of school and lack of participation in school activities may be traced to the law requiring school attendance till age 18. The problems of hijacking, vandalism, destruction of school property, smoking, cutting classes, and drug use underscore not only the need for disciplinary actions but the need for preventive and innovative measures. There could be developed curricula based on the technical arts with a diploma issued after completion of a course of study. This will be an alternative to those who are not and will not be academicians. The boredom of school for those disinterested should be removed by providing alternatives to many types of learning or work experiences. By offering many types of

alternatives your Committee feels that there would be an increase in participation by those not now participating or interested.

Your Committee, therefore, finds that lowering the compulsory school attendance age from eighteen to sixteen would be a step in this direction. Your Committee recognizes that passage of this bill will not automatically solve all the problems mentioned above, but it will offer an option to the young people. Those who exercise their option and choose not to continue school will have the opportunity of going directly into the work market or into state programs for basic skill and job training such as the state MDTA program, the concentrated employment program, the state apprenticeship program, the neighborhood youth corps, Labor Department's employment service program, model cities program, the Hawaii Job Corps Center, the job opportunities in the business sector program and the work incentive program. Those who want to go directly into some sort of vocational education at the community colleges may do so. If the young person wants to pursue his education for a high school diploma, several years later, he may do so through the adult education program of the Department of Education. Those young people who want to will be able to pursue their education.

Your Committee wants to make clear that the intent of this bill is not to give the Department of Education the authority to "push-out" any student at age 16, but to give the option to the young person of continuing his education at the age of 16 or not continuing his education in the school environment.

Your Committee is in accord with the intent and purpose of **H.B. No. 639** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

#### **SCRep. 226 Judiciary on H.B. No. 149**

The purpose of this bill is to allow Hawaii residents who are temporarily out of the State to purchase vehicles while out of State and to register such vehicles with the State without the necessity of having to make such purchases through a local dealer.

Under current law, motor vehicles can be registered in Hawaii only if they are physi-



cally present in the State or if they have been purchased from a locally licensed new car dealer. Such requirements deprive the temporarily out of State resident using his vehicle out of State from the privilege of registering his vehicle with the State, unless it was purchased through a local dealer. This bill would grant such residents the privilege of registering their vehicles with the State.

Your Committee, upon consideration of this bill, recommends that it be enacted in the form attached hereto as **H.B. 149, H.D. 1**, for the reasons stated herein:

1. The second paragraph of section 286-50, Hawaii Revised Statutes has been retained to provide a means of correcting errors in the registration records.

2. The third paragraph of said section has been deleted as being superfluous. Since United States Congressmen are generally considered bona fide residents of this State, they would be allowed to register vehicles under the new provision.

3. Finally, the new provision providing for no refunds of fees has been deleted as being unnecessary, since the present law already contains such provisions.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 149**, as amended in the form attached hereto as **H.B. No. 149, 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. 227 Judiciary on H.B. No. 20**

The purpose of this bill is to effect a complete reorganization of the criminal law of the State of Hawaii by a redefinition of criminal offenses, elimination of inconsistencies, modernization of language, logical rearrangement of the criminal provisions, and amendment of the substantive criminal law. The bill, in the form of the proposed draft of the Hawaii Penal Code, published by the Judicial Council of Hawaii and a derivative of the Model Penal Code recommended by the American Law Institute, is designed to update the criminal law and to ease the growing public feeling of dissatisfaction with a body of criminal law that is still largely uncodified.

Titles 37 and 38 of the Hawaii Revised Statutes constitute the basis of Hawaii's criminal law. The bill would amend these titles by repealing numerous sections of the statutes. Such amendment has not been lightly undertaken: in fact, **H. B. No. 20** is the product of years of work, research and study by law professors, judges and attorneys and then a substantial study pursuant to **Senate Resolution No. 88** and **House Resolution No. 139**, 1966, Act 29, Session Laws of Hawaii 1966, Act 125, Session Laws of Hawaii 1967, and Act 31, Session Laws of Hawaii 1968. Your Committee, after considering the origin and history of the proposed Code and after many hours of substantive research and review proposes a definitive work with respect to revision of Hawaii's criminal laws. The impetus for such revision has been well described:

Criminal law in the United States, although relied upon by society for protection of citizens against the severest kinds of harm that may be inflicted against men and institutions, has long been neglected by those concerned with the betterment and improvement of the law. It did not receive the special attention that had been accorded the other branches of the law in the sense of systematic analysis and synthesis and the bringing to bear on its basic problems the relevant knowledge that had been developed in the social sciences. 1

Hawaii is not the only state to concern itself with such a task: nine states have enacted revisions of their criminal codes. Eight states and Puerto Rico have completed revisions of their codes and an additional twelve states have their revision work well under way.

Need for revising Hawaii's penal law is self evident. The existing criminal statutes find their origin, for the most part, in the Penal Code of 1869 which, as amended from time to time, is codified in Titles 37 and 38 of the Hawaii Revised Statutes. The organization of Hawaii's penal laws defies rational explanation, although substantive offenses are codified in a more or less alphabetical fashion; however, such organization is without regard to whether the offenses are in any way related to one another, a system which has resulted in redundancy and inconsistency. More importantly, many areas of the law have never been codified: they have been left to a case by case development. Such development of this decisional aspect of our criminal

law has been sporadic, at best.

1 Goodrich and Wolkin, *The Story of Our American Law Institute*, 1961, p.22.

By way of contrast, the proposed Code is subject to a unique organizational principal. The first six chapters of the Code present the general part of the penal law: those principles and rules which have or may have application regardless of the specific type of offense involved. Chapters 7 through 12 deal with substantive offenses, each chapter being specifically concerned with related offenses against a certain type of socially protected interest.

A brief summary of the various chapters follows:

1. Chapter 1 contains the preliminary provisions of the Code. It would provide for the effective date as well as the division of all offenses into four grades: felony, misdemeanor, petty misdemeanor and violation. There is a further division of felonies into three classes. Chapter 1 would also provide for time limitations on prosecutions and continues the existing rule against common law development of penal offenses.

2. Chapter 2 establishes the general principles of penal liability: the criminal law is concerned both with a man's state of mind at the time of the crime as well as his conduct. This chapter codifies the generally accepted principle that penal liability must be based on voluntary action coupled with a culpable state of mind. Here the Code would eliminate the wide diversity of words and phrases used to denote or connote a state of mind sufficient to impose penal liability, limiting the provisions of the law to four states of mind: intentional, knowing, reckless and negligent. Chapter 2 also deals with the problem of causation and sets out the test to determine causation with respect to a criminal act. This portion of the Code also concerns itself with problems of accomplice liability as well as the penal liability of corporations and unincorporated associations. Finally, this chapter states the defenses usually raised in criminal prosecutions.

3. Chapter 3 establishes general principles of justification. Justification deals with that body of law which excuses certain conduct or results under specific circumstances, notwithstanding the fact that the conduct or result might otherwise be illegal. In this

chapter, there is an attempt to eliminate the inconsistency of the case by case development of the law of justification. Essentially, the chapter provides codified rules of justification in each of eight areas: (1) choice of evils, (2) execution of public duty, (3) use of force in self-protection, (4) use of force for the protection of other persons, (5) use of force for the protection of property, (6) use of force in law enforcement, (7) use of force to prevent suicide or the commission of a crime, (8) use of force by a person with special responsibility for the care, discipline or safety of others.

4. Chapter 4 concerns itself, in part, with the problem raised by the M'Naghten Rule, which pertains to the defendant's ability to know the quality of his acts and to know their wrongfulness. In *State v. Moeller*, 50 Haw. 110, 433 P. 2d 136 (1967), the Supreme Court of Hawaii criticized the M'Naghten Rule, but deferred to the legislature in the matter of reform. Section 400 of the Code would establish a new standard for determining whether or not the defendant should be held responsible for his action. Your Committee believes this new standard is in accord with the enlightened state of modern medicine and psychiatry. In addition to establishing a new standard of responsibility, Chapter 4 provides the court with an alternative procedure in the event the court questions the defendant's fitness to stand trial.

5. Chapter 5 relates to inchoate crimes, or behavior which is anticipatory or in preparation for the commission of a substantive offense. As such, the chapter deals with attempts, solicitations and conspiracies which raise some of the most difficult problems of criminal law. The chapter would generally treat attempts and conspiracies as the same grade and class as the comparable substantive offense and relegates solicitations to one grade or class less than the offense solicited.

6. Chapter 6 provides for the disposition of convicted defendants including pre-sentence investigation and report, pre-sentence psychiatric and medical examination, disposition of sentence including suspension or probation, fine and imprisonment.

7. Chapter 7 marks the beginning of the substantive offense portion of the Code and concerns itself with offenses against the person such as murder, kidnaping, assault, manslaughter, and rape. This chapter would define several new offenses: reckless endan-

gering, terroristic threatening and criminal coercion.

8. Chapter 8 relates to offenses against property rights and is intended to provide a comprehensive and orderly treatment of the various array of offenses against types of property. For the purposes of this chapter, burglary and trespass have been redefined within the context of the probability that these specific acts will result in personal danger or alarm. Also of note in Chapter 8 is the unified treatment of theft. At common law, a variety of offenses existed to cover various forms of taking or appropriating the property of another. The common law, which developed in a piecemeal fashion, subsequently assumed statutory form in many states, including Hawaii. The Code would provide for a unified treatment of theft. Under the Code, the illusory distinctions of the present law would be supplanted by three degrees of theft, depending largely on the amount involved. This chapter would also deal with falsifying business records, defrauding secured creditors, commercial bribery, forgery, and offenses related to business practices. The emphasis with respect to these various types of offenses is simplification of the existing morass of criminal statutes pertaining to offenses against property. The goal of simplification has been realized without any deterioration in the integrity of the present law; in fact, the Code provides for the increased protection of property by establishing several new offenses.

9. Chapter 9 relates to offenses against the family. This chapter would establish, for the first time, the offense of illegally marrying. Absent from this chapter are the usual provisions pertaining to sexual offenses such as fornication and adultery, which the Prosecuting Attorney of the City and County of Honolulu has indicated to be rarely enforced and as such constitute useless vestiges. Absence of these provisions reflects a judgment that to invoke the criminal process serves no social function. This chapter would also provide a clear definition of offenses against minors involving abandonment and non-support and endangering welfare of a minor. With respect to endangering the welfare of a minor, this chapter seeks to set a clear definition of such an offense, limiting the purview of the statute to knowing violations of a legal duty which endangers the minor's physical or mental welfare. This would constitute a substantial difference from the present statute which is so vague

and so general in its application as to be constitutionally suspect.

10. Chapter 10 relates to offenses against public administration. Previous Hawaii law dealt with obstruction of governmental law on an ad hoc basis. The Code seeks to extend the coverage of prior law to encompass protection of all governmental functions and to standardize the available penalties. This chapter would prohibit bribery, perjury and related offenses, and offenses related to judicial proceedings.

11. Chapter 11 deals with offenses against public order. As this type of offense normally involves first amendment issues, definition of these offenses has been given substantial consideration. The chapter would provide a simplified definition of disorderly conduct. Further, the statute would improve on present law with respect to special problems presented by obstruction of public highways or passageways. The chapter would also relate to desecration of venerated objects, cruelty to animals, and violation of the rights of privacy.

12. Chapter 12 relates to offenses against public health and morals, including prostitution, obscenity, gambling, and narcotics, dangerous drugs, and marijuana.

Although this short summary serves only to review the major points of difference between the Code and present law, there is a good indication that the Code will be well accepted if enacted into law. In this regard, your Committee has received near unanimous support of all parties that testified on the bill. Mindful of the broad application of the bill, your Committee sent notice to over four hundred individuals and organizations. Among those who responded and have given the bill their endorsement are: the Prosecution Attorney of the City and County of Honolulu, the Prosecuting Attorney of the County of Maui, the Public Defender, the Police Department of the City and County of Honolulu, the Hawaii Council of Churches, Hawaii County Planning, Economic Development and Legislative Research, Waikiki Drug Clinic, the John Howard Association, the Maui County Bar Association, Elmer F. Cravalho, Mayor of the County of Maui, Alfred Laureta, Judge of the Fifth Circuit Court, State of Hawaii, and the Kauai Legal Aid and Public Defender's Office. The diversity of the interests represented by the above mentioned organizations speaks to the broad

basis of support which the Code will receive in the event it is enacted.

Because of the importance of this bill and the comprehensive nature of its application to human behavior, your Committee has considered in detail its origin, its history, as well as its prospective effect. As a final conclusion, your Committee is of the opinion that this bill represents the type of legislation needed and sought for so many years. Its enactment will bring the penal law abreast of contemporary morals and behavior and will provide a fair and comprehensive basis for the protection of society. Your Committee has amended the bill in the following respects:

Your Committee has amended Section 100 to provide for two effective dates for the Code. Your Committee has made this amendment because it feels that there is an immediate need for new sections of law protecting dwellings and property from criminal trespass and governing drug use and abuse. However, with respect to the sections which will become effective as of July 1, 1972, your Committee is of the opinion that an interim period is necessary to resolve some of the unanswered questions which these sections raise.

Your Committee has amended Section 104 to limit the scope of the fair import principle contained within that section. Your Committee feels that the broad wording of Section 104 as stated in the bill would subject the code to unwarranted argument and wishes to avoid this possibility through the limitation imposed by the amendment.

Your Committee has amended Section 105 to provide for inclusion of the commentary in the Hawaii Revised Statutes, but to change the general effect of the commentary. It is your Committee's opinion that the commentary should not be used as evidence of legislative intent, but rather as an aid in understanding, rather than an aid in construing the language of the code.

Your Committee has partially amended Section 218 to reflect deletion of Section 220 from the Code. Your Committee believes that inclusion of the relevant portion of Section 218 and Section 220 would result in a major dilemma with respect to enforcement of provisions of the Code. The subjective aspect of the defense afforded by Section 220 is such that the defense would be available, to a degree, under any given set of circum-

stances and as such would constitute a major encumbrance to enforcement of the substance and spirit of the Code.

Your Committee has amended Section 234 by removing Section 234(1). It is your Committee's feeling that the law should not permit the defense of consent to have the broad application contemplated in this subsection and that the Code should not permit, by consent, the type of conduct which would result in both bodily injury and disruption of the social fabric.

Your Committee has amended Section 236 to make discretionary the court's power to dismiss a prosecution upon the finding that the conduct constituted a *de minimus* infraction. Your Committee wishes to afford the courts broad discretion in this matter.

Your Committee has amended Sections 304 through 309 to inject with respect to the justification for the use of force in self-protection and in the protection of other persons the reasonable man standard. It is your Committee's opinion that reference to this standard provides an objective basis by which to gauge whether or not the use of force was justified.

Your Committee has amended subsection 412(2) to decrease the waiting period for application for discharge or conditional release from one year to ninety days. Your Committee has made this amendment because of its belief that a one year period is too long and that the term of this period is not sufficiently related to the psychiatric facts upon which discharge or conditional release turn.

Your Committee has amended Section 606 to provide for life imprisonment without possibility of parole in four instances. Your Committee has made this amendment because of its belief that there are specific acts which are so heinous, that when convicted thereof, maximum punishment should be meted out. The fact that such punishment may have deterrent value is but one factor in causing your Committee to reach this conclusion.

Your Committee has amended Section 623 to reduce the period of suspension or probation from two years to six months in the instance of a conviction of a misdemeanor or petty misdemeanor. Your Committee has made this amendment because of its feeling that the two year term is severe.

Your Committee has amended Section 703 to limit negligent homicide to the offense defined by present law. Your Committee believes that expansion of the offense beyond the scope of present law, which is specifically limited to negligence in the operation of a motor vehicle, would serve no valid purpose.

Your Committee has amended subsections 730 (1) (b), 731 (1) (b), 733 (1) (b), 734 (1) (b), 731 (1) (b), and 737 (1) (b), to eliminate the requirement of actual knowledge as well as to increase the proposed age limitation on rape, sexual abuse in the first degree, and sodomy, from twelve to fourteen years old. While your Committee is aware of the fact that the onset of puberty comes earlier in today's youth than in the youth subject to the first enactment of the present laws, your Committee is of the opinion that a twelve year old is not capable of knowledgeably consenting to sexual intercourse. Your Committee is concerned with the mental age, rather than the physical age, of the person who is a participant in the act of sexual intercourse.

Your Committee has likewise amended Subsection 737 (1) (b) to increase the age provision from fourteen to sixteen years; similarly, your Committee has eliminated the requirement of actual knowledge, stated in that section.

Your Committee has amended Section 739 by deleting subsection (2) thereof because of prior amendment of Sections 730, 731, 736 and 737 to eliminate the knowledge requirement.

Your Committee has amended the Code by adding a new section, Section 740, to this chapter defining the crime of incest, which has been retained because of demonstrated social need.

Your Committee has amended Section 741 to eliminate the requirement of corroborating evidence with respect to Part 5. Your Committee has made this amendment based upon its belief that there is little probability of corroborating evidence in the instance of the type of offense covered under Chapter 7, Part 5. As such, the corroborating evidence requirement would prevent effective enforcement of the acts prohibited under this part.

Your Committee has amended Subsection 831 (1) (b) to decrease the monetary requirement from \$500 to \$200. Your Committee has made this amendment because it believes

that the \$500 figure is unwarranted, especially in light of the present larceny statute.

Your Committee has amended Sections 858, 859 and 860 by deleting those sections and adding in lieu thereof the language of the present statute with respect to credit card offenses. Your Committee has made this amendment because of its belief that the present law affords a more comprehensive treatment of credit card offenses.

Your Committee has amended parts 4 and 5 of Chapter 10 by deleting Sections 1041, 1042, 1043, 1044, 1050 and 1051. This deletion was based upon your Committee's feeling that the pending legislation concerning a comprehensive code of ethics constitutes a more appropriate means for treating the type of offense covered in these sections.

Your Committee has amended Section 1101 on disorderly conduct to delete subsection 1101 (1) (c). This subsection was, in your Committee's opinion, constitutionally suspect.

Your Committee has amended Section 1107 on loitering by deleting that section. This deletion was made because of your Committee's feeling that the vagueness of the language rendered the proposed section unconstitutional.

Your Committee has amended Section 1110 by expanding the exclusion provision of subsection 1110 (2) to permit the destruction of an injured animal by a police officer or an agent of a society for the prevention of cruelty to animals, as provided for by present law. Your Committee further amended this section by retaining the substance of the provisions in the present cruelty to animals statute (Sections 722-7 through 722-9 and 722-11).

Your Committee has amended the definition of the term "player" in Section 1220 (8) in order to prevent professional gamblers from avoiding penal liability by claiming status as a "player." A person who engages in a professional gambling game, even if only a participant, would not be able to avoid penal liability. Penal liability can only be avoided if the game is social.

Your Committee has also amended Section 1249 to make possession of a small amount of marijuana a violation, within the context of this provision.



Your Committee recommends the earlier effective date for Sections 813 - 815 relating to criminal trespass. It is your Committee's feeling that there is a question with respect to the protection afforded by the present criminal trespass statute. In order to avoid the possibility of inadequate protection, your Committee has set July 1, 1971 as the effective date for this provision. Because of immediate need, your Committee has also established July 1, 1971 as the effective date for Sections 1240 through 1249.

Other minor amendments in the form of non-substantive changes have been effected to correct technical, as well as mechanical errors in **H. B. No. 20**.

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

Signed by all members of the Committee.

**SCRep. 228** (Majority) Select Committee of Oahu Representatives on **H.B. No. 697**

The purpose of this bill is to appropriate monies for the construction of a 50,000 seat stadium located at Halawa, Oahu.

It is generally accepted that there is a need for a new stadium of sufficient size to fulfill the needs of the community.

Your Committee feels that the maximum amount of funds which should be made available for the new stadium is \$29,000,000. Of this amount \$1,000,000 has been appropriated by Item 0-9 of Act 155, Session Laws of Hawaii, 1969. An additional sum of 10.4 million dollars was appropriated by Act 172, Session Laws of Hawaii, 1970. The remaining 17.6 million dollars would be appropriated by this bill.

Your Committee is of the opinion that due to the climatic conditions where the stadium is to be built, it is mandatory that the playing field be covered with artificial turf. On the other hand, your Committee feels that it is not mandatory that the parking structure included in Mr. Luckman's estimate of January 13, 1971 be included as one of the stadium facilities.

Therefore, the new 50,000 seat stadium should definitely include artificial turf but should exclude the parking structure.

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

Signed by all members of the Committee except Representative Garcia. Representative Hansen did not concur.

**SCRep. 229** Finance on **H.B. No. 4**

The purpose of this bill is to appropriate funds for the financing of general public improvements for the fiscal biennium 1971-73.

Consonant with the provisions of Act 185, S.L.H. 1970, your Committee has undertaken to consider the State's long-range plans, including the proposed objectives and policies, the six-year State program and financial plan and the budget, and revenue proposals recommended by the governor and alternatives thereto. Measured against the diversity of other bills, resolutions and matters relating to revenues and proposed expenditures, we have formulated recommendations respecting the adoption of programs and the appropriation of moneys to implement them, which have been submitted for legislative action as **H. B. No. 2, H. D. 2**, the General Appropriations Act. In consideration of the improvement projects therein, the capital investment expenditures proposed therefor, and other reasonably foreseeable legislative achievements, your Committee has concluded that the projects herein contained are essential to complete and comprehensive implementation of State programs.

The appropriations and authorization recommended include the costs of land purchase, plans, site preparation improvements to land, construction and necessary equipment. Upon their implementation or programming for implementation, these general public improvements shall be included in the six-year program and financial plan encompassing all State programs in accordance with and in the same manner provided under section 9 of Act 185.

Your Committee has amended the bill by

adding thereto, arranged geographically (by county), by department, the projects recommended and the authorization therefor.

Of the \$85 million in improvement appropriations, the major areas of allocation include in excess of \$22 million to the Department of Education and more than \$36 million as grants-in-aid to counties. Of the latter, nearly \$7 million has been made available to the City and County of Honolulu as a general lump-sum appropriation conditioned upon a portion thereof being expended to support projects in the Waikiki area. Supplemented to prior appropriations, \$11.6 million is included for construction of a 50,000 seat stadium at Halawa.

Each of the various improvements cannot be detailed hereat. However, it should be noted that each is conceived to complement those heretofore commended, as aforesaid.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 4**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 4, H. D. 1**.

Signed by all members of the Committee.

**SCRep. 230** Legislative Management Informing the House that **House Resolution Nos. 278 to 287, House Concurrent Resolution No. 71, House Bill No. 4, House Draft 2, Standing Committee Report Nos. 231 to 245**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 231** Public Employment on **H.B. No. 118**

The purpose of this bill is to eliminate the provisions for longevity increases in compensating public officers and employees.

Under the present law, an employee who has progressed through the annual increments and has reached step G is forced to wait three years before another pay increase. This bill is designed to eliminate the three-year waiting period for the longevity steps by replacing them with annual increments. In this way, an employee will reach the top of his pay range after nine years rather than seventeen.

Your Committee on Public Employment is in accord with the intent and purpose of **H.**

**B. No. 118** and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 232** Public Employment on **H.B. No. 119**

The purpose of this bill is to permit a female public employee to apply to her maternity leave any combination of sick leave, vacation leave, and leave without pay during the first twelve weeks of her maternity leave.

Under the present law, female employees may apply for maternity leave without pay and may elect to use their vacation leave in lieu of or to supplement their maternity leave. This bill would help to alleviate the cost of maternity care by allowing the employee to apply her accumulated sick leave allowances.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 119** and recommends its referral to your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 233** (Majority) Public Employment on **H.B. No. 122**

The purpose of this bill is to provide that during the biennial pricing reviews, one representative from each employee organization shall have the right to attend, participate and vote in the deliberations of the conference of personnel directors.

Testimony on this bill indicated that the present law provides that representatives of employee organization may attend and participate in deliberations, but these representatives were not entitled to vote. Your Committee feels that providing the right to vote increases the value of the participation of the representatives of each of the employee organizations.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 122** and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee. Representative Devereux did not concur.

**SCRep. 234 Public Employment on H.B. No. 123**

The purpose of this bill is to provide a clothing allowance for all public officers and employees in the state and to various counties who are required to wear a uniform in the performance of their duties.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 123** and recommends its referral to your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 235 Public Employment on H.B. No. 136**

The purpose of this bill is to provide sabbatical leaves not to exceed one year to any employee with seven or more years of service to pursue a course of instruction or training or to engage in research to improve his ability and increase his fitness for public service while receiving compensation equal to one half of the employee's regular salary.

Your Committee feels that an enactment of this bill would encourage government employees to improve their competence and efficiency and promote career service in government. This bill would provide for sabbatical leaves similar to the leaves now permitted for teachers in the department of education.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 136** and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 236 (Majority) Public Employment on H.B. No. 137**

The purpose of this bill is to provide that the state would pay to the health fund the entire monthly contribution for each employee-beneficiary and for each employee-beneficiary with a dependent-beneficiary.

The present law requires the monthly contribution of \$5 for each employee-beneficiary

and \$15 for each employee-beneficiary with a dependent-beneficiary. The present law also limits the monthly contribution to an amount not in excess of the actual cost of the health benefits plan. Under the proposed bill, this limitation would not be removed.

Your Committee finds that several states now pay the full contribution to the health fund. These states include: Alabama, Alaska, Idaho, Connecticut, Indiana, Kansas, Minnesota, Nevada, New Jersey, New York, Rhode Island, Wyoming and Delaware.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 137** and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee. Representative Devereux did not concur.

**SCRep. 237 (Majority) Public Employment on H.B. No. 240**

The purpose of this bill is to make the medical plans for public employees non-contributory, with the government paying the entire premium.

Testimony on this bill revealed to your Committee that there is a growing trend throughout the country for public jurisdictions to pay the entire premium for medical plans.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 240** and recommends its referral to your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee. Representative Devereux did not concur.

**SCRep. 238 Public Employment on H.B. No. 242**

The purpose of this bill is to change the purposes and policies clause of the Civil Service Law so that it would be the declared policy of the state that the personnel system would be applied and administered in accordance with certain merit principles including equal opportunity for all regardless of race, sex, age, religion, color, ancestry or politics. Under the present law, the wording limits the merit principle to equal opportunity for all regardless of race, religion or

politics. This bill seeks to give more emphasis to equal opportunity as one of the six principles which govern public employment.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 242** and recommends that it pass second reading and be referred to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 239 Public Employment on H.B. No. 381**

The purpose of this bill is to permit the director of personnel services to hire a person to fill a vacancy on a provisional appointment basis when the list of eligibles for that position has less than three names.

Currently, the law prohibits the hiring of a person on a provisional appointment when there is at least one eligible left on the list. Your Committee feels that the existing law should be modified by granting the option to the appointing authority to either hire the remaining one eligible on the list or to request and be granted a temporary provisional hire pending completion of recruitment and examination activities.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 381** and recommends that it pass second reading and be referred to your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 240 Economic Development on H. B. No. 341**

The purpose of this Bill is to establish a State Industrial Financing Authority to stimulate the economy in urban and rural areas throughout the State by providing financial assistance through low interest, long term equity loans to medium sized firms.

Your Committee is in accord with the intent and purpose of **H. B. No. 341** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 241 Economic Development on H.B. No. 548**

The purpose of this bill is to authorize an increase in the amount of the loan or loans to any applicant under the Hawaii Capital Loan Program. Existing law limits the amount of a loan to any applicant to \$50,000. This bill would increase the limit amount of the loan to \$100,000 to any applicant.

Your Committee is in accord with the intent and purpose of **H. B. No. 548** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 242 Public Health, Youth and General Welfare on H.B. No. 985**

The purpose of the bill is to provide funds for a halfway house for women alcoholics beyond its first year and through June 1973. Funding for the first year has been provided by the Model Cities program.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 985** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 243 Lands on H.B. No. 409**

The purpose of this bill is to amend Section 171-36(3) of the Hawaii Revised Statutes to extend the limitation on the leasing of public lands in the instance where the subject land is already under lease from one to two years. Present law provides that the state shall not lease public land which is already subject to a lease with a remaining term of one year; however, your Committee is of the opinion that such a period may be too short to afford the prior tenant who is unsuccessful in securing a renewal of a lease adequate opportunity to wind up his business. The increase to the two years would allow the prior lessee reasonable time to effect the transition.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 409** and recommends its passage on second reading and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 244** Lands on H.B. No. 17

The purpose of this bill is to provide for the pro-ration of improvement costs on state agricultural leases as well as to afford the lessee under such a lease a one year moratorium on the payment of improvement costs and ground rent.

To accomplish this purpose, the bill would amend Chapter 171 of the Hawaii Revised Statutes by adding a new section to that chapter. Your Committee is aware of the fact that State agricultural leases frequently contain a provision making the lessee responsible for certain improvements. It is the opinion of your Committee that permitting the pro-ration of the costs of the improvements is equitable; further, your Committee feels that the one year moratorium on payments of lease rental or pro-rated improvement costs during the first year of the lease is a similarly equitable feature.

Your Committee recognizes the importance of encouraging more people into farming to help strengthen Hawaii's agricultural industry. In order to achieve this aim, we must make it easier for potential farmers to get started.

Your Committee on Lands is in accord with the intent and purpose of H. B. No. 17, H. D. 1, and recommends its passage on third reading.

Signed by all members of the Committee.

**SCRep. 245** Higher Education on H.R. No. 72

The purpose of this resolution is to request the University of Hawaii at Hilo to: (1) arrange for the use of educational programs developed and offered by private industries to expand continuing education efforts in rural areas and (2) use high school facilities to extend post secondary education to rural areas. The Chancellor of the Hilo Campus has already taken initial steps in this direction.

To facilitate further development in this direction, your Committee on Higher Education recommends that a copy of this resolution be transmitted to the Dept. of Education. Therefore, a third "Be it further resolved" clause was added.

Your Committee on Higher Education is in accord with the intent and purpose of H. R. No. 72, as amended herein, and recommends its adoption in the form attached hereto as H. R. No. 72, H. D. 1.

Signed by all members of the Committee.

**SCRep. 246** Finance on H.B. No. 588

The purpose of this bill is to exempt okolehao manufactured in Hawaii from the state liquor tax law for a period of five years.

Section 244-4 imposes a twenty percent excise tax upon the wholesale price of liquor in respect of the transaction by which the seller, user or his vendor acquired the same. Exceptions thereto are enumerated, including, *inter alia*, liquor held for sale by a permittee but not yet sold or sold between permittees, liquor sold or used for sacramental or prescription purposes, or liquor neither delivered or to be used in the state or which is otherwise constitutionally exempt.

Enactment of this bill would add to the list of exemptions, okolehao manufactured in Hawaii for a period of five years. The department of taxation is opposed to any type of exemption without "strong justification". Your Committee has considered the arguments advanced in favor of the exemption and finds them sufficiently strong.

Testimonies were received that over the past decade well over a million dollars has been lost attempting to create a significant market for ti root okolehao, fabled in song and legend as Hawaii's own spirit product. Once before, in fact, the industry similarly requested, and the legislature granted, a five year period of exemption which has since expired.

According to the Distilled Spirits Institute, Hawaii now realizes over \$9 million from the twenty percent tax annually. However, according to the state department of taxation, since expiration of the previous exemption several years ago, only a very small share (less than 1.0%) of this sum is attributable to sales of various liquors manufactured locally (only a part of which is okolehao, for which the exemption is sought).

It is hoped by industry that the taxes temporarily saved by this relatively new and expanding business may be channeled into national promotion and competitive pricing,



the result of which is a linking of okolehao to Hawaii as tequila is to Mexico. Even with the anticipated expanded sales, it is expected that the total annual tax otherwise due on okolehao sales would amount to less than \$15,000 per year. Relief is not sought from the general excise tax.

Considering the jobs this industry creates and the prospects presented by proper promotion of its product, your Committee believes that the tax revenue loss is nominal only compared with the benefit, particularly when reviewed in light of the thousands of dollars appropriated annually by the state in matching funds to promote other products grown and manufactured in Hawaii. Thus, the benefit to this industry (and the state) is by parity if not in kind.

Your Committee respectfully recommends the changes which it has effected to the amendment: (1) correct spelling of the word "okolehao", (2) substitute the word "manufacture" for the word "made", and delete the words "of Hawaii" following the word "State".

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 588**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 588, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 247 Finance on H.B. No. 1293**

The purpose of this bill is to provide funds for the repairing and maintaining of public schools throughout the State.

Your Committee recognizes that the greatest untapped resource in the State lies in the youth of Hawaii, and that it is to the benefit of the State to develop this resource to its fullest extent, thereby assuring the highest quality of life in the State. In view of this, your Committee submits that the legislature must provide the best form of education for our youth, and that education includes not only the quality of the curriculum but also the quality of the facilities such as classrooms, cafeteria, gymnasiums and other such buildings which are used in the educational process. Therefore the level of maintenance provided such facilities should be improved for the well-being of the students and teachers who inhabit the schools.

For financing the purpose hereof during the fiscal biennium 1971-1973, your Committee amended the bill by inserting the sum of \$2,782,887 (which, coincidentally, is equal to the sum of cash or general obligation bond lapsing recommended by your Committee under **H. B. No. 1314, H. D. 1**). There is a provision that the funds authorized, which shall be expended for the purpose specified by the department of accounting and general services, shall not lapse at the close of any fiscal year.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1293**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 1293, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 248 Finance on H.B. No. 1312**

The purpose of this bill is to appropriate sums sufficient to support the perpetuation of programs presently performed by certain deserving community organizations for the fiscal year 1971-72.

Each year the legislature is faced with requests from a diversity of private agencies for subsidies. Last year, in order to provide for uniformity in the manner in which such requests are to be made and decided, the legislature mandated that such organizations present their fiscal needs in the form used by State agencies in order to qualify for State funds; and, further, that the responsible department and the department of budget and finance review these requests. Upon legislative approval of the subsidy, the recipient organization is required to comply with the allotment system prescribed in chapter 37, Hawaii Revised Statutes.

This year a considerable number of requests came again to the attention of your Committee, upon the consideration of which we found evidence of colorable compliance with the aforementioned by the departments concerned. However, too often agency justifications were too sparse, particularly as regards requests for increases over the current levels. Understandably, if we are unaware of the specific objectives upon which the requested appropriation is to be expended, we are hesitant to recommend it. For this reason, and consonant with our expressed policy

of fiscal restraint, your Committee has submitted subsidies in sums similar, generally, to those appropriated by the last legislature for continuance of the purposes and programs presently performed by the following organizations:

Bernice P. Bishop Museum	\$200,000
Honolulu Theatre for Youth	28,600
Honolulu Symphony Society	200,000
Honolulu Youth Symphony	23,650
Honolulu Community Theatre	6,000
Young Farmers Association	17,739
Hawaii Music Educators Association	8,000
Hawaii Association of Student Councils	30,000

Of the organizations designated in the bill, as introduced, your Committee has heretofore recommended certain appropriations in the budget bill (H. B. No. 2, H. D. 2) for all programs listed under the department of health (except as hereinafter noted), the Civil Air Patrol (under the department of transportation), the Hawaii Association of Retarded Children (under the department of education), and the neighbor island veterans cemeteries. Support to the Leeward Branch YMCA recreation program for physically handicapped was discontinued (upon concurrence by the department of health) in anticipation of its assumption by the city department of parks and recreation.

Of the organizations for which appropriations have been recommended under this bill, concern has been and is hereby expressed over the following: (1) Hawaii Association of Student Councils: That greater emphasis should be placed upon student participation in planning its programs. (2) Pacific and Asian Affairs Council: That more direction should be given to reach those students who would not otherwise appreciate the objectives and benefits of such a program, but for the program. (3) Hawaii Music Educators Association: That specific objectives be developed for this program so that its activities may be more meaningfully evaluated.

Subsidies are established by legislative action, and, therefore, they remain justifiable only so long as the legislature remains satisfied that the program subsidized continues to further community objectives. For this reason, your Committee has amended the bill by adding thereto a new section providing, in substance, that each such organization shall, as a condition, to receipt of the money (1)

comply with the allotment system, (2) allow the related department full access to records and files, and (3) submit all future requests as prescribed by the director of finance.

In addition to the additions and deletions heretofore detailed, your Committee amended the bill so as to condition the Bishop Museum's subsidy in accordance with a current qualification that it not charge admission fees to students; and certain non-remarkable, technical language changes were effected to section 1.

Your Committee on Finance is in accord with the intent and purpose of H. B. No. 1312, as amended herein, and recommends that it pass second reading in the form attached hereto as H. B. No. 1312, H. D. 1, and be placed on the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 249** Legislative Management Informing the House that **Standing Committee Report Nos. 246 to 248, House Resolution Nos. 288 to 294, House Concurrent Resolution Nos. 72 to 74, and Standing Committee Report Nos. 250 to 258**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 250** Judiciary on H. B. No. 45

The purpose of this bill is to establish an organized crime unit in the department of the attorney general to gather information, develop tactical and strategic intelligence, and assist in the control of organized criminal activity.

The present law requires the attorney general to record and compile statistics relating to crime, and to select, establish, and enforce systems of identification of prisoners and persons suspected of crime or criminal intent. These systems are employed by the state prison superintendent and the county chiefs of police.

By its grant of legislative authorization and funding, this bill expands the present apparatus by providing attorneys and other specialized personnel to provide a pool of technical skills and services which will aid the county law enforcement agencies in combating organized crime. There is no intent to preempt any of the functions or duties of the

county law enforcement agencies nor is it the intent of this bill to create a state police force. Instead, the organized crime unit would be essentially a supportive facilitative and developmental force organized among law enforcement agencies with respect to organized crime and capable of providing a centralized apparatus for rapid statewide exchange of information. The attorney general could prosecute persons suspected of being in organized crime only if a county lacked appropriate specialized personnel or the willingness to take action against such persons.

Your Committee upon consideration of **H. B. No. 45** recommends that it be amended in the form attached hereto as **H. B. No. 45, H. D. 1**. The language of **H. B. 45** might be mistakenly interpreted as a legislative mandate for the creation of a state police force. **H. B. No. 45, H. D. 1** makes clear that the actual intent is to create a unit primarily supportive in nature.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 45**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H.B. No. 45, H.D. 1** and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 251** Select Committee of Hawaii Representatives on **H.R. No. 166**

The purpose of this Resolution is to request the Department of Land and Natural Resources to hold a public meeting in Kona, Hawaii to initiate rule-making procedures for the regulation of fishing in Honokohau Harbor.

Honokohau Harbor has long been a favorite recreational and fishing area for the people of Kona. However a conflict has arisen between the pole fishing and net fishing elements of the public.

A public meeting conducted by the Department of Land and Natural Resources would be able to investigate the problem and initiate rule-making procedures if the findings of the public meeting so indicate.

Your Select Committee has amended the Resolution to correct a typographical error. All spellings of the word "Honokahau" have been changed to read "Honokohau."

Your Select Committee concurs with the intent and purpose of **H. R. No. 166**, as amended herein, and recommends its referral to the Committee on Lands, in the form attached hereto as **H. R. No. 166, H. D. 1**.

Signed by all members of the Committee.

**SCRep. 252** Education on **H.B. No. 853**

The purpose of this bill is to amend section 27-26, Hawaii Revised Statutes by requiring the state to appropriate funds for junior police activities including the procuring of insurance for accident (\$20,000), funeral (\$1,500), death benefits (5,000) and liability (\$100,000).

At present the Honolulu Police Department has within its budget, funds to provide for JPO activities in 158 schools with approximately 5,280 students manning 416 school crossings. Insurance coverage is provided for these students for bodily injury from accidents. Up till the beginning of 1970, private industries on Oahu have been donating the premiums for insurance coverage for these students. This bill will require the state to provide insurance coverage for those in the JPO program. The cost per fiscal year to the state will be about \$32,000.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 853** and recommends its passage on Second Reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 253** Lands on **H.B. No. 243**

The purpose of this act is to assist individuals or businesses in the upgrading of already existing fishing vessels through the purchase of new equipment, the overhauling and repairing of existing vessels, and other major maintenance expenses which may arise during the lifetime of the vessel.

Your Committee recognizes that, while the population of this state has increased dramatically over the last decade, there has not been comparable growth in the fishing industry. Your Committee recognizes the need for extending financial assistance to those who must undertake the expense of maintaining and replacing fishing equipment

or expanding by the addition of new equipment. Such assistance is necessary if the fishing industry is to grow or merely survive.

Your Committee recommends that a new program specifically for the development of the fishing industry be established and funded in the initial amount of \$100,000.00. Your Committee also recommends that the bill be amended to provide for the creation of a loan advisory of the bill, which would read as follows:

“(e) There is established the loan advisory committee consisting of seven members, appointed by the director of the department of planning and economic development, two of said members having been designated by the director of the department of land and natural resources because of their familiarity with fishing vessel operations.”

Your Committee further recommends that Section 4. of the bill be amended to designate the Department of Planning and Economic Development as the agency responsible for the expenditure of the moneys appropriated by reason of this bill. Such amendment would read.

“SECTION 4. The sum appropriated shall be expended by the department of planning and economic development for the purposes of this act.”

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 243**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H. B. No. 243, H. D. 1** and its referral to the Committee on Economic Development.

Signed by all members of the Committee.

**SCRep. 254** Lands on **H.B. No. 1581**

The purpose of this act is to establish a revolving fund to be expended for shark control and research activities in the State of Hawaii. This bill would amend Chapter 187 of the Hawaii Revised Statutes by adding a new section to be numbered 187-5.5 which would also authorize the Department of Land and Natural Resources to enter into an agreement, without public bid or auction for the sale of the sharks taken under the shark control program. The bill would appropriate \$50,000 as initial funding of the program for

the reduction of the population of in-shore species of sharks. Your Committee finds that there has been an increase in the shark population in the Hawaiian Islands since this population now receives negligible fishing pressure and since our waters supply the shark population with a continuing food source. With water sports activities gaining in popularity and the large number of this state's residents engaging in surfing and diving, the probability of shark attack and the resulting tragedy makes necessary the implementation of measures designed to control the shark population and minimize this possibility.

Your Committee also finds that the activity of sharks is economically harmful to this society. Sharks are known to destroy fishing gear, devour the catches of fishermen, and prey on desirable food and game fish. Such economic detriment could be minimized by an effective shark control program.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 1581** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 255** Judiciary on **H.B. No. 48**

The purpose of this bill is to permit retired justices of the Supreme Court to sit as substitute justices when vacancies exist and the retired justices are otherwise qualified to fill the vacancies.

The present law provides for the filling of Supreme Court vacancies by circuit judges only. This bill would allow retired Supreme Court justices to be appointed to fill such vacancies, provided they meet the requirements described in the new section 602-

**-Retired justices as substitute justices.** The Chief Justice should be permitted, if he so desires, to draw upon the wisdom of these learned persons by filling temporary vacancies on the supreme court with such persons.

Your Committee on Judiciary is in accord with the intent and purpose of **H.B. No. 48** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 256 Lands on H.B. No. 454**

The purpose of this act is to suspend the right to petition the State Land Use Commission, for a period of two years, for changes in the boundaries in the agricultural district on the Island of Oahu where such districts are rated A or B in productivity according to the detailed land classification map of the Land Study Bureau of the University of Hawaii.

This bill would effect a limitation on the language of Section 205-4 of the Hawaii Revised Statutes which provides for the amendment of district boundaries. Your Committee is in agreement with the ultimate objective of this act: to provide for a period of reevaluation with respect to the reclassification of agricultural land into urban land for the purposes of development. The demands of society are such that, absent such a moratorium period, development may take place without regard to all the needs of this society.

As previously stated in **Stand. Com. Rep. No. 167** of your Committee, a statewide open space study is presently being prepared by Overview, a planning organization headed by former Interior Secretary Stewart L. Udall. This group will recommend new legislation to the legislature for consideration next January. It is our understanding that Mr. Udall has already submitted a strong recommendation to the Governor that the State Land Use Commission impose a moratorium on major decisions until the conclusion of the 1972 legislative session. Accordingly, your Committee recommended in **Stand. Com. Rep. No. 167** that the suspension period in **H. B. No. 454** be shortened from five to two years.

While major decisions within the limited jurisdiction of the commission should be temporarily suspended for the reasons hereinabove stated, the suspension should, nevertheless, be subordinate to other compelling public policies of the state as declared or to be established by acts enacted by the legislature after full hearings. For example, the moratorium should not impede the implementation of permitted housing programs under Act 105 of Session Laws of Hawaii 1970, or the possible acquisition of land for a second campus for the University of Hawaii.

Section 205-4 in part states that the commission shall not approve a change in land use classification unless the land is **needed** for the proposed use, and either that the land

is **usable** for the proposed use or that the proposed classification is **reasonable**. Your Committee is of the opinion that legislative findings which support public projects are comparable to the commission's present standard as to need, usability and reasonableness, and will also fully safeguard and consider the objectives of the moratorium.

To enable the implementation of public projects authorized by the legislature, it would be advisable to permit the land commission to initiate changes in classification. Your Committee, therefore, recommends that **H. B. No. 454, H. D. 1**, be further amended by deleting the last sentence of the last paragraph of Section 2 which reads:

"During the suspension the land use commission shall not initiate any change for any district similarly classified, situated and rated."

Your Committee is in accord with the intent and purpose of **H. B. No. 454, H. D. 1**, as amended herein, and recommends its passage on Third Reading in the form attached hereto as **H. B. No. 454, H. D. 2**.

Signed by all members of the Committee.

**SCRep. 257 Finance on S.B. No. 1**

The purposes of this bill are to appropriate monies for Research and Development, Investment, and Operating Expenditures for the fiscal biennium beginning July 1, 1971 and ending June 30, 1973, and to authorize the issuance of bonds for capital investment purposes.

**S. B. No. 1**, as introduced, and as amended by **S. D. 1**, is identical to **H. B. No. 2**, as introduced, and as amended by **H. D. 1**, respectively. As amended by **S. D. 2** and **H. D. 2**, respectively, these bills, except for dollar amounts, are substantially identical. As amended herein, your Committee has caused **S. B. No. 1, S. D. 2**, to conform with **H. B. No. 2, H. D. 2**, except as hereinafter further amended (as indicated at the conclusion hereof), and your Committee hereby reports upon the former as in **Stand. Com. Rep. No. 213** upon the latter, as follows:

**The Appropriations Format**

State government is in the transitional phase of moving from traditional budgeting to the **Planning-Programming-Budgeting**



System specified by Act 185, S.L.H. 1970, the Executive Budget Act. Some programs have already been brought under Act 185 implementation, and the administration has committed itself to full complementation of Act 185 for all programs by the 1973 legislative session.

During this transitional period, with some programs presented in a format which conforms to the requirements of Act 185 and with the overall executive budget being presented in the traditional format, your Committee believes that it is necessary for the legislature to develop, in turn, a transitional appropriations format. Such a format needs to accommodate, where it can be done, those programs which have already been phased into Act 185 implementation. It also needs to accommodate those budget categories which are still being displayed conventionally.

In addition, your Committee believes that a transitional appropriations format is required so that the legislature may begin to move in the direction of focusing on programs rather than agencies and assessing the full-cost implications of programs rather than treating capital and operating costs as separate requirements. The reasons for the program and full-cost approach have been well-documented in other reports of the legislature.

By developing an appropriations format for the transitional period, the legislature will be moving in the direction intended by Act 185. Because such a format should incorporate as many of the elements of Act 185 as can be reasonably incorporated at this time, it provides the legislature with actual, albeit partial, experience of formulating a general appropriations bill which will accommodate Act 185. By taking the transitional step, the legislature will thus be better prepared to handle the full submissions of the administration under Act 185 in the 1973 legislative session.

As developed by your Committee, the appropriations format contains three principal features:

(1) It focuses on programs. It is recognized that some of the "programs" are not programs in the PPB sense that a program is a combination of resources or activities to achieve an objective or objectives. For the most part, the lowest level of the appropriations structure displays the conventional

budget categories, including programs, functions and organizational units. These are as they generally now appear in the executive budget or in the departmental budgets. The difference is that these "programs" have been grouped by subject matter in a hierarchical display rather than by the conventional grouping under agencies. It should be emphasized that the "programs" as displayed **do not constitute a program structure**. What is displayed is simply an **appropriations structure** which is designed to assist in developing some program focus during the transitional period.

(2) It integrates the operating and capital requirements for each program. Where possible, it also identifies research and development costs and non-capital investment costs.

(3) While it focuses on programs, it nevertheless appropriates money to agencies. The format designates the agencies which are to expend the amounts for each program cost category.

The bill is in several parts:

Part I explains and defines:

(1) The abbreviations used to designate expending agencies.

(2) The symbols used to designate the source of funds.

(3) "Position ceiling" and how it is specified in the bill.

Part II appropriates the money needed to implement the programs. The key features are:

(1) Appropriation by programs.

(2) For each program, specification of how much is to be spent in each major cost category.

(3) Designation of the agencies authorized to expend the amounts appropriated. Each agency involved in the expenditure of the amount appropriated in each cost category and the amount to be expended by each agency are specified.

(4) Limitation on the amount that may be expended in each fiscal year.

(5) Total appropriation for the biennium.

(6) Limitation on the number of positions that may be filled in each fiscal year.

(7) The designation of the source of funding. All funds from which monies are appropriated and all approved sources from which monies are to be received (and expended) are designated. (Former appropriation formats enumerate the amounts to be paid out by specific funds, federal funds, etc., then deduct them to produce a net general fund amount. The bill does not net out the general fund portion of the appropriated amount, because it is not necessary to do so.)

Part III specifies the capital improvement projects included in the total amount appropriated for capital investment in Part II.

The remaining parts of the bill provide for the issuance of bonds and technical provisions.

#### Cost Categories

In making appropriations for each program, your Committee has attempted to identify, wherever possible, the amounts to be expended by major cost categories as intended by Act 185. In doing so, your Committee has followed the cost category guidelines formulated by the Joint Interim Committee on Legislative Review and Organization. These guidelines are:

**General.** Act 185 requires that the costs associated with programs are to be identified and grouped under four cost categories: (1) **research and development**, (2) **capital investment**, (3) **non-capital investment**, and (4) **operating**. These cost categories follow the "life cycle" approach to costs and flow from the principle that a decision to undertake a program must take into account the full cost impact of the program over time. They embody the concept that a program, from its conceptualization to its introduction into service, goes through the several sequential phases, or "life cycle," reflected by the cost categories. To the decision-maker, it permits him to assess not only the full cost of the program over time, but it affords him the opportunity to make incremental program decisions. For example, in undertaking a new program, no commitment needs to be made on the size and duration of the program (or

even to introduce the program into operational use) until the **research and development phase** is completed.

#### Definitions and Characteristics of Cost Categories.

(1) "**Research and development costs**" means costs primarily associated with the development of a new program, system or capability to the point where capital and/or non-capital investments are required to introduce the program, system or capability into operational use. The cost elements under this cost category include costs for **research, design, and test and evaluation**. **Research and development costs** are one-time costs, and the costs do not normally vary with the size or duration of the program; they should result in a proven and tested program configuration. It is the intent of Act 185 that these costs would be reported only with the development of a **new program, system or capability** or with the development of a **major change** to a program, system or capability.

(2) "**Capital investment costs**" means costs, beyond the research and development phase, associated with capital improvements including the acquisition and development of land, the design and construction of new facilities, and the making of renovations or additions to existing facilities, which are required for a new program, system or capability to be introduced into use. The cost elements for this category include costs for **land acquisition, design and construction**. **Capital investment costs** are essentially one-time costs, and the costs will vary with the size of the program.

(3) "**Non-capital investment costs**" means costs, beyond the research and development phase, other than investment costs for capital improvements, which are required for a new program, system or capability, to be introduced into use. This category would include such costs as the costs of training of personnel and the procurement of materials to get the program under way. These costs will vary with the size of the program. It is the intent of Act 185 that non-capital investment costs would be reported only with the installation of a **new program, system or capability** or with the installation of a **major change** to a program, system or capability.

(4) "**Operating costs**" means costs of operating, supporting and maintaining authorized programs. The cost elements of this

category include costs for personnel services, other current expenses, equipment and motor vehicles. Operating costs are recurring costs and will vary with the size and duration of the program.

### **Legislative Responsibility**

Pursuant to the provisions of House Rule 53, your Committee on Finance has examined all matters relating to revenues and proposed expenditures referred to it for report in accordance with section 6 of Act 185. Accordingly, we have:

(a) Considered the long-range plans, including the proposed objectives and policies, the six-year State program and financial plan, and the budget and revenue proposals recommended by the governor and any alternatives thereto.

(b) Hereby recommended the adoption of programs and the State budget, and recommended the appropriation of monies to implement the programs which we deem appropriate.

(c) Recommended (and we shall further recommend) such other legislation as necessary to implement State programs.

Presently, your Committee is unable, literally, to prospectively "review the implementation of the State budget and programs accomplishments and execution of legislative policy direction," as prescribed by section 6(d), retrospectively. Fundamentally, we have systematically strived to formulate "programs" for display upon the appropriations structure so that agency recommendations are a realistic reflection of legislative responsibility. Notwithstanding, we can, considering the course of tradition, contemplate certain continued complications which the admonition following is consummated to contain.

### **Resource Allocation Ceilings for Budgeting**

Your Committee has been concerned for some time that agency budget recommendations far exceed the executive budget recommendations of the governor. This condition is traceable to a budget allocation ceilings under which agencies' programs are to be planned, programmed and budgeted. The absence of financial ceilings has resulted in agency recommendations which are unrealistic when viewed in the context and against

the limitations of the total financial resources of the State.

When Act 185 is fully implemented for all programs of the State and the next biennial budget, and the six-year program and financial plans are submitted to the legislature in 1973, the documents should be consistent with each other. Act 185 provides that the level of expenditures which the governor recommends in the budget will be the same as the level of expenditures programmed in the first two years of the program and financial plans.

However, the problem of unrealistic planning, programming and budgeting on the part of the agencies will continue unless the administration process provides for informing the agencies of the tentative dollar allocations to major program areas even before the agencies begin to plan, program and budget. The joint interim committee on legislative review and organization, the joint interim committee on education, and the legislative auditor in his report on the State hospital program, all have recommended that the department of budget and finance provide the agencies with resource allocation ceilings so that budget-making can proceed under realistic financial constraints. Only under such constraints will there be induced in agencies, as part of their budget formulation process, the necessity to rank priorities and to analyze the tradeoff possibilities between programs. Therefore, your Committee requests that the department of budget and finance explicitly provide for a process of tentative dollar allocations to agencies and to include that process in instructions issued for the implementation of Act 185.

The department of budget and finance should also re-examine its role in budget review, particularly with respect to the department of education, the university of Hawaii, and the judiciary. In the cases of the DOE and the UOH, these are agencies which have, as governing bodies, boards which are formally charged by the State Constitution with responsibility for the formulation of policy. In the case of the judiciary, it is a separate and co-equal branch of government. Under such a political framework, the appropriate course is for the department of budget and finance to inform the two agencies and the judiciary of the aggregate financing ceilings under which programs may be budgeted, and conduct its budget review only to determine that the ceilings are adhered to. The estab-

lishment of aggregate financial controls would be sufficient to retain the integrity of the governor's financial plan, while permitting the respective governing boards of the department of education and the university of Hawaii, and the judiciary, to formulate their own program and budgetary recommendations within the limitations of overall financial policy.

Your Committee therefore requests that the department of budget and finance, the university of Hawaii, the department of education and the judiciary hereafter formulate a process for budget-making and budgetary review in accordance with the guidelines expressed herein, and to report to the 1972 session of the legislature on agreements reached. The department of budget and finance is assigned responsibility for coordinating the agreement and the report.

#### Legislative Objectives and Policy

For the fiscal biennium beginning July 1, 1971 and ending June 30, 1973, your Committee has appropriated or authorized, as the case may be, funds sufficient to accomplish the purposes and programs designated in the bill. The major program areas displayed in the appropriation structure are nine in number. They are:

- A. Ecology, Environment and Recreation
- B. Economic Development
- C. Education and Culture
- D. Government Direction and Support Activities
- E. Health
- F. Human Resources
- G. Human Rights and Justice
- H. Public Employment
- I. Transportation

Again, this year, your Committee has been guided in its recommendations by focusing upon achievement of the following objectives:

- (1) Improving the quality of education at all levels;
- (2) Helping the less fortunate members of our community to achieve a better quality of life;
- (3) Preserving and protecting our physical environment;

(4) Expanding and strengthening the broad economic base of our State; and

(5) Alleviating the existing housing crises of the State.

Our decision-making process has been guided also by the performance of the expending agencies designated herein over the current fiscal year, and by other legislation which we have recommended as necessary to achieve the foregoing objectives and to implement State programs. Before we undertake to stipulate, clarify and underscore those matters and areas of special concern to your Committee, which we hereinafter advance in order to provide more adequate guidance to the expending agencies charged with execution of the approved budget, we shall advance some of the very basic policies by which we have been influenced.

First, again this year, all current services and workload increase requests have been subject to careful consideration. Even more carefully construed have been requests for program adjustments. In entertaining these demands upon available revenues, your Committee has adopted a policy of fiscal restraint, of necessity, in view of present and foreseeable economic conditions. Notable among these are the reputed leveling off of tourist activity and the completion of major construction projects. Additionally, the economy has been somewhat plagued by business disruptions attributable to strikes, including that of the Rapid Transit System in Honolulu and neighbor island hotel workers, which have adversely affected merchandising and tourism, respectively.

Notwithstanding these momentary setbacks, however, our suggested budget provides adequate funds to hold the hard line of required government services and improvement projects while perpetuating formative yet promising programs initiated by previous legislatures. And, we have provided other funds for the initiation of other programs which your Committee has determined to constitute a current need. Thus, and in order to accomplish this, in the area of proposed workload increases and program expansions, your Committee has exacted specific goals and detailed budgetary requirements for the near and distant future as the basis for reaching its recommendations.

In this respect, with regard to requests by private organizations for subsidies, your

Committee has found still prevalent the problem prompting the following remarks made last year in Conference Committee Report No. 20:

“Your Committee finds that the lack of uniformity in the manner in which these funds are requested, hampers decision making on these subsidies. Each organization submits a budget peculiar to its needs while some requests are not even presented to the Legislature directly, but come through the department as a lump-sum request. Your Committee believes that this practice should cease. Your Committee recommends that all organizations requesting State funds submit their total fiscal budget in the form that is used by all State agencies in order to qualify for State funds. In addition, the responsible department, and the Department of Budget and Finance are expected to review these requests as they review other departmental requests. Upon legislative approval of the subsidy, the organization shall comply with the allotment system as provided in Chapter 37, Hawaii Revised Statutes.”

Your Committee concedes that there has been colorable compliance by the departments concerned. However, agency justifications, if any, are too often sparse; and without them it is impossible for us to discern wherefore the appropriation requested is to be expended, and we are therefore reluctant to make it. Some requests have, as a result, been included in the budget; others have been included in other legislation; perhaps others have been missed.

Hereafter, agencies presently receiving subsidies shall comply with the above; for subsidies, although they are established by legislative action, remain justifiable only as the legislature remains satisfied that subsidies programs continue to further their own and community objectives. If not, subsidies, as well as the community programs they support, may be curtailed.

On the subject of revenue requests and your Committee's recommendations thereon, although we are in receipt of a comprehensive summary of positions abolished on December 31, 1970, pursuant to section 23 of Act 175, S.L.H. 1970, the worksheets and related documents upon which we have

based our recommendations do not reflect these alterations, and the positions which will be abolished as of April 30, 1971, cannot be anticipated. Therefore, whatever salary savings these abolishments may reflect for the current fiscal year, and for whatever purposes they may have been or will be expended otherwise (including, perhaps, meeting the deficit in the economic assistance program), these adjustments to position count have not figured into our classifications of current services or our justifications for workload increases and programs adjustments which are contained in the recommended budget.

Finally, we have consistently and nearly without exception, wherever appropriate, made available to all expending agencies, in accordance with their respective suitability, appropriations essential to the hiring of student help. In so doing, it is your Committee's intention that as and whenever temporary employment opportunities arise, agencies requiring personnel services itinerately shall, subject to the usual administrative approval, encourage, recruit and obtain the services of students, as appropriate. The funds we have appropriated therefor represent one of the best investments which can be made; they provide reciprocally mutual benefits: (1) needy and deserving students finance part of their education, (2) work experience may often directly relate to formal education, and (3) agency costs for essential services are reduced to reasonable rates which otherwise require regular employees at higher rates. Particularly in the areas of education (at all practical levels) and summer programs (such as forestry planting) do we commend this practice.

#### **Program Appropriations**

Although the transitional appropriations structure of S. B. No. 1, S. D. 2, focuses on programs rather than agencies, it nevertheless appropriates money to “agencies”. So-called “program cost categories” are essentially subordinate to the format-designated agencies which are to expend the amounts allocated thereto. Because this appropriations process suggests to your Committee a reminiscent resemblance to traditionally functional categorization, we have determined hereat to set forth a general fund/other funds display accordingly:



	All Funds	General Fund	Other Funds
<b>EDUCATION</b>			
Department of Education	326,639,447	275,104,784	51,534,663
University of Hawaii	180,163,894	143,039,072	37,124,822
<b>DEVELOPMENT AND NATURAL RESOURCES</b>			
Agriculture	11,901,883	7,882,026	4,019,857
Land and Natural Resources	10,987,116	9,259,753	1,727,363
Planning and Economic Development	8,643,848	7,977,918	665,930
Transportation	98,168,692	813,369	97,355,323
<b>HEALTH, PROTECTIVE AND SOCIAL</b>			
Defense	3,654,051	3,038,423	615,628
Hawaiian Home Lands	3,757,148	726,100	3,031,048
Health	87,963,535	63,073,931	24,889,604
Judiciary	15,650,800	15,645,900	4,900
Land and Industrial Relations	50,629,791	5,297,601	45,332,190
Social Services and Housing	212,190,910	116,512,672	95,678,238
<b>FINANCE, COMMERCE, AND STAFF AGENCIES</b>			
Accounting and General Services	33,211,716	31,361,244	1,850,472
Attorney General	3,047,815	2,563,681	484,134
Budget and Finance	204,085,405	200,818,257	3,267,148
Governor	11,521,098	6,794,455	4,726,643
Lieutenant Governor	1,398,193	1,398,193	—
Personnel Services	1,977,540	1,970,068	7,472
Regulatory Agencies	4,097,875	3,908,570	189,305
Taxation	9,219,291	9,219,291	—
<b>SUBSIDIES</b>	632,500	632,500	—

#### A. ECOLOGY, ENVIRONMENT AND RECREATION

This program is designed to protect, restore, and enhance the natural and man-made physical environment, and provides for the enrichment of the lives of people of all ages by providing and preserving opportunities and facilities for recreational activities.

##### Ecology and Environment

With regard to programs principally concerned with ecology and environment, your Committee has provided sufficient funds to continue the current level of services and workload increases sufficient to meet the needs of expanding agencies within this program.

Particularly, with reference to pollution prevention and control, and in deference to a finding in **Conf. Com. Rep. No. 20**, that "we may be too late and too parsimonious in making Hawaii the best place in which to live," your Committee has appropriated funds sufficient to accommodate certain significant program adjustments in the area of environmental health.

In the field of air sanitation, we have provided for environmental health specialists and a mechanical engineer in order to control air pollution as required by the Air Quality

Act of 1967. We have provided for a meteorologist and a laboratory aide in the technical section. The community noise control branch staff was increased from three to seven principally to enforce vehicular noise.

In the area of environmental health we provided for a total of six registered sanitarians, two of which (and a stenographer) will augment the sanitation branch staff in implementation of Act 144, S.L.H. 1970, the Waste Disposal Act. Neighbor island staffs, principally to serve the expanding tourist and construction industries, have been authorized to supplant personnel presently assigned from Oahu.

Finally, two vector control positions, where desparately needed, are authorized for West Hawaii.

##### Conservation

Conservation is principally the function of the "traditional" department of land and natural resources. Your Committee has appropriated the following sums to that expending agency as adjustments to the following programs: \$25,000 for the fiscal year 1971-72 only for preparation of a comprehensive long-range fish and wild life plan (emphasizing wild life), and \$30,000 for the fiscal biennium as current expenses to imple-

ment Act 195, S.L.H. 1970, relating to the protection of indigenous fish, bird, animal, and vegetable life.

In providing the sum of \$2,500 each year for the purchase of marine patrol and surveillance equipment, your Committee requests that the fish and game enforcement division submit a report itemizing of specific equipment purchased, 20 days prior to the convening of the Regular Session of 1972.

In order to stimulate the prospective utilization of commercial marine resources, your Committee has provided for an additional aquatic biologist and fishery technician in the fisheries and research management division, initially for expansion of the commercial prawn cultivation program, thereby providing technical assistance to private concerns who are risking and will risk capital for this emerging and promising phase of State industry.

Your Committee is not unmindful of departmental requests for shark control and aku purse seining contracts for which separate bills have been introduced for legislative action. We have, however, outright appropriated \$40,000 for an opihī management study contract, the purpose of which is to identify species, distribution and abundance, and to formulate management techniques and hatchery propagation of this evasively sought urchin which is the source of needless human loss of life in its quest. Finally, as a current service appropriation, \$13,500 per year has been designated for the final phase of the Ala Wai ecology survey and management plan.

For the division of forestry, because your Committee is concerned over the tragic loss of unexplainedly large quantities of ohia and other indigenous trees, we have appropriated the sum of \$50,750 for the biennium for a research study.

In the area of outdoor recreation, your Committee has authorized the position of one park caretaker (including a pickup truck) for the Wahiawa Mauka State Park, Kauai district, provided that said caretaker shall perform on a revolving basis to Russian State Park also.

#### **Small Boat Harbors**

**Conf. Com. Rep. No. 20** requested a study of the small boat harbor program and report

to the Legislature. Concern was that costs for this program were significantly higher than the revenues received. It was recognized that these harbors form an integral part of the State's recreational and harbors refuse program for which public funds are necessary; but in further recognition that the users' fees were sufficient to cover only operating expenses, it was felt that an equitable fee system should also take into consideration fair share of the capital cost. But, the legislative request for a study and report upon this matter went unanswered; and we, therefore, hereby request that the findings previously requested be reported to the Legislature 20 days prior to the convening of the Regular Session of 1972.

#### **Spectator Sports Facilities**

Your Committee has authorized the appropriation of \$6,000,000 in fiscal year 1971-72, to supplement prior appropriations for plans and construction of the Halawa Stadium.

### **B. ECONOMIC DEVELOPMENT**

The purpose of this major program area is to develop and stimulate vigorous growth in all sectors of the economy and areas of the State by providing policies, operations, facilities, services, advice, and information so as to achieve high levels of employment, reasonable returns on investments, and steady gains in real personal income.

#### **Meat Inspection**

Your Committee's chief concern has been in the area of agriculture, essentially with meat and poultry inspection because of contemporary reports that Hawaii's slaughterhouse and meat processing industry is in the throes of federal assumption. In the event of materialization, we have provided for immediate discontinuance of the meat inspection appropriation, and we hereby respectfully urge the State Department of Agriculture to impose upon federal authorities for transfer thereto of all incumbent positions hereby authorized; and if not, the department is urged to utilize them laterally within other divisions; and if not, they are, to the extent possible, to be retained in other agencies of state government.

Concurrent therewith, your Committee has appropriated the sums of \$750,000 and \$250,000 for the fiscal years 1971-72 and

1972-73, respectively, to the Farm Loan Fund for allocation exclusively as direct loans for upgrading of slaughterhouse and meat processing facilities in accordance with federal standards under the Hawaii Meat Inspection Act.

#### Other Animal Industry

With regard to animal quarantine, your Committee echoes concern over the consistently and constantly increasing costs of continuing this program. We shall not allude to the recent false "rabies scare" either to sustain (or deny) the appropriations for workload increases, which we recommend. However, your Committee requests that the department, which we believe is adequately staffed for the purpose, undertake a serious study for reduction of the animal quarantine period without endangering the safety of Hawaii's people.

#### Commerce and Business

Generally, your Committee has provided for sufficient funds to continue the current level of services and meet certain workload increases. This is true in the case of the foreign trade zone because of marked activity increases. We have added \$500,000 per fiscal year in small business loans. In the area of industry and product promotion, principally because of the anticipated continued decline in tourist activity, your Committee believes in opening wide this avenue to broadening the State's economic base. On the basis of funds to be matched by industry, for the ensuing biennium, we recommend the appropriation of \$532,000, as follows:

Coffee	\$100,000
Papaya	140,000
Garments	65,000
Pacific Headquarters	40,000
Anthurium	60,000
New York World Trade Center	60,000
Multi-Agricultural Promotion	20,000
Multi-Product Promotion	30,000
Trade Fairs	2,000
Hawaiian Hardwoods	15,000

For tourism development (Hawaii Visitors Bureau), your Committee has appropriated sufficient sums to continue the diversity of community-wide programs and special events. Furthermore, from the tourism development activities to be augmented by private contributions, there is adequate funding for advertising and other promotional efforts, in

the sum of \$150,000 per fiscal year to counterbalance the anticipated tourist decline.

For the information support services, your Committee made essentially non-remarkable appropriations for current services, except perhaps for HAWTIC where over \$50,000 was allowed on a federal matching basis for contractual services to provide direct personal contact with prospective business and professional users.

#### C. EDUCATION AND CULTURE

The purpose of this program is to make available a graduated series of high quality formal education programs at various levels intended to minimize the realization of each individual's intellectual potential in terms of personal development, social effectiveness and vocational satisfaction.

##### Lower Education

The processes of the lower education program are carried out through an ever-increasing number of regular (and special) schools, for which, although expenditures for public education have significantly increased during recent years, the appropriations recommended by your Committee for the biennium 1971-1973 basically reflect maintaining the current level of services while providing for estimated increases in enrollment.

Among the exceptions, and for which your Committee has provided increased funding, are those programs which we recognize as meritorious in promoting individualized instruction and the establishing of a firm learning foundation. Accordingly, we have provided for some \$1 million in funds for additional 3-on-2 classes, and \$1.8 million for the continuance of the Hawaii English program.

##### 3-on-2 Program

Under the budget format, the 3-on-2 program, in the grade levels to which it applies, has permeated through all phases of intellectual learnings and social-personal learnings. Your Committee has reviewed the 3-on-2 program report submitted to us as requested in **Conf. Com. Rep. No. 20**, and we are satisfied from initial evaluation, that since its inception in the 1968-69 school year, the program has proven sufficiently successful to justify its expansion. Therefore, we have restored the positions previously created for

which teachers were hired; and we have added 25 positions for fiscal year 1971-72 and 75 additional positions for fiscal year 1972-73. Thus, at the close of the biennium, there will be an additional 100 such classes, thereby fast progressing toward 100% 3-on-2 coverage for Grades K-3.

#### **Hawaii English Project**

The Hawaii English Project was established in May of 1966 as the development project of the Hawaii Curriculum Center with the goal of revising the teaching of English. The principal activity of the project has been the production and testing of instructional designs and materials. At present, a fairly complete K-2 skills sequence and major parts of K-3 literature and 4-6 language systems sequence are in various stages of testing around the State. Your Committee has provided sufficient funds for the installation of the program at the rate requested by the department: \$1,564,022 for fiscal 1971-72 and to \$300,000 for fiscal 1972-73. The appropriation for fiscal year 1971-72 is intended to be used for installing the new language systems in 2 classes in each of the grades 4, 5, and 6 in 160 schools. The language skills will be expanded into 99 K-2 3-on-2 classes and into 80 self-contained classes. In-service training will also be expanded and 34 additional installation teachers will be provided. Funds will also be expended for the expansion of the program based on shared utilization or the sharing of materials and equipment. We would hope that the expected 20% for the first fiscal year will be expanded to 100% for the second. In fiscal year 1972-73, \$300,000 is provided for continued expansion of the program K-6.

#### **Comprehensive School Alienation Program**

The schools of Hawaii are facing critical problems in school alienation; the impact cannot be ignored. Overt actions such as drug abuse, high-jacking and student unrest threaten the safety and welfare of the entire school populace. Until the regular school curricula and structure can be adapted to adequately incorporate approaches designed to alleviate the problems of school alienation, special innovative programs are necessary to cope with crisis situations, to take corrective measures to insure safety in school, and to seek effective avenues of prevention.

The problems differ at each school. It is therefore imperative that the department

identify the attendance areas with the most critical problems and needs. And second, the department must assess the specific program needs of these schools.

The Statewide Dropout Program is structured with sufficient flexibility to permit its operation in crisis situations, on corrective measures, and toward prevention as evidenced by the many approaches incorporated in its design. The design includes the following activities: Staggered and aggressive counseling, classes located outside the formal school environment, tutorial and remedial course work for the alienated youth, after-school motivational activities, University-DOE sponsored in-service training, curriculum modification for the potential and actual dropouts, community-governmental involvement activities, and work study opportunities.

Your Committee is authorizing \$731,143 for the biennium 1971-73 for this new program to include the development of a comprehensive plan with statewide evaluation and monitoring capabilities, in-service training and 57 positions in the following capacities which meet the needs of the schools: Outreach counselor, outreach aide, student safety worker, student safety aide, special motivation instructor, and community school counselor. The comprehensive plan, in addition to crisis and stop-gap approaches, should include programs at the elementary level where alienation can be curbed. Included in this plan should be time-tables for implementation at the elementary level. This report should be submitted by the Department of Education to the Legislature twenty days before the convening of the Regular Session of 1972.

#### **Vocational-Technical Education Program**

Your Committee feels that a high priority must be given to educational programs which contribute to the relevancy of school experiences for all students. To this end, the following recommendation for the expansion of vocational-technical programs is being submitted: A total of \$774,380 be included for the purpose of expanding Vocational-Technical education in the three sub-programs of Pre-Industrial Preparation, Introduction to Vocational Programs, and the Occupational Skills. Basically, all three programs will increase the options available to individuals to take employment at entry level jobs, to move toward occupational specialization at the

post-secondary level, or to continue into preparation for professions. There is a large percentage of our secondary students who need an alternative plan to reach their educational goals.

Additionally, the following areas of concern have been expressed to us by your Committee on Education, and the department is accordingly hereby apprised:

1. That the department's administrative staff should provide technical and analytical services through the office of the superintendent, if and when required.

2. That no funds are to be expended to support or create additional staff positions in the Board of Education.

3. That no funds are to be expended to support or create additional staff positions in the proposed pilot project of expanding the educational complex model to include the whole of the Leeward school district.

4. That the department review the organizational plan of the office of planning and analytical studies and come to an immediate resolution on the make-up of that office with the department of budget and finance.

5. That evaluative and meaningful accountability measures be adopted by the department of education to accurately measure the educational levels reflected by the sums expended by the Department of Education.

6. That the department submit a report to the legislature, twenty days before the 1972 session, on the justification and rationale for the sums expended for rentals of private buildings for storage, office and classroom use and include a timetable for the phasing out of such rentals.

Lastly, the prevalence of pleading for duty free lunch and preparation periods have come to your Committee's attention because the commonly conceived consolation thereof consists of program adjustments calling for cash consideration. We sympathize with the deserving educators on whose behalf this request is made. We therefore urge that the department employ such innovative techniques as are necessary to realize savings which might in turn be used to provide teachers, general aides, or educational assistants for the effective implementation of this program.

### Higher Education

The proposed operating budget of the University of Hawaii (UOH) makes it clear to your Committee that the most significant problem posed is accommodating the increasing demands for higher education while improving the quality thereof, and achieving these presently within the bounds of available resources.

Aside from needed programs that will suffer curtailment if funds are not provided, the following criteria were applied in selecting programs for additional funding on a priority basis: (1) programs that are basic for a solid foundation of knowledge; (2) programs that have utility values; (3) and programs that are unique and especially suited for Hawaii's geography and ethnic backgrounds.

Generally speaking, we have provided the sum of \$1,543,000 for the biennium to continue utilization of student help at the same rate. Funds are provided to augment curriculum, and extend instruction to the disadvantaged and those living in peripheral areas in the various community colleges. There is a provision for instituting new community college programs in the Windward and East Honolulu areas to meet enrollment increases. For the biennium, \$486,533 (26.0) was appropriated to Windward and \$485,000 (26.0) to East Honolulu. Also for the biennium, additional funds of \$213,000 (5.0) have been provided for the Manoa Campus to improve library services to students; \$193,000 (19.0) to improve the chemistry program so that students will have a strong base for further specialization in scientific endeavors; and \$335,000 (10.5) which includes Sea Grant Program, and oceanographic to expand the oceanography and marine related programs so that Hawaii can attract new industries which will tap the vast resources surrounding us. Funds of \$60,500 (2.0) are provided to augment student services to meet the demands of increasing students; \$25,000 to develop a comprehensive Hawaiian curriculum as one means to foster the preservation of Hawaii's culture and heritage; \$67,000 (2.0) to develop an undergraduate program in social work to train social work technicians needed to fill jobs in human services occupations; and \$70,000 (4.0) to expand the Asian-Pacific ethnic studies programs so that our students can develop a greater appreciation and sense of ethnic background and identity.



### Academic Planning

As the Statewide University System develops rapidly to accommodate increasing enrollment through existing and planned campuses, an urgent need exists for an adequate academic planning staff. This staff must plan and replan for the system as a whole and provide assistance to individual campuses to assure that system wide coordinated academic plans are being developed and implemented within established policies such as controlled growth and open admissions. It is imperative that this staff be established immediately so coordinated planning occurs well in advance of the opening of new campuses. Your Committee, therefore, recommends for this expanding and vital program an appropriation for fiscal year 1971-72 of \$80,000 (3.0), increasing to \$150,000 (6.0) in fiscal year 1972-73.

### Schools of Law and Medicine

In recent years, much has been said on the subject of schools of law and medicine for the University. But, short of a diversity of studies relative thereto, little has been done. Legislative consensus seems to have been that the projected and accelerated undergraduate and graduate student enrollment increase, and the desire to attain and maintain academic excellence will require heavy financial commitments in the future. It is intended that our financial commitments be first directed towards providing the basic undergraduate needs and secondly, to graduate programs on a selective basis. See, e.g., **Conf. Com. Rep. No. 20.**

Your Committee believes that notwithstanding enrollment increases in unprecedented numbers, the basic undergraduate needs are being satisfactorily met, and that if this were, therefore, the only impediment to initiation thereof, we should proceed forthwith. Obviously, the problem is not so simple.

We are aware of the sizeable financial commitment a law school and a four-year medical school will have upon resources, and that funding of such schools without carefully examining the full implications, financial or otherwise, would not be the proper course. The task of making studies and recommendations thereon to the House of Representatives has been charged to the Committee on Higher Education. The Committee on Higher Education is presently conducting in-

tensive studies of all available data in evaluating the necessity and feasibility of instituting these programs at the University. While these studies and recommendations have not been completed, your Committee deems it wise to appropriate sufficient funds to cover the planning and initial implementation costs of the law and four-year medical programs. This action is taken with full regard to the varying possible recommendations to be made by the Committee on Higher Education and the ultimate action taken by the House of Representatives and the Legislature.

Upon these contingencies, the recommended appropriation is \$40,814 (3) for fiscal year 1971-72, and \$384,254 (5) for fiscal year 1972-73, for a total of \$425,068 (8) for the biennium. The recommended appropriation for the four-year medical program is \$300,000 (18.75) for the fiscal year 1971-72, and \$562,656 (12.25) for the fiscal year 1972-73, for a total of \$862,656 (31.0) for the biennium.

Finally, the following concerns have been presented to us by your Committee on Higher Education, and the department is hereby apprised accordingly:

1. The report submitted by the University regarding average faculty teaching loads indicates that there may be under utilization of existing manpower resources. The University is conducting in-depth analysis of workloads by colleges. The University should be encouraged to continue this because there is a real need to tap all available resources in order to meet the burgeoning student enrollment, and requested to report its findings to the next Legislature.

2. There has been no statement of positive achievements by the University with regards to most of its special innovative undergraduate programs such as the Honors and Selected Studies, New College, Survival Plus, Johnson Hall, etc., other than the fact that more students are desirous of enrolling in these programs. Furthermore, the University's general approach seems that of enlarging these programs at the expense of other on-going programs. We think that it would be more beneficial if the positive results of most of these experimental programs could be in-putted into the regular on-going undergraduate programs. The University's approach benefits only those students enrolled in these special programs. We believe that the

University should evaluate these programs more carefully before any further expansion is made.

3. One of the more critical needs of furthering agricultural development in Hawaii is that of developing foreign markets for our agricultural products of the small farmers. The agricultural research capabilities of the University should be more geared toward this end.

4. The Summer Sessions Program at the University seems to be a highly successful one which pays for itself through the use of a revolving fund. The University should be encouraged to look into the possibility of making more use of such self-financing programs.

5. We note some very expensive instructional programs which serve a relatively small group of people in isolated areas. Although these programs serve to equalize educational opportunities, the University should be encouraged to look into alternative ways to make these programs more efficient.

6. In reviewing the patterns by which new programs are being initiated at the University, there seems to be little attention paid to finding out actual needs within the community. We suggest that the University survey target populations to determine actual needs of the community in developing and initiating new programs.

7. We identified two programs that we believe should more properly belong elsewhere than the University. The Hawaii State Senior Center is a program that has a heavy emphasis on meeting recreational and social needs of elderly persons. The Kapaa Center is a program that seemingly duplicates DOE's Compensatory Education program. The University should be requested to investigate the desirability of transferring these programs to a more appropriate department.

8. The Committee was impressed with the innovative and experimental programs conducted by the Social Welfare Development and Research Center. Solutions for dealing with deviant behavior do not come easy and it is through research and preventive measures that we may be able to make some forward strides. We admire the courage for promoting new ideas even if we may sometimes disagree with new thinking. The programs can be looked on as a practical

mechanism to combat certain aspects of social ills in our community.

9. It is our view that the Center for Governmental Development located in the College of Continuing Education and Community Service of the University of Hawaii is doing a commendable job of discharging duties assigned to it under Act 190 (SLH 67). Your Committee, therefore, recommends that the entire amount as submitted under the Governor's budget for the Center be left intact. It is further recommended that the Center remain physically and functionally with the University's College of Continuing Education under the present co-chairmanship.

10. Your Committee has also been asked to note that the appropriation to the University of Hawaii for the Library, \$1,500 annually, is provided for the purpose of keeping the libraries open for 24 hours during final examination periods.

#### **D. GOVERNMENT DIRECTION AND SUPPORT ACTIVITIES**

This major program area consists, essentially, of those expending agencies traditionally classified functionally as "Finance, Commerce and Staff." The primary purpose hereof is to maximize the effectiveness and efficiency with which the objectives of the State are achieved by providing executive direction, overall policy making, and general support for all program.

For the programs of Accounting and General Services, Central Government Operations, Financial Management, Executive Direction and Legislative Support, your Committee has appropriated sums sufficient to maintain the current level of services.

As part of the appropriations for operations to the Office of the Governor, your Committee has earmarked the sum of \$100,000 to conduct to its conclusion the study on programs and objectives of the department of Hawaiian Home Lands pursuant to Act 275, S. L. H. 1970. In order to assure that the same represents a manifestation of legislative intent, your Committee has attached a proviso to the expenditure of this money, the substance of which we believe is worth repeating here: That the consultant contract, before execution, be submitted to the legisla-

tive auditor who shall report his findings thereon to the President and Speaker of the Senate and House, respectively.

### E. HEALTH

To improve the health of all the people by reducing the incidence of, and disability due to, physical and mental illness through assuring an adequate supply of high quality health facilities and services for individuals and a healthful environment for the general public. Such is the purpose of this major program area.

Believing as we do, that the right of the people to avail themselves of the medical and hospital services offered by the State is indisputable, your Committee has appropriated adequate funds to assure an adequate supply of high quality health facilities and services over the ensuing two years.

Your Committee feels that the recent audit of the state hospital program by the legislative auditor could provide information basic to the improvement of health services. We have not had sufficient time to review its findings, and must therefore withhold specific comment at this time.

Your Committee is concerned over the lack of coordination and cooperation among existing units that function as independent units, rather than an integral part of the state hospital; and therefore recommends that the hospital review its existing staffing patterns to insure effective and efficient use of personnel.

Because the Wahiawa Mental Retardation Center will be completed by July 1972, we have appropriated funds for three staff members thereat for fiscal year 1972-73.

To extend family planning services to a target group of some 7,500 women of low-income in rural Oahu, your Committee has appropriated \$78,303 (5) for the biennium conditioned upon the availability of matching federal funds.

In order to convert civil defense medical consultant and health mobilization coordinator positions to 100% state funded, an appropriation of \$32,429 was made. The positions affected were formerly funded on a matching basis by Federal Civil Defense P and A funds, which are no longer available.

On the subject of expiring federal funds, your Committee is informed that receipts for the HIP I program at Waimano Training School and Hospital concerned with habilitation of severely retarded/hyperactive males, are scheduled to terminate. It is requested, therefore, that the department evaluate the effectiveness of the entire HIP program and report its findings to the Legislature twenty days before the convening of the Regular Session of 1972.

Finally, your Committee has received various reports commending the efforts of the Pre-School Programs at Variety Club Schools and we believe it contributes constructively to the Children's Health Services of the department. Because this private community activity has complied with the legislative mandate regarding requests for subsidies heretofore discussed, notwithstanding that appropriations may heretofore have been made by separate support legislation, your Committee this year recommends a budget appropriation, and we have provided \$50,000 for each fiscal year of the biennium for this program.

### F. HUMAN RESOURCES

The objective of this program is to enable individuals and families in need of aid to attain a minimally adequate standard of living, to achieve the social and psychological adjustments necessary to successful living in modern society, and to assure all workers full and equal opportunities to work, decent working conditions, fair treatment on the job, equitable compensation, and assistance in work-related difficulties.

#### Social Welfare

The social, and particularly the economic, well-being of our residents is of grave concern to our state government. One of the means to achieve the objective of this program is through the economic assistance program, income maintenance and food stamps program. Your Committee is concerned about the lack of information given to the Legislature concerning this welfare program. The department has not identified the actual number of individuals on welfare. They are almost one year behind their predictions. The department should reflect their need of predicting caseloads so that the budgetary request for income maintenance and food stamps is realistic. The overall scheme is to get to the people who are potentially eligible

for welfare benefits but are not on the welfare program.

#### Food and Clothing Allowance

Your Committee has appropriated the additional sum of \$1,686,238 to increase the clothing allowance for children and adults providing that the amounts appropriated shall not exceed \$51.72 and \$44.77 for children in the fiscal years 1971-72 and 1972-73, respectively, and \$37.35 and \$32.35 for adults for the fiscal years 1971-72 and 1972-73, respectively. We have further provided that this appropriation shall be treated as a "special allowance", apart from the clothing allowance which is already apart from the standard monthly allowance. (For several years, the Department of Social Services has requested supplementary appropriations for its economic assistance program.)

#### Income Maintenance

Under the proposal of aid to families with dependent children, your Committee has appropriated the sum of \$119,800 for continuance of the demonstration project for such mothers for the fiscal years 1971-72 only, upon the discontinuance of which the methods thereby developed shall be applied to other relative programs. Furthermore, the sum of \$144,880 has been appropriated for 10 social service assistants for money payment units.

The Department of Social Services and Housing started a reorganization to separate social services (home services, adoption services, family counsel, etc.) from the financial cases. The financial part would be handled by clerks called social service assistants, and to the extent possible, such workers should be recruited from the recipient population.

In the area of vocational rehabilitation, your Committee appropriated the sum of \$74,691 for the biennium for additional vocational rehabilitation specialist program specifically for the purpose of consulting and assisting the deaf. If possible, someone experienced in working with the deaf or preferably someone who is deaf and also a teacher should be hired for this position. Furthermore, your Committee suggests that this division hire more blind to work with the blind.

Your Committee is not unmindful that the sum appropriated for income maintenance is

substantially less than the expending agency's request therefor. We are not endeavoring thereby to deprive the truly needy shelter, food, and clothing necessary to sustain them through their temporary hardship. However, we are firm in our resolve that there should be stricken from the welfare rolls those individuals and families who are paid living wages but who scheme their way to taxpayer generosity because of quirks in the present laws or the way in which they are administered. In this respect your Committee invites attention generally to **Stand. Com. Rep. No. 134** reporting upon **House Concurrent Resolution No. 49**.

#### Housing

The Hawaii Housing Authority is attached to the Department of Social Services and Housing for administrative purposes only although in the appropriations format the department is shown as the expending agency. Act 105, S.L.H. 1970, the Omnibus Housing Act, provides a variety of programs for state developmental and financial assistance in housing. Heretofore the Legislature provided a \$100,000,000 bond authorization to carry out the provisions of the Act. Your Committee, has been apprised that the Housing Authority has concluded its re-organization, has published rules and regulations and is prepared to proceed with relief to the State Housing crisis.

Funds have been provided from general revenues for purposes of implementing the omnibus housing act. Among the positions authorized are attorney, finance administrator, mortgage administrator, switchboard operator, stenographer, development services administrator. Additionally, the sum of \$55,066 was appropriated out of the current expenses associated with these positions.

#### Public Housing

For the Hawaii Housing Authority's public housing program, your Committee appropriated funds sufficient to provide for requested workload increases. The unusually high number of positions, all of which are "specially funded", are required to meet federal standards in order to provide the services necessary for administering projects near completion. The positions include: 2 public housing specialists, 5 switchboard operators, and 5 positions to staff the proposed housing project management section 7.

### Rent Supplements

Rent supplements which are general funded are appropriated in the amount of \$737,510 for fiscal years 1971-72, which is \$200,000 above the level of current service in anticipation of additional applicants for rent supplements.

### Labor and Industrial Relations

The Department of Labor and Industrial Relations administers programs designed to increase the economic security, physical and economic well-being, and productivity of workers, and to achieve good labor-management relations.

To assure the job security of workers displaced or unemployed in the event of the termination of major business operations, your Committee has provided \$50,000 for a Re-employment Training Fund, to be utilized for the establishment of re-training programs to enable displaced workers to acquire new job skills.

Mindful of the implications of collective bargaining on public employer and employee relationships, your Committee has provided sufficient funds to the Public Employment Relations Board to implement the intent of Act 171, SLH 1970.

Additional positions have also been provided to handle increased enrollment in the Apprenticeship Program and to improve management capabilities in Workmen's Compensation Program.

Act 148 signed into law on June 30, 1969, established the Temporary Disability Insurance (TDI) program. The TDI program is a wage loss replacement program designed to insure all eligible who suffer wage loss resulting from off-the-job sickness or accident with prompt disability benefits provided by their employers.

In assessing the division's experience since the inception of the TDI program 18 months ago, the major problem in achieving their objective is that of inadequate staffing, particularly in the Enforcement and Administrative branches. Sufficient funds have been provided to upgrade this meritorious program, and the four temporary TDI representative positions on the neighbor islands are

thereby "annualized". The department is encouraged to place in such positions those persons presently occupying them temporarily.

### Hawaiian Home Lands

Your Committee supports the department's plan to expand their programs, which are presently narrow in only providing suitable homesites and homes, to include other social and economic services to enable Hawaiian families to move into the mainstream of society.

To implement innovative programs, \$286,623 has been provided for 12 special funded positions to improve the department's administrative services. Included in the 12 positions is a Social Worker V which has been authorized with intent of fostering a closer relationship among the Hawaiian families, the Hawaiian Homes Commission and the department of Hawaiian Home Lands.

It is our intent that for the Interest Subsidy program, subsidies be provided to only those who are economically indigent and unable to qualify for mortgage loans from lending institutions, but for the subsidy.

Recognizing the importance of education as a fundamental base necessary for the development of each individual to his fullest potential, and as a means by which to breach the bounds of poverty, your Committee has provided the sum of \$250,000 for the biennium to continue and encourage the department of education, University of Hawaii and department of Hawaiian Homes in their efforts to upgrade the education attainments of Hawaiian children.

### G. HUMAN RIGHTS AND JUSTICE

The principal objective of this major problem area is to protect the individual as a consumer from fraud, deception, and exploitation; to provide administrative redress of the individual's grievances caused by private or public agencies; and to protect the individual from loss or impairment of his rights. Generally, your Committee has appropriated revenues for the maintenance of current levels of services to all expending agencies comprising this program, including the authorization of a few positions for workload increases.

It is noteworthy that whereas your Committee appropriated sufficient funds to con-



tinue the commendable services of the Office of the Public Defender in providing legal assistance to indigents, we have provided that all such monies are for that purpose and for funding of additional positions, but not as increases in salary to professional personnel.

Within the Department of Regulatory Agencies, administratively, special emphasis was provided the Public Utilities Commission which has been appropriated sufficient funds for a full-time three-member commission beginning in fiscal year 1972-73.

#### H. PUBLIC EMPLOYMENT

Your Committee has provided funds sufficient to accomplish the purposes of programs within this area at the current level of services, while providing also for necessary workload increases.

#### I. TRANSPORTATION

A modern, integrated and properly maintained transportation system of highways, airports, and harbors is necessary for the State's economic and social advancement. In order to meet Hawaii's transportation needs, your Committee has provided the department with the resources to continue to accelerate and upgrade its programs and services. A number of general laborer, equipment operator, maintenance and janitorial positions have been authorized to meet workload increases.

##### Civil Air Patrol

Section 261-6 of the Hawaii Revised Statutes provides for an annual appropriation of \$30,000 for the Civil Air Patrol. Your Committee recommends that this sum be increased to \$56,000 for statewide use, provided that not less than \$2,000 each fiscal year shall be appropriated to neighbor island wings.

##### Other Concerns

Your Committee is concerned that past appropriations for studies have frequently resulted in less than optimal results due to the inadequacy of project proposals and contract specifications. We, therefore, direct that whenever contracting for services of consultants, departments shall have the legislative auditor review such contracts, before execution, for the purpose of determining that the specifications manifest legislative intent, and

that he report thereupon to the President of the Senate and the Speaker of the House of Representatives.

The attached bill calls for the appropriation of \$1,788 million for the 1971-73 biennium. This includes \$509 million for capital investments and \$1,279 million for operating, research and development, and non-capital investments items. These proposed expenditures are predicted on a financial plan which foresees moderate economic growth. While this projected growth rate is substantially lower than that realized in the immediate past, there does exist the possibility that revenues would fail to meet current projections. In such case, the Governor is urged to maximize economies and delay the implementation of newly authorized programs.

Your Committee cautions that this pioneering effort in PPB decision-making and displaying appropriations in a program format may have led to the inclusion of some activities in program elements to which they bear limited relationship.

##### Modified Variance Report

The joint interim committee on legislative review and organization has reported that the legislature, in order to perform program review, needs information in 1972 to fill the temporary void of the variance report required by Act 185. Given the current timetable for the implementation of Act 185, a variance report meeting the specifications of the act cannot be expected for all State programs until 1974. Your Committee concurs with the joint interim committee that it is necessary for the legislature to receive from the administration a modified variance report for review in the 1972 legislative session.

The report would be based on the budget categories identified in the appropriations format. It would differ from the Act 185 requirements in that it would not compare planned and actual levels of program effectiveness and program size. The report would cover for each budget category in the appropriation format a comparison between: (1) the amount budgeted for FY 1971-72 as against the amount actually expended in the first quarter and the estimated expenditures for the remaining three quarters of the fiscal year (the actual and the estimated to be separately identified but with one combined total); and (2) the number of positions budgeted as against the actual number of

filled positions in the first quarter and the estimated number of filled positions in the remaining three quarters (with the actual and the estimated to be separately identified).

However, the full requirements of the variance report as specified by Act 185, including variances in program size, program effectiveness, and program expenditures would apply to all programs which have been brought under Act 185 implementation and for which appropriations have been made in the same or similar format. In those cases where the appropriations differ from the amounts represented in the budget and the program and financial plans, the program and financial plans will be reprogrammed accordingly, and, if appropriate, the base for determining variances between planned and estimated ex-

penditures, program size, and program effectiveness shall be adjusted to be consistent with the appropriations.<sup>1</sup>

**FURTHER AMENDMENTS TO S. B. NO. 1, S. D. 2**

In addition to impressing the product of our decision-making process upon **S. B. 1, S. D. 2**, by amendment thereto in conformity with **H. B. 2, H. D. 2**, your Committee has seized upon this opportunity to recommend incorporation therein of certain essentially orthographical, typographical and computational corrections, as follows:

1. Hereat concludes the substantive content of **Stand. Com. Rep. No. 213**, reporting on **H. B. No. 2, H. D. 2**.

Page	Line	
4	10	Deleting position count
5	17	Correctly spelling "Waikiki"
12	23	Computational correction
14	16	Computational correction
15	18	Computational correction
16	6	Computational correction
18	16	Computational correction
24	16	Computational correction
25	14	Substituting "Soc"
26	13	Clarifying proviso
26	20/23	Deleting provisos
28	17	Substituting "AGS"
29	21	Substituting "AGS"
30	9/16	Computational corrections
20	17	Substituting "AGS"
32	24	Computational correction
35	23	Computational correction
41	3	Typographical correction
45	15/21	Deleting provisos
46	6	Deleting proviso
48	26	Adding omitted matter
51	5	Adding omitted figures
56	13	Adding proviso
60	20	Clarifying proviso
67	4	Computational correction
77	12	Adding symbols
78	11	Deleting proviso
78	24	Adding proviso
80	18	Adding position count
81	21	Adding symbols
85	9	Computational correction
86	13/15	Computational corrections
90	21	Adding position count
92	19	Adding omitted figures
98	10	Adding omitted figures
102	15	Adding omitted figures and position count

Page	Line	
103	17	Adding proviso
105	4/25	Position count and computational corrections
137	17	Adding "Kauai"
195	1	Clarifying proviso
197	24	Clarifying proviso

Your Committee on Finance is in accord with the intent and purpose of **S. B. No. 1, S. D. 2**, as amended herein, and recommends that it pass second reading in the form attached hereto as **S. B. No. 1, S. D. 2, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 258 Finance on H.B. No. 491**

The purpose of this bill is to appropriate moneys out of the general revenues of the State to reimburse various persons on account of claims against the State.

Heretofore, such claims for refunds, reimbursements, or other payments, authorization for which is sought from the legislature, were the subject of section 37-6, Hawaii Revised Statutes. As a provision under part I of chapter 37, which was expressly repealed by section 18 of Act 185, Session Laws of Hawaii 1970, said provision was deleted from the former and reenacted as section 16 of the latter. Presently, it is designated as section 37-76, Hawaii Revised Statutes. Section 1 of the bill has been amended to reflect this amendment.

A total of 19 claims amounting to \$35,-848.62 were transmitted to your Committee by the director of finance pursuant thereto. There being none others outstanding in the hands of department heads for investigation and recommendation, we undertook to determine upon the merits thereof which should be authorized for payment. The bill has been amended to reflect your Committee's recommended satisfaction of a total of 14 of the claims amounting to \$14,007.15. Accordingly, section 1 of the bill has been further amended by adding thereto the names of the claimants and the amounts thereof. By deduction, those not included therein must be deemed to be denied.

Your Committee is not unmindful also of a number of separate bills which have been introduced directly into the legislature on behalf of claimants for relief, and which have been referred to us for consideration. We address the attention of those concerned to section 37-76, which provides, in relevant part:

"All claims for refunds, reimbursements, or other payments . . . , **shall**, as a condition to their being considered by the legislature, be filed . . . with the director of finance . . . . In the absence of a showing of sufficient reason therefor, failure to comply with this paragraph shall be deemed sufficient cause for refusal of the legislature to consider the claims." (Emphasis added).

Without the benefit of all pertinent "data and documents in support thereof" and short of appropriate departmental investigation and recommendation thereon, your Committee, "in the absence of a showing of sufficient reason therefor," cannot contemplate that such claims will be entertained.

Your Committee on Finance is in accord with the intent and purpose of **H. B. NO. 491**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 491, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 259 Legislative Management Informing the House that House Resolution Nos. 295 to 297, House Concurrent Resolutions Nos. 75 to 77, and Standing Committee Report Nos. 260 to 270, have been printed and distributed.**

Signed by all members of the Committee.

**SCRep. 260 Lands on H.R. No. 48**

The purpose of this Resolution is to request a study by the Department of Land and Natural Resources as to the feasibility of raising pheasants as game birds. Your Committee is aware of the popularity of this species of fowl with hunters. The results of this study should give a good indication of the extent to which the state can effectively maintain its pheasant population, thereby assuring its residents good hunting. Your Committee has amended the resolution to dispose of a technical error in the eighth paragraph. Such an amendment would read as follows:

“BE IT RESOLVED by the House of Representatives of the Sixth Legislature of the State of Hawaii, Regular Session of 1971, that the Department of Land and Natural Resources be and is requested to conduct a study on the feasibility of raising pheasants to be released throughout the islands in locations determined by each county for the purpose of recreational hunting; and”

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 48** as amended herein, and recommends its referral to the Committee on Finance in the form attached hereto as **H. R. No. 48, H. D. 1.**

Signed by all members of the Committee.

**SCRep. 261** Transportation on **H.B. No. 1388**

The purpose of this bill is to exempt motor vehicles engaged in the transportation of messages, documents and blueprints as additional exemptions from the motor carrier law. The exemption would be similar to that granted to services involving the carriage of mail, periodicals, and newspapers. The handling of these items is generally accomplished with the use of passenger type motor vehicles as contrasted to the use of trucks used in the transportation of property. Similar to mail, periodicals and newspapers, the added items are also “perishable” in nature because their usefulness is associated with time element.

The proposed amendment will not adversely affect the functions and objectives of the public utilities commission. The agency in fact endorsed the amendment as it will clarify existing law.

Upon consideration of the matter, your Committee recommends a minor amendment to the bill. To conform to the Ramseyer method “(or)” was changed to “[or]” in Section 1 of the bill.

Your Committee is in accord with the intent and purpose of **H. B. No. 1388**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H. B. No. 1388, H. D. 1**, and its referral to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 262** Select Committee of Maui Representatives on **H.B. No. 163**

The purpose of this bill is to make an appropriation to purchase musical instruments for the Lanai High and Elementary School band, Lanai.

Your Committee is in accord with the intent and purpose of **H. B. No. 163** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 263** Select Committee of Maui Representatives on **H.B. No. 334**

The purpose of this bill is to make an appropriation for the implementation of a flood control project for Iao Stream, Maui.

Your Committee is in accord with the intent and purpose of **H. B. No. 334** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 264** Select Committee of Maui Representatives on **H.B. No. 987**

The purpose of this bill is to make an appropriation for the completion of the sidewalk from the intersection of Hina and Kamehameha Avenues to the Kahului Library, County of Maui.

Your Committee is in accord with the intent and purpose of **H. B. No. 987** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 265** Select Committee of Maui Representatives on **H.B. No. 1239**

The purpose of this bill is to make an appropriation to conduct the demonstration emergency food program for the elderly on the island of Maui.

Your Committee is in accord with the intent and purpose of **H. B. No. 1239** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 266** Select Committee of Maui Representatives on **H.B. No. 1240**

The purpose of this bill is to make an appropriation to provide emergency food and medical services for the indigent elderly in the County of Maui.

Your Committee is in accord with the intent and purpose of **H. B. No. 1240** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 267** Economic Development on **H.B. No. 344**

The purpose of this bill is to fund cooperative economic development projects in the areas of fisheries development, tourism promotion, visitor facilities development and control, and oceanographic activities between the State and American Samoa, Guam and the Trust Territory of the Pacific Islands.

Your Committee is in accord with the intent and purpose of **H. B. No. 344** and recommends its passage on second reading and its referral to the Committee on Lands.

Signed by all members of the Committee.

**SCRep. 268** Labor on **H.B. No. 170**

The purpose of this bill is to amend the Hawaii Employment Relations Act by re-defining the term "labor dispute" as used therein.

Section 377-1(8) of Hawaii Revised Statutes now defines a "labor dispute" as "any controversy between an employer and any of his employees having the formal approval of the majority of his employees in a collective bargaining unit covering the right or process of details of collective bargaining or the designation of representatives." The definition is ambiguous and subject to an interpretation that a "controversy" may not be a "labor dispute" unless it is between parties who stand in an employer-employee relationship and it has received the "formal" approval of a majority of the employees in a collective bargaining unit. Such an interpretation could impair the authority of the Ha-

waii Employment Relations Board to intervene in labor disputes where its presence could have a salutary effect.

The proposed re-definition of the term follows the definition used in the National Labor Relations Act and in Chapter 380 of Hawaii Revised Statutes, the Little Norris-La Guardia Act, and would encompass "any controversy concerning the association or representation of persons in negotiating, fixing, ascertaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether the disputants stand in the proximate relation of employer and employee."

The proposed meaning for "labor dispute" expands its scope to include "any controversy . . . regardless of whether the disputants stand in the proximate relation of employer and employee." It also removes the patent ambiguity resulting from the present requirement that a controversy must have the formal approval of a majority of the employees in a collective bargaining unit. The Hawaii Employment Relations Board supports the passage of this bill as it would remove the possible doubt about its authority to assist parties in the resolution of any labor dispute within its jurisdiction.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 170** and recommends its passage on second reading and that it be referred to your Committee on Judiciary for further consideration.

Signed by all members of the Committee.

**SCRep. 269** Labor on **H.B. No. 551**

The purpose of this bill is to amend the Hawaii Employment Security Law in several respects to make it conform to new federal standards for state unemployment compensation laws enacted in P. L. 91-373, popularly known as the "Employment Security Amendments of 1970". Conformity with federal standards is required as a condition for allowance of credit for contributions to the unemployment compensation trust fund made by Hawaii employers against payments which would otherwise be required of them under the Federal Unemployment Tax Act. While the proposed amendments to Chapter 383 appear numerous, most of them are technical amendments to the wording of the law.



The major amendments cover the following matters:

1. Coverage under Hawaii law for American citizens performing services for American employers outside of the United States.

P. L. 91-373 will require our law to afford coverage commencing in 1972 for services performed by an American citizen for American employers outside of the United States. The Hawaii law presently covers an employee working overseas only if he has previously performed service in Hawaii and the overseas service represents a continuation of the Hawaii employment. This bill proposes to cover all American citizens employed abroad by employers registered in Hawaii. The expanded coverage will affect approximately 1500 workers not presently covered.

2. Coverage for certain agricultural processing.

P. L. 91-373 redefined "agricultural labor" and thereby expanded the coverage of agricultural workers. The Hawaii law now provides coverage for most agricultural workers and the proposed redefinition of "agricultural labor" to make it conform to the new federal law will affect a relatively small number of employees. The proposed redefinition will make services performed for poultry hatcheries not on a farm and services performed in the raising of mushrooms subject to coverage under the Hawaii law from 1972.

3. Denial of Benefits During Specified Periods of Service Performed for Educational Institutions.

P. L. 91-373 provides that benefits should not be payable to individuals employed by institutions of higher education in instructional, research, or principal administrative capacities during certain periods. The provision is intended to protect the institutions from benefit claims during vacation, semester-break, or sabbatical leave periods where individuals are paid by but do not perform services for the institutions. The proposal for amendment is to adopt the federal standards covering non-payment of benefits and to extend them to all educational institutions rather than to institutions of higher learning only.

4. Self-Financing Option For Non-Profit Organizations.

P. L. 91-373 requires states to allow non-profit organizations described in Section 501(c) (3) of the Internal Revenue Code (educational, religious, or charitable organizations) to meet their obligations for benefits on a self-financing reimbursable basis rather than through the customary method of making regular contributions to the unemployment compensation trust fund based upon their prior benefit experience. This bill proposes to provide non-profit organizations such an option to meet benefit obligations by reimbursing the trust fund for benefits paid on the basis of service with them.

5. Taxable Wage Base.

P. L. 91-373 has raised annual wages subject to the Federal Unemployment Tax Act from the present \$3,600 per employee to \$4,200 beginning with the 1972 calendar year. This means that the Hawaii law must have a taxable wage base of at least \$4,200. The Hawaii law presently has a flexible tax base computed at 90% of the state's average annual wages paid by covered employers which presently provides a taxable base substantially higher than \$4,200, the annual wage now being approximately \$6,000. There is a remote possibility, however, that a drastic reduction in Hawaii wages could result in average annual wages below \$4,200 and make the Hawaii law non-conforming in this respect. The bill proposes to meet this possibility by setting the Hawaii taxable wage base in an amount at least at the Federal base.

6. Wage Combining.

P. L. 91-373 requires state participation in a wage-combining plan approved by the Secretary of Labor which would make it possible for people who move from one state to another to be eligible for benefits based upon work in two or more states. This bill proposes to amend Hawaii law to permit state participation in such a wage-combining plan with other states.

7. Extended Benefits Plan.

Title II of the "Employment Security Amendments of 1970" establishes a permanent benefits plan providing for the extension of the duration of an individual's benefits beyond the normal period specified in state laws during periods of high unemployment. Hawaii law now provides 26 weeks of benefits for a claimant. The new federal law would extend the benefit period for 13 more weeks

when certain selected national and state indicators of high unemployment are present. While Hawaii already has an extended benefit plan under Chapter 385 of Hawaii Revised Statutes, it does not conform in all respects to the new federal program and legislation to bring the plan into conformity is required. This bill proposes to enact the necessary provisions in Chapter 383 and another bill, **H. B. No. 397**, proposes the repeal of the extended benefits provisions of Chapter 385.

The bill also proposes that the 50% portion of extended benefits chargeable against the state under federal law not be charged against the accounts of individual employers. Responsibility for these extraordinary benefits during high unemployment periods should be borne by all employers subject to the Hawaii law as the responsibility for an individual's unemployment during such periods can hardly be ascribed to an individual employer.

It is imperative the foregoing amendments be adopted prior to the beginning of the 1972 calendar year because of the requirement of conformity with federal law as a condition for Hawaii employers to receive credit for contributions made under the Hawaii unemployment compensation law against payments which might be otherwise due under the Federal Unemployment Tax Act.

Your Committee is in accord with the intent and purpose of **H. B. No. 551** and recommends its passage on second reading and that it be referred to your Committee on Judiciary for further consideration.

Signed by all members of the Committee.

**SCRep. 270 Finance on S.B. No. 2**

The purposes of this bill are to appropriate funds for general improvement projects for the fiscal biennium 1971-1973, and to authorize the issuance of bonds.

Your Committee, by amendment hereto, has caused the bill to exactly conform with **H. B. No. 4, H. D. 2**, similarly entitled, upon which, by **Stand. Com. Rep. No. 229**, we reported, in relevant part, as follows:

“Consonant with the provisions of Act 185, S.L.H. 1970, your Committee has undertaken to consider the State's long-range plans, including the proposed objectives

and policies, the six-year State program and financial plan and the budget, and revenue proposals recommended by the governor and alternatives thereto. Measured against the diversity of other bills, resolutions and matters relating to revenues and proposed expenditures, we have formulated recommendations respecting the adoption of programs and the appropriation of moneys to implement them, which have been submitted for legislative action as **H. B. No. 2, H. D. 2**, the General Appropriations Act. In consideration of the improvement projects therein, the capital investment expenditures proposed therefor, and other reasonably foreseeable legislative achievements, your Committee has concluded that the projects herein contained are essential to complete and comprehensive implementation of State programs.

“The appropriations and authorization recommended include the costs of land purchase, plans, site preparation improvements to land, construction and necessary equipment. Upon their implementation or programming for implementation, these general public improvements shall be included in the six-year program and financial plan encompassing all State programs in accordance with and in the same manner provided under section 9 of Act 185.

“Each of the various improvements cannot be detailed hereat. However, it should be noted that each is conceived to complement those heretofore commended, as aforesaid.”

Your Committee on Finance, is in accord with the intent and purpose of **S. B. No. 2, S. D. 2**, as amended herein, and recommends that it pass second reading in the form attached hereto as **S. B. No. 2, S. D. 2, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 271** Legislative Management Informing the House that **House Resolution Nos. 298 to 301, House Concurrent Resolution Nos. 78 to 80, and Standing Committee Report Nos. 272 to 298**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 272 Higher Education on H.C.R. No. 50**

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct a study of alternative methods of financing higher education and to submit a report to the 1973 Regular Session of the Legislature. In assessing future budgetary requirements for higher education, it is obvious that the cost will rise mainly because an increasing proportion of our high school graduates are enrolling in our institutions of higher learning. Hawaii is deeply committed to the importance of education, and if we are to maintain the quality of education, resources must grow in commensuration with enrollment increases. Therefore, it becomes necessary to look into better financing alternatives and a re-evaluation of the relative shares of cost borne by students, government, and private philanthropy.

In its testimony before the Committee, the University of Hawaii stated that such a study is timely and that the Legislative Auditor is well qualified to conduct the study.

Your Committee on Higher Education is in accord with the intent and purpose of **H. C. R. No. 50** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 273 Economic Development on H.R. No. 25**

The purpose of this Resolution, as amended herein, is to request the University of Hawaii Economic Research Center to conduct a study of freight rates, marine insurance, container requirements, harbor facilities and shipping schedules with a view toward reducing the cost of shipping produce from the neighbor islands to Oahu.

As originally worded, this Resolution requests the Department of Taxation to carry out the intent of this Resolution. The Department of Taxation informs your Committee that it does not have the data and information available within the Department to conduct such a study and that the proposed study could be made by the Economic Research Center at the University of Hawaii as a research project by graduate students or other researchers.

As originally worded, this Resolution states that the cost of shipping produce from the neighbor islands to Oahu is more than the cost of produce coming from the mainland. The Department of Agriculture informs your Committee that, in actuality, the cost of shipping produce from the neighbor islands to Oahu is less and that local shipping rates are about one-fifth lower than comparable mainland rates. The Department, however, feels that a study of local freight rates is in order and may prove helpful in resolving the present shipping problems.

Accordingly, your Committee has amended this Resolution to request the Economic Research Center of the University of Hawaii to conduct a study of freight rates, marine insurance, container requirements, harbor facilities and shipping schedules.

Your Committee concurs with the purpose of **H. R. No. 25**, as amended herein, and recommends its referral to the Committee on Finance in the form attached hereto as **H. R. No. 25, H. D. 1**.

Signed by all members of the Committee.

**SCRep. 274 Economic Development on H.B. No. 94**

The purpose of this resolution is to request the Department of Planning and Economic Development to conduct a study to determine whether maximum utilization of local agricultural products is being made by industry, including hotels, and state and county governments and to investigate and develop programs and other courses of action to improve and increase the utilization of local agricultural products.

No research has been carried on regarding the maximum utilization of locally produced agricultural products through local industry and government agencies, although utilization on various levels of local and mainland markets of individual locally produced items had been carried on. The Department of Agriculture, the University of Hawaii College of Tropical Agriculture, and the Department of Planning and Economic Development are in full support of this resolution and feel that the findings of the proposed study would be most worth while in pinpointing local utilization.

Your Committee recommends the following amendments to **H. R. No. 94**:

1. On line 7 of the first resolve clause, between the words "local" and "agricultural," add the words "fresh and processed."

2. On line 7 of the first resolve clause, between the words "industry" and "and," add a coma and the words "including hotels."

3. On line 10 of the first resolve clause, delete the word "programs" and substitute therefor the word "products."

Your Committee concurs with the purpose of **H. R. No. 94**, as amended herein, and recommends its referral to the Committee on Finance in the form attached hereto as **H. R. No. 94, H. D. 1**.

Signed by all members of the Committee.

**SCRep. 275 Transportation on H.B. No. 619**

The purpose of this bill is to establish a more equitable means of earmarking taxes collected on fuel used by small boats.

Section 248-8, Hawaii Revised Statutes, requires all taxes collected from the sale of liquid fuel for use by small boats shall be deposited into the small boat harbor maintenance fund. Taxes collected from the sale of liquid fuel used in motor vehicles are deposited in the state and county highway funds.

Under present procedures only taxes collected from fuel sold at marine stations are deposited into the small boat maintenance fund. Since large portions of the fuel used in small boats are purchased at motor vehicle service stations, taxes which should be deposited in the small boat fund are diverted into the highway funds.

This bill will not increase the total taxes collected, but will permit the director of transportation to establish a formula that will equitably set the percentage of total taxes which should be deposited in the small boat maintenance fund. From a budgetary standpoint, the reallocation of the taxes to boating purposes will more clearly reflect the tax contributions of the many small boat owners towards the state's program for small boat facilities.

Your Committee is in accord with the intent and purpose of **H. B. No. 619** and recommends its referral to your Committee on Finance.

Signed by all members of the Committee.

**SCRep. 276 Transportation on H.B. No. 620**

The purpose of this bill is to clearly define the duty of the Department of Transportation under Section 266-17, Hawaii Revised Statutes, which provides that rates charged at small boat harbors shall be based on expenses of operation and maintenance and the cost to the state of the improvements used.

It is questionable whether the statute intended the small boat harbor users to pay for improvements such as breakwaters, entrance channels and aids to navigation designed to provide for the general protection and safety of all crafts and the public. The federal government accepts responsibility jointly with the state for the construction and maintenance of those facilities and the bill categorizes such improvements as a state responsibility. As amended, Section 266-17 requires the Department to fix harbor fees so they will be based on operational costs and improvements provided primarily for the users' comfort and convenience such as boating areas, related facilities, local access, channels and on-shore facilities necessary to insure a complete small boat harbor.

Your Committee is in accord with the intent and purpose of **H. B. No. 620** and recommends its referral to your Committee on Finance.

Signed by all members of the Committee.

**SCRep. 277 (Majority) Public Employment on H.B. No. 241**

The purpose of this bill is to provide that the Public Employees Health Fund may be used to finance the State's contribution to the dental benefits plan for employee-beneficiaries and dependent-beneficiaries. Under the present law the fund can be used to finance the State's contribution for the dental benefits plan for children under the age of 19 only. Your Committee feels that the dental coverage should be extended to protect the actual employee and his spouse.

Your Committee is in accord with the intent and purpose of **H. B. No. 241** and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu, and Hawaii Representatives.

Signed by all members of the Committee. Rep. Devereux did not concur.

**SCRep. 278 Public Employment on H.B. No. 766**

The purpose of this bill is to include limited-term employees in the State's medical insurance plan. A limited-term employee is an employee who has been hired for less than twelve months. These employees are presently not covered by the State's medical insurance plan.

Your Committee is in accord with the intent and purpose of **H. B. No. 766** and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu, and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 279 Public Employment on H.B. No. 750**

The purpose of this bill is to amend Chapter 212 of Hawaii Revised Statutes, as amended, by adding a new section designed to grant civil service status to permanent employees currently not in civil service and who are currently employed by the State to operate and maintain the foreign trade zone. These employees would be granted civil service status without examination and be accorded all the rights, benefits, and privileges attributable thereto, retroactive to the date of his original exempt appointment.

The testimony on this bill indicated that the present employees have been with the program during its period of initial development and subsequent growth. These employees have acquired full working knowledge of the program. Accordingly, they should be rewarded with some measure of security in employment.

Your Committee is in accord with the intent and purpose of **H. B. No. 750** and recommends that it pass second reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 280 Select Committee on Oahu Representatives on H.B. No. 772**

The purpose as stated in the bill is to enable the State to begin planning for the future use of the present Honolulu Stadium site by

assisting the University of Hawaii in purchasing the interest of the private stockholders of the Honolulu Stadium.

It is generally recognized that the Manoa campus of the University and indeed the University statewide system suffers from what has been diagnosed as an acute shortage of land. The Honolulu Stadium, already under approximately 70% University ownership, offers to the state a strategically located parcel of land, for a cost of only 30% of the stadium's value.

This needed land is strategically located near the Manoa campus; and with the advent of a campus transportation system, could be brought in closer to the campus in terms of an area for expanded University facilities. Your Committee feels that whatever the final usage of the land, the need for the land by the University is great. By providing funds for the purchase of the interest of the private stockholders of the Honolulu Stadium, much needed land could be acquired for the University at a fraction of its value.

You Committee is in accord with the intent and purpose of **H. B. No. 772** and recommends that it pass second reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 281 Labor on H.B. No. 429**

The purpose of this bill is to enact a union label law for the State of Hawaii.

Labor organizations, especially in the printing and garment industries, have adopted union labels which are printed on or attached to the products of the labor of their members. These devices serve to inform consumers that such products have been printed or manufactured in establishments where the employees are union members. They also serve to inform the public that the products have been printed or manufactured under acceptable working conditions.

Most states have enacted laws which specifically provide for the registration of union labels and the imposition of penalties for their misuse by unauthorized persons. Hawaii does not presently have such a statute. While the director of regulatory agencies has informed your Committee that some labor organizations in Hawaii have registered their labels under Chapter 482, the trademark law,



said chapter is intended for the protection of trademarks. By definition, a trademark is designed for the exclusive use of the manufacturer and is "to indicate the name of the manufacturer, the contents of the packages, the quality of the goods or directions for use." A union label, on the other hand, serves to inform the public of the fact that certain articles are the products of the labor of union members.

Your Committee is in accord with the intent and purpose of **H. B. No. 429** and recommends its passage on second reading and that it be referred to your Committee on Judiciary for further consideration.

Signed by all members of the Committee.

**SCRep. 282** Public Health, Youth and General Welfare on **H.R. No. 102**

The purpose of this Resolution is to request the Commission on Aging to sponsor a yearly Senior Citizen Fair to be held first on Oahu and eventually to encompass the neighbor islands. Your Committee finds that such a fair will provide a means through which senior citizens can express their creativity, associate with others, and be recognized. A fair will also serve to educate the public in showing the area of interest of the senior citizens and give some insight into their problems.

In testifying before your Committee, Mr. Charles Amor, Executive Director of the Hawaii State Senior Center, estimated there are 5,000 persons over 50 in organized senior citizen groups. He stated that a fair will project a positive image of the older person, his usefulness in the community and his capacity and desire to remain a vital force in the community. The Hawaii State Senior Center is planning a limited area-wide celebration and would like to see an island-wide fair to attract all segments of the population. Mrs. Harlan Benner, chairman of the Commission on Aging, also testified in support of the resolution.

Your Committee on Public Health, Youth and General Welfare concurs with the purpose of **H. R. No. 102** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 283** Public Health, Youth and General Welfare on **H.R. No. 207**

The purpose of this House Resolution is to request the department of planning and economic development and the several counties of the State to conduct a study on the methods of recycling wastes, including problems in the field, alternative solutions, and recommendations for action. These agencies are further requested to prepare a report for the Legislature on their study and submit a report for the Legislature twenty days prior to the convening of the Regular Session of 1972.

Your Committee on Public Health, Youth and General Welfare concurs with the intent and purpose of **H. R. No. 207** and recommends its referral to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

**SCRep. 284** Public Health, Youth and General Welfare on **H.C.R. No. 8**

The purpose of this Concurrent Resolution is to request the establishment of an educational program to inform the public of non-pollutant consumer products and practices in order that the State of Hawaii may safeguard the quality of its environment.

Your Committee concurs with the intent and purpose of **H. C. R. No. 8** and recommends its referral to your Committee on Higher Education.

Signed by all members of the Committee.

**SCRep. 285** Public Health, Youth and General Welfare on **S.B. No. 11**

The purpose of this bill is to eliminate the requirement for a hearing pursuant to an alleged violation of department of health air pollution regulations.

Your Committee feels that this change would simplify and expedite the enforcement procedure for violations of departmental air pollution rules and regulations, and would allow the department to order the violator to take the necessary corrective measures within a reasonable time, without the notices, progress reports, and time loss incumbent with the necessity of a hearing. If the necessary corrective measures are not taken by the violator, the department may then institute legal proceedings.

Your Committee has amended this bill in form only to conform to the requirements set forth in the Official Rules of The House of Representatives, 1971, Rule No. 24(2). The substance of the bill has not been amended.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **S. B. No. 11, S. D. 1**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **S. B. No. 11, S. D. 1, H. D. 1**, and its referral to the Committee on Judiciary.

Signed by all members of the Committee except Rep. O'Connor.

**SCRep. 286** Public Health, Youth and General Welfare on **H.B. No. 790**

The purpose of this bill is to appropriate the sum of \$50,000 to the Hawaii Office of Economic Opportunity for grants-in-aid to youth initiated and operated enterprises.

Mr. Dennis Sakaguchi, Youth Coordinator of the Hawaii Office of Economic Opportunity, testified in support of this program to be called the Youth Development Program to give young people of the disadvantaged community an opportunity to deal in a relevant manner with government and private enterprise.

Your Committee, upon consideration of this bill, recommends the following amendment: that any person applying for a grant shall raise a matching sum from private industry.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 790**, as amended herein, and recommends its passage on second reading and its referral to the Committee on Finance in the form attached hereto as **H. B. No. 790, H. D. 1**.

Signed by all members of the Committee.

**SCRep. 287** Public Health, Youth and General Welfare on **H.B. No. 1231**

The purpose of the Bill is to amend Section 346-1 of the Hawaii Revised Statutes to explicitly include the diagnosis, care, treatment and rehabilitation of mentally ill persons within the meaning of "medical care" for the purpose of receiving grants-in-aid or outright grants as permissible under Title XIX of the

federal Social Security Act and federal rules and regulations relating thereto.

In his written testimony to the Committee, Mr. Myron Thompson, Director of the Department of Social Services and Housing, states that the Department of Health, Education and Welfare Program regulations governing State Plans for Medicaid provide that medical care and related services cannot be denied to eligible persons on the basis of diagnostic classification (e.g. psychiatric disorders). In recognition of this provision, the Department has requested funds in the 1971-1973 Budget for payments to cover psychiatric treatment, both at the in-patient and out-patient levels.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 1231** and recommends its passage on Second Reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 288** Agriculture on **H.B. No. 966**

The purpose of this bill is to include the Farm Credit Banks of Berkeley within the provisions of Section 171-36 of the Hawaii Revised Statutes. The Farm Credit Banks of Berkeley include the Federal Land Bank of Berkeley which is presently in operation in Hawaii. The Federal Intermediate Credit Bank of Berkeley and the Berkeley Bank for Cooperatives are in the process of establishing operations in Hawaii.

Much of the farm land in Hawaii is leasehold and the Federal Land Bank is not now lending money on State leaseholds because the leasehold interest reverts to the State if the lessee defaults. Section 171-36 allows special provisions for modification of State leaseholds for mortgage lending. A change in this section listing the three banks, along with other Federal lending agencies such as the Federal Housing Administration, Federal National Mortgage Association, Veterans Administration, Small Business Administration and Farmers Home Administration, will allow the Land Bank to make loans to farmers who have fee simple land in conjunction with State leases. The bank will view the entire farm as a unit thereby allowing their appraisal to include the leasehold interest.

The State will benefit by decreasing the demand on State funds through the Farm

Loan Program, permitting State farm loan activities to concentrate on areas not currently serviced. This change in the Hawaii Revised Statutes will also enlarge the borrowing base for farm operators in Hawaii.

To achieve conformity within the bill, your Committee recommends the following amendments:

1. The word "Federal" be inserted between the words "other" and "mortgage" on the last line of page 4.

2. After "Veterans Administration" adding on "the Federal Land Bank of Berkeley, the Federal Intermediate Credit Bank of Berkeley, the Berkeley Bank for Cooperatives, or any other Federal mortgage lending agency qualified to do business in Hawaii."

By specifying "other Federal mortgage lending agency," the bill makes it clear that local Federally chartered banks are not included.

Your Committee is in accord with the intent and purpose of H. B. No. 966, as amended herein, and recommends its passage on Second Reading and its referral to the Committee on Lands in the form attached hereto as H. B. No. 966, H. D. 1.

Signed by all members of the Committee.

**SCRep. 289 Agriculture on H.B. No. 1327**

The purpose of this bill is to provide that no producer or producer-distributor shall have a milk quota exceeding 20% of the total quota in the State or in any milk shed. However, producers or producer-distributors whose quota exceeds 20% on the effective date of this Act may maintain that quota.

Under present law the twenty per cent restriction only affects milk production in the Honolulu milk shed on Oahu.

The State wide imposition of this 20% quota restriction is to prevent monopolistic control of milk quotas within a given milk shed. Certain producers or producer-distributors now operating in the counties of Hawaii, Kauai and Maui, where milk control may be established in the near future, possess and produce more than 20% of the milk

volume. This bill permits them to retain their existing quota production rather than suffer a cutback.

Your Committee is in accord with the intent and purpose of H. B. No. 1327 and recommends its passage on Second Reading and its referral to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 290 Public Employment on H.B. No. 236**

The purpose of this bill is grant a leave of absence without pay to any officer or employee of the State or any other subdivision who wins election to a public office.

The bill provides that the vacancy created by the election of the employee would be filled by the appointment of a substitute. Consequently, when the term of office expired the employee would be reinstated to the position or school he left and would be entitled to such compensation as he would have had had he remained in service of the State or subdivision. Your Committee feels that, where the employee remains in public office for several years, considering the individual who fills the vacancy as a substitute is unrealistic and unreasonable. When the employee leaves his position, the resulting vacancy should be filled as though the employee had resigned. Consequently, your Committee has amended the bill by deleting the provision that "the vacancy resulting from his election shall be filled by the appointment of a substitute for a period not to exceed the duration of his leave of absence."

Your Committee has also amended the last paragraph of Section 1 by deleting the words in line 3, "the position or the school" and adding the words "a position comparable to the one". This amendment was made to make it clear that when the employee ended his term in office there would be no requirement that he be reinstated to the exact position or the school that he left but would only be entitled to a position comparable to the one he held prior to his election.

Your Committee has further amended the bill with the addition of a proviso that the employee would not be reinstated to a position comparable to the one he left if at the end of his term of office he had attained the age of fifty-five. This proviso was added be-

cause the age of fifty-five is now the retirement age for officers and employees in the State government.

Your Committee is in accord with the intent and purpose of **H. B. No. 236**, as amended herein, and recommends its referral to the Committee on Judiciary in the form attached hereto as **H. B. No. 236, H. D. 1**.

Signed by all members of the Committee.

**SCRep. 291** Select Committee on Oahu Representatives on **H.B. No. 705**

The purpose of the bill is to create a separate pay schedule for positions within the Honolulu Police Department.

Your Committee is of the opinion that because of differences in working conditions, complexity of duties performed, and the establishment of higher educational standards as qualifications for positions with the Honolulu Police Department, a separate pay schedule for the Honolulu Police Department should be established. Because positions in the Honolulu Police Department are unique within the State of Hawaii, the existing pay schedule, which now applies generally to all government employees, does not provide the flexibility needed to meet the needs of the Department. Consequently, your Committee feels that the Police Department of the City and County of Honolulu should be considered an entity separate from other police departments and other public safety agencies within the state.

Your Committee has amended **H. B. No. 705** in several significant areas. Basically, these changes were made to expand the provisions of **H. B. No. 705** to clarify the coverage and set out a compensation plan for the uniform police division.

Your Committee has amended Section 1 of the bill to provide that Chapter 77 of the Hawaii Revised Statutes would be amended instead of Chapter 52. Chapter 52, Hawaii Revised Statutes, relates to police departments; whereas, Chapter 77 covers the compensation laws. Therefore, it was felt that by amending Chapter 77 the compensation laws would be located in one area of the Hawaii Revised Statutes.

The amended bill provides that the monthly rates of pay for police officers would be determined by a separate salary schedule

integrated at 5% intervals and would contain 25 salary ranges, each salary range being comprised of five increment steps. The salary schedule contained in the house draft is that schedule which was presented to the Committee by the Honolulu Police Department. Your Committee feels that the schedule is completely acceptable and agrees with its incorporation in the House draft.

Your Committee has further amended **H. B. No. 705** to provide for a smooth change-over from the present salary schedule to the new salary schedule presented in this bill. These provisions include coverage of incumbents who will be entitled to an increment or longevity step on January 1, 1972, the date your Committee feels the salary schedule should be initially implemented. In addition, the bill specifically provides that conversion of compensation rates to the new police salary schedule would be made without causing any loss or reduction in the compensation rates of incumbent officers and employees.

Your Committee is in accord with the intent and purpose of **H. B. No. 705** as amended herein and recommends that it pass on second reading and be referred to the Committee on Finance in the form attached hereto as **H. B. No. 705, H. D. 1**.

Signed by all members of the Committee.

**SCRep. 292** (Majority) Select Committee of Oahu Representatives on **H.B. No. 796**

The purpose of the bill is to provide that members of the Honolulu Police Department be permitted to support, advocate, or aid in the election of any candidate for public office.

Testimony on this bill came from several individuals including members of the Honolulu Police Department. It was their belief, a belief fully concurred in by your Committee, that such legislation would result in members of the Department becoming involved in partisan politics to such an extent that their political activities could well be detrimental to the performance of their duties. Such political activity on the part of police personnel could also produce divisiveness within the Department and could result in friction and animosity among members of the Department of different political viewpoints.

On the other hand, members of the Police Department should not be prevented from

participating in political activities if they themselves are candidates for political office. Your Committee could find no valid reason why a person should be prevented from becoming a candidate for political office simply because he is a member of a Police Department. Consequently, your Committee has amended **H. B. No. 796** by providing that no member of any Police Department would be able to participate in the election of any candidate for public office except where that member of the Police Department is himself a candidate for public office. The amended bill would provide that when a member of the Police Department became a candidate for office, he would be required to take a leave of absence without pay beginning with the date that he declared himself a candidate up until the election. If a candidate is unsuccessful in the election for public office, he would then be allowed to return to his former position without any loss of seniority or other benefits. On the other hand, if the candidate is successful and is elected to office, he would be required to resign from the Department.

Your Committee is in accord with the intent and purpose of **H. B. No. 796** as amended herein and recommends its passage on second reading and its referral to the Committee on Judiciary in the form attached hereto as **H. B. No. 796, H. D. 1**.

Signed by all members of the Committee. Representative Devereux did not concur.

**SCRep. 293** Joint Select Committees of Kauai, Maui, Oahu and Hawaii Representatives **H.B. No. 634**

The purpose of this bill is to extend the Milk Control Act to include all the counties within the State of Hawaii which would stabilize prices through regulation and controls in the areas of minimum prices paid to producers and the establishment of milk quotas. It amends Section 157, Hawaii Revised Statutes by redefining terms, revising language and other changes for clarification.

Your Committee concurs with the findings and amendments of your Committee on Agriculture as stated in **Standing Committee Report No. 103** relating to **H. B. No. 634, H. D. 1**.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in

accord with the intent and purpose of **H. B. No. 634, H. D. 1** and recommends its passage on third reading.

Signed by all members of the Committee.

**SCRep. 294** Judiciary on **S.B. No. 472**

The purpose of this bill is to change the residency requirement of a person applying for a real estate license in this State.

The present law imposes a two year residency requirement on any person applying for a real estate license. This bill changes this requirement to one year. This bill further requires that a person be of the age of majority, rather than an arbitrary 20 years of age, before a license may be issued to him.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 472, S. D. 1** and recommends its passage on Second Reading and placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 295** Agriculture on **H.R. No. 259**

The purpose of this resolution is to have the Department of Agriculture, in cooperation with the Farm Bureau, conduct a study on inspection fees for agricultural commodities.

Fees are presently being assessed by the Department of Agriculture for inspection of various agricultural commodities. A close look at the impact these inspection fees have on the farmers has never been taken. For this reason, it is requested that the Department of Agriculture, with the cooperation of the Farm Bureau, who will be representing the farming segment of the industry, discuss and reassess these inspection fees and consider this possibility of reducing or dispensing with such fees.

Your Committee concurs with the purpose of **H. R. No. 259** and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 296** Higher Education on **H.R. No. 23**

The purpose of this resolution is to request the University of Hawaii, in cooperation with



the Department of Agriculture to conduct a study on the uses of sugar and pineapple waste products as feed for the animal industry. Your Committee heard testimonies that work is being done in this area, but more can be accomplished. Present efforts are being directed to develop economically feasible processes for modifying high-fiber feedstuffs to improve digestibility and produce high energy feed. The passage of this resolution will serve to accelerate these efforts. It will indicate public recognition of the value of such research and an endorsement that it should be expanded and continued. It could also help to gain Federal financial support for research in these areas.

Your Committee became aware that there is need for research to go a step further. That is, to delve into the question of what to do about the agricultural waste product after it has been digested by the animals. The animal industry is still plagued with disposal problems. Therefore, we amended the BE IT RESOLVED clause by adding after the last word and "animal waste products."

Your Committee on Higher Education is in accord with the intent and purpose of **H. R. No. 23** as amended herein and recommends its adoption in the form attached hereto as **H. R. No. 23, H. D. 1.**

Signed by all members of the Committee.

**SCRep. 297 Higher Education on H.R. No. 225**

The purpose of this resolution is to request the College of Tropical Agriculture, University of Hawaii to assist the macadamia nut growers in the Kona area who are faced with the problem of crop damage by wild pigs. The Kona area produces about 17 percent of the macadamia in Hawaii and it is estimated that animal damages caused by the pigs run about \$50,000 annually. Numerous attempts such as fencing, trapping and hunting have been tried but without satisfactory results. The College of Tropical Agriculture has dealt with these problems before and should be able to advise better on improved methods of control. The College is willing to assist, especially with an educational type of program. Your Committee was also apprised of the possibility that a rather massive program of eliminating wild pigs in order to eradicate brucellosis may be implemented in that area.

Your Committee on Higher Education is in accord with the intent and purpose of **H. R. No. 225** and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 298 Judiciary on H.B. No. 51**

The purpose of this bill is to require uniform publication of rules which are required to be filed in the Lt. Governor's office by State and County agencies.

At present there is no uniform codification of the rules and regulations promulgated by the State and County agencies. Instead, such rules and regulations presently fill over 5,600 pages, and increase at a rate of approximately 1,000 pages per legislative session.

By requiring the uniform publication of these rules and regulations several advantages would be gained. Order would be created out of the presently diverse and numerous agency publications, and access to these rules by the public, the legislature, and the agencies would be facilitated. Moreover, by publishing the rules and regulations in this manner, cross-referencing with the statutes and continual supplementation would become feasible.

Testimony by the Revisor of Statutes indicated that if this bill were enacted into law, a need for additional personnel to assist in the initial publication would arise. In addition, the Revisor of Statutes suggested leaving the frequency of publication to him, rather than to require a minimum quarterly publication, since these could be quarters when the number of rules adopted would be so few that the cost of publishing a quarterly supplement would outweigh its benefits. Finally, the Revisor of Statutes recommended a change of the language in the section relating to distribution of the Code which seems to imply a free distribution of the rules. Since it may be difficult for the Revisor to estimate the sums necessary to cover the printing costs of these rules, it would be more expedient to require agencies and other persons requesting the rules to pay for them.

Your Committee upon consideration of **H. B. No. 51** and the testimony presented, recommends that it be amended as follows:

1. Section of the bill relating to Publication of Rules to be amended by deleting the words "not less than quarterly", in paragraph 1.

2. Section of the bill relating to Distribution of the Code be amended by deleting the second sentence and inserting the following sentence in its place: "Upon payment thereof, each agency shall be furnished as many additional sets of rules as needed."

3. A new sentence added to the present Section 5 of the bill to read as follows:

"The Revisor of Statutes may appoint such temporary assistants as deemed necessary for the initial publication of the rules and regulations; such employees shall be exempt from chapters 76, 77, and 78-1 of the Hawaii Revised Statutes,"

Your Committee is in accord with the intent and purpose of **H. B. No. 51**, as amended herein, and recommends its passage on Second Reading in the form attached hereto as **H. B. No. 51, H.D. 1** and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 299-71** Legislative Management Informing the House that **House Resolution Nos. 302 to 307**, and **Standing Committee Report Nos. 300 to 304**, have been printed and distributed.

Signed by all members of the Committee.

**SCRep. 300** Economic Development on **H.B. No. 791**

The purpose of this bill is to make an appropriation to aid low-income groups in establishing small economic enterprises.

Testifying in favor of this bill, Andrew I. T. Chang, Director of the Hawaii Office of Economic Opportunity, stated that economic development programs are the most effective way of getting poor people out of the poverty cycle. This bill could provide financial assistance for the Community Action Programs, and particularly for projects such as opihia farming, cattle-hide tanning, neighborhood transportation cooperatives and pre-school cooperatives.

Your Committee is in accord with the intent and purpose of **H. B. No. 791** and recommends its passage on second reading and its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 301** Public Health, Youth and General Welfare on **H.R. No. 34**

The purpose of this resolution is to request the Department of Health to make a study of the health needs of the people of the leeward district and to provide recommendations for health programs and facilities to meet these needs.

At present there is a maldistribution of health manpower throughout the State because of a high concentration of health and hospital services in the city of Honolulu. Even when the concentration of population in Honolulu (56%) is taken into consideration, the number of physicians and dentists is maldistributed with approximately 75% of the physicians and dentists practicing in the city of Honolulu. It would be in the public interest to provide for readily accessible health manpower and facilities throughout Oahu and especially the leeward district.

Your Committee on Public Health, Youth and General Welfare concurs with the purpose of **H. R. No. 34** and recommends its referral to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 302** Public Institution on **H.R. No. 201**

The purpose of this resolution is to request the Department of Health and Department of Social Services and Housing to jointly conduct a feasibility study on the alternate use of the present Kona Hospital as a domiciliary care facility upon the completion of the new 90-bed Kona Hospital. Both departments agree that there is an acute shortage of facilities for domiciliary care in the Kona District. The study would not require additional funds and is recommended by both agencies.

Your Committee on Public Institutions concurs with the intent and purpose of **H. R. No. 201** and recommends its referral to your Committee on Finance.

Signed by all members of the Committee.

**SCRep. 303** Select Committee of Hawaii Representatives on **H.B. No. 1331**

The purpose of this bill is to repeal the statutory provisions providing for the proce-

dures and practices pertaining to purchases by the County of Hawaii.

By effecting such repeal of Part 3, Chapter 64 of the Hawaii Revised Statutes, the bill would allow the County of Hawaii to establish its own purchasing procedures, this result having been partially authorized by the Charter of the County of Hawaii. If such amendment is effected, purchasing procedures of the County of Hawaii can be set forth in an administrative manual or by rules and regulations or by ordinance. Your Committee is of the opinion that the elimination of the present statutory provisions is justified and that the County should be permitted to term its own purchasing procedures within the context of other applicable constitutional and statutory provisions.

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 1331** and recommends its passage on second reading and that it be placed on the calendar for third reading.

Signed by all members of the Committee.

**SCRep. 304** Select Committee of Kauai Representatives

The purpose of this resolution is to create a situation whereby the population of seabirds on Kaula Island will increase; seabirds are important to fishermen for locating fish schools and ocean current changes.

Your Committee has amended this resolution to provide for consistency of language.

Your Select Committee of Kauai Representatives concurs with the intent and purpose of **H. R. No. 163** in its amended form as **H. R. No. 163, H.D. 1** and recommends its referral to your Committee on Lands.

Signed by all members of the Committee.

**SCRep. 305** Finance on **H.B. No. 611**

The purpose of this bill is to establish a revolving fund for the advance acquisition of real property for highway projects.

The bill adds a new section to chapter 264 (relating to highways), creating the "highway advance acquisition revolving fund" to be administered by the director of transportation, from which he is authorized to expend such sums as may be necessary (or available) when

it is determined that any delay in acquisition of the property will increase the cost of the highway project, but appropriations otherwise are inadequate.

In recent years, land values in Hawaii have risen sharply; and even now, land which will be required for future highways is being developed by private interests in order to realize maximum return. Changes in use and zoning also often increase land values, thus adding to the cost of securing rights-of-way for new highways. According to the director of transportation, there have been occasions when the State was unable to purchase properties prior to implementation of higher use. Thereafter, prices rose; or if the development became too complex, the highway had to be realigned.

The director of transportation also pointed out in testimony before your Committee that:

"Advance acquisition is also desirable and essential to facilitate the orderly development of communities, enable private owners to plan their land uses and development consistent with the ultimate highway plan, provide extra time for negotiations which may eliminate costly condemnation proceedings and provide extra time for the owner to plan and construct his new facilities before he is forced to vacate his existing establishment."

Your Committee is satisfied, therefore, that the bill merits consideration. In order to achieve its purpose more effectively, however, we have made and hereby recommend, with the concurrence of the director, the following amendments:

1. As introduced, the bill would have allowed the director to expend from the revolving fund hereby created in advance of project authorization by the legislature otherwise required under section 103-7 (relating to expenditure of public money) so long as the project is included in the State's six-year capital improvements program. **As amended**, it is required that the highway project have been previously authorized by the legislature in order that the director, subject to approval of the governor, may acquire the necessary real property, but for which the funds previously authorized are inadequate. In effect, then, the project must have progressed to the point that the selected corridor and alignment of the highway have been approved before the director may expend from the ad-

vance acquisition revolving fund to obtain the property where delay would increase the cost thereof.

2. As introduced, the director of transportation, in order to secure moneys for the revolving fund, may make loans from the State highway fund of such sums not otherwise appropriated or required to meet the obligations of sections 248-9 (state highway fund) and 36-28 (transfers from state highway fund for central services expenses). **As amended**, these provisions are continued, but in anticipation of limited available State highway funds, the director of finance is also authorized to make loans from the general, special and revolving funds of the State (in excess of amounts necessary to meet immediate requirements) for deposit into the highway advance acquisition revolving fund.

3. Finally, with regard to the interest rate upon loans to the fund, your Committee, upon recommendation of the director of finance, substituted "not less than" in place of "not to exceed", referring to that which could have been realized had the funds been invested in time certificates of deposit. **As amended**, a minimum rather than a maximum rate of interest is established as may be charged.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 611**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 611, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

**SCRep. 306 Finance on H.B. No. 1194**

The purposes of this bill are to (1) amend previous authorizations for harbor capital improvement projects, which were to be financed out of harbor revenue bond funds under Act 38, Session Laws of Hawaii 1966, to provide that the governor may use moneys in the harbor special fund to finance those projects, and (2) amend item C-10 of section 1 of Act 155, Session Laws of Hawaii 1969, relating to incremental acquisition of private properties and facilities, Honolulu Harbor, Oahu, to make the entire appropriation reimbursable out of the harbor special fund.

Act 38/1966 authorized the harbors division to finance \$2,722,000 of capital improve-

ment projects by harbor revenue bonds. Of this amount \$2,367,000 of revenue bonds were issued, leaving \$355,000 of the authorized revenue bonds unissued. Your Committee is informed that revenues of the harbors division for the fiscal years 1969 and 1970 exceeded prior estimates by \$1,458,000 and \$670,000, respectively. The increased revenues make it now possible to finance the remaining \$355,000 capital improvement projects authorized by the Act from the harbor special fund in lieu of revenue bond financing. This bill proposes to amend section 5 of Act 38 to provide that the governor may use moneys in the harbor special fund to finance these projects, a provision not unlike that contained in capital improvements appropriation acts subsequent hereto.

Act 155/1969 authorized the harbors division to pay \$4,918,000 for the third increment of the acquisition of Dillingham properties. Of this amount \$2,459,000 was in reimbursable general obligation bonds and \$2,459,000 was in non-reimbursable general obligation bonds. This bill proposes to convert the latter into reimbursable general obligation bonds with the debt service being paid out of the harbor special fund. In so doing, the debt service burden to the general fund is effectively reduced, and so also is the amount of bonds includable in the debt ceiling of the State.

Your Committee has converted the bill to conform with House Rule 24(2).

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1194**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 1194, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

**SCRep. 307 Finance on H.B. No. 1624**

The purpose of this bill is to assure adequate compensation to owners of real property for certain costs incidental to the acquisition thereof, not included as payment of "just compensation" under the present law, where said real property is for use in any project or program in which federal or federal-aid funds are used.

Title III of Public Law 91-646, cited as the "Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970" which was enacted by Congress and approved on January 2, 1971, establishes uniform and equitable land acquisition policies for federal and federally assisted programs. Section 305 of this law prohibits the head of a federal agency from approving any program or project or any grant to, or contract or agreement with, a state agency under which federal financial assistance will be available to pay all or part of the cost of any program or project which will result in the acquisition of real property unless he receives satisfactory assurance from such state agency that in acquiring the real property it will be guided by the land acquisition policies set forth in Public Law 91-646, and that property owners will be paid or reimbursed for necessary expenses incidental to transfer of title to the state and certain litigation expenses, not now payable under existing state laws. In the bill, these requirements are enumerated in sections 2 through 4; underlying policy provisions in real property acquisition are enumerated in section 5.

Because of the extent to which federal moneys are frequently involved in public improvements, your Committee is convinced that this legislation is essential. For example, the major portion of the State's highway construction program is financed with federal assistance, the amount of federal-aid highway funds apportioned to Hawaii for fiscal year 1971 coming to \$58 million. We are informed by the director of transportation that failure to meet the legal requirements established by Public Law 91-646 will mean the non-approval of all new federal-aid highway projects. If this happens, the State's highway construction program will be seriously curtailed. On the other hand, enactment of this bill enables the department of transportation to comply with the requirements of Public Law 91-646 and allows it to proceed with the completion of the Interstate and Defense Highway System as well as other federally-aided highway construction projects which are badly needed to relieve the tremendous traffic congestion that exists today.

Essentially, the bill provides for the following: Section 1: Application of the law, as aforesaid. Section 2: Acquisition, whether by purchase or condemnation, to include reimbursement for (a) fees, taxes and similar expenses, (b) penalty costs upon encumbrances, and (c) pro rata portion of taxes. Section 3:

Condemnation proceeding (1) in which judgment is against State, or (2) which is abandoned, to include reimbursement for attorney, appraisal and engineering fees. Section 4: Inverse condemnation proceeding by owner, to include reimbursement as in section 3. Section 5: Acquisition to comply with policy provisions enumerated.

Your Committee has amended the bill by including section headings throughout. It is also recommended that the phrase "the owner's interest in" be deleted from the last sentence of paragraph 3 of section 5, relating to the fair market value of the property, the approved value of which shall be established and offered before negotiations.

In addition to the principal purpose hereinabove stated — i.e., to comply with the federal law — your Committee is impressed, in reviewing the bill, that it will also encourage and expedite the acquisition of real property by agreements with owners; avoid litigation and relieve congestion in the courts; assure consistent treatment for owners in the many projects or programs in which federal or federal-aid funds are used; and promote confidence in state land acquisition practices.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1624**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 1624, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

**SCRep. 308 Finance on H.B. No. 670**

The purpose of this bill is to provide for the reimbursement of certain losses suffered by employees of public institutions caused by patients or inmates thereat.

As introduced, the bill provided for "replacement or repair of any tool, automobile, uniform, or clothing . . . which was stolen or damaged." Your Committee on Public Institutions, to which the bill was initially referred, found that such employees "do indeed suffer many different types of personal property losses which . . . range from damages of a few dollars to total losses valued at many hundred dollars." Therefore, the scope of coverage was narrowed to include damage to "uniform or clothing worn on duty", only,



while “large losses and theft losses” were left to be considered under section 37-76, which provides the procedure for reimbursement of private claims by legislative appropriation.

Your Committee on Finance, too, “agrees in principle with the purpose of the bill.” We have, however, effected certain additional amendments thereto, as follows:

1. In recommending retention of the narrowed scope of coverage for damage, only, and for uniforms and clothing, only, the title of the section was amended by substituting “uniform of institution employee” for “personal property”, and deleting the word “loss” (resulting from theft) as more accurately descriptive of the content thereof.

2. Because this measure is designed as an alternative to the usually involved procedure for securing legislative relief for claims, section 37-76, relating thereto, and any other law to the contrary notwithstanding, have been expressly excepted.

3. As a check against possible abuses, an amendment now requires that claims shall be reimbursable only “upon proof of loss in such manner as prescribed by the responsible department head . . . not to exceed the sum of \$50 per employee per year.”

4. Finally, the bill was further amended to provide that such claims be paid out of a petty cash fund established pursuant to section 40-84, relating thereto (if one does not already exist) and that rules be prescribed for its proper administration.

Your Committee concedes that even with the extensive changes which have been effected, the bill may still constitute something short of solving more problems than it potentially poses, principally as regards its administration. But, because we believe its operative effect to be mutually beneficial, as follows, we believe it to be worth preserving.

As we see it, the bill avails redress to persons particularly vulnerable to a particular type of recurring loss who often fail to assert valid claims because the amount thereof may seem too nominal compared with the procedure for legislative relief, which may seem too complex. Thus, by circumventing the provisions of section 37-76 with its involved investigative procedures and departmental recommendations, the employee gets his damaged uniform or clothing repaired or re-

placed through administrative channels, and the State is spared the paperwork and man hours of otherwise processing the claim for legislative relief, the expense of which may likely far exceed the amount of the loss.

Your Committee is in accord with the intent and purpose of **H. B. No. 670, H. D. 1**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 670, H. D. 2**.

Signed by all members of the Committee except Representative Chong.

#### SCRep. 309 Finance on H.B. No. 348

The purpose of this bill is to redefine for clarity the term “qualified tenant” in section 359-123 by excluding single individuals, but not those who qualify as “elderly”, from rent supplement benefits.

At present the definition of the term “qualified tenant” means any individual or family. The amendment would redefine “qualified tenants” so that the definition would be consistent with the “qualified tenant” definition used in other housing programs administered by the Hawaii housing authority.

The amendment would include in the definition any single person who has attained the age of 62 or who is unable to engage in any substantial gainful activity by reason of physical or mental impairment which can be expected to result in death within one year or to be of long and indefinite duration. It would also expand the definition of “family” in the same section to include other persons who live regularly as part of the family group.

Existing statutes provide a definition based on income criteria as set forth in section 221 (d) (3) of the National Housing Act. Your Committee feels that this may inadvertently exclude others who deserve benefits from getting them. In the climate of an acute housing shortage, unnecessary statutory limitations “should not be allowed to exacerbate the situation” (in the words of your Committee on Housing and Consumer Protection).

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 348** and recommends that it pass third reading.

Signed by all members of the Committee except Representative Chong.