

STANDING COMMITTEE REPORTS

SCRep. 1-72 Legislative Management

Informing the House that **House Bill Nos. 1636-72 to 1639-72**, have been printed and distributed.

Signed by all members of the Committee except Representative Poepoe.

SCRep. 2-72 Legislative Management

Informing the House that **House Resolution No. 4**, has been printed and distributed.

Signed by all members of the Committee.

SCRep. 3-72 Legislative Management

Informing the House that **House Bill Nos. 1640-72 to 1745-72, House Resolution Nos. 5 to 23, House Concurrent Resolution Nos. 1 and 2, and Standing Committee Report No. 4-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 4-72 Finance on H. B. No. 1639-72

The purpose of this bill is to appropriate funds for defraying the pre-session, interim session and other expenses for the Regular Session of 1972, Sixth State Legislature, up to and including January 16, 1973, 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 1973, Seventh State Legislature; for defraying the expenses of the office of the ombudsman during the fiscal year 1972-73; and for defraying certain expenses of the office of the legislative auditor during the fiscal year 1972-73, including the State Ethics Commission which it financially administers.

Upon consideration of the bill, your Committee has 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; \$192,573 for the expenses of the ombudsman for the fiscal year 1972-73; and a total of \$1,596,906 for the expenses of the office of the legislative auditor for the fiscal year 1972-73. The latter figure includes the sum of \$691,906 for de-

fraying the actual expenses of that office; \$70,000 (4.0) for the office of the State ethics commission; \$150,000 for the performance of special studies by the legislative auditor, which, by amendment to the bill, specifically includes the improvement of capabilities for planning, programming and budgeting; and \$685,000 for interim legislative studies, contractual services therefor, equipment for improving the efficiency of legislative operations and related matters, and for such other purposes as deemed necessary by joint action of the President of the Senate and the Speaker of the House of Representatives.

We are pleased to report that the sums recommended herein represent a reduction by more than \$185,000 from appropriations for the same purposes in fiscal year 1971-72, but without impairment to the quality and level of services related to the legislative process and the agencies thereto related for which this bill provides.

The messages of the Governor, President of the Senate and Speaker of the House of Representatives clearly enunciate the necessity for prudent but nevertheless cautious optimism and their wisdom has guided your Committee in the pursuit of its task to meet the legislative financial requirements.

We have reviewed the Report of the 1971 Commission on Legislative Salary, which met and prepared the same pursuant to the Hawaii State Constitution (Article III, Section 10). In summary, the Commission's recommended compensation plan for legislators provides for annual salary increases based upon number of years of service, and for a salary differential to the presiding officers of the Senate and House. These recommendations, although not of substantial sums, would, if enacted, constitute a contribution to increased legislative costs.

In this time of economic uncertainty, we are not prepared to propose legislation which would produce that result, and we specifically advise against it. Your Committee nevertheless appreciates the efforts of the Commission on Legislative Salary, and on behalf of the entire Legislature, we wish to express gratitude for an undertaking accomplished with excellence.

Consonant with the requirement for continued austerity, we have recommended appropriations only for the most fundamental of our needs without disregard for the needs of our constituents. Expenses for the Senate and House of Representatives have been fixed at a level equivalent to that of the last legislative session. Your Committee is not unmindful that costs have continued since then to climb, but we are determined not to allow a proportionate diminution of those services vital and responsive to the needs of the State.

Attainment of this goal mandates careful examination of our objectives and requires progressive planning and programming of the way in which those objectives are to be met.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1639-72**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 1639-72, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee except Representative Chong.

SCRep. 5-72 Legislative Management

Informing the House that **House Bill Nos. 1746-72 to 1802-72, House Resolution Nos. 24 to 32, and Standing Committee Report No. 6-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 6-72 Judiciary on **H. B. No. 1680-72**

The purpose of this bill is to grant to the judges of the Family Court discretion to order a social study when they have reason to believe such action is necessary to assure adequate protection of a child less than fourteen years of age in cases where the question of custody of such child arises out of a divorce action.

The present law of Hawaii requires a judge, prior to a final decree of divorce, to order a social study of a child less than fourteen years of age when question of custody of such child arises out of a divorce action. This requirement of a mandatory custody report, added as a precautionary measure by **H. D. 1 to H. B. 1577** which became Act 72 of the

Session Laws 1971, is found by your committee not necessary to protect the well-being of such children.

The testimony from Family Court Judge Betty Vitousek and Administrator of the Adult Services of the First Circuit Family Court, Thomas Shintani, revealed that in only two or three cases of the 844 cases processed by the Administrator of Adult Services between July 1, 1971, and December 31, 1971, did the court not concur with the parents' recommendations on the custody of their child. The family court services have been unnecessarily burdened, and custody problems needing investigation cannot be thoroughly investigated because of the great volume of mandatory custody reports.

Your Committee believes granting the judges of the family court discretion to order a social study will remedy these problems. As an aid to the judges in determining when a social study is needed, your Committee suggests that the Family Court require by rule of court that the completed form of the Order For Social Study Regarding Custody Or Visitation or a similar form be submitted along with the form filing for a decree of divorce.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1680-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 7-72 Legislative Management

Informing the House that **House Bill Nos. 1803-72 to 1809-72, and House Resolution Nos. 33 to 35**, have been printed and distributed

Signed by all members of the Committee.

SCRep. 8-72 Legislative Management

Informing the House that **House Bill Nos. 1810-72 to 1832-72, and House Resolution Nos. 36 and 37**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 9-72 Legislative Management

Informing the House that **House Bill Nos. 1833-72 to 1861-72, House Resolution Nos. 38 to 41, and House Concurrent Resolution No. 3**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 10-72 Legislative Management

Informing the House that **House Bill Nos. 1862-72 to 1864-72, House Concurrent Resolution No. 4, and Standing Committee Report No. 11-72**, have been printed and distributed.

Signed by all members of the Committee except Representative Poepeo.

SCRep. 11-72 Judiciary on **S. B. No. 1014**

The purpose of this bill is to incorporate several bills which seek to accomplish the following purposes:

1. To eliminate fault as a consideration in legal proceedings to dissolve a marriage.
2. To eliminate the Interlocutory Decree of Divorce.
3. To revise or delete sections of the Hawaii Revised Statutes relating to divorce to provide consistency with the objectives of the above-stated purposes.

The present law of Hawaii, HRS Section 580-41, states eleven grounds for divorce. This bill, in seeking to eliminate fault as a consideration in legal proceedings to dissolve a marriage, will delete eight statutory grounds for divorce—adultery, desertion, sentence of imprisonment, insanity, extreme cruelty, habitual drunkenness or drug use, non-support, and grievous mental suffering. This bill bases a decree of divorce on a finding that the marriage is “irretrievably broken” which is the cause recommended in the Uniform Marriage and Divorce Act.

Family Court Judge Betty Vitousek testified in favor of the elimination of fault of a spouse as a requirement to dissolve a marriage. Unnecessary disputes over fault, where one party to the divorce action must be the accuser and the other the accused, lead to counter-spouse antagonism which, particularly when the parties have children, further aggravates their differences.

Three existing non-fault grounds of divorce are retained mainly to provide relief from a too narrow judicial interpretation of the circumstances under which a marriage is “irretrievably broken” and also to reduce problems of conflicts of law. These are related to the passage of time, specifically two years in each case, without reconciliation under a decree of separation from bed and board, or under a decree of separate maintenance, or where the parties are separated in fact. Two time periods now described as “more than two years” is amended by this bill to read “two years or more” for clarity.

S. B. 1014, S. D. 1 is amended by your Committee by eliminating the term “dissolution of marriage”. The term “divorce” is used in numerous sections of the Hawaii Revised Statutes; the term “dissolution of marriage” may consequently create uncertainty and ambiguity as to those other sections and therefore is eliminated.

Your Committee amended **S. B. 1014, S. D. 1** by adding a provision of **H. B. 1590** relating to irretrievable breakdown. Its addition clarifies procedures in finding whether the marriage is irretrievably broken.

HRS Section 580-45 is proposed to be amended to eliminate a “divorce only from bed and board”, also called separate maintenance, which testimony reveals is rarely ordered by family court and which may in the future frustrate the purposes of deleting the Interlocutory Decree of Divorce.

S. B. 1014, S. D. 1 proposed to eliminate the Interlocutory Decree for Divorce. As this matter has already been eliminated by Act 72, Session Laws of 1971, your Committee amended **S. B. 1014, S. D. 1** by deleting reference to the repealed provisions. As amended by your Committee, the only provision in HRS Section 580-45 to be repealed by this bill relates to fault grounds for divorce.

S. B. 1014, S. D. 1 also proposed a new section to be added to Chapter 580 of the Hawaii Revised Statutes to provide for an orderly transition and disposal of existing Interlocutory Decrees of Divorce. As such decrees were eliminated over six months ago when Act 72, S. L. 1971, became effective and as prior to that date the court may have ordered a final decree of divorce for any Interlocutory Decree of Divorce in force for six

months or more, the provision is now moot. Your Committee has deleted it as unnecessary.

S. B. 1014, S. D. 1 proposed a new provision entitled "recrimination no defense." As this provision is presently HRS Section 580-42.5 by Act 77, S. L. 1971, your Committee amended **S. B. 1014, S. D. 1** by omitting reference to this provision.

HRS Section 580-42 relating to defenses to divorce on grounds of adultery is proposed to be repealed because these defenses will be irrelevant upon the elimination of adultery as a ground for divorce. As subsection 580-42(4) was repealed by Act 77, S. L. 1971, your Committee amended **S. B. 1014, S. D. 1** by omitting reference to it.

Your Committee amended **S. B. 1014, S. D. 1** by adding provisions of **H. B. 1402** which proposed the repeal of HRS Section 580-43 relating to the definition of insanity as a ground for divorce and HRS Section 580-48 relating to costs where insanity is a ground for the divorce. Your Committee also amended **S. B. 1014, S. D. 1** by amending HRS Section 580-49 to provide for the support of an insane spouse after divorce.

HRS Section 580-50 relating to alimony upon divorce after living separate and apart is to be repealed because it is inconsistent with the provision of this bill to abolish the "divorce only from bed and board" as found in the last paragraph of the present HRS Section 580-41.

Your Committee amended **S. B. 1014, S. D. 1** by adding provisions of **H. B. 1402** which proposes the repeal of HRS Section 580-53 relating to the legitimacy of the issue of the marriage in the case of the husband's adultery, and HRS Section 580-54 relating to the legitimacy of the issue of the marriage in the case of the wife's adultery. These sections will be irrelevant upon the elimination of adultery as a cause for divorce.

Your Committee amended **S. B. 1014, S. D. 1** by deleting as unnecessary the proposed repeal of HRS Sections 580-55 and 580-73 which were repealed by Act 77, S. L. 1971.

Your Committee amended **S. B. 1014, S. D. 1** by adding a new section to Chapter 580 to be appropriately numbered and to read:

"Section 580-____. **Representation of child.** The court, prior to granting a final decree of divorce, may appoint an attorney to represent the interests of a minor or dependent child with respect to his custody, support, and visitation. The court shall enter an order for costs, fees, and disbursements in favor of the child's attorney. The order shall be made against either or both parents, except that, if the responsible party is indigent, the costs, fees, and disbursements shall be borne by the family court."

The addition is to assure that the child's interest is legally represented if the judge finds such representation needed.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 1014, S. D. 1**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **S. B. No. 1014, S. D. 1, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Judd.

SCRep. 12-72 Legislative Management

Informing the House that **House Bill Nos. 1865-72 to 1893-72, House Resolution Nos. 42 to 48 and House Concurrent Resolution No. 5**, have been printed and distributed.

Signed by all members of the House except Representative Poepoe.

SCRep. 13-72 Legislative Management

Informing the House that **House Bill Nos. 1894-72 to 1906-72, House Resolution Nos. 49 to 59, and Standing Committee Report Nos. 14-72 to 16-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 14-72 Finance on H. B. 1746-72

The purpose of this bill is to authorize the director of finance and State comptroller to destroy outdated warrants, bonds and interest coupons by methods other than "burning and destruction", to include, also, "machine shredding, chemical disintegration or any other method of disposal deemed acceptable to them".

Sections 40-11, -12, Hawaii Revised Statutes, which are amended hereby, presently allow for the disposal of "all warrants of the State which have been paid and which bear a date ten years prior . . ." and "state bonds and interest coupons which have been paid and which bear a date two years prior . . ." by "burning and destruction", only. Transposing of that phrase to "destruction by burning" and adding the other methods enumerated hereinabove, removes any ambiguity as to the meaning of the word "destroy" (as used in the latter section) and the authorized means of "destruction".

The director of finance testified before your Committee that to assist in combating the problem of air pollution and in anticipation of legislation which may one day halt the disposal of cancelled securities by "cremation", fiscal agents for the bond issue, which, under the present law, may be appointed to conduct the destruction, and which are located in the State of New York, have questioned whether our statute permits destruction other than by burning. An opinion of our attorney general indicates that it does, and this bill codifies that opinion. And, is it not possible that similar restrictions may be imposed within the State of Hawaii, one day?

Your Committee on Finance is in accord with the intent and purpose of H. B. No. 1746-72 and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 15-72 Finance on H. B. 1747-72

The purpose of this bill is to provide that the director of finance, who is charged with safekeeping of all moneys paid into the treasury, and for the proper disbursement and appropriation thereof, "shall be liable therefor on his official bond", rather than upon him personally.

Section 36-1, Hawaii Revised Statutes, presently provides that he is "personally responsible" therefor, provided that in case of larceny or embezzlement, in the absence of evidence of collusive knowledge, the director shall be discharged from "personal responsibility". The amendment proposed deletes these personal references and places liability upon the director's official bond, the existing

coverage for which, your Committee is informed, is in the sum of \$25,000 for each employee plus \$75,000 for each incident.

Passage hereof is consistent with the laws applicable to the directors of finance of the counties, wherein the responsibility of these officials is upon the basis of their official bond.

Your Committee on Finance is in accord with the intent and purpose of H. B. No. 1747-72 and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 16-72 Finance on H. B. 1748-72

The purpose of this bill is to amend certain provisions of sections 39-31, -32, -33 and -34, Hawaii Revised Statutes, relating to the issuance of duplicate bonds to replace bonds lost, stolen, destroyed or defaced, and to provide for the method and circumstances for issuance of such bonds.

Presently, a discrepancy exists between these provisions of chapter 39 and chapter 490, the Uniform Commercial Code, the former, generally, only authorizing the issuance of duplicate bonds in case of bonds "destroyed or defaced" and for the payment of interest coupons, only, in case of bonds lost, destroyed or stolen. On the other hand, section 490: 8-405(2) provides:

"(2) Where the owner of a security claims that the security has been **lost, destroyed or wrongfully taken, the issuer must issue a new security** in place of the original security if the owner (a) So requests before the issuer has notice that the security has been acquired by a bona fide purchaser; and (b) Files with the issuer a sufficient indemnity bond; and (c) Satisfies any other reasonable requirements imposed by the issuer." (Emphasis added).

Accordingly, throughout the above-mentioned sections, by addition of the words "lost", "stolen" and "defaced", where appropriate, and by providing for the issuance of duplicate bonds (in addition to payment of interest coupons) and the method and circumstances for the issuance thereof, chapter 39 (entitled "State Bonds") and comparable

provisions relating to securities of the Uniform Commercial Code are brought into conformity.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1748-72** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 17-72 Legislative Management

Informing the House that **House Bill Nos. 1907-72 to 1918-72, House Resolution Nos. 60 to 65, and House Concurrent Resolution Nos. 6 to 9** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 18-72 Legislative Management

Informing the House that **House Bill Nos. 1919-72 to 1928-72 and House Resolution Nos. 66 to 70,** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 19-72 Legislative Management

Informing the House that **House Bill Nos. 1929-72 to 1953-72, House Resolution Nos. 71 to 74, House Concurrent Resolution No. 10, and Special Committee Report No. 2, Re: House Bill No. 20, H. D. 1,** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 20-72 Legislative Management

Informing the House that **House Bill Nos. 1954-72 to 1965-72, House Resolution Nos. 75 to 81, House Concurrent Resolution Nos. 11 and 12, Special Committee Report No. 3, Re: H. R. 213, H. D. 1, Special Committee Report No. 4, Re: H. R. No. 28, H. D. 1, and Special Committee Report No. 5, Re: H. R. 395, H. D. 1 and S. R. No. 300,** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 21-72 Legislative Management

Informing the House that **House Bill Nos. 1966-72 to 1971-72, House Resolution No.**

82, House Concurrent Resolution No. 13, Standing Committee Report No. 22-72, Re: House Resolution No. 11, and Senate Bill No. 1014, Senate Draft No. 1, House Draft No. 2, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 22-72 Select Committee of Maui Representatives on **H. R. No. 11**

The purpose of this Resolution is to ask the County of Maui to consider in its planning of the Kahului Community Park complex the inclusion of a youth center. Your committee feels that this possibility should not be overlooked and that both the Maui County government and the Department of Land and Natural Resources should be directed to consider the feasibility of a youth center.

Your Select Committee of Maui Representatives concurs with the intent and purpose of **H. R. No. 11** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative de la Cruz.

SCRep. 23-72 Legislative Management

Informing the House that **House Bill Nos. 1972-72 to 1977-72, House Resolution Nos. 83 to 87, and House Concurrent Resolution No. 14,** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 24-72 Legislative Management

Informing the House that **House Bill Nos. 1978-72 to 1984-72, House Resolution Nos. 88 to 91, and Standing Committee Report Nos. 25-72, to 27-72,** have been printed and distributed.

Signed by all members of the Committee.

SCRep. 25-72 Finance on **H. B. No. 1893-72**

The purpose of this bill is to require the filing of a claim for real property tax exemption but once, as for home owners, and hereby to include disabled veterans, leprosy victims, blind, deaf and disabled persons, charitable and other eleemosynary organizations, and pulp and paper manufacturers (limited to five years following commencement of plant construction); and further, to extend the penalty and retroactive taxation

provisions now imposed on owners of certain exempt properties, where it is found that the owner is not entitled to such exemption, to owners of all other exempt properties hereby included.

Such claims for exemption, filed once only, shall have a continuing effect, under the bill, until (1) the exemption is disallowed, (2) the exemption is voided after 30 days notice, (3) the 5-year exemption as to pulp and paper manufacturers expires, or (4) the claimant reports to the assessor a change of ownership, facts or other status which affects his exemption. Filing but once will ease taxpayer burden, particularly of those who are infirm. The safeguard against improper disability claims is that the State Department of Health or the Veteran's Administration must certify as to the eligibility of the exemptee, who, in turn, is required to report any change in his condition or the status of his ownership or occupancy of the property.

This bill also makes uniform the penalizing of those who claim an improper exemption. Presently, of all who may file—homeowners, veterans, leprosy victims, blind, deaf or disabled persons, and charitable organizations—only homeowners are subject to a penalty and retroactive taxation if it is thereafter found that the owner is not entitled to such exemption. This bill provides for application of the penalty and retroactive taxation provisions to all such disqualified exemptees—including pulp and paper manufacturers.

Amended by this bill are sections 246-23, -26(d), and -28; and section 246-28, after incorporation of the penalty provisions of subsections (d), (e), and (f) thereof into section 246-23, which applies to all exemptions allowed in sections 246-26 to 246-33, where appropriate, is repealed.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1893-72** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 26-72 Finance on H. B. No. 1912-72

The purpose of this bill is to permit the waiver of public bidding for alterations to buildings when promptly required.

Section 103-23, Hawaii Revised Statutes, presently allows such an exception, upon approval of the county councils or governor, as the case may be, as to repairs of roads, water works and buildings, least an urgent situation arises; and the amendment thereto hereby proposed, adds alterations to buildings.

The justification for this addition to the statute was expressed to your Committee by the Director of the Department of Accounting and General Services, as follows:

“In these times of rapidly changing needs, there are frequent demands to alter buildings to meet the operating requirements of new or different programs. In many instances, the existing building space cannot be used as is by these programs. An urgent situation arises if the program must occupy the space promptly. Under these circumstances, the formal bidding procedure is not only impractical, it is uneconomical. Competitive bidding may result in some savings in payment for the alteration work. However, the salaries paid to the program personnel who cannot render their services to the public while formal bidding and the alteration work is in progress may far outweigh these savings. It is in the best public interest to permit the waiving of public bidding in these instances.”

This bill also incidentally amends the phrase “board of supervisors or city council” to “legislative body” in the case of a county, as to the authority required for approval of the bidding exception.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1912-72** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 27-72 Finance on H. B. No. 1913-72

The purpose of this bill is to retain the eight per cent (8%) interest ceiling on general obligation bonds of the State, heretofore increased from the statutory rate of six per cent (6%) by Acts 2 and 3, Session Laws of Hawaii 1970 and 1971, respectively, for an additional period of twelve months.

Section 39-5, Hawaii Revised Statutes, as amended, prescribes the level at which such

bonds shall bear interest, payable annually or semi-annually, at "a rate or rates not exceeding" the 6% figure. (Emphasis added). During the last legislative session, your Committee, in **Stand. Com. Rep. No. 63**, reporting on **S. B. No. 62, S. D. 1** (which became Act 3) reviewed the recent history of amendments to the affected statute, tracing the progressive transition from a rate of "not more than 5 per cent" (see Act 27, Session Laws of Hawaii 1968) to the presently allowed ceiling. We shall not herein repeat those previous findings, but respectfully address the attention of those concerned therewith, thereto.

On the other hand, your Committee is impressed with the need to again continue the 8% interest ceiling for at least another year, which, unless renewed by enactment of this measure, will, upon expiration of Act 3, aforesaid, revert to 6% on April 1, 1972. In testimony before your Committee, the deputy director of budget and finance stated:

"Although the market outlook in the immediate future appears favorable, and in spite of our recent successful bond sale on January 25, 1972, which the State paid a net average interest of 4.79%, it must be noted that there have been occasions when the Twenty Bond Index exceeded 6% in each of the last three calendar years. For example, the Bond Index reached a high of 6.90% in December of 1969, a high of 7.12% in May of 1970 and a high of 6.23% in June of 1971."

There has been a gradual rise in capital improvement expenditures over the past few years. This trend is expected to continue in view of the amount of bonds authorized but unissued. During the current fiscal year, the State has already sold \$110 million of general obligation bonds. It plans to sell another \$130 million during fiscal year 1972-73.

To guard against any future extreme fluctuation in the bond market and in order to ensure that the State of Hawaii will be in a position to sell its bonds and to continue its capital improvements program, an upward adjustment of the interest rate for another 12 months is advisable.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1913-72** and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 28-72 Legislative Management

Informing the House that **House Bill Nos. 1985-72 to 1999-72, House Resolution Nos. 92 to 101, House Concurrent Resolution Nos. 15 to 17**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 29-72 Legislative Management

Informing the House that **House Bill Nos. 2000-72 to 2010-72, House Resolution Nos. 102 to 110, Special Committee Report Nos. 6 and 7**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 30-72 Select Committee of Oahu Representatives on **H. B. No. 152**

The purpose of this bill is to reimburse annually the City and County of Honolulu for the cost of operating the Emergency Health Services returned to the City by Act 265 of 1969.

In 1965, the Legislature passed a bill which was signed into law as Act 97, transferring from the counties to the State all school and health functions. Simultaneously, the Legislature passed legislation diverting from the counties to the State excise tax revenues to pay for the functions transferred.

In 1969, the State returned to the City and County the emergency health services but made no provision for the annual funding of these functions. The State continues to operate emergency health services on the neighbor islands.

H. B. 152 would appropriate the sum of \$1,500,000 for use by the City and County to operate the emergency health services during fiscal 1971-72 and further provide for funding in subsequent fiscal years.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. No. 152** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 31-72 Select Committee of Oahu Representatives on **H. B. No. 157**

House Bill Number 157 provides, “. . . that in those counties where the population exceeds 100,000 persons, said county shall receive from the state general fund all revenues from traffic violation waivers of the preceding fiscal year of any district court in said county.”

In the case of the City and County of Honolulu, the City police apprehend and issue citations to traffic violators, and place citations on illegally parked vehicles. And the meter maids of the City's Traffic Department also issue citations for illegally parked vehicles. Additionally, the City's Division of Licenses incurs substantial expenses in checking out applicants for motor vehicle licensing, to see that outstanding traffic citations are paid before a license is issued or renewed.

However, when the motorist pays his penalty for a traffic violation, the funds do not come back to the City; they go into the general fund of the State.

The bill will require that the State remand to the City those revenues arising from what are referred to as “traffic waivers.”

Traffic “waivers” are distinguished from fines and bail forfeitures in that they do not involve any action on the part of the district court. They are what we normally call paying our traffic “tickets,” which we may do by mailing in the money or paying it at the cash counter in the District Court building.

If this bill were passed, the City and County of Honolulu would receive \$1,064,-188 in this fiscal year. It cost the City an estimated \$3.2 million in operating expenses in fiscal 1970 for traffic related activities which in term is related to the \$1 million in State revenues.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. No. 157** and recommends that it pass second reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 32-72 Legislative Management

Informing the House that **House Bill Nos. 2011-72 to 2019-72, House Resolution Nos. 111 to 113, Standing Committee Report Nos. 30-72 and 31-72, and Standing Committee Report Nos. 33-72, to 36-72,** have been printed and distributed.

Signed by all members of the Committee except Representative Poepoe.

SCRep. 33-72 Labor on **H. B. NO. 1723-72**

The purpose of this bill is to amend the Temporary Disability Insurance Law to provide benefits for disability due to pregnancy during the four-week period immediately prior to the expected birth of the child and during the four-week period following termination of the pregnancy if the claimant meets certain coverage and eligibility requirements. These requirements are:

(1) That the claimant have been in regular employment at the beginning of pregnancy and her employment have been terminated because of pregnancy; and

(2) That the claimant also have been a member of the labor force for at least one year prior to the pregnancy (a claimant would be deemed a member of the labor force if regularly employed and in the case of a seasonal worker, if she worked throughout the seasonal periods customary in her work for the one year period).

The law presently makes benefits payable in pregnancy cases only where disability is the result of complications of pregnancy or its termination. Disability resulting from a normal pregnancy or its termination is not considered compensable under the law.

The proposal to make benefits payable during the four-week period prior to an anticipated birth and during the four-week period following termination of pregnancy is consonant with the purpose and policy of the Temporary Disability Insurance Law, to provide wage loss protection for regular members of our work force. The wages of a regularly employed woman are as essential to a family as those of a man and should similarly be subject to protection against loss to the extent possible. The stringent coverage and eligibility requirements proposed would make pregnancy benefits payable only to women who are and have been regularly em-

ployed in the work force. Any wage loss sustained by a woman in this category would seriously affect the well-being of her entire family. Your Committee agrees that the limited wage loss protection which would be afforded working women by this bill would further the stated purpose of the Temporary Disability Insurance Law.

Your Committee upon consideration of the bill has made several minor language changes in the bill. It has not, however, made any amendments which would alter its substance.

Your Committee on Labor is in accord with the purpose and intent of **H. B. No. 1723-72**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1723-72, H. D. 1**, and that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 34-72 Labor on H. B. No. 1762-72

The purpose of this bill is to amend the Temporary Disability Insurance Law by adding a new section to specifically provide all employees of the state or its political subdivisions, including those who are not covered by the merit system or have not earned sufficient sick leave credits, with disability benefits deemed equivalent to those provided in the law.

The Temporary Disability Insurance Law presently includes the state and its political subdivisions within its definition of an "employer". While this theoretically should afford all government employees benefits under the law, the Attorney General has ruled that specific provisions covering sick leave for government employees rather than the benefit provisions of the Temporary Disability Insurance Law govern the payment of disability benefits to government employees. The ruling has resulted in employees not covered by the merit system and employees who have not earned sufficient sick leave credits being denied temporary disability benefits, as well as sick leave.

The specific proposal to entitle all government employees to at least the equivalent of benefits provided under the Temporary Disability Insurance Law would implement the original intent of the Legislature to afford all

government employees temporary disability benefits, an intent clearly reflected in the definitions section of the law.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 1762-72** and recommends its passage on second reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 35-72 Labor on H. B. No. 1763-72

The purpose of this bill is to amend the Temporary Disability Insurance Law by adding a new section which would:

(1) Prohibit the denial of benefits by an insurance carrier on the ground that the claimant's employer has voluntarily made wage replacement payments during the period of disability; and

(2) Declare null, void, and of no effect any provision in an insurance contract that permits the insurer to deny a claimant benefits because wage replacement payments have been made by claimant's employer.

All employers subject to the Temporary Disability Insurance Law must provide for the prompt payment of benefits to which their employees are entitled. Most employers satisfy this obligation by purchasing insurance policies. Some of these employers also continue the practice of voluntarily making wage replacement payments in addition to providing the required insurance coverage. A few insurance carriers, however, have included clauses in their policies making it possible for them to forego the payment of temporary disability benefits in cases where voluntary wage replacements are made.

The foregoing restriction on the payment of benefits appears to have no equitable basis as the cost of securing the required insurance is either borne entirely by the employer or shared by the employer and his employees. Through the use of the clause in question, an insurer is able to secure for itself the windfall of an employer's generosity and forego the payment of benefits it has contracted to make.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 1763-72** and recommends its passage on sec-

ond reading and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 36-72 Labor on H. B. No. 1764-72

The purpose of this bill is to amend the Temporary Disability Insurance Law by adding a new section which would:

(1) Require all employers and insurance carriers to submit copies of benefit denial notices to the department of labor and industrial relations; and

(2) Permit the department to review benefit denials within ten days of receipt and to request employers and insurance carriers involved to reconsider denials if it considers them to be erroneous, without proper legal basis, or without sufficient supporting evidence.

While the Temporary Disability Insurance Law presently allows claimants to appeal benefit denials by employers or insurance carriers to a referee, the experience of the labor department has been that many such denials are clearly erroneous or based on a lack of understanding of the law. The policy of the law to have valid benefit claims paid promptly is defeated in these cases. During the fifteen month period ending October 31, 1971, for example, the department reviewed 150 benefit appeals and found more than 50% of them to be in the foregoing category. The handling and payment of benefit claims would be expedited by permitting the department to review all denials and to request employers and carriers to reconsider obviously erroneous denials. The necessity of time-consuming hearings before the referee would be obviated in many cases and the payment of benefits to disabled workers who need funds and are clearly entitled to them would be assured.

Your Committee on Labor is in accord with the purpose and intent of **H. B. No. 1764-72** and recommends its passage on second reading and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 37-72 Legislative Management

Informing the House that **House Bill Nos. 2020-72 to 2036-72, House Resolution Nos. 114 to 120, House Concurrent Resolution No. 18, and Special Committee Report No. 8, Re: House Resolution No. 412**, have been printed and distributed.

Signed by all members of the Committee except Representative Poepoe.

SCRep. 38-72 Legislative Management

Informing the House that **House Bill Nos. 2037-72 to 2069-72, House Resolution Nos. 121 and 122, Standing Committee Report Nos. 39-72 and 40-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 39-72 Education on H. R. No. 42

The purpose of this resolution is to request the Governor to release positions for the Comprehensive School Alienation Program.

During the 1972-73 school year several crisis-oriented counseling and teaching positions in the Honolulu District are proposed to be eliminated. Testimonies received by your Committee indicate that the elimination of these positions is not a direct result of the austerity cutback but that significant shifts in student populations necessitate the redeployment of teaching positions to other districts. Because these supportive positions were created from surplus classroom teaching positions, they were chosen to be redeployed to the other districts.

Testimonies received by your Committee also reveal that detrimental effects would result from the elimination of these crisis-oriented positions and programs at the various schools. The innovation of these special crisis-oriented positions has been one of the most successful approaches taken to alleviate the problems of school alienation and as a corrective measure to insure safety in schools. The elimination of these positions will cause a great setback in dealing with the severe alienation problems we are faced with on our school campuses and in our community.

The Legislature, cognizant of the critical problems in school alienation, sought to alleviate these problems by authorizing funds for the Comprehensive School Alienation Program for the biennium 1971-73. Until the

regular school curricula and structure could be adapted to adequately incorporate approaches designed to alleviate the problems in school alienation, special innovative programs were felt necessary to cope with crisis situations, to take corrective measures to insure safety in schools, and to seek effective avenues of prevention. In addition, funds were provided by the Legislature for special motivation classrooms at Stevenson Intermediate School, the installation of which was just completed in the fall of 1971.

In view of the critical nature of school alienation problems, your Committee urges that the elimination of these positions and programs and the specific problems and needs served by these programs be reviewed, and that every effort be made to retain the personnel and programs in the affected areas.

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

1. In the fifth WHEREAS clause, the phrase "as a result of the austerity cut-back" be deleted.

2. In the BE IT RESOLVED clause, add the phrase "at least" following the phrase "to release" and add "(8) Special Motivation Teacher at Stevenson Intermediate School; and (9) Alienation Aide at Wahiawa Intermediate School; and"

3. The first BE IT FURTHER RESOLVED clause be deleted.

Your Committee on Education concurs with the intent and purpose of **H. R. No. 42** as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 42, H. D. 1.**

Signed by all members of the Committee except Representative Aki.

SCRep. 40-72 Education on H. R. No. 65

The purpose of this resolution is to request the Department of Education and the Governor to review their method of eliminating counselors so assignment of counselors will more appropriately meet the needs of the various schools.

The major findings from testimonies submitted to this Committee include the following:

1. The elimination of the Honolulu District positions in question is not a direct result of the State's fiscal posture. Rather, the principal reason for the elimination of the positions is that based on student enrollment projections, Honolulu District's quota of teaching positions for the fiscal year 1973 was determined to be far less than the current number allocated. Due to the statewide ceiling on classroom teachers, it became necessary for the Department to reallocate its teaching positions among the districts depending on student enrollment. Because these supportive positions in question were created from surplus classroom teacher positions, they were chosen to be deployed to the other districts.

2. The Department's procedure for allocating teacher positions does not reflect its decisions on program needs. Rather, its rationale for the assignment of positions generally is based on mathematical ratios. Major emphasis in 1971-72 was placed on the 1:26 ratio for grades K-3, 1:27 for grades 4-6, and 1:28 for grades 7-12, with off-ratio allocations made for schools with peculiar geographic and demographic characteristics. Positions for special programs do not receive primary consideration in the initial allocation.

Although your Committee concurs that meeting classroom needs is of fundamental importance, special situations exist and therefore programs which meet the needs of students most directly and effectively should be the determiners of priorities and not simply enrollment figures.

There is general consensus on the need for both elementary counseling and special crisis-oriented positions. Testimonies from the Department, school personnel, community members, etc., indicate the significant need for counselors at the elementary levels for developmental and alienation prevention purposes, and for crisis-oriented positions to meet the critical school alienation problems facing the schools today.

Counselors at the lower level are vitally necessary to help save our children at the time this help is meaningful and still able to make an impact on the child's behavior. Our troubled youth need support and direction—they need people who care and will spend the time. These problems cannot be categorized as the problems of a few or a special group—they are widespread.

The Department, being cognizant of these needs, utilized classroom positions, which, however, was only a temporary solution to the problem.

Your Committee was pleased to learn that the Department is making an effort to retain those affected positions within the district through internal adjustments. However, the future of these positions and programs will still remain uncertain if the means by which retention of these positions is made possible is only temporary.

Your Committee therefore urges the Department to review its budget formation process so that its budget requests for personal services more accurately reflect its program needs. Figures on teaching positions should be limited to instructional positions and those individuals serving counseling and other supportive functions should clearly be provided for through appropriate, identified slots. Your Committee also urges the Department to exert every effort to retain the personnel in the affected positions.

Your Committee upon consideration of this resolution recommends the following amendments.

1. The first WHEREAS clause be amended to read as follows: "WHEREAS, the Department of Education proposes to eliminate several elementary school and special crisis-oriented counseling positions in the Honolulu District during the 1972-73 school year; and"

2. The second WHEREAS clause be deleted.

3. The third WHEREAS clause be amended to read as follows: "WHEREAS, the Department of Education's present method of assignment and reassignment of counselor positions does not truly reflect the needs for counselors by students in different school districts and of different age groups, and"

Your Committee on Education concurs with the intent and purpose of **H. R. No. 65** as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 65, H. D. 1**.

Signed by all members of the Committee except Representative Aki.

SCRep. 41-72 Legislative Management

Informing the House that **House Bill Nos. 2070-72 to 2075-72, House Resolution Nos. 123 to 126, and House Concurrent Resolution No. 19**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 42-72 Legislative Management

Informing the House that **House Bill Nos. 2076-72 to 2092-72, House Resolution Nos. 127 to 136, and Standing Committee Report Nos. 43-72 to 52-72**, have been printed and distributed.

Signed by all members of the Committee except Representative Kishinami.

SCRep. 43-72 (Majority) Transportation on S. C. R. No. 6

The purpose of this Resolution is to request the Department of Transportation to resume construction of the H-3 Highway.

The Resolution is a companion measure to **H. C. R. No. 5** which was the subject of a public hearing on February 9, 1972. At the hearing considerable testimonies for and against the Resolution were presented for your Committee's consideration. In summary, the arguments involved a conflict between two basic public policies; to wit, a safe and efficient highway system to meet current and projected transportation needs versus the recognized need to preserve and protect our natural resources.

Upon consideration of the matter, your Committee agrees with the findings and recommendations of the Senate as described in its **Standing Committee Report No. 21-72**. As stated therein the H-3 project was initially approved in concept by the Federal Highway Administration in 1960 and by this Legislature by making the first of several appropriations in 1962. Since the beginning a great amount of costly time and effort have been expended to date by the federal, state and city governments and private organizations. Further delays mean additional costs to the State because the federal deadline for the completion of H-3 is July 1, 1976. Finally, as testified to by Mr. George C. Villegas, Traffic Engineer of the City and County of Honolulu, the State, to cope with the traffic problems of the future, needs both the H-3 and a mass transit

system, and without H-3 any mass transit plans developed to date will require a complete overhaul.

Your Committee's conclusion is not un-mindful of the concern and cogent reasons offered by the opponents of this Resolution. The conclusion is based not only on the necessity to further the highway program, but also upon a realistic appraisal of how H-3 will effect the environment. Your Committee is also satisfied that the Department of Transportation has in good faith honestly and conscientiously answered all complaints of protestors, and further, that the department will comply with all substantive and procedural requirements of law.

The department has submitted to the Federal Highway Administration the environmental impact statement as required by the National Environmental Policy Act. Indeed, the federal agency because of its expertise in the environmental field is better qualified to evaluate the merits of H-3, thereby further assuring that the environment will not be unduly affected by the project.

Your Committee on Transportation concurs with the intent and purpose of **S. C. R. No. 6**, and recommends that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representative Judd. Representatives Carroll and Wong did not concur.

SCRep 44-72 Transportation on **H. B. No. 1810-72**

The purpose of this bill is to improve traffic safety by requiring vehicles designed to operate at speeds of twenty-five miles or less to display slow moving vehicle emblems of specific shape and color while travelling on the public highways.

The Sixth Legislature, Regular Session of 1971, found it desirable to enact this safety measure and passed **H. B. No. 642** for the Governor's approval. The bill, however, was vetoed because of a technical defect. The technical error has been corrected, and your Committee finds that the required emblem would materially assist the highway safety program.

Your Committee on Transportation is in

accord with the intent and purpose of **H. B. No. 1810-72** and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Fong and Judd.

SCRep. 45-72 Select Committee of Maui Representatives on **H. B. No. 1692-72**

The purpose of this bill is to provide \$15,000, or so much thereof as may be necessary, out of the general revenues of the State of Hawaii, to be used for the construction of lights in the parking area at Kahului Elementary School on Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 1692-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 46-72 Select Committee of Maui Representatives on **H. B. No. 1802-72**

The purpose of this bill is to appropriate the sum of \$35,000, or so much thereof as may be necessary, for the construction of a small boat launching ramp at Honouliwai Bay, East Molokai.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 1802-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 47-72 Select Committee of Maui Representatives on **H. B. No. 1815-72**

The purpose of this bill is to provide for the continued development of an adequate flood control project at Iao Stream, Wailuku, Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 1815-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 48-72 Select Committee of Maui Representatives on **H. B. No. 1816-72**

The purpose of this bill is to appropriate \$16,250, or so much thereof as may be necessary, to maintain the veterans' cemeteries on the islands of Maui and Molokai.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 1816-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 49-72 Select Committee of Maui Representatives on **H. B. No. 1848-72**

The purpose of this bill is to provide \$250,000, or so much thereof as may be necessary, to be used in the construction of a community swimming pool in the Hawaiian Homes project at Paukukalo, Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 1848-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 50-72 Select Committee of Maui Representatives on **H. B. No. 1889-72**

The purpose of this bill is to appropriate \$100,000 to be used for the planning and construction of Pukalani Elementary School, Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 1889-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 51-72 Select Committee of Maui Representatives on **H. B. No. 1903-72**

The purpose of this bill is to appropriate a total of \$2,020,000, or so much thereof as may be necessary, for the plans and construction of water source development and transmission facilities. This includes reservoir and pumping facilities and baseyard and other appurtenances. The sum will be expended by the Board of Water Supply, County of Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 1903-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 52-72 Select Committee of Maui Representatives on **H. R. 12**

The purpose of this House Resolution is to recognize the increase in the use of bicycles for transportation and sport and to encourage such uses in the County of Maui. This is accomplished by requesting the County of Maui to study the feasibility of establishing a bikeway system for the county.

Your Committee has made a technical amendment by amending the title to read: "HOUSE RESOLUTION REQUESTING THE COUNCIL OF THE COUNTY OF MAUI TO STUDY THE FEASIBILITY OF ESTABLISHING AND CONSTRUCTING A BIKEWAY SYSTEM FOR THE COUNTY", instead of "HOUSE RESOLUTION REQUESTING THE COUNCIL OF THE COUNTY OF MAUI TO STUDY THE FEASIBILITY TO ESTABLISHING AND CONSTRUCTING A BIKEWAY SYSTEM FOR THE COUNTY".

Your Select Committee of Maui Representatives concurs with the intent and purpose of **H. R. No. 12**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 12, H. D. 1**.

Signed by all members of the Committee.

SCRep. 53-72 Legislative Management

Informing the House that **House Bill Nos. 2093-72 to 2114-72, House Resolution Nos. 137 to 147, House Concurrent Resolution No. 20, and Standing Committee Report Nos. 54-72 to 59-72**, have have been printed and distributed.

Signed by all members of the Committee.

SCRep. 54-72 Transportation on **H. B. No. 1778-72**

The purpose of this bill is to clarify existing law relating to rental for flight schools and to

promote and develop aeronautics in the State by permitting more flight schools to rent airport facilities.

Existing law which was enacted in 1947 provides that the department may establish token rental rates for no more than four flight schools for the use of designated airport facilities. Today there are more than four flight schools and there is an urgent need to amend the "token" rental requirement with a standard which can be administered more objectively. Your Committee believes that the changes made are consistent with Section 261-2, H. R. S., which in part directs the department to encourage, foster and assist in the development of aeronautics in the State.

Your Committee has amended the bill to conform to Ramseyer method according to the rules of this body.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 1778-72**, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as **H. B. No. 1778-72, H. D. 1**.

Signed by all members of the Committee except Representatives Fong and Judd.

SCRep. 55-72 Transportation on H. B. No. 1780-72

The purpose of this bill is to amend various sections of Hawaii Revised Statutes which relate to the small boating program so the laws, as amended, would clarify inconsistencies between sections and more appropriately reflect the program as administered by the Department of Transportation.

While Section 266, H.R.S. relating to harbors and Section 267, H.R.S. relating to regulation of vessels both refer to a small boat harbor special fund from which expenditures for small boat activities shall be made, the special fund has never been established by law. Since the activities of small boats are broader than matters relating only to harbor facilities, the fund, to reflect its true scope, is created and designated as the boating special fund."

With the creation of the boating special fund, the bill also amends existing law by providing that revenues derived from taxes on fuels used by small craft shall be deposited into the special fund. The bill further ex-

empts the boating special fund from paying the five percent of the revenues into the general fund to defray administrative expenses as required by section 36-27, H.R.S.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. 1780-72**, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Fong and Judd.

SCRep. 56-72 Transportation on H. B. No. 1779-72

The purpose of this bill is to expedite the disposition of derelict vessels on waters of the State or on public property, or on private property without authorization of the owner or occupant.

Under existing law it takes approximately 70 days before an abandoned vessel can be removed. **H. B. No. 1779-72** permits the more expeditious removal under certain circumstances. While it permits the Department of Transportation to take immediate custody of a derelict vessel, the department must comply with certain procedural requirements before the vessel can be disposed.

Derelict vessels are not only dangerous to navigation but also unsightly and occupy space urgently used for other vessels and purposes. The problem of abandoned vessels within the state's jurisdiction is equally applicable to premises of firms doing vessel repair business, and the bill also provides procedures to dispose abandoned vessels at these marine repair facilities.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 1779-72** and recommend that it be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representatives Fong and Judd.

SCRep. 57-72 Transportation on H. B. No. 1781-72

The purpose of this bill is to provide reasonable protection to a person who renders aid at the scene of a boating accident from litigation that could result for providing such assistance.

Section 663-1.5, H. R. S., affords protection to any person who renders emergency care to the victim of an accident if he acted as an ordinary prudent man. The section provides little protection for damage to property which the "good samaritan" may cause. In a boating accident, it is highly impractical in most instances to await the arrival of professional medical or salvage assistance for the injured or damaged property. Your Committee, therefore, is of the opinion that a "good samaritan" provision is needed to encourage a boatman to render assistance with respect to victims as well as damaged property.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 1781-72** and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Fong and Judd.

SCRep. 58-72 Public Employment on **H. B. No. 1959-72**

The purpose of this bill is to permit employees who are paid partly with federal and partly with State funds and who are required to be members of the federal retirement system to be allowed to have membership also in the State retirement system.

The employees affected are the professional members of the University of Hawaii Cooperative Extension Program. By virtue of an Attorney General's opinion (Op. No. 71-10), section 88-49, Hawaii Revised Statutes, has been interpreted to prohibit dual membership in the federal and State retirement systems. Your Committee understands that although the professional employees are members of the federal retirement system, they are commonly considered and treated as regular employees of the State. They receive direction and guidance from the University administration and are paid by checks issued by the State.

At a hearing on this bill, your Committee was informed that there are approximately 40 employees who will be affected and that the cost of providing membership to these employees will be about \$60,000 per year. The number of employees affected by the bill is limited because it affects only those who are in service as of the effective date of the Act and requires the affected employees to make an election by December 31 of this year.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1959-72** and recommends that it be referred to the Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee except Representatives Yim, Devereux and Fong.

SCRep. 59-72 Housing and Consumer Protection on **H. B. No. 1752-72**

The purpose of this bill is to prevent insurers doing business in Hawaii from practicing unfair claim settlements to the detriment of claimants by adding a new section to Chapter 431, H. R. S.

If committed without just cause and frequent enough to be deemed general business practice, the following would be considered unfair claim settlement practices:

1. Misrepresenting provisions,
2. Failure to acknowledge communications,
3. Failure to settle claims promptly and equitably,
4. Failure to investigate claims promptly, and
5. Compelling policy holders to institute suit to recover claim.

As a matter of form your Committee has amended a typographical error in paragraph (b) on Page 2 to read as follows:

(b) Evidence as to numbers and types of complaints to the insurance commissioner against an insurer, and said insurance commissioner's complaint experience with other insurers writing similar lines of insurance, shall be admissible of such complaints.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. B. No. 1752-72** as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1752-72, H. D. 1** and be referred to your Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 60-72 Legislative Management

Informing the House that **House Bill Nos. 2115-72 to 2124-72, House Resolution Nos. 148 to 151, and Standing Committee Report Nos. 61-72 to 70-72,** have have been printed and distributed.

Signed by all members of the Committee.

SCRep. 61-72 Labor on **H. B. No. 1770-72**

The purpose of this bill is to amend the Manpower Development and Training Act to clarify the responsibility for determining the ineligibility for public assistance of persons who refuse to participate in manpower training programs or to accept suitable work without justifiable reasons.

Section 394-2 establishes manpower development and training programs within the department of labor and industrial relations to assist unemployed and underemployed persons who have difficulty in obtaining suitable employment. Said section also provides that: "Refusal to participate in any training program or to accept suitable work as determined by the department of labor and industrial relations without justifiable reasons shall render an unemployed or underemployed person ineligible for public assistance . . ." The section, however, is ambiguous on whether the department of labor and industrial relations or the department of social services is responsible for determining ineligibility for public assistance based upon reasons stated above. This bill proposes the addition of language which would explicitly make ineligibility determinations based on refusal to participate in manpower training programs or refusal to accept suitable work the responsibility of the department of social services and housing.

Your Committee agrees that determining eligibility for public assistance should be the function and responsibility of the department of social services and housing. It has the responsibility of administering public assistance funds and determinations of eligibility for such funds should be part of said responsibility.

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

1770-72 and recommends that it pass second reading and that it be referred to the Committee on Public Institutions.

Signed by all members of the Committee except Representative Judd.

SCRep. 62-72 Labor on **H. B. No. 1814-72**

The purpose of this bill is to amend Section 367-3, Hawaii Revised Statutes, to enlarge the duties and powers of the State Commission on the Status of Women.

Among the present duties and powers of the commission is the duty to cooperate with the department of labor and industrial relations and appropriate federal offices and agencies in correcting unlawful employment practices.

This bill proposes to provide for the cooperation by the commission with other state departments and agencies, as well as the department of labor and industrial relations and federal offices and agencies, in correcting unlawful employment practices. It also proposes to explicitly state the area of concern of the commission as both public and private employment.

Your Committee agrees that the foregoing proposals would make the commission a more effective body in correcting unlawful employment practices, especially discrimination because of sex. State departments and agencies other than the department of labor and industrial relations are and should be concerned with the problem and the Commission should cooperate with them in correcting unlawful practices. Your Committee also agrees an explicit statement that the unlawful employment practices to be corrected are in both public and private employment would strengthen the law.

Your Committee on Labor is in accord with the purpose and intent of **H. B. No. 1814-72** and recommends its passage on second reading and that it be referred to your Committee on Public Employment.

Signed by all members of the Committee except Representative Judd.

SCRep. 63-72 Labor on **H. B. No. 1726-72**

The purpose of this bill is to amend the section of the Additional Unemployment Compensation Benefits Law which dis-

qualifies a woman from receiving benefits for four months prior to the anticipated birth of her child and for two months thereafter.

Chapter 385 of the Hawaii Revised Statutes, the Additional Unemployment Compensation Benefits Law, provides for the payment of unemployment compensation benefits beyond the duration of benefit periods specified in the Hawaii Employment Security Law when natural or manmade disasters result in serious unemployment problems. Section 385-7 of the law presently disqualifies an unemployed woman from receiving such benefits during the four-month period prior to childbirth and the two-month period after childbirth even though she may be able to work and available for work.

This bill proposes to amend the law so that a claimant would be subject to disqualification during the foregoing periods only if she is unable to work or is unavailable for work as evidenced by a physician's certificate. The enactment of the proposal would effectively repeal the pregnancy disqualification.

Your Committee agrees that pregnancy, in and of itself, should not deprive a woman of unemployment compensation benefits. Where an unemployed person meets all qualification and eligibility requirements, which include being "able to work" and "available for work", a disqualification based solely on her pregnancy is tantamount to discrimination because of sex. Its removal from the law would result in a more equitable unemployment compensation system.

This bill would effectuate its purpose by amending the pregnancy disqualification to disqualify a claimant during the four months prior to and the two months after childbirth if she is "unable to work and is not available for work . . . , as evidenced by a physician's certificate". The proposal would make both determinations of a claimant's ability to work and availability for work depend entirely on a physician's certificate. As availability for work is dependent largely on subjective factors such as desire for and willingness to work, the proposal, if enacted, would cause certain administrative problems. The director of the department of labor and industrial relations in his testimony before your Committee therefore recommended a repeal of the pregnancy disqualification rather than its amendment.

Your Committee agrees that an outright repeal of the disqualification is preferable to the proposed amendment. The department would then be able to determine a pregnant woman's eligibility for benefits on the same basis with every other claimant. If she is unable to work or has no desire for employment, she would be subject to disqualification like any other claimant who is not "able and available" for employment. The department would, of course, still be guided and influenced by her physician's opinion on the issue of ability to work. Your Committee has therefore amended Section 1 of the bill by deleting the pregnancy disqualification from Section 385-7.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 1726-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1726-72, H. D. 1**, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 64-72 Labor on H. B. No. 1729-72

The purpose of this bill is to amend the law regulating commercial employment agencies by deleting certain references to "females" or "minors" from Section 373-11(5).

Section 373-11(5) presently prohibits a commercial employment agency from referring a minor or a female applicant for employment without investigating the nature of employment, the duties involved, and the reputation of the prospective employer. It also prohibits an agency from knowingly referring a female or minor applicant to any employment of an immoral character.

The bill proposes to delete references to "females" and "minors" from the foregoing prohibited practices. The effect of such deletion would be to make the prohibitions apply to all referrals made by the agencies. It would have the effect of requiring equal treatment for females and minors by the agencies in referrals and your Committee presumes the bill intends the legislation of such equal treatment. While your Committee agrees with this intent, it is concerned with the possible consequences of the proposal. The director of labor and industrial relations, while supporting the bill's intent, expressed the department's reservations on deletion of the words

“female” and “minor” from the provision requiring investigations into the nature and duties of the job and the reputation of the prospective employer before the referral of female and minor applicants. This would have the effect of requiring commercial employment agencies to investigate every prospective job placement. It would also subject employers to repeated investigations. The licensed agencies last year made 27,002 job placements and an impossible burden may be imposed on them by requiring investigations before all referrals. The director therefore recommended the deletion of the entire provision relating to investigation before referrals and the retention of a provision making it illegal for an agency to knowingly refer an applicant to any employment of an immoral character.

Your Committee has adopted the director’s recommendation and has amended Section 1 of the bill by deleting the first sentence in its entirety from Section 373-11(5) and by deleting the terms “female” and “or any minor” from the second sentence thereof. The amended Section 373-11(5) would require commercial employment agencies to treat female and minor job applicants as they would adult male applicants in most respects. It would still prohibit the referral of any applicant to immoral employment and the referral of any minor to a place of employment where intoxicating liquors are served or sold.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 1729-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1729-72, H. D. 1**, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 65-72 Labor on H. B. 1731-72

The purpose of this bill is to amend the section of the Hawaii Employment Security Law that disqualifies a woman from receiving unemployment compensation benefits for four months prior to the expected birth of her child and for two months thereafter.

Section 383-30 presently disqualifies an unemployed woman from receiving benefits during the four-month period prior to childbirth and the two-month period after childbirth even though she may be able to work

and available for work. This bill would amend the law to make a claimant subject to disqualification during the foregoing periods only if she is unable to work or is unavailable for work as evidenced by a physician’s certificate. The enactment of the proposal would, in effect, repeal the pregnancy disqualification.

Your Committee agrees that pregnancy, in and of itself, should not deprive a woman of unemployment compensation benefits. Where an unemployed person meets all of the qualification and eligibility requirements, which include being “able to work” and “available for work”, a disqualification based solely on her pregnancy is tantamount to discrimination based on sex. Its removal from the law would result in a more equitable unemployment compensation system.

This bill would effectuate its purpose by amending the pregnancy disqualification to disqualify a claimant during the four months prior to and the two months after childbirth if she is “unable to work and is not available for work . . . , as evidenced by a physician’s certificate”. It would make both determinations of a claimant’s ability to work and availability for work depend entirely on a physician’s certificate. As availability for work is dependent largely on subjective factors such as willingness and desire to work, the proposal, if enacted, would cause certain administrative problems. The director of the department of labor and industrial relations therefore has recommended repeal of the pregnancy disqualification rather than its amendment.

Your Committee agrees that an outright repeal of the disqualification would be preferable to its amendment. The department would then be able to determine a pregnant woman’s eligibility for benefits on the same basis with every other claimant. If she is unable to work or has no desire to work, she would be disqualified like every other claimant who is not “able and available” for employment. The department would, of course, still be guided and influenced by her physician’s opinion on the issue of her ability to work. Your Committee has therefore amended Section 1 of the bill to delete the pregnancy disqualification from Section 383-30.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 1731-72**, as amended herein, and recom-

mends that it pass Second Reading in the form attached hereto as **H. B. No. 1731-72, H. D. 1**, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 66-72 Labor on H. B. 1761-72

The purpose of this bill is to amend the benefit appeals procedure under the Temporary Disability Insurance Law in several respects. The specific proposals are:

(1) To enlarge the time within which a claimant may file an appeal on an initial determination of his claim to the referee from 10 days to 30 days;

(2) To add new language to Section 392-72 so that an appeal of the referee's decision by an employer would not automatically stay the payment of benefits; and

(3) To substitute the Labor and Industrial Relations Appeals Board for the Circuit Court as the tribunal for the processing of appeals from the referee's decisions.

The present 10 day period for the filing of appeals by claimants from benefit determinations made by employers or insurance carriers appears to be an inordinately short time and often works to the detriment of claimants. An enlargement of the appeal period would further the interests of claimants.

The law presently contains no specific provision relating to stay of payments pending appeals from decisions of the referee.

Your Committee agrees that a provision which would effectively stay payment of benefits awarded by a referee only where the appellate body finds sufficient cause to do so would further the purpose and policy of the law. Benefit payments should be made to claimants who are entitled to them as promptly as possible. A proposal which would make benefits awarded by a referee payable in spite of an appeal unless there is good and sufficient reason for a stay would be beneficial to claimants and fair to employers.

The proposal to substitute the Labor and Industrial Relations Appeals Board for the Circuit Court as the reviewing tribunal for the referee's decisions would make the appellate process for temporary disability insur-

ance somewhat similar to the workmen's compensation procedure. The amendment would definitely provide a more expeditious and less costly process than Section 392-75 now provides. Judicial review by the Supreme Court, however, would still be possible if requested. Your Committee agrees that the suggested change would result in an improved appellate procedure for both claimants and employers.

Your Committee upon consideration of the bill has amended Section 1 of the bill. The amendments have been made to reflect technical changes in Section 392-72 which are necessitated by the proposal to amend the appellate procedure in Section 392-75 and do not represent changes in the substance of the bill.

Your Committee on Labor is in accord with **H. B. No. 1761-72**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 1761-72, H. D. 1**, and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 67-72 Labor on H. B. No. 1714-72

The purpose of this bill is to amend Section 378-2, Hawaii Revised Statutes, to make it an unlawful employment practice for an employer or labor organization to refuse to enter into an apprenticeship agreement because of the race, sex, age, religion, color, or ancestry of an apprentice, provided that the apprentice is at least 16 years old.

Part I of Chapter 378 prohibits discrimination in employment because of race, sex, age, religion, color, or ancestry and lists six practices that are specifically deemed unlawful. This bill proposes to add another unlawful practice to Section 378-2, discrimination in apprenticeship agreements.

The Federal Civil Rights Act makes it an unlawful employment practice to discriminate against an individual because of race, color, religion, sex, or national origin in admission to or employment in any apprenticeship or training program and most employers with apprenticeship programs in Hawaii are now subject to the federal law. The enactment of this proposal will, however, protect

those who are not presently protected because their employers have fewer than 25 employees and are not subject to the federal law.

Your Committee agrees that any form of job discrimination based on race, sex, age, religion, color, or ancestry is undesirable and should be discouraged.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 1714-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 68-72 Labor on H. B. No. 1732-72

The purpose of this bill is to amend the section of the Hawaii Wage and Hour Law prohibiting wage discrimination, Section 387-4, by:

(1) Deleting language that forbids an employer to "pay any female in his employ at wage rates less than the rates paid the lowest paid male employee in the same establishment for the same quantity and quality of the same classification of work"; and

(2) Adding language that would prohibit an employer who is found in violation of Section 387-4 from reducing the wage rate of any employee in order to comply with the law.

Section 387-4 presently prohibits discrimination in wage rates based on race, religion, or sex. It also expressly states an employer shall not pay a female employee less than the wage paid the lowest paid male employee in the same establishment for the same kind of work. This express prohibition is subject to an interpretation that an employer is not in violation of the law as long as he pays female employees at the same rate he pays the lowest paid male employee in the same job classification.

The deletion of the language in question would strengthen the law by making the governing principle in the law "equal pay for equal work" and an employer would be prohibited from discriminating "in any way in the payment of wages . . . as between sexes". It would also make the equal pay provisions of the Hawaii law similar to the section of the Federal Fair Labor Standards Act on the subject.

The addition of language to forbid a non-complying employer to comply with Section 387-4 through the expedient of lowering wage rates of other employees would also strengthen the Hawaii Wage and Hour Law. To permit compliance with the law by lowering wage rates would tend to make the non-discrimination provisions of the law self-defeating.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 1732-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 69-72 Labor on H. B. No. 1728-72

The purpose of this bill is to amend the eligibility section of the Hawaii Employment Security Law by deleting the specific eligibility provision applicable only to claimants who leave work because of marital obligations or approaching marriage.

Section 383-29 presently requires that claimants be "able to work" and "available for work" to be eligible for unemployment compensation benefits. The section, however, contains a proviso applicable only to claimants who have left work because of marital obligations or approaching marriage. Such claimants are presumed to be unavailable for work and ineligible for benefits until they can prove their availability by specific evidence, such as the fact that conditions which caused them to leave work have terminated, arrangements have been made for the care of their households by others, conditions require their economic contributions to the support of their households, or that they have had work or have made efforts to secure work. No such presumption of unavailability operates against other claimants and no special burden of proof is imposed on any other group.

Your Committee agrees that the proviso discriminates against women by imposing special burdens of proving availability, once they decide to become homemakers. The availability for work on the part of persons who leave work to become homemakers and subsequently decide to rejoin the work force may be effectively determined by the application of general standards of availability and without resort to stringent standards applicable only to them. The director of labor and

industrial relations in his testimony before your Committee favored the proposal and indicated there should be no administrative problem caused by the deletion of the proviso.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 1728-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 70-72 Labor on H. B. No. 1760-72

The purpose of this bill is to amend the section of the Temporary Disability Insurance Law on waiting periods to:

(1) Make benefits payable from the first day of disability to a claimant who is hospitalized for one or more days during the seven-day period which is ordinarily a waiting period week when no benefits are payable; and

(2) Allow a claimant who is disabled from the same or related cause for several separate periods during a two-week period to satisfy the waiting period requirement if the aggregate number of days he is disabled totals seven.

The law presently makes benefits payable after the first seven consecutive days of disability. This bill proposes to waive the seven-day waiting period for claimants who are hospitalized. Your Committee agrees that a claimant who requires hospitalization suffers an additional financial burden and the wage loss protection provided by the law should begin earlier than for other claimants. The director of labor and industrial relations in his testimony supporting the bill estimated that only a small percentage of disabled claimants require hospitalization and this amendment would not result in substantial cost increases.

The bill further proposes to credit a claimant who is disabled by the same or related cause for separate periods within two consecutive weeks for seven or more days in the aggregate during said two consecutive week period with having served his seven-day waiting period. This proposal expands a provision in Section 392-24 to the effect that consecutive periods of disability due to the same or

related cause and not separated by an interval of more than two weeks shall be considered a single period of disability, making it unnecessary for a claimant in the foregoing situation to serve further waiting periods for disability periods after the first. Your Committee agrees that when a claimant is disabled from the same or related cause for several periods, there is no reason to treat them as separate periods of disability for benefit purposes. The concept presently embodied in the law should be expanded as proposed by this bill.

Your Committee on Labor is in accord with the purpose and intent of **H. B. No. 1760-72** and recommends its passage on second reading and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 71-72 Legislative Management

Informing the House that **House Bill Nos. 2125-72 to 2144-72, House Resolution Nos. 152 to 155, Special Committee Report No. 9, Re: House Concurrent Resolution No. 24, House Draft No. 1, and Standing Committee Report Nos. 72-72 to 76-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 72-72 Education on H. C. R. No. 16

The purpose of this Concurrent Resolution is to direct the Department of Education to mobilize a task force to assist in formulating a State plan for a comprehensive counseling and guidance program. In addition, the task force is to serve in an advisory capacity to the Assistant Superintendent of the Office of Instructional Services in reviewing and resolving counseling and guidance issues during the development of the comprehensive program.

House Resolution No. 175 of the 1971 Session requested the Board of Education to provide leadership in the establishment of a task force on guidance. This task force was to study the role and function of counselors, evaluate current guidance programs and recommend a realistic and meaningful statewide guidance program. A progress report to the Speaker of the House of Representatives was requested by June 30, 1971. To this date a report has not been received. Your Com-

mittee is concerned that the request of H. R. No. 175 has failed to be effectuated to obtain action toward the development of a statewide counseling and guidance program.

The need for a comprehensive program has been emphasized and re-emphasized in your Committee's hearings with school counselors and the Hawaii School Counselors Association. In addition, the need for a comprehensive plan was demonstrated more recently in the Honolulu District where counseling programs are proposed to be eliminated as a result of the obvious lack of clearcut goals and established priorities for counseling and guidance programs in budgetary and other considerations.

Interim work conducted by your Committee on the counseling and guidance program also show a need for a comprehensive plan. Students at eight Oahu intermediate and high schools were visited by your Committee. Some of the findings which resulted from these field trips which support the need for a comprehensive plan for counseling and guidance include:

1. The counselor's role remains far from clear. The most frequent reason among students for seeing a counselor is to change class schedules. Although class changes do provide counselors the opportunity to meet and discuss problems with students, there is the possibility that the paperwork and registrar-like nature involved in such a task may limit the presumed guidance activity which is supposed to flow from it and questions the appropriate utilization of counseling time. There is also the consideration that counselors are performing a variety of functions not considered germane to counseling and guidance.

Students do not seem to feel that they need to see a school counselor as there is an evident image held by most students that the counselor is crisis-oriented or someone to go to for excuse slips, permission to leave school, or schedule class changes. The school counselor is further viewed as the person who takes care of only the troublemakers. It is not clear whether this is the desired role for school counselors.

2. Many students stated that they would probably seek a teacher whom they liked or respected to discuss a personal problem, rather than the school counselor. If this is the case, then how are teachers coping with such

situations? The teacher is the first line of contact with the student; therefore, they should be receiving the necessary counselor assistance, orientation, or training that might be required when students seek them out.

3. There is general lack of systematic orientation for new counselors at each school. The counselor, for lack of having a clearly defined role, becomes "all things to all schools". New counselors seem to learn "on the job" from other counselors, thereby sustaining the possibility of inadvertently continuing bad habits.

4. Students resent being arbitrarily grouped or assigned to one counselor, i.e., by alphabet, by grade level, or by sex, without choice as to which counselor they might prefer going to.

5. Campus counselors appear to be more effective counselors as far as many students are concerned and have a better image with the students. It seems then, if the causes for such successes could be identified, a great deal could be learned from them in terms of the needs of the students and the schools in the area of counseling. It seems the Department has been remiss in learning from its own successes.

6. Although many schools have too few counselors for too many students, there was some evidence and strong feelings by some administrators that meeting student needs in counseling and guidance through a variety of programs rather than more counselors, is a possibility which has not been fully or adequately explored.

Information on the present program is fragmented and sparse. As a result, the ideal counseling program is not known. The obvious lack of an overall unified plan to provide direction and focus for the guidance and counseling program has led the school counselor to depend on the principal's interpretation of a particular school counselor's role. As a result, individual's description of the counseling job is frequently totally different from one another. A further result is that inadequacies and effectiveness of the present program are not identifiable.

Your Committee is concerned that the positions of Director of Special Programs and Program Specialist in Guidance in the Office of Instructional Services are vacant. Your Committee feels that a coordinated statewide

program in guidance and counseling will be difficult to achieve with no defined leadership at the state level and therefore urges that priority be given to filling these positions as soon as possible.

Your Committee believes that the counseling and guidance program must be evaluated and implemented according to a meaningful statewide program as soon as possible. This task force hopefully will give the broad and comprehensive view for a total picture that is necessary for the development of this plan.

Your Committee on Education concurs with the intent and purpose of **H. C. R. No. 16** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 73-72 Lands on H. B. No. 1774-72

The purpose of this bill is to permit the Board of Land and Natural Resources, where hardship is shown, to extend the building deadline for construction of dwellings on lands purchased or leased from the State for a period of not more than one year. Section 171-48, Hawaii Revised Statutes, currently requires a lessee or purchaser of state lands to construct, within three years after disposition, a dwelling with no provision for the granting of extensions. With the implementation of Act 110, Session Laws of Hawaii, 1970, your Committee foresees a need arising within the next two years for the granting of extensions.

Among other problems, your Committee envisions lessees or purchasers, or both, experiencing difficulty in getting necessary financing or difficulty in matching preferred architectural designs with available finances. Under these circumstances and those situations deemed sufficient cause for hardship by the Board, the granting of an extension may mean the difference between loss of the lot and the ability to use it as planned. Your Committee feels that this degree of flexibility will enhance home ownership and be instrumental in alleviating some of the acute housing shortage which currently exists in the State.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 1774-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 74-72 Lands on H. B. No. 1775-72

The purpose of this bill is to amend Section 171-41, Hawaii Revised Statutes, by providing that in the sale of lands involving federal funds, such as for highway purposes, such parcels shall not be subjected to the disapproval provision by the legislature.

Because of the legislative disapproval provision of the law, it is extremely difficult to sell such parcels as a buyer might have to wait a whole year, with his money tied up without interest, to learn whether he had in fact made a purchase. In the meantime, he would be unable to proceed with any project he had in mind for the land.

Your Committee feels that, at least in the case of lands over-taken for highway purposes involving federal funding, the legislature should forego its option for disapproval of such sale in order that sales may be expedited to the benefit of the purchaser and the state and monies returned to the Highway Fund as soon as possible.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 1775-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 75-72 (Majority) Lands on H. B. No. 1777-72

The purpose of this bill is to eliminate from the category of "displaced persons" within the meaning of Act 166, any person occupying State land under a revocable permit. Currently, temporary use of State lands are allowable under revocable permits. Most of the cases involve persons needing temporary accommodations, however, there are cases where the permits have remained in effect for long periods of time because the State has not been ready to put the land to a long-term use.

Provisions of this bill amend Section 2, Act 166, Session Laws of Hawaii, 1970, and in effect would not require the State to be responsible for the relocation costs of recipients of revocable permits. Provided that the required thirty days legal notice is submitted in writing to the permittee, your Committee feels that the intent of this bill is justified

because it is implicit in the issuance of a revocable permit that the State intends to use the lands for long-term use sometime in the future. Further, the assumption of all relocation costs of these permittees by the State would be extremely heavy. The Department of Land and Natural Resources currently has 301 revocable permits in residential use and 639 of these permits under commercial and agricultural use. Assuming that within the next four to five years all of these permittees are forced to relocate and that each requires the maximum amount permitted by law, \$1,500 per family and \$5000 per business, the State would be confronted with providing a sum of approximately \$750,000; an amount that your Committee feels is both exorbitant and unnecessary under the circumstances. (This sum does not include those revocable permits issued by the Department of Transportation.)

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 1777-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 76-72 Judiciary on **H. B. No. 1805-72**

The purpose of this bill is to establish the age of eighteen years or older as the age of legal capacity and responsibility and thereby recognize as adults, with the equal rights and equal obligations which attach to the status of adulthood, all persons over the age of eighteen. The effect of this bill is to lower the age of majority in our State of Hawaii from twenty years of age to eighteen years of age and to make corresponding changes in specific sections of the Hawaii Revised Statutes lowering the minimum qualifying age from twenty to eighteen years.

In public hearings, your Committee received testimony overwhelmingly in favor of the intent and purpose of making eighteen years of age the minimum age of legal capacity from representatives of the spectrum of our society, including: the AFL-CIO, the Hawaii Medical Association, the National Association of Social Workers, the Hawaii Federation of College Teachers, the Department of Education, the University of Hawaii, the Family Court of the State, the Law Enforcement and Juvenile Delinquency

Planning Agency, the Public Defender's Office, the Office of Information and Youth Affairs, and in large number those directly affected—students and youths in the border ages from seventeen to twenty one. Your Committee finds:

1) Youth are better educated today than were their parents or forebearers at the age of eighteen and consequently are better able to discern and judge factors which affect their lives;

2) Medical studies evidence that people today are maturing physically at a younger age than the generations preceding them;

3) The Twenty-Sixth Amendment to the Constitution of the United States, ratified by this State by **H. C. R. 78** and certified as a valid amendment to the United States Constitution on July 5, 1971, prohibits the denial or abridgement of the right of any citizen eighteen years of age or older to vote on account of age;

4) Voting maturity requires an awareness of the affairs of our community which only full participation with equal civic rights can provide;

5) The trend is nationwide; within the past two years, eight states have lowered the age of majority. Those states are Vermont, Tennessee, Michigan, North Carolina, Illinois, Washington, New Mexico, and California; and

6) No person should be discriminated against in livelihood, responsibility, and obligation when the precept of our government, the equality of all people, outweighs the purpose of distinguishing that person by class.

This bill will lower to eighteen the minimum qualifying age of persons to: serve legal process; acquire certain firearms; purchase or lease residence lots under the Oahu Land Development Law and the Residential Leasehold Law; purchase and consume intoxicating liquor; be licensed to drive motor vehicles used in the transportation of people for compensation; be licensed to drive motor vehicles without parental responsibility; be licensed as a private school or correspondence school agent; and qualify for student loans. Other amendments to the Hawaii Revised Statutes include limits on the period of detention at Waimano Training School without commitment procedures

applicable to adults; limits on the period of dependency for purposes of the Criminal Injuries Compensation Law; and qualification of eighteen year olds and over under the programs of the Hawaiian Housing Authority housing projects. This bill also accords full adults status to people who are eighteen years old and older for purposes of the Hawaii Insurance Law, including eligibility for licensing as insurance agents, subagents, solicitors, and adjusters. Eighteen is also established as the minimum qualifying age for licensing as a cemetery or pre-need funeral salesman, collection agency, contractor, dentist, electrician or plumber, mortgage broker or mortgage solicitor, notary public, optometrist, osteopath, pharmacist, professional photographer, certified public accountant, undertaker or embalmer or funeral director, and veterinarian.

Other legal consequences of lowering the age of majority from twenty to eighteen are the authority of eighteen year olds and older to make wills, the termination of minors' guardianships at the age of eighteen, eligibility of eighteen year olds and older to marry without parental consent, to consent to medical care and treatment, to sue and be sued in their own behalf, and other provisions accorded persons over eighteen years of age adult capacities.

Your Committee heard testimony from the Family Court, the Public Defender's Office and others recommending amendment to Section 33 of **H. B. 1805-72** relating to the jurisdiction of the Family Court. Your Committee finds that not only would Section 33 of the bill as proposed result in criminal stigma and penalty for those 16 and 17 year olds convicted of criminal offenses, but it would subject them also to the harshness of criminal pre-trial procedure, including periods of incarceration at jail in cases of inability to meet bail. Your Committee finds that lowering the age of majority should have the effect of removing the Family Court's jurisdiction over eighteen and nineteen year olds who violate the law, but your Committee also finds it would be unwise to restrict the Family Court's jurisdiction to any additional extent. Accordingly, the following amendments to Section 33 of **H. B. 1805-72** are recommended:

1. Amend the definitions of "child" and "minor" in Section 571-2 HRS to read "Child or minor means a person less than eighteen years of age."

2. Retain the existing exclusive original jurisdiction of the Family Court under HRS Section 571-11 in cases of minors (redefined as persons under eighteen years old) who violate the law.

3. Retain the existing provision on transfer to the Family Court of cases in other courts charging minors with crime pursuant to Section 571-12 HRS.

4. Delete the existing provision in Section 571-13 HRS relating to the termination of Family Court jurisdiction because it relates to minors over eighteen years of age.

5. Amend the provision in Section 571-22(a) for waiver by the Family Court of its jurisdiction so such waiver applies only to minors sixteen years of age or over.

6. Delete the last sentence of Section 571-31 HRS relating to the taking of any minors over eighteen into custody by any police officer without order of the judge.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1805-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1805-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Judd.

SCRep. 77-72 Legislative Management

Informing the House that **House Bill Nos. 2145-72 to 2151-72, House Resolution Nos. 156 to 161, House Concurrent Resolution No. 21**, and **Standing Committee Report Nos. 78-72 to 81-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 78-72 Lands on H. B. No. 1757-72

The purpose of this bill is to amend Section 484-20(5) of the Uniform Land Sales Practices Act by requiring the applicant who wants to register his subdivision to pay the salary of the state official inspecting out-of-state subdivisions.

Under current law, the applicant pays only for transportation and per diem expenses. Whenever any state official goes on a trip, he

is entitled to his salary and per diem, and your Committee feels that the state is entitled to recover the salary amounts paid to the inspector from the subdivider.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 1757-72** and recommends that it pass Second Reading and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 79-72 Finance on H. B. No. 1664-72

The purpose of this bill, as amended, is to redefine the law exempting crop shelters from real property taxation by distinguishing between permanent and temporary structures, imposing a ten year limitation as to the former, and limiting the exemption to shelters used for commercial purposes.

As introduced, this bill, which amends section 246-33.1, proposed only (1) to enumerate certain additional materials (i.e., polyvinyl chloride plastic, or polypropylene) to those coverings which qualify a structure for exemption, and (2) to disqualify certain structures presently enumerated (i.e., those constructed wooden "lathes" [sic] or permanent hot houses) if "not used for commercial purposes".

The covering materials which presently qualify are "flexible plastic or fiber glass" only. (Emphasis added). Upon the hearing of this bill, your Committee learned that a diversity of new chemical compounds are being employed in the construction or covering of crop shelters. In order to accommodate future innovations as they are marketed, rather than spell out the two materials proposed by the bill, your Committee determined to define structures and their coverings in more general terms, distinguishing between "permanent" construction covered with "rigid and semi-rigid" materials on the one hand, and "temporary" construction covered with "flexible" materials on the other. The terms "transparent or translucent" as to both classifications have been also added to define the type of materials qualifying for exemption, except that construction of wooden laths is defined as permanent.

Presently there is no express limitation of time as to the crop shelter exemption, and the bill leaves undisturbed this qualification as to temporary structures. However, your Com-

mittee further amended the bill by imposing a ten year limitation as to structures of permanent construction. The exemption afforded by this provision has been and is to encourage Hawaii's farmers to implement protective technology (through farm loans, where needed) in the growing of certain produce and flowers otherwise of lesser yield because of sensitivity to weather or pests. But, the exemption is an incentive only; it should not constitute a permanent "subsidy". The period of ten years, your Committee is informed, should be adequate to allow a farmer the opportunity for recovery upon his investment, notwithstanding that his crop may be perennial, frequently requiring several years before economic returns are recognized.

Finally, the bill was amended by limiting the exemption only to qualifying structures "used for commercial agricultural or horticultural purposes." This is essentially in accordance with the intent of the bill, although the expression in terms of a double negative (i.e., "structures . . . not used for commercial purposes shall not be included . . .") has been converted into the affirmative, and the type of qualifying commercial activity (i.e., "agricultural or horticultural") has been expressly stated.

Testifying in favor of the bill were the Department of Agriculture, the University's College of Tropical Agriculture and the Hawaii Farm Bureau Federation. The Department of Taxation testified that enactment hereof "will not affect the real property tax base to any appreciable degree."

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1664-72**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 1664-72, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 80-72 Finance on H. B. No. 1749-72

The purpose of this bill is to increase the amount of "regular interest" as defined in section 88-21, relating to the Employees' Retirement System, from four per cent a year, compounded annually, to four and one-half per cent, which is one of the bases by which the actuary determines the employer's normal and accrued liability contributions

and which is also credited to the individual account of the member of his annuity savings fund.

“Regular interest” since the inception of the Retirement System in 1926 has always been defined as “interest at four per cent a year, compounded annually.” This rate is used by the actuary as the “assumed rate” in determining the employer’s contribution requirements as well as determining the amount of interest to be credited to the member’s account in the annuity savings fund, regardless of whether the System’s investments yielded income at this rate. It was not until 1961 that the System’s earnings exceeded four per cent.

Your Committee is informed by the Executive Secretary of the Board of Trustees that since 1961, earnings have averaged close to four and one-half per cent and there is every reason to expect that the System will earn at least four and one-half per cent of its investments in the years ahead. The effect of the increase in the interest assumption by the actuary is to reduce the appropriation requirement of the employer governments. As an example, the gross requirements for both state and county governments for 1972-73 is approximately \$37.25 million on the basis of an investment yield assumption of four per cent. If an assumption of four and one-half percent were used, the System’s actuary advises that this requirement would be reduced to \$28.08 million.

Under Section 2 of the bill:

“Notwithstanding any provision of Chapter 88 to the contrary, the Employees’ Retirement System is hereby authorized to use the increased interest rate of four and one-half per cent a year, compounded annually in determining the employer’s normal and accrued liability contributions for the fiscal year 1971-72 and to adjust such contribution requirements accordingly. This section shall take effect upon the approval of this Act.”

Otherwise, this bill, upon enactment, shall take effect on July 1, 1972.

Accordingly, retroactively, in effect, the gross requirements for both State and county governments for 1971-72 is approximately \$30.15 million on the basis of an investment yield assumption of four per cent. If an assumption of four and one-half per cent were

used, the System’s actuary advises that this requirement would be reduced to \$23.23 million for the current fiscal year.

Therefore, the aggregate savings to employer governments, state and counties, by the proposed increase of “regular interest” rate is \$7.02 million and \$9.17 million for fiscal years 1971-72 and 1972-73, respectively, for a total of \$16.20 million for the biennium.

On the basis of the State’s pro-rata share of the total requirements of 76.69% (as against 23.31% for the counties) the savings from general fund contributions to the System for fiscal years 1971-72 and 1972-73 will be \$5.4 million and \$7.0 million, respectively, for a total of \$12.4 million for the biennium.

It is inappropriate hereat to undertake an exhaustive analysis of all actuarial assumptions which go into the System’s valuation basis for fiscal year requirements in order to justify the interest rate increase. In brief, however, it should be noted that such assumptions are considered by the Board of Trustees on the basis of quin-quennial experience investigations, the most recent covering the period 1964-69, submitted and approved in 1970.

In addition to assuming certain rates of turnover, disability retirement and mortality, the actuary makes assumptions with respect to the rate of investment earnings and changes in salaries (which was approved from the present scale to an assumption projecting a three per cent increase each year). The interest and salary scale assumptions are inter-related and essentially involve questions of public policy.

Some of the factors considered by the Board of Trustees in reaching its decision were the adoption of a new policy to systematically recognize gains and losses on equity securities and changes in investment procedures; and your Committee is informed that after extensive discussions concerning the relationship between investment yield and salary scale assumptions, the Board decided to recommend that the Retirement System Laws be amended to increase the “regular interest rate from four per cent to four and one-half per cent, compounded annually.

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

1749-72 and recommends that it pass second reading and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 81-72 Judiciary on S. B. No. 310

The purpose of this bill is to revise the existing drug laws of the State of Hawaii in order to provide strong, clear regulatory drug laws by: (1) classifying all dangerous substances into five schedules according to criteria that reflect the relative danger of a substance, and by providing a mechanism for continuous review and addition, deletion or rescheduling of all dangerous substances based upon new scientific findings; (2) requiring legitimate handlers of controlled substances to register with the State Department of Health, maintain records, and make periodic inventories of controlled substances; and (3) defining and codifying prohibited acts involving controlled substances and penalties therefor.

The original of this bill was drafted and adopted by the National Conference of Commissioners on Uniform State Laws in August, 1970, and recommended for adoption by the 50 states to achieve uniformity between the drug laws of the several states, on the one hand, and of the federal government, on the other. This bill is complementary to the new Federal Comprehensive Drug Abuse Prevention and Control Act of 1970 (Public Law 91-513, enacted by the United States Congress on October 27, 1970 which went into effect on May 1, 1971.)

Your Committee is advised that as of November 15, 1971, 25 states, the Commonwealth of Puerto Rico, the Virgin Islands, and the Island of Guam have enacted some form, in varying degrees of modification, of the Uniform Controlled Substances Act. The states that have enacted the act to said date are: Arkansas, Idaho, Illinois, Iowa, Louisiana, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Oklahoma, South Carolina, South Dakota, Tennessee, Utah, Washington, West Virginia, and Wyoming. The Commonwealth of Virginia and the State of Minnesota have also passed modified versions of the Uniform Act. The Act is at various stages of passage or consideration before the legislatures of the following states and territories: Alabama, California, the District of Columbia, Kansas, New York, Ohio, Pennsylvania, and Wisconsin.

S. B. 310, S. D. 1 would:

(1) classify drugs according to their known medical use, potential of abuse and the danger to the individual and the community at large of dependence.

(2) regulate and classify all controlled substances into five major categories in a diminishing order of potential abuse and danger but also permit a continuous review and classification of all controlled substances by administrative determination of the State Director of Health. New substances would be added to the schedule from time to time, as their potential of abuse and public danger become known; and conversely, substances in any of the schedules would be reclassified or completely eliminated from control from time to time, as experience and evidence may indicate at some future time the need for such reclassification or elimination from control.

(3) incorporate a system of registration, licensing, reporting, and inventory control for legal dispensers and users of controlled substances such as wholesale and retail chemical and pharmaceutical dealers, distributors and warehousemen, pharmacists, pharmacologists, doctors, dentists, veterinarians, hospitals, dispensaries, etc. to be administered by the State Department of Health.

(4) provide for an advisory commission, consisting of fifteen members to be appointed by the governor as provided in section 26-34, Hawaii Revised Statutes. The members, to the extent possible, would represent the pharmacological, medical, social, community and business affairs, youth action, educational, legal, enforcement, and corrections segments of the community. The commission would assist and advise the department of health in the administration of the Act. This recommendation is also made by the Hawaii Committee on Drug Abuse.

(5) clarify the definition of "illegal establishment". As noted in the report of the American Bar Association, the provision as originally worded in the model act "would include a parent who knows his son and friends smoked marijuana in the basement on occasion or an innocent third party who learned that his building or vehicle was being so used." The clarification would assure that parents will not be placed in the untenable dilemma of either informing on their children or becoming criminals themselves.

In reviewing the provisions of the proposed model Act, your Committee had the benefit of reports prepared by the Advisory Committee to the Office of the Attorney General, by the Hawaii Committee on Drug Abuse established pursuant to Senate Concurrent Resolution 75, 1970 session, and by the American Bar Association, Section on Criminal Law, and House of Delegates as well as the recommendations of the Attorney General of Hawaii and the Supervisory Board of the State Law Enforcement and Juvenile Delinquency Planning Agency.

Your Committee has considered **S. B. 310, S. D. 1** extensively and comprehensively through testimony received during the interim of the legislative sessions and in public hearings. Members of your Committee heard from the assistant chief counsel of the Bureau of Narcotics and Dangerous Drugs, United States Department of Justice, the State Attorney General's Office; the Federal District Attorney; the Bureau of Narcotics of the State Department of Health, Dr. Louis Casarett, Professor of Pharmacology; The Hawaii Pharmaceutical Association; the Hawaii Council on Crime and Delinquency; Honolulu Police Department; the City Prosecutor; the Governor's Commission on Drug Abuse; and many others.

Your Committee has amended **S. B. 310, S. D. 1** as follows:

(1) By deleting Section ____-26 of the bill relating to criminal sanctions which do not apply directly to violations of the regulatory controls of this bill. Your Committee received testimony from the assistant chief counsel of the Bureau of Narcotics and Dangerous Drugs, a division of the United States Department of Justice, that adopting the regulatory side of the Uniform Controlled Substances Act while using other criminal code sections to implement the law enforcement aspects of the legislation would not destroy the important regulatory controls which the statute envisions. Your Committee recommends the drug provisions of **H. B. 20, H. D. 1, S. D. 1, C. D. 1** as the preferred form of penal sanctions for the State of Hawaii; interim draft one is complementary to the proposed revision of the Uniform Controlled Substances Act by incorporating the schedules of all controlled substances into the format of the proposed penal code.

(2) By retaining the sole authority to schedule controlled substances to the State legislature. The bill, as proposed, would have granted the state department of health such authority to control and thereby create and define criminal acts, in that, the scheduling of heretofore unscheduled substances or the re-scheduling of substances by the department of health would result in making certain legal acts connected with the substances subject to penal sanctions. Because of the severity of criminal penalties which would apply upon scheduling, possible challenges on the grounds of constitutional delegation of power at a future date, and the fact that the slight difference in time is not inconsistent with the purposes of this code because of proposed filing requirements added, your Committee recommends the legislative retention of sole authority to schedule substances. Your Committee notes that marijuana and marijuana concentrates are retained, as proposed by this bill, in Schedule I for regulatory purposes only. Criminal penalties for possession, distribution, manufacturing or cultivation of marijuana or a marijuana concentrate are contained in the proposed Hawaii Penal Code. Marijuana is classified there as a detrimental drug. Marijuana concentrate is classified as a harmful drug. Tetrahydrocannabinol is a marijuana concentrate.

(3) In order to aid the legislature, your Committee has made it mandatory that the department of health report to the legislature the effect of the implementation of this bill, as revised in relation to the problems of drug abuse in Hawaii and to recommend any additions, deletions or revisions in the schedules of substances as well as any other recommendations which it deems necessary.

(4) Your Committee has further amended **S. B. 310, S. D. 1** by revising the criteria for the scheduling of substances and the tests of specific schedules of controlled substances. Your Committee finds a) vagueness in the criteria "potential for abuse" as all things have such potential, b) the needed addition of scientific, pharmaceutical criteria, c) little value in the criteria "no known medical use", and d) possible conflicts and thus inadequate guidelines between the criteria listed as the tests of specific schedules and the criteria used for the scheduling of a substance in Section ____-5. In order to remove these problems, your Committee has revised the criteria for the scheduling of substances. Further, your Committee has revised the criteria for

the scheduling of substances. Further, your Committee has revised the tests of each schedule in order that the scheduling of substances be on the basis of one set of criteria with the differences in schedules being based on the varying degrees of danger or probable danger.

(5) Your Committee has moved highly abused amphetamines and barbituates up into Schedule II from Schedule III and IV respectively because of the great danger which present widespread abuse of the substances poses to our society and the individual user.

(6) Your Committee has added a requirement that all persons who prescribe any controlled substance must be registered with the department of health and has made corresponding changes in other sections. It is the intent of your Committee to regulate the control of drugs to as great an extent as possible.

(7) In furtherance of that intent, your Committee has added a filing requirement that all persons handling a controlled substance must file copies of order, receipt, and distribution of Schedule I and II controlled substances and other controlled substances designated by the department of health, unless the department has waived that requirement for that person. The filing requirement would a) hold someone responsible for the substance along each step of its life in the Islands, b) possibly deter prescribers and dispensers from prescribing or dispensing highly abused substances, and c) allow the department of health to quickly and stringently control a substance if a controlled substance is unexpectedly being highly abused. The addition of the filing requirement is not expected to increase the cost of the department because Schedule I and II order forms are now being filed by the department pursuant to federal requirements.

(8) All of Part V of Chapter 328, and Chapter 329 of the Hawaii Revised Statutes would be repealed by this bill. In order to avoid the repeal of present desirable HRS provisions, your Committee has retained sections not covered by the Uniform Controlled Substances Act. Those provisions relate to labels, notice of conviction to be sent to the licensing board, masters of a ship or aircraft, and the substances pentazozine and apomorphine.

(9) Amendments to conform sections of this bill to the changes enumerated above and minor amendments have been made by your Committee to **S. B. 310, S. D. 1**,

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 310, S. D. 1**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **S. B. 310, S. D. 1, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Judd.

SCRep. 82-72 Legislative Management

Informing the House that **House Bill Nos. 2152-72 to 2174-72, House Resolution Nos. 162 to 165, House Concurrent Resolution No. 22, Standing Committee Report Nos. 83-72 and 84-72, Conference Committee Report No. 1, Re: House Bill No. 20, House Draft No. 1, Senate Draft No. 1, Conference Draft No. 1**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 83-72 Higher Education on **H. R. No. 8**.

The purpose of this resolution is to request that the Economic Research Center at the University of Hawaii conduct a comprehensive study to determine the profitability of all major horticultural crops presently grown in the State as well as potential crops, and that these findings be reported to the Seventh State Legislature, 20 days prior to the convening of the Regular Session in 1973.

Your Committee recognizes the need for agricultural research that will encourage young people to enter farm production in the State. Comprehensive research studies by the University of Hawaii are necessary in order that profitability trends be determined; these findings may then be used to establish agricultural production as a desirable and profitable enterprise.

Your Committee finds through testimony presented by the University however, that the College of Tropical Agriculture rather than the Economic Research Center is the more suited unit to undertake this kind of comprehensive study.

The College of Tropical Agriculture, as described by Dean C. Peairs Wilson, has for fifteen years been engaged in cost studies for the production of certain horticultural crops. At present, the Department of Agricultural and Resource Economics of the College provides information on costs and returns of various crops; the Departments of Horticulture and Plant Pathology advise farmers through county agents and extension specialists of current economic data on crops such as macadamia nuts, papaya, lettuce, and tomatoes. These studies of varied crops as well as cost studies of major crops in Hawaii, Kauai, Maui and Oahu counties provide further basis for your Committee's finding that the College's present research functions provide amply for the intent of the resolution.

Your Committee also heard from Dr. Moheb A. Ghali, Assistant Professor of Economics and acting director of the Economic Research Center who agrees that the College of Tropical Agriculture is the more appropriate unit to conduct this study.

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

1. In the BE IT RESOLVED clause and first BE IT FURTHER RESOLVED clause, "Economic Research Center" be deleted and "College of Tropical Agriculture" added.

2. The last BE IT FURTHER RESOLVED clause be amended to read "Dean of the College of Tropical Agriculture, President of the University of Hawaii, and State Agricultural Coordinator."

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

Signed by all members of the Committee.

SCRep. 84-72 Finance on H. B. No. 1952-72

The purpose of this bill, as amended, is to allow persons acquiring previously unregistered bicycles during the month of December to obtain a license thereon prior to January 1 for the calendar year thereafter without payment of the tax for the current year.

Your Committee is informed that a substantial percentage of bicycles are purchased during the Christmas season, upon which, under present law, the tax is required to be paid for the period to January 1, and thereafter, again, for the succeeding calendar year (before March 1). Unlike the tax upon automobiles, there is no provision for proration of the bicycle tax, and, therefore, persons purchasing bicycles during December are required to pay the equivalent of two years. This bill effectively eliminates such "double tax" and should encourage immediate registration following purchase, unregistered bicycles representing the preponderance of thefts.

The language of the bill, which amends section 249-14, was amended by your Committee, essentially without change to the substance thereof, as follows: The term "thirty-one days" referring to the period prior to January 1 was eliminated throughout in favor of "after November 30"; and the payment of tax before January 1 was made mandatory rather than permissive.

Furthermore, in order to more clearly delineate the interval during which the events of purchase and payment must occur, and, therefore, the period to which the exemption applies, the phrases "calendar year" and "next calendar year" were added to modify the dates November 30 and January 1, respectively.

Your Committee on Finance is in accord with the intent and purpose of H. B. No. 1952-72, as amended herein, and recommends that it pass second reading in the form attached hereto as H. B. No. 1952-72, H. D. 1, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 85-72 Legislative Management

Informing the House that House Bill Nos. 2175-72 to 2213-72, House Resolution No. 166, House Concurrent Resolution No. 23, Special Committee Report No. 10 and Standing Committee Report No. 86-72, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 86-72 Higher Education on H. R. No. 34

The purpose of this resolution is to request, in the event that the Drum Storage Area is acquired by the State, that the University of Hawaii designate and use the land specifically to overcome some of the College's physical limitations and alleviate present traffic and safety problems.

Your Committee finds that the approximately 44 acres of this area are necessary to the growth of Leeward Community College and are part of the long-range development plans of the College. The acreage, immediately adjacent to present facilities, will contribute significantly to the College in the following ways:

1. Two additional classroom and laboratory buildings have been designated on 5 acres of the proposed land acquisition. These buildings are tentatively scheduled for vocational-technical instruction, and will be another increment toward achieving the educational goal of "comprehensiveness."
2. An additional 20 acres is necessary for the College's physical education and recreation program, and may be used for active sports by the entire Leeward community.
3. At least 10 acres are needed to augment already over-burdened parking facilities.
4. Approximately 9 acres will be used to provide a vitally needed additional access road that should improve the presently inadequate ingress-egress system.
5. The close proximity of the land area to Pearl Harbor may lead to a natural expansion of the unique Marine Technology program at Leeward.

Your Committee further finds that the acquisition of the subject acreage coincides with plans for a second access road under the State highway master plan and will provide a ready access to the H-1 and H-2 freeways when completed.

Your Committee heard testimonies from Dr. John Prihoda, Acting Provost of Leeward Community and Dr. Fujio Matsuda, who testified favorably on the resolution. Moreover, the Board of Regents at the University formally recommended that these lands adjoining Leeward Community College be used for its purposes.

Your Committee on Higher Education concurs with the intent and purposes of **H. R. No. 34**, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 87-72 Legislative Management

Informing the House that **House Bill Nos. 2221-72 to 2278-72**, **House Resolution Nos. 167 to 174**, **Senate Bill No. 310**, **Senate Draft No. 1**, **House Draft No. 2**, and **Standing Committee Report Nos. 88-72 to 95-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 88-72 (Majority) Lands on **H. B. No. 1670-72**

The purpose of this bill is to encourage private land developers to assist the State and its counties in meeting their objectives in providing more land for open space use.

The bill, as drafted, defines "open space use" as land devoted to a use for park or recreational purposes, land or natural resource conservation, or historic or scenic preservation and which is not developed primarily for agricultural, residential, commercial, or business use. To accomplish the purpose, the State or county is prohibited from acquiring the property by eminent domain proceedings for similar open space use for the public if the developer files a statement declaring that the property is devoted or will be devoted to open space use.

Although the provisions of the bill are desirable, upon consideration of the matter, your Committee has amended the bill because for the protection afforded the owner there is no equivalent assurance that the property will continue to be devoted to open space use. As amended, the bill provides that in the event a change in open space use of the property is contemplated by the owner, the State or county shall be permitted to acquire the property within two years after the owner by notice expresses his intention to change the use of his land. The acquisition price by the government is to be based on the assumption that the open space use of the property will be continued by a private purchaser.

The "incidental facilities for commercial or residential activities" permitted within the property devoted to open space use are the

amenities that are usually and commonly appurtenant to that open space use such as club house and service concessions in connection with a golf course, or cabins and service concessions in connection with a camping facility or a riding academy.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 1670-72**, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as **H. B. No. 1670-72, H. D. 1**.

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

SCRep. 89-72 Higher Education on **H. B. No. 1862-72**

The purpose of this bill is to appropriate out of the general revenues of the State the sum of \$15,000 or so much thereof as may be necessary for the salary of a full-time qualified Director to continue the Practical Nursing Program at Kauai Community College.

Your Committee finds that one of the greatest needs of Kauai is for island nurses trained there. Data furnished by Gerald I. Miyoshi, Institutional Researcher, Kauai Community College, indicates an average need of 25 Licensed Practical Nurses (LPN) per year through 1976. Presently, a single class in the program produces only 18 graduates.

Recruiting nurses from the mainland to fulfill the need on Kauai has proven unsatisfactory for two reasons: 1) many are youngsters moving to the islands for the joy of travel and it is difficult to maintain them as stable staff; 2) mainland nurses have difficulty understanding the cultural mores and language of Kauai's patient population. Recruiting from Honolulu has also been unsuccessful.

Your Committee realizes the concern of duplicating services now offered at other University campuses. However, many LPN candidates on Kauai have families of their own and cannot afford an "off-island" education. There is a strong tendency for those from Kauai who go away for training not to return. Of 29 graduates in 1971, all except two (93%) remained and are presently employed on Kauai.

The program is currently in its third year. It is presently staffed by a part-time director commuting from the University Manoa campus. The future of the Kauai program depends very much upon hiring a full-time director.

Also, the program is presently certified by the Board of Nursing for Licensure, **subject** to hiring a full-time qualified director. He or she must have a master's degree in nursing or nursing education, and be capable of supervising ongoing LPN programs as well as planning associate degree programs in accordance with guidelines provided by the Nursing Education Advisory Committee (NEAC) of the College. If this directorship is not secured by July, 1972, continued certification of the program is doubtful.

Your Committee finds further that Manpower Development and Training Act (MDTA) funds which initiated and sustain the program will be forthcoming, should the State legislature grant a supplemental amount for the salary of a qualified, full-time director. It is the opinion of the NEAC and the Hawaii MDTA representative that federal funds totaling \$21,400 for instructors and supplies can be expected. The College has already included the program in its next six-year budget to be submitted to the 1973 legislature.

Your Committee heard testimony from:

1. Kauai Community College
2. Kauai Community College Nursing Education Advisory Committee
3. Kauai Nurses' Association
4. Kauai County Committee on Aging
5. University of Hawaii Community Colleges
6. Hospital Association of Hawaii
7. Hawaii Tuberculosis and Respiratory Disease Association.
8. State Department of Health

All were in accord with the intent and purpose of the bill.

Your Committee also heard varied statistics on the number of graduates who re-

mained and are employed on Kauai, ranging from 95% - 96%. One member from the Nursing Education Advisory Committee quoted both numbers (27 out of 29) and percentages (96%). However, calculation of the figures result in a percentage near 93%.

Your Committee, therefore, recommends an amendment of line 9 of the first page of the bill to read as follows:

“93% of the graduates are employed on Kauai. Furthermore, in”

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 1862-72**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. B. No. 1862-72, H. D. 1**.

Signed by all members of the Committee.

SCRep. 90-72 Higher Education on **H. R. No. 7**

The purpose of this resolution is to request that the Board of Regents consider the recommendations made by various University committees on course registration and establish policies that would result in more efficient and effective course registration procedures, including but not limited to registration by mail and advance or pre-registration. This resolution also requests that the Board submit a report of the recommendations and policies established twenty days prior to the ending of the Regular Session of 1972.

Your Committee heard testimony from the Associated Students of the University of Hawaii and University Manoa campus and State-wide administrators on present registration procedures. Both described, from their own perspectives, some problems and needs and possible alternatives.

The student on Manoa finds course registration “frustrating” and “unfair.” The administrator receives many student complaints, but an estimated 30% are about the inability to obtain a particular course rather than about registration procedures. Students, it seems, are willing to undergo “hassles,” if they can be guaranteed entrance into at least two or three courses they need most.

Your Committee finds that one of the major obstacles in alleviating the registration problem is the split jurisdiction over procedure. Presently, administrators handle the mechanics of registration only, while deans and faculty decide substantial matters such as courses offered, times scheduled, and sections closed. It is the recommendation of the Committee that all three units - administrators, faculty, and students - work together in formulating plans for restructuring registration procedures.

Your Committee heard several suggestions for improving these procedures including: 1) Extension of the registration period from the present one day per class standing to a week, with days in between to generate sections; 2) Pre-registration of freshmen in high school or having them register first rather than last; 3) Mixed alphabetical registration without regard to class standing or a lottery system.

Through other testimony, your Committee finds that there have been student-faculty and administrative committees studying alternatives on a short- and long-range basis. Your Committee requests that the Chancellor of Manoa submit a progress or final report of their findings to the present Legislature.

Your Committee also finds, according to Donald R. Fukuda, Associate Dean of Admissions and Records, the registration “problem” is essentially Manoa’s alone. Although there is need for “cross-level cooperation” on all campuses, this resolution should be directed to the Manoa Chancellor rather than to the Board of Regents.

Your Committee also recognizes the need for student input. It finds that ASUH has not been contacted officially to participate in committees thus far and strongly urges the Chancellor to do so.

Your Committee upon consideration of this resolution recommends that it be amended to incorporate the following:

1. The direction of the resolution be aimed at the University of Hawaii at Manoa and its Chancellor.
2. The President of the Associated Students of the University of Hawaii be added as a transmitttee of the resolution.

Your Committee on Higher Education concurs with the intent and purpose of **H. R.**

No. 7, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as **H. R. No. 7, H. D. 1**.

Signed by all members of the Committee.

SCRep. 91-72 Select Committee of Maui Representatives on **H. B. No. 1981-72**

The purpose of this bill is to appropriate \$30,000, or so much thereof as may be necessary, to be used for the paving of Route 400 from Ulumalu Road Junction to Kakipi Junction, County of Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 1981-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 92-72 Select Committee of Maui Representatives on **H. B. No. 2021-72**

The purpose of this bill is to provide funds for the construction of an access road to the new Maui High School in Kahului, Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2021-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 93-72 Select Committee of Maui Representatives on **H. B. No. 2022-72**

The purpose of this bill is to provide \$2,205,000, or so much thereof, to be used to complete the Kahului-Maalaea Highway from Kahului Airport to Puunene Avenue on Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2022-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 94-72 Select Committee of Maui Representatives on **H. B. No. 2023-72**

The purpose of this bill is to provide for the purchase of an additional 10 acres of land to be used for school purposes at Pukalani, Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2023-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 95-72 Lands on **H. B. No. 1775-72**

The purpose of this bill is to amend Section 171-41, Hawaii Revised Statutes to provide that the sale of land initially acquired for highway purposes with participating federal funds and which land is later found to be in excess of the need for highway purposes shall not be subjected to the disapproval provision by the legislature.

Because of the legislative disapproval provision of the law, it is extremely difficult to sell such parcels as a buyer might have to wait a whole year, with his money tied up without interest, to learn whether he had in fact made a purchase. In the meantime, he would be unable to proceed with any project he had in mind for the land.

Your Committee feels that, at least in the case of lands over-taken for highway purposes involving federal funding, the legislature should forego its option for disapproval of such sale in order that sales may be expedited to the benefit of the purchaser and the state and monies returned to the Highway Fund as soon as possible.

Your Committee finds, upon reconsideration, that the bill is broader than the intended purpose. The language of the bill could conceivably cover sale of any land involving federal funds although the purpose is to cover only sale of lands acquired for highway purposes with participating federal funds. Accordingly, your Committee has amended the language of the bill to so limit its application.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 1775-72**, as amended herein, and recommends that it pass Third Reading in the form attached hereto as **H. B. No. 1775-72, H. D. 1**.

Signed by all members of the Committee.

SCRep. 96-72 Legislative Management

Informing the House that **House Nos. 2279-72 to 2620-72, House Resolution Nos. 175 to 182, House Concurrent Resolution Nos. 24 to 26, and Standing Committee Report Nos. 97-72 and 98-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 97-72 Public Employment on **H. B. No. 1875-72**

The purpose of this bill is to add an additional benefit to the Special County Pensions provided for in part V of chapter 88 of the Hawaii Revised Statutes. Part V presently permits each county to grant pensions to a limited class of persons who reach retirement age or who are injured and who were in the employment of a county for at least 10 years and are not now receiving any other state or county pension. To become eligible for this class, a former employee must not have worked for the state or the county after July 1, 1953. The class also takes in some per diem workers and former per diem workers.

The bill in addition to the pensions now permitted, authorizes the county to pay up to \$250 for the funeral expenses of any employee covered by part V chapter 88.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1875-72** and recommends that it pass Second Reading and be referred to the Select Committees of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

SCRep. 98-72 Finance on **H. B. No. 1879-72**

The purpose of this bill is to appropriate the sum of \$101,406.94 out of general revenues of the State to satisfy various claims for relief and reimbursement against the State, filed in accordance with section 37-76, Hawaii Revised Statutes.

Pursuant thereto, your Committee considered a total of 27 separate claims, including 8 resulting from judicial action, all of which were transmitted by the director of finance (in accordance with the statute), and all of which were approved by the appropriate

heads of departments charged with investigation and recommendation thereupon. Upon inquiry, and your Committee being satisfied that there are no other current claims outstanding, we undertook to determine upon the merits thereof which should be authorized for payment. Accordingly, Section 1 of the bill, as introduced, has been amended by adding thereto the names of the claimants and the amounts recommended in satisfaction thereof, as follows:

There were a total of four (4) claims for refunds upon taxes (income and real property) amounting to \$972.51.

There were seven (7) judgments and one (1) court approved settlement totaling \$95,522.04. This sum **includes interest** at four per cent (4%) a year from the date of judgment or settlement computed until July 30, 1972. Section 662-8, Hawaii Revised Statutes (under the State Tort Liability Act) provides that such interest shall be paid from the date of entry up to, but not exceeding thirty days after **approval of the appropriation act** providing payment therefor. The attorney general, in his communication of these appropriations requests to the director of finance, provided for computation of interest to thirty days beyond the "beginning of the new fiscal year . . . of [the] estimated date of approval."

Your Committee accordingly added a new Section 3 to the bill, providing, in effect: That notwithstanding the proportion of interest attributable to the appropriation provided for payment of the judgment or settlement, the same shall be limited until enactment hereof, balances to lapse.

The balance of the claims, fifteen (15) in number, are classified "miscellaneous", totaling \$4,912.39, and include:

Two (2) refunds of escheated bank accounts in the sum of \$1,573.11.

Twelve (12) claims for losses sustained principally by institutional employees, caused principally by patients, amounting to \$2,274.28.

The remaining claim, denominated "meritorious" in the bill, filed by one Peter G. Vlachos, is in the sum of \$1,065.00. Professor Vlachos was assigned to teach military personnel and dependents in Okinawa by the College of Business Administration of

the University of Hawaii during the fall semester of 1970, as part of the Overseas MBA Program. On December 20, 1970, in Koza City, his 1965 Datsun and all personal effects therein were destroyed by fire during a civil disturbance. The car was valued at \$600, and other losses included passports, tuition payments and photographs.

Claims were filed with the Departments of the Army and Air Force, which were denied primarily because Professor Vlachos was not an employee of the U. S. Government. His automobile insurer also refused payment under the civil insurrection exclusionary clause.

While it may be true that the claimant was not on a work-related assignment at the time, and that the destruction resulted from the wanton acts of unknown third persons rather than the negligence of a State employee, your Committee believes that payment should be made upon a broad policy consideration of moral obligation since the political climate of the country to which the University of Hawaii Professor was assigned to teach was at the time "unstable", rendering lives and property of American personnel inherently subject to the hazard which produced the loss for which relief is sought. Accordingly, we recommend payment of the claim.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1879-72**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 1879-72, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 99-72 Legislative Management

Informing the House that **House Resolution Nos. 183 to 192, Standing Committee Report Nos. 100-72 to 104-72 and Conference Committee Report No. 2, Re: House Bill No. 20, House Draft No. 1, Senate Draft No. 1, Conference Draft No. 2**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 100-72 Higher Education on **H. B. No. 1813-72**

The purpose of this bill is to appropriate the sum of \$15,000 or so much thereof as may be necessary to expand the Continuing Edu-

cation for Women program of the College of Continuing Education and Community Service at the University of Hawaii Manoa campus to all community colleges.

Your Committee is cognizant of the need for expanding the program which currently offers personal, academic, and career counseling and guidance to adult women returning to college. However, it is also mindful of the fact that the University will request no new expansion items for its campuses this biennium.

Your Committee finds, through testimony provided by Marion Saunders, program specialist, that funds are needed to maintain the present program on the Manoa campus as well as extend and coordinate counseling services provided on an informal basis to community colleges.

The Continuing Education for Women (CEW) program, now in its fourth year, is funded by Title I of the Higher Education Act. However, the University received no "new" Title I funds this fiscal year. The program is maintained currently by Fiscal Year 1971 Title I funds shifted from another "innovative program" within the University. These funds provide one full-time position shared by two staff members, each working full-time. Two other positions for the program are carried by the College of Continuing Education. Services this staff provides which include referrals of transfers to community colleges, may be curtailed when 1971 Title I funds lapse this June 30.

Your Committee heard eloquent testimony by women enrolled in the program; they emphasized the great impact CEW had on their lives. Besides intensely personal counseling, CEW also features orientations to campus life; it maintains a circulating library; it sponsors events such as the Woman-in-Residence lecture-discussion series that serviced not only its students, but the entire University community. CEW also sponsors a Distinguished Women Today series and issues a monthly newsletter on current issues of interest to women.

Your Committee also finds that adult women (over 25 years) now comprise 11% of the total student enrollment on Manoa and slightly over 11% in the community college. CEW has already counseled several of its students to enter community colleges; some have transferred from the colleges to the

Manoa campus. There is a growing need to begin systematic, coordinated services with community college campuses, extending what CEW now offers.

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

Section 1, lines 3-6 be amended to read "much thereof as may be necessary, for maintenance of the continuing education for women program of the college of continuing education and community service, University of Hawaii, Manoa campus and for possible extension to community colleges."

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 1813-72**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. B. No. 1813-72, H. D. 1**.

Signed by all members of the Committee.

SCRep. 101-72 Public Employment on **H. B. No. 1750-72**

The purpose of this bill is to remedy the unfortunate situation in which an employee knowing that he has a terminal illness, cannot effectively take advantage of option one of the retirement allowances which option may be of great advantage to his beneficiary. The present law requires a member to file an application for retirement at least thirty days prior to the effective date of his retirement and requires that he survive an additional thirty days in order for option one to be operative. The bill in its present form eliminates completely the second thirty-day period and allows option one to be operative if any member dies within thirty days after his retirement.

Your Committee feels that since the purpose of the bill was designed to deal with terminal illness situations, the change should likewise be limited to terminal illness instances. The bill is amended in section 1 by reinstating the original language and by adding language limiting the effect of the bill to such cases.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1750-72**, as amended herein, and recommends that it be referred to the joint Select Committees of Kauai, Maui, Oahu

and Hawaii Representatives in the form attached hereto as **H. B. No. 1750-72, H. D. 1**.

Signed by all members of the Committee.

SCRep. 102-72 (Majority) Lands on **H. B. No. 440**

The purpose of this bill is to provide a more rational and equitable basis for the determination of values in lands which are subject to exchange.

Section 171-50, Hawaii Revised Statutes, which governs exchanges of public land, provides the four following safeguards, with respect to said exchanges:

1. The exchange must be for a public purpose;
2. Public notice must be given prior to completing the exchange;
3. The exchange must be on a value-for-value basis; and
4. The exchange shall be subject to review and disapproval by the legislature at the session next following completion of the exchange.

Your Committee believes these safeguards to be beneficial; however, with respect to the third safeguard mentioned above, your Committee is of the opinion that paragraph (b) of Section 171-50 which provides for said safeguard is ambiguous in phraseology, fails to provide a true basis for comparison of values of the land to be received for the land to be given up, and does not permit of exchanges in instances where a minor discrepancy in values may exist. As a result of this, your Committee finds that many exchanges which would have been in the public interest have been prevented, and private property owners, particularly those of limited holdings, have been unduly penalized.

With the avowed purpose of establishing a more rational and equitable basis for value determination, your Committee has examined the language of **H. B. No. 440** to ascertain whether the defects contained in the existing law would be cured by this bill's enactment. **H. B. No. 440** succeeds in its purpose; however, the bill retains the ambiguous phraseology of the present law relating to comparability of use.

Your Committee has therefore amended **H. B. No. 440** to eliminate the ambiguities and to provide:

a. That the value of public land, as well as private land, shall be appraised according to the fair market value standard. The old concept of determining the value of the public parcel by appraisal and the private parcel by an artificial manipulation of tax assessed values is inequitable and does not afford a proper basis for comparison. It has, therefore, been eliminated in favor of a comparison of fair market value as ascertained by independent appraisals.

b. That if, upon appraisal, it is determined that the value of the private land exceeds the value of public land, any difference must be waived by the private property owner. Though not absolutely equitable, practical considerations involving the inability of the State to budget in advance for discrepancies in favor of the private owner require that it resort to such a device. It is felt that no great hardship will be occasioned, however, since an exchange is voluntary in character and neither the State nor the private landowners is compelled to enter into the transaction. If the discrepancy is too great, the private owner will refuse any suggested exchange. In that event, the State must achieve its purpose through either a negotiated purchase or by condemnation. In either of the latter two instances, the State will have an adequate opportunity to budget in advance, and the private property owner should be fully recompensed for his loss.

c. That if, upon appraisal, it is determined that the value of public land exceeds the value of the private land by not more than 20%, the exchange may be consummated upon the private owner paying to the State the difference in value. The 20% figure is admittedly an arbitrary percentage; but it appears reasonable to your Committee as being consistent with the concept of an "exchange" as distinguished from a "sale-purchase" transaction. Inquiry by your Committee has elicited the information that the percentage in question has been used in the past by the Department of Land and Natural Resources and its predecessor, the Commissioner of Public Lands, with the approval of the Attorney General of the State.

d. That in any exchange the comparative uses of the exchange lands need not be similar as provided in subsection 171-50(b). The

present requirement is unreasonable because the intended public use of the land invariably is different from the use at the time of the exchange and land use changes of any land are adequately governed by other sections of our laws. Furthermore, the deletion of this requirement is compatible with the change in the method of determining values of exchanged lands.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 440** as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 440, H. D. 1**, and that it be referred to the Committee on Judiciary.

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

SCRep. 103-72 Lands on H. B. No. 1967-72

The purpose of this bill is to make an appropriation from the general revenues of the State in an unstated amount to acquire the irrigation system presently owned by Kohala Sugar Company. The appropriation would be contingent upon participation by the County of Hawaii in the cost of such acquisition.

In 1970, Castle & Cooke, Inc. announced a decision to terminate the operation of Kohala Sugar Company in 1973. Realizing the gravity of the economic and social problems which would be engendered by such closing, the Legislature, through the enactment of **H. C. R. No. 60**, 1971 Session, established an "action task force" and assigned it the responsibility of recommending a plan of action to save Kohala.

The task force has now issued an interim report. In said report, the task force recognizes the importance of agriculture to Hawaii's growth and prosperity and the necessity of expanding the agricultural base in the Kohala district. It recommends a diversification of Kohala's agriculture and a maintenance of the sugar operation which a continuing study of the feasibility of a profitable sugar operation on reduced acreage is conducted. The task force further indicates that the foregoing expansion and diversification require state and county participation, as well as strenuous efforts on the part of others.

Your Committee concurs with the findings and recommendations of the task force. It further finds, as stated in Section 1 of this bill, that:

1. Kohala is a relatively dry area where water for irrigation purposes is vital.

2. The closing of Kohala Sugar Company poses a threat that its present irrigation system might be rendered unusable for the future development of agriculture.

3. It is in the public interest that the irrigation system be preserved and its acquisition and regulation by government would be for a public purpose.

The bill's purpose as stated at the end of Section 1 "is to ensure that the availability of water for agricultural development preserved and is made available to all persons in need of such water . . ." Your Committee has amended the sentence to read:

"The purpose of this Act is to ensure that the availability of water for agricultural development of the Kohala district is preserved and made available to all persons in need of such water by acquiring the irrigation system of the Kohala Sugar Company."

The amendment clarifies the sentence and expressly states the intent and purpose of the bill as the assurance of an availability of water for **the agricultural development of the Kohala district** to discourage a diversion of purpose in the future.

Your Committee has also amended the title to read: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A JOINT STATE AND COUNTY OF HAWAII ACQUISITION OF THE IRRIGATION SYSTEM OF KOHALA SUGAR COMPANY." The words "acquisition of the" were omitted from the original title, making it somewhat ambiguous.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 1967-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1967-72, H. D. 1**, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 104-72 (Majority) Lands on **H. B. No. 1968-72**

The purpose of this bill is to make an appropriation to cover the state's share of the

cost of a joint acquisition by the state and the County of Hawaii of the Kohala Sugar Company. The appropriation would be from the general revenues of the state and contingent upon a participation of the County of Hawaii in the acquisition.

Section 1 of the bill expressly states its purpose "is to ensure the public welfare by acquiring the Kohala Sugar Company from its present owners" and makes the following findings:

1. It is in the public interest to fully develop the state's economic resources.

2. The sugar industry is the largest component of the state's agricultural industry and its welfare affects thousands of Hawaii's people.

3. The closing of Kohala Sugar Company would have an adverse effect upon the economy of the County of Hawaii and of the state and would cause economic hardship for the people presently employed by the company.

4. It is in the public interest and for a public purpose that the state and county jointly acquire the company in order to maintain Kohala's economic base and to minimize adverse effects on the economy of the state and county.

Your Committee concurs with the foregoing statement of purpose and findings in all respects. At a public hearing conducted on the bill, the Committee heard the testimony of several people including the Honorable Shunichi Kimura, Mayor of the County of Hawaii, and Eddie Tangen, International Representative of the ILWU, who are both members of the Action Task Force established pursuant to **H. C. R. No. 60**, 1971 session, to study the problems raised by the announced closing of Kohala Sugar Company.

Mayor Kimura strongly supported the bill and emphasized the social problems which would accompany the cessation of sugar operations at Kohala as well as its acknowledged adverse economic effects. He informed the Committee of the relative isolation of Kohala from the rest of the island and other factors such as the high rate of home ownership which tend to reduce the mobility of the population. He urged the legislature to make a present commitment in order to prevent the

North Kohala district from becoming another depressed area with attendant problems of unemployment and poverty, problems which would undoubtedly necessitate substantial governmental expenditures in the future for public assistance and other programs. The primary objective of this bill, in his opinion, is the prevention of human suffering.

Mr. Tangen, who also presented strong support for the bill, discussed the interim report of the Action Task Force on Kohala. The task force report:

1. Recognizes the importance of agriculture to the growth and prosperity of Hawaii.
2. Recognizes the importance of expanding and diversifying the agricultural base of the Kohala area.
3. Recommends a continuing study of the sugar operation at Kohala, while a diversification of agricultural activities is being attempted, to determine the potential for a profitable sugar operation with reduced acreage.
4. Recognizes the obligation of the state and the county to participate in a broad based effort to maintain Kohala as a profitable agricultural community.

Mr. Tangen emphasized the necessity for state and county aid in developing new agricultural enterprises. Like Mayor Kimura, he also discussed the disastrous economic consequences which would follow a failure to meet the problem we now face in Kohala.

Your Committee agrees that the state and County of Hawaii are now confronted by a serious economic problem which would deteriorate into a more serious social problem unless it is expeditiously resolved. It agrees with Mayor Kimura, Mr. Tangen, and the task force that a commitment for the present acquisition of Kohala Sugar Company is required so detailed plans for a viable and more broadly based agricultural economy for the district may be developed and implemented without disruption. The closing of the sugar company would make such a task infinitely more difficult because of the social problems which would accompany the termination of operations. The acquisition and continued operation of the sugar company would provide the requisite means

and time to plan and develop a viable agricultural economy through the joint efforts of the state, county, and private parties.

The bill as introduced made a specific appropriation in the sum of \$1,865,000.00. Your Committee, however, has amended the bill by deleting said amount and by making an appropriation in an unspecified amount. The Committee on Finance in its consideration of the bill would be better able to determine the specific amount required to effectuate the bill's purpose.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 1968-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1968-72, H. D. 1**, and be referred to the Committee on Finance.

Signed by all members of the Committee. Representatives Aduja, Ajifu, Medeiros and Saiki did not concur.

SCRep. 105-72 Legislative Management

Informing the House that **House Resolution Nos. 193 and 194, Standing Committee Report Nos. 106-72 to 125-72**, have been printed and distributed

Signed by all members of the Committee.

SCRep. 106-72 Education on **H. R. No. 86**

The purpose of this Resolution is to request the State Highway Safety Coordinator, in cooperation with the Department of Education and the University of Hawaii, to prepare a plan to expand the Hawaii driver education program in the high schools so that the program can be conducted during school hours.

Presently, the driver education training program is conducted in the public high schools only after regular school hours, on Saturdays and during the summer recess. Testimonies received by your Committee indicate that the program has been very successful and has a great interest among students. However, because the nature of the course is such that it requires individual attention, enrollment is limited and only a small proportion of those interested can be accommodated during the year.

In this age when students want courses which are interesting and relevant, every effort should be made to provide students the opportunity to enroll in these courses. As a result, adjustments in the program should be made so that many more students could be accommodated.

A greater enrollment capacity in the program would be beneficial to the entire community as proper education in the principles of safe driving would achieve greater safety on our highways. Expansion of the program would also allow for maximum use of automobiles provided to schools for the program. Insurance premium savings to parents of drivers who successfully complete this course would also be extended to many more parents. In this day of high insurance costs, many parents would welcome the opportunity to enroll their children in the program.

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

1. The BE IT RESOLVED clause be amended to read as follows: "BE IT RESOLVED by the House of Representatives of the Sixth Legislature of the State of Hawaii, Regular Session of 1972, that the State Highway Safety Coordinator, in cooperation with the Department of Education and the University of Hawaii, be requested to prepare a plan, including all cost factors and federal cost-sharing to expand the Hawaii driver education program in the high schools so that the program can be conducted during school hours; and"

Your Committee on Education concurs with the intent and purpose of **H. R. No. 86**, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as **H. R. No. 86, H. D. 1**.

Signed by all members of the Committee.

SCRep. 107-72 Housing and Consumer Protection on **H. B. No. 1645-72**

The purpose of this bill is to permit mass merchandising of motor vehicle insurance in Hawaii.

The bill provides specific provisions relating to mass merchandising such as: Definition of mass merchandising, prohibits discriminatory premium rates, permits low-

ering of premiums based on reduction in expenses, prohibits compulsory participation, requires disclosure to insureds of all features of the plan, provides for maintaining statistics and prohibits the use of more restrictive underwriting rules by an insurer.

As drafted, the bill permits the mass merchandising of all vehicles and requires the carrier to insure all employees of an employer or all members of a group without regard to existing underwriting requirements of the insurer. Upon consideration of the matter, your Committee has amended the bill in the following particulars:

(a) Restricted mass merchandising to private passenger motor vehicles only.

(b) Amended the provision requiring the carrier to insure a risk without exception by making such insurance available to all applicants who meet the underwriting requirements of the carrier.

(c) Make technical amendments to implement the above changes.

Your Committee believes that for the present, mass merchandising should be restricted to private passenger vehicles where the demand is more urgent. Your Committee also believes that mass merchandising should be made available to labor and other groups who testified in favor of the bill without amending existing laws and practices. The title of the bill is limited to mass merchandising and any substantive change which may be desirable should be the subject matter of another bill. To include such changes in this bill would result in a different set of rules for group and non-group purchasers of insurance.

Your Committee on Housing and Consumer Protection is in accord with the intent and purpose of **H. B. No. 1645-72**, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as **H. B. No. 1645-72, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 108-72 Select Committee of Maui Representatives on **H. B. No. 2024-72**

The purpose of this bill is to appropriate

the sum of \$1,483,000 for the completion of Piilani Highway, from Kihei to Ulupalakua on Maui.

Your Select Committee on Maui Representatives is in accord with the intent and purpose of **H. B. No. 2024-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 109-72 Select Committee of Maui Representatives on **H. B. No. 2028-72**

The purpose of this bill is to provide \$1,791,000 to be used for the planning and construction of classrooms at the new Hana High and Elementary School at Hana, Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2028-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 110-72 Select Committee of Maui Representatives on **H. B. No. 2029-72**

The purpose of this bill is to appropriate \$600,000 to be used for the improvement of 7.7 miles of Haleakala Highway from Kahului Airport Junction on Hana Highway to its junction with Kula Highway at Pukalani. The improvements will include the widening, realigning and reconstruction of the highway.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2029-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 111-72 Select Committee of Maui Representatives on **H. B. No. 2030-72**

The purpose of this bill is to provide \$125,000 or so much thereof, to be used for the planning and construction of plant industry facilities on Maui. These facilities are to replace existing plant quarantine and fumigation facilities, the entomology laboratory and weed control offices, including the equipment.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2030-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 112-72 Select Committee of Maui Representatives on **H. B. No. 2031-72**

The purpose of this bill is to appropriate \$317,000 to be used for the plans and construction of a vector control building on Maui, including the land and equipment.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2031-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 113-72 Select Committee of Maui Representatives on **H. B. No. 2032-72**

The purpose of this bill is to provide \$213,000, or so much thereof, to be used for the plans and acquisition of land for a new Pukalani Elementary School at Pukalani, Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2032-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 114-72 Select Committee of Maui Representatives on **H. B. No. 2033-72**

The purpose of this bill is to provide \$613,000 for plans and land acquisition for a new Kihei Elementary School, Kihei, Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2033-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 115-72 Select Committee of Maui Representatives on **H. B. No. 2038-72**

The purpose of this bill is to provide funds to be used for the acquisition of lands, plans, development and construction of a wayside park at Twin Falls, Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2038-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 116-72 Select Committee of Maui Representatives on **H. B. No. 2080-72**

The purpose of this bill is to provide \$30,000 for the plans and construction of terminal improvements at Molokai Airport on Molokai. This includes construction of a control tower, counter booths for air taxi operators, and other terminal improvements.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2080-72** and recommends that it pass Second Reading and be referred to the Committee of Finance.

Signed by all members of the Committee.

SCRep. 117-72 Select Committee of Maui Representatives on **H. B. No. 2081-72**

The purpose of this bill is to appropriate \$1,050,000 for plans and construction of a gymnasium at Lahainaluna High School, Lahaina, Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2081-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 118-72 Select Committee of Maui Representatives on **H. B. No. 2082-72**

The purpose of this bill is to provide \$56,000 for plans and renovation of the Maui tax office building at Wailuku, Maui. This will include air conditioning and other improvements.

Your Select Committee of Maui Representatives is in accord with the intent and

purpose of **H. B. No. 2082-72** and recommends that it pass Second Reading and be referred to the Committee of Finance.

Signed by all members of the Committee.

SCRep. No. 119-72 Select Committee of Maui Representatives on **H. B. No. 2083-72**

The purpose of this bill is to provide \$260,000 to be used for the construction of a music building at Molokai High and Intermediate School, Molokai.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2083-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 120-72 Select Committee of Maui Representatives on **H. B. No. 2084-72**

The purpose of this bill is to appropriate \$580,000 for the construction of a two lane highway from Honokowai to Honokahua, Honoapiilani Highway, Lahaina, Maui. This is a supplement to prior appropriations.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2084-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 121-72 Select Committee of Maui Representatives on **H. B. No. 2085-72**

The purpose of this bill is to appropriate \$1,102,000 to be used for the planning and construction of classrooms at the new Lahaina Elementary School at Lahaina, Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2085-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 122-72 Select Committee of Maui Representatives on **H. B. No. 2086-72**

The purpose of this bill is to provide \$393,000 to be used for a playfield and parking area at Molokai High and Elementary School, Molokai.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2086-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 123-72 Select Committee of Maui Representatives on **H. B. No. 2087-72**

The purpose of this bill is to provide \$94,000 for the acquisition of land and the construction of additional parking space at Wailuku Civic Center, Maui. This is to supplement prior appropriations.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2087-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 124-72 Education on **H. B. No. 1918-72**

The purpose of this bill is to lower the compulsory school attendance age from 18 to 16.

Testimony received by your Committee from the Hawaii Chapter of the National Association of Social Workers, the Hawaii School Counselors Association, The Action Committee for Young Adults, students and other community groups and members indicate that the regular school situation is unable to provide educational curricula to meet the needs of every child up to age 18 and that school attendance is not an appropriate and meaningful experience for all. Alternatives to provide more meaningful and flexible educational training experiences for those who feel they cannot profit by conventional education programs should be provided.

Your Committee finds that lowering the compulsory school attendance age from 18 to 16 would be a step in this direction. Although the lowering of the age itself will not meet the needs of youngsters who experience frustration with the school system, it offers them an option. Those who exercise this option and

choose not to continue school will have the opportunity of going directly into the labor market or into state programs for basic skill and job training such as the MDTA program, the concentrated employment program, model cities 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 a person wants to obtain his high school diploma several years later, he would still have the opportunity to do so through the adult education program in the Department of Education.

Lowering the compulsory school attendance age from 18 to 16 does not mean a reduction in educational opportunities—those who are able to and wish to pursue their education will be able to do so. Also, it is not the intent of this bill to give the Department of Education the authority to “push out” any student at age 16 but rather to give the young person the option to continue his education at age 16 or not continue his education in the school environment.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 1918-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. No. 125-72 Judiciary on **S. B. No. 1318-72**

The purpose of this bill is to establish the age of eighteen years or older as the age of legal capacity and responsibility and thereby recognize as adults, with the equal rights and equal obligations which attach to the status of adulthood, all persons over the age of eighteen. The effect of this bill is to lower the age of majority in our State of Hawaii from twenty years of age to eighteen years of age and make corresponding changes in specific sections of the Hawaii Revised Statutes lowering the minimum qualifying age from twenty to eighteen years.

In public hearings, your Committee received testimony overwhelmingly in favor of the intent and purpose of making eighteen years of age the minimum age of legal capacity from representatives of the spectrum of our society, including: the AFL-CIO, the Hawaii Medical Association, the National Association of Social Workers, the

Hawaii Federation of College Teachers, the Department of Education, the University of Hawaii, the Family Court of the State, the Law Enforcement and Juvenile Delinquency Planning Agency, the Public Defender's Office, the Office of Information and Youth Affairs, and in large number those directly affected—students and youths in the border ages from seventeen to twenty one. Your Committee finds:

1) Youth are better educated today than were their parents or forebearers at the age of eighteen and consequently are better able to discern and judge factors which affect their lives;

2) Medical studies evidence that people today are maturing physically at a younger age than the generations preceding them;

3) The Twenty-Sixth Amendment to the Constitution of the United States, ratified by this State by **H. C. R. 78** and certified as a valid amendment to the United States Constitution on July 5, 1971, prohibits the denial or abridgement of the right of any citizen eighteen years of age or older to vote on account of age;

4) Voting maturity requires an awareness of the affairs of our community which only full participation with equal civic rights can provide; and

5) The trend is nationwide; within the past two years, eight states have lowered the age of majority. Those states are Vermont, Tennessee, Michigan, North Carolina, Illinois, Washington, New Mexico, and California; and

6) No person should be discriminated against in livelihood, responsibility, and obligation when the precept of our government, the equality of all people outweighs the purpose of distinguishing that person by class.

This bill will lower to eighteen the minimum qualifying age of persons to: serve legal process; acquire certain firearms; purchase or lease residence lots under the Oahu Land Development Law and the Residential Leasehold Law; purchase and consume intoxicating liquor; be licensed to drive motor vehicles used in the transportation of people for compensation; be licensed to drive motor vehicles without parental responsibility; be licensed as a private school or correspondence school agent; and qualify for

student loans. Other amendments to the Hawaii Revised Statutes include limits on the period of detention at Waimano Training School without commitment procedures applicable to adults; limits on the period of dependency for purposes of the Criminal Injuries Compensation Law; and qualification of eighteen year olds and over under the programs of the Hawaiian Housing Authority housing projects. This bill also accords full adult status to people who are eighteen years old and older for purposes of the Hawaii Insurance Law, including eligibility for licensing as insurance agents, sub-agents, solicitors, and adjusters. Eighteen is also established as the minimum qualifying age for licensing as a cemetery or pre-need funeral salesman, collection agent, contractor, dentist, electrician or plumber, mortgage broker or mortgage solicitor, notary public, optometrist, osteopath, pharmacist, professional photographer, certified public accountant, undertaker or embalmer or funeral director, and veterinarian.

Other legal consequences of lowering the age of majority from twenty to eighteen are the authority of eighteen year olds and older to make wills, the termination of minors' guardianships at the age of eighteen, eligibility of eighteen year olds and older to marry without parental consent, to consent to medical care and treatment, to sue and be sued in their own behalf, reduction of the family court jurisdiction to persons under eighteen years of age, and other provisions granting persons over eighteen years of age adult capacities.

Your Committee on Judiciary is in accord with the intent and purpose of **S. B. No. 1318-72, 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 Judd.

SCRep. 126-72 Legislative Management

Informing the House that **House Resolution Nos. 195 to 199, House Concurrent Resolution No. 27** and **Standing Committee Report Nos. 127-72 to 137-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 127-72 Transportation on **H. R. No. 155**

The purpose of this Resolution is to request the Department of Transportation, in cooperation with the Navy, to conduct a study as to the feasibility of relocating the ferry landing facility of the Navy at Halawa to relieve traffic congestion on Kamehameha Highway.

According to the Department of Transportation, the congestion at this location may be inter-related to congestions at nearby intersections presently under construction. It is expected that the traffic problem at this location may be lessened by 1976 when the final sections of H-1 are completed. Thus, any solution for this location will have to be evaluated on short-term benefit basis.

Since the Resolution calls for the relocation of a Navy facility, your Committee believes that the request for a study should be made to the Navy instead of the Department of Transportation. The Resolution was accordingly amended.

Your Committee on Transportation concurs with the intent and purpose of **H. R. No. 155**, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as **H. R. No. 155, H. D. 1**.

Signed by all members of the Committee except Representative Judd.

SCRep. 128-72 Transportation on **S. C. R. No. 10**

The purpose of the Senate Concurrent Resolution is to encourage Kentron, Hawaii, Limited, in its effort to operate a proposed maritime commuter service between Pearl Harbor and Honolulu on a six months trial basis.

The proposed maritime commuter service will have as its terminals Iroquois Point, Pearl Harbor Naval Shipyard, Pier 8 in Honolulu Harbor and Kewalo Basin. Landing and moorage fees will be paid by Kentron to the U. S. Navy for the use of its facilities at Iroquois Point and Pearl Harbor Naval Shipyard and to the State for the use of its facilities at Pier 8 and Kewalo Basin. The craft to be used will be a 500 passenger dis-

placement vessel which will be used during the peak hours of traffic Mondays through Fridays.

On February 24, 1972, the Public Utilities Commission of the State granted a certificate of public conveniences and necessity to Kentron. Dr. Fujio Matsuda, Director of the State Department of Transportation, testified in favor of the Resolution and according to other testimonies presented, the citizens of Ewa are overwhelmingly in favor of the test as a possible remedy of the traffic congestion in the Leeward area.

Your Committee is satisfied that the route of the proposed service and the type of vessel used will not adversely affect offshore recreation and the use of our harbors for shipping and small boat purposes. State facilities will be made available to Kentron on a limited basis but the test will not require expenditures of State funds.

Your Committee on Transportation concurs with the intent and purpose of **Senate Concurrent Resolution No. 10** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 129-72 Select Committee of Kauai Representatives on **H. B. No. 1865-72**

The purpose of this bill is to provide for the acquisition and operation of private electric companies by the State or County.

Your Committee has carefully reviewed this bill with particular attention to electric power difficulties experienced in the County of Kauai.

Your Select Committee of Kauai Representatives is in accord with the intent and purpose of **H. B. No. 1865-72** and recommends that it pass second reading and be referred to your Committee on Public Utilities.

Signed by all members of the Committee.

SCRep. 130-72 Higher Education on **H. B. No. 2200-72**

The purpose of this bill is 1) to permit the revenue bond projects authorized by the 1970 and 1971 Capital Improvement Appropria-

tion Acts to be financed by reimbursable general obligation bonds at the Governor's discretion, with interest and principal payments to be made to the State from revenues of certain University student housing and parking projects on the Manoa, Hilo, and Maui campuses, and 2) to amend the 1969 CIP Appropriations Act by providing that any reimbursable general obligation bonds issued in lieu of revenue bonds pursuant to the \$8,000,000 appropriation for University dormitories be **in addition** to other general obligation bonds authorized by the Act.

Your Committee believes that the statutory changes in this bill provide the University with a very flexible revenue bond system that may be used by the Governor to take advantage of optimum bond market conditions.

Under these changes, reimbursable general obligation bonds may be issued **in lieu** of revenue bonds. The major advantage of general obligation bonds is that they are more saleable and command lower interest rates than revenue bonds. These lower rates may be passed on to users of the projects in the form of lower fees and/or charges. Furthermore, revenues from these projects may become self-supportive and reimbursable to the State. Thus there will be no impact upon the State tax burden.

Your Committee is aware that University bond appropriations prior to 1969 were provided with this kind of flexibility by Act 193 of the 1969 Legislature. A measure tailored along similar lines is needed for 1970 and 1971 bond-funded projects. Two additional enactments provided further basis for reimbursable general obligation bonds. They are:

1. Article VI, Section 3 of the State Constitution amended in 1968 which permits the **exclusion** of certain general obligation bonds from the determination of the State's debt ceiling, if these bonds are issued for self-supportive public projects, and

2. Act 141 of the 1971 Session, amending Chapter 306 of the Hawaii Revised Statutes to permit the establishment of a University Bond System that utilizes **both** revenue and general obligation bonds, as recommended by the State's bond counsel, Wood, King, Dawson, Love, and Sabatine of New York City.

Your Committee is also aware that the first section of this bill specifically continues the financing of items E-38 and E-39 of the 1970 CIP Act (187) and items 86, 108, 116, 117, and 135 of the 1971 Act (68) through general obligation bonds **in addition** to those already authorized by the respective Acts. These items include student housing and parking structures on the Manoa campus, student housing at Hilo College, and dormitories at Maui Community College.

The second section of this bill specifically amends Section 18 of the 1969 CIP Act (155) to provide for the issuance of general obligation bonds **in addition** to those authorized by Section 1 of the Act.

Your Committee heard testimony from Vice President for Business Affairs William W. Parsons which is in accord with the intent and purpose of the bill. The University urges its enactment and understands that it carries the support of the State Administration.

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

1. Page 2, Item 116 on Hilo College — the total for FY 1972-73 should read \$288,000, and for FY 1971-73, \$2,246,000.

2. Page 2, Item 117 on Hilo College — the total for FY 1972-73 and for the 1971-73 biennium should read \$344,000.

3. Section 3, line 20 should read "the revisor of statutes."

4. Section 4, line 22 should read "This Act."

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 2200-72**, as amended herein, and recommends that it be referred to the Committee on Finance as **H. B. No. 2200-72, H. D. 1**.

Signed by all members of the Committee.

SCRep. 131-72 Labor on H. B. No. 1765-72

The purpose of this bill is to amend Section 338-6 by adding language which would prohibit the collection of the costs of physical or medical examinations and medical reports required for employment purposes from employees or prospective employees.

Many employers customarily require medical or physical examinations as a condition of employment or continued employment. Periodic medical or physical examinations are also required by law of certain employees. Examples of employees in this foregoing category are heavy equipment operators of whom hearing, depth perception, eyesight and cardiac examinations are required annually by the General Safety Code.

While most employers assume the expenses of such examinations and reports, a few employers have required employees or prospective employees to pay for them. This bill proposes to make it unlawful for an employer to deduct such expenses from the wages of an employee or to collect said expenses from an employee or a prospective employee.

Your Committee agrees with the department of labor and industrial relations that expenses of medical or physical examinations and reports required by employers or by law should be borne by the employer. This is not an uncommon requirement as the director of labor and industrial relations has informed your Committee that twenty-eight states already compel employers to assume the responsibility of paying the costs of mandatory examinations and reports.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 1765-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 132-72 Labor on H. B. No. 1766-72

The purpose of this bill is to amend the definition of the term "wages" as it is used in Chapter 388.

Chapter 388 governs the payment of wages and other compensation to employees. The policy of said chapter is to assure the prompt and regular payment of wages and to prohibit the unreasonable withholding of compensation earned by employees. Section 388-6 expressly prohibits the following deductions from the "wages" of an employee:

"(1) Fines;

(2) Cash shortage in a common money till, cash box, or register used by two or more persons;

(3) Breakage;

(4) Losses due to acceptance by an employee of checks which are subsequently dishonored if employee is given discretion to accept or reject any check; or

(5) Losses due to defective or faulty workmanship, lost or stolen property, damage to property, default of customer credit, or nonpayment for goods or services received by customer if such losses are not attributable to employee's wilful or intentional disregard of employer's interest."

This intent to protect employees from having deductions for the foregoing purposes made from their earnings is being circumvented in some cases because Section 388-1 presently defines "wages" as not including "tips or gratuities of any kind." Employers have managed to defeat the purpose of the law in some instances by making the prohibited deductions from tips earned by employees rather than from actual "wages". The department of labor and industrial relations has therefore proposed that this "loop-hole" be closed by re-defining "wages" to include "tips and gratuities of any kind" for the limited purposes of Section 388-6.

Your Committee agrees with the director of labor and industrial relations that "tips" should be protected from unwarranted deductions.

Your Committee is in accord with the intent and purpose of **H. B. No. 1766-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 133-72 Labor on H. B. No. 1767-72

The purpose of this bill is to amend Part II of the Payment of Wages and Other Compensation Law by including a provision to hold an employer liable for expected wages lost by an employee when terminated after giving his employer the required advance notice of termination.

Many employers require advance notice of termination from their employees to allow time to hire replacements to insure smooth operation of the business. Generally speaking, employers adhere to this policy and maintain their employees until the last day as specified in the notice. However, there are some employers, who, upon receiving the notice, immediately terminate such employees without compensation. The employee who in good faith notifies the employer and who expects to work until the intended termination date is cut off without pay and suffers because of the loss in expected wages.

Presently, the law is silent in regards to this unfair practice and the Department of Labor has not been able to assist these employees in collecting the expected wages.

This bill proposes to hold any employer who requires his employees to give advance notice of termination liable for wages up to the intended date of termination. The exception would be if the employee voluntarily terminates prior to the intended date of termination or is terminated for cause.

The Committee, although supporting the intent of the bill, recommends that the bill be amended to include a specific limit to the employer's liability in the event an employee gives an unreasonably long advance notice of termination, such as half a year or one year in advance.

Your Committee has amended Section 1 of the bill as follows:

“Sec. 388- Advance notice of termination of employment. If an employer requires an employee to give advance notice of termination and the employee gives such notice, the employer shall be liable for the wages which the employee would have earned during the stated period in such notice starting from the day such notice is given, providing that the employee does not voluntarily terminate the employment or the employment is not terminated for cause prior to the last day of such period.”

This amended Section would hold the employer liable for wages only for the stated period in the advance notice beginning on the date of notification. This would then set an employer's maximum liability, depending on the length of the required advance notice set by the employer. The language in the original draft may be ambiguous in ascertaining just

when the stated period in the advance notice actually commences.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 1767-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1767-72, H. D. 1**, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 134-72 Labor on H. B. No. 1768-72

The purpose of this bill is to repeal the provisions of Chapter 388 which require an employer with 25 or more employees to pay any of his employees who serve on a jury or on a public board or commission the difference between the remuneration the employee receives for such services and the remuneration he would have received from the employer had he not served on a jury or public board or commission.

The statute was enacted to encourage greater participation in civic affairs on the part of wage earners by preventing economic loss through service on juries, boards, and commissions. The constitutionality of said statute, however, was challenged by an employer and the State Supreme Court ruled in October of 1970 that it was in fact unconstitutional. The court held that the benevolent purpose sought therein could not be achieved by requiring an employer to make up the difference between what the employee received from the state and his wages and that the equal protection and due process clauses of the constitution were violated thereby. See: **Hasegawa v. Maui Pineapple Co.**, 52 Haw. 327. In the opinion of the court, the requirement was tantamount to the taking of property without just compensation.

Your Committee concurs with the director of labor and industrial relations that unconstitutional and unenforceable statutes should be repealed.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 1768-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 135-72 Labor on H. B. No. 1769-72

The purpose of this bill is to amend the Unemployment Compensation Law to permit the appointment of more than one full-time referee to hear unemployment appeals.

Section 383-98, Hawaii Revised Statutes, presently states that "the director of labor and industrial relations shall appoint a referee". It also provides for the appointment of substitute referees when required.

The number of unemployment compensation claims and appeals has been rapidly increasing and the referee has been unable to hear all of the appeals. Within the last year, for example, the number of claims has doubled and a concomitant increase in the number of appeals has occurred. The department of labor and industrial relations in attempting to facilitate appeals has utilized the services of two substitute referees. This has not resulted in an expeditious processing of appeals as other commitments make it difficult for substitute, part-time referees to make themselves readily available. Under the circumstances, the department is of the opinion that the appointment of another full-time referee would be preferable to the use of substitutes. The Attorney General, however, has informed the department that the precise language of Section 383-98 does not permit the appointment of another full-time referee and said section should be amended before the department proceeds with such appointment.

A survey of the appellate procedure for unemployment compensation conducted in 1971 by a Federal team strongly recommended the appointment of at least another full-time referee. It also found that this would be more economical than the use of substitute referees who are compensated at \$40.00 per day and the department concurs with this finding. There would be no expenditure of state funds necessitated by the proposed amendment to the Unemployment Compensation Law as referees are compensated from Federal Employment Security funds made available to the state.

Your Committee on Labor in accord with the intent and purpose of **H. B. No. 1769-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 136-72 Finance on H. B. No. 1780-72

The purpose of this bill is to amend various sections of the Hawaii Revised Statutes which relate to the small boating program by expanding the scope thereof, establishing a "boating special fund" for its administration, and amending related provisions to reflect its creation.

Act 93, Session Laws of Hawaii 1971, to the extent it amended Secs. 266-20 and 267-13, H. R. S., refers to deposits into and expenditures from a "small boat harbors special fund" for program operation. However, this fund was never "created" by the law, an oversight which Section 4 of the bill, amending Sec. 248-8, H. R. S., accommodates. The name of the fund, however, is changed to "boating special fund" in order to reflect the expanded scope of the program contained in Section 1 of the bill which further amends Sec. 266-20, H. R. S. Presently, that provision applies to the maintenance and operation of facilities used principally for recreation and landing of fish only. As amended hereby, the fund applies to the costs of administering "a comprehensive boating program" including the aforementioned, and, in addition, safety, vessel registration and casualty investigation, law enforcement, pollution abatement, and other activities.

Sections 2 and 3 of the bill, amending Secs. 267-13 and 266-17, H. R. S., respectively, provide for disposition of the revenues collected into the fund created.

Section 5 of the bill, by amending Sec. 36-27, H. R. S., exempts the boating special fund from paying 5% of the receipts thereof into the general fund for the purpose of defraying the prorated estimate of central service expenses of government in relation to all special funds. The boating program has not been making these payments since it heretofore has been solely a general fund activity, and the department of transportation, in order to assist the boating program to become self-supporting eventually, has expressed that the exemption "is considered appropriate at this time."

Your Committee effected two non-substantive changes to Section 4 of the bill which amends Sec. 248-8, H. R. S., as amended, creating the fund. In lines 4 and 12 of said provision in the bill, the phrase "state airport fund", referring to another special fund

previously created, is used; whereas the name of said fund was changed to "airport revenue fund" by Act 10, Session Laws of Hawaii 1969, and the amendment to the bill made hereby reflects that change.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1780-72**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 1780-72, H. D. 1** and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 137-72 Finance on **H. B. No. 1778-72**

The purpose of this bill is to establish a minimum on rental rates for facilities used by flight schools and to expand the allowable number of such schools.

Section 261-7(e), Hawaii Revised Statutes, which is hereby amended, presently provides that the department of transportation may establish "token" rental rates for buildings and land areas used for flight schools, of which there shall be not more than four, which are by the Federal Aviation Administration "certificated" (also amended by the bill, vice "certified").

This bill fixes such rentals at "rates not less than fifty per cent of the fair market rentals of the buildings and land areas", in place of "token" rates, as representing a standard which can be more objectively administered. Further, because there are already more than four flight schools throughout the State and more applications pending, including the neighbor Islands, this limitation upon number, which was imposed upon enactment of the law in 1947 when there were few flight schools in Hawaii, is deleted as otherwise discriminatory without present rational basis.

Upon the hearing of this measure before your Committee, the department of transportation, which initiated it, suggested a further amendment by replacing the word "token", referring to rental rates, with the word "reduced", instead of merely deleting the former. However, the ensuing amendatory clause fixing such rates at "not less than fifty per cent of the fair market rentals" renders self-evident the intention that the same reflect a reduction, the maximum amount of which is therein stated. This figure, incidentally,

is not altogether arbitrary, precedence for which, having been set by the superceded Hawaii Aeronautics Commission, has been since followed by the department of transportation.

Your Committee on Transportation, reporting hereupon in **Stand. Com. Rep. No. 54-72** stated that providing for reduced rates "in part directs the department to encourage, foster and assist in the development of aeronautics in the State." Until the advent of a suitable general aviation field or fields whereat flight schools may locate, rather than at commercial airports, such as Honolulu International, where ever-increasing rentals invariably show up in the cost of flight training, your Committee concurs that this bill contributes to that stated purpose.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1778-72, 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. 138-72 Legislative Management

Informing the House that **House Resolution Nos. 200 to 209**, and Standing Committee Report Nos. **139-72 to 141-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 139-72 Select Committee of Hawaii Representatives on **H. B. No. 2204-72**

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 systems.

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 2204-72**, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 140-72 Select Committee of Hawaii Representatives on **H. B. No. 2223-72**

The purpose of this bill is to make appropriations for certain 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. 2223-72**, and recommends that it be referred to the Committee on Lands.

Signed by all members of the Committee.

SCRep. 141-72 Select Committee of Kauai Representatives on **H. B. No. 2306-72**

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. 2306-72** and recommends that it pass Second Reading and be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 142-72 Legislative Management

Informing the House that **House Resolution Nos. 210 to 216**, **House Concurrent Resolution Nos. 28 and 29**, and **Standing Committee Report Nos. 143-72 to 145-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 143-72 (Majority) Lands on **H. R. No. 94**

The purpose of this resolution is to provide access through private lands to the public to state-owned areas which are suitable for public hunting. In view of the increasing popularity of hunting and the limited hunting areas in the state, your Committee feels that all suitable hunting areas should be made available to the general public, especially to those state-owned areas which are currently inaccessible because private owners restrict access. Your Committee also feels that when such provisions become a reality that all those who enjoy outdoor activity - i.e. hikers, birdwatchers, nature lovers etc. - be allowed access to these areas and not only hunters.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 94** and recommends that it be referred to the Committee on Finance.

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

SCRep. 144-72 Lands on **H. R. No. 96**

The purpose of this resolution is to request the Department of Land and Natural Resources to study the possibility of restricting certain beach areas from fishing activities for given periods of time to allow for the replenishing of marine life in the area and to submit a report of its findings and recommendations twenty days prior to the opening of the Regular Session of 1973. Your Committee is aware that a similar resolution was introduced and adopted during the Session of 1971 and that the Department of Land and Natural Resources has initiated work in the area and has submitted a report to the Legislature, Regular Session of 1972, of its findings and recommendations. Further, your Committee is in accord with the Department's recommendation for implementation of the program, namely the "Kapuku Plan" (Plan to Restore Life). However, your Committee is of the opinion that a program of this nature - designed to preserve and restore marine life - is so vital to the maintenance of the ecological balance of this State that it should receive continued legislative attention. Specifically, your Committee feels that recognition should be given to those currently involved in the development and implementation of the program and, further, that the Department be requested to continue to report its up-to-date findings and recommendations to the Legislature.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 96** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 145-72 Lands on **H. R. No. 133**

The purpose of this resolution is to request the United States Navy to allot some of the land now being used for warehouse facilities along Waimano Home Road for park facilities for the people of Leeward Oahu. With the tremendous increase in the population of Leeward Oahu, especially in Pearl City during the past ten years, there has arisen the need for additional recreational and park facilities. Your Committee feels that such facilities are not only required, but necessary to the health and well-being of the residents in the area.

Your Committee on Lands concurs with

the intent and purpose of **H. R. No. 133** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 146-72 Legislative Management

Informing the House that **House Resolution Nos. 217 to 225** and **Standing Committee Report Nos. 147-72 to 164-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 147-72 Select Committee of Hawaii Representatives on **H. B. No. 2287-72**

The purpose of this bill is to make an appropriation for or relating to capital improvements for the First Representative District.

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 2287-72**, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 148-72 Select Committee of Hawaii Representatives on **H. B. Nos. 2339-72, 2340-72, 2437-72, 2552-72** and **2553-72**

The purpose of each of the bills is to make an appropriation for or relating to capital improvements for the Second Representative District as set forth in the title of the bill.

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 2339-72, H. B. No. 2340-72, H. B. No. 2437-72, H. B. No. 2552-72, and H. B. No. 2553-72** and recommends that they be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 149-72 Select Committee of Hawaii Representatives on **H. B. Nos. 1818-72, 1819-72, 1820-72, 1821-72, 1822-72, 1823-72, 1824-72, 2101-72, 2544-72, 2545-72, 2546-72** and **2548-72**

The purpose of each of the bills is to make an appropriation for or relating to capital improvements for the Third Representative District as set forth in the title of the bill.

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 1818-72, H. B. No. 1819-72, H. B. No. 1820-72, H. B. No. 1821-72, H. B. No. 1822-72, H. B. No. 1823-72, H. B. No. 1824-72, H. B. No. 2101-72, H. B. No. 2544-72, H. B. No. 2545-72, H. B. No. 2546-72** and **H. B. No. 2548-72** and recommends that they be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 150-72 Select Committee of Hawaii Representatives on **H. B. Nos. 2005-72, 2429-72** and **2430-72**

The purpose of each of the bills is to make an appropriation for or relating to capital improvements for the Fourth Representative District as set forth in the title of the bill.

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 2005-72, H. B. No. 2429-72** and **H. B. No. 2430-72** and recommends that they be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 151-72 Select Committee of Hawaii Representatives on **H. B. Nos. 2345-72** and **2348-72**

The purpose of each of the bills is to make an appropriation for or relating to capital improvements for the Fifth Representative District as set forth in the title of the bill.

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 2345-72** and **H. B. No. 2348-72** and recommends that they be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 152-72 Select Committee of Hawaii Representatives on **H. B. No. 2554-72**

The purpose of this bill is to make an appropriation for the planning and construction of a 200-bed acute care center at the Hilo Hospital.

Your Committee upon consideration of this bill recommends the following amendments to more effectively carry out the intent of the bill:

1. SECTION 3. be amended to read “Item E-19 of Act 68, Session Laws of Hawaii 1971, is amended by deleting bracketed material therefrom and adding underscored material thereto as follows:

“19. Hilo Hospital, Hilo, Hawaii—
(Plans for) For the construction of additions, renovations, and remodeling of medical and ancillary facilities.

(Design	\$601,000)
Construction	\$601,000
Total Funding	\$601,000”

2. Adding a new section to read “SECTION 4. This Act shall take effect upon its approval.”

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 2554-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2554-72, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 153-72 Agriculture on **S. B. No. 46**

The purpose of this bill is to bring the Hawaii Food, Drug and Cosmetic Act into conformity with the federal law, especially in regard to those provisions dealing with fair packaging and labeling.

This bill strengthens the Department of Health’s authority and responsibility in the quantitative and qualitative aspects of packaging and labeling of consumer commodities such as foods, off-the-shelf drugs and cosmetics. Furthermore, this bill would improve the efficiency in the administration of our food and drug law through the use of uniform opinions and interpretations relative to the federal law.

Your Committee on Agriculture is in accord with the intent and purpose of **S. B. No. 46, S. D. 2** and recommends that it be referred to the Committee on Public Health, Youth and General Welfare.

Signed by all members of the Committee.

SCRep. No. 154-72 Agriculture on **H. B. No. 1885-72**

The purpose of this bill is to enable small farmers operating on a month-to-month or year-to-year leasing arrangement to utilize the dedication technique as a tax abatement device. Present law does not permit dedication of leased land which does not have a lease extending at least ten years from the date of dedication.

Your Committee has amended this bill by removing the lessee of any land within an urban district from the class of lessees entitled to utilize the dedication technique.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1885-72**, as amended herein, and recommends that it be referred to your Committee on Lands in the form attached hereto as **H. B. No. 1885-72, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 155-72 Agriculture on **H. B. No. 1880-72**

The purpose of this bill is to aid in the development of agricultural cooperatives in the State by providing tax incentives for agricultural cooperatives and their members. This bill would exempt farmers from gross income tax on sale of products that are marketed through their cooperatives and exempt cooperative land and facilities from real property taxes.

Cooperative marketing aids Hawaii’s farmers in competing against mainland and foreign imports of agricultural goods. Your Committee finds that it is in the public interest to aid in the development of these agricultural cooperatives by providing these tax incentives.

Your Committee has amended this short-form bill into long-form.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1880-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1880-72, H. D. 1** and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 156-72 Agriculture on **H. B. No. 1881-72**

The purpose of this bill is to provide for a responsive agricultural cooperative association law which will enable agricultural cooperative associations to compete more effectively with private agricultural organizations.

This short form bill has been redrafted into long-form and incorporates the following amendments:

1) Section 421-2 limit Hawaiian origin restriction to 75 per cent of agricultural products;

2) Section 421-4 Articles of Association - removal of requirement that the word "cooperative" shall be in the name of the organization;

3) Section 421-6 - Filing and recording articles of association - removal of the fifty year limitation on the life of the cooperative to a life in perpetuity as with other corporate entities;

4) Section 421-9 - Powers - removal of the requirement limiting annual purchases made for persons who are neither members nor producers to fifteen per cent of the value of its purchases;

5) Section 421-18 - Contracts between association and members - three year limitation lengthened to 10 years;

6) Section 421-33 - Taxation - requirements for report to the direction of taxation and other regulatory agencies changed to 90 days after the close of the fiscal year.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1881-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1881-72, H. D. 1** and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 157-72 Agriculture on H. B. No. 1883-72

The purpose of this bill is to provide for the establishment of a special electrical rate for agricultural users.

As presently worded, this bill provides that the electrical rates would be set at no more

than three-quarters of the amount charged for domestic use. Since this may result in a charge of unreasonable discrimination between users, your Committee has deleted this provision.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1883-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1883-72, H. D. 1** and that it be referred to the Committee on Public Utilities.

Signed by all members of the Committee.

SCRep. No. 158-72 Agriculture on H. B. No. 1955-72

The purpose of this bill is to improve the effectiveness of the law regulating dealers in farm produce.

Act 103 of the Session Laws of Hawaii 1971 amended Chapter 145, Hawaii Revised Statutes, relating to the regulation of dealers in farm produce by authorizing the Department of Agriculture to promulgate rules and regulations by the enforcement of this law. However, this rule-making authority was not able to be exercised because it was in conflict with existing sections of the law. This bill is intended to resolve this conflict.

Other minor changes in the wording of the law are included in this bill in order to more effectively regulate the industry.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1955-72** and recommends that it pass Second Reading and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 159-72 Agriculture on H. B. No. 1956-72

The purpose of this bill is to correct ambiguities in the Milk Control Act. This bill redefines the term "milk shed" to permit the establishment of milk control not only in an entire county but also on one or more islands or a portion of an island within a county. It also reinstates Section 157-32, "Standards to determine minimum prices" and Section 157-35 "Compensatory payment" which were inadvertently omitted from the bill passed last session.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1956-72** and recommends that it pass Second Reading and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 160-72 Agriculture on **H. B. No. 1987-72**

The purpose of this bill is to increase the availability of funds in the Farm Loan Revolving Fund. This bill would assist independent cane growers who qualify for loans under Chapter 155, Hawaii Revised Statutes, in the operation of the Hilo Coast Processing Cooperative—an organization to assist cane growers in modernizing mills and complying with required air and water quality standards.

The Farm Loan Division of the Department of Agriculture has worked out interim financing with six banks in Hilo to get the Hilo Coast Processing Cooperative in operation. This project has required the use of 90 per cent of the available Farm Loan Revolving Fund during fiscal year 1972-1973. The Department of Agriculture would like to obtain funds to take out the banks as soon as practicable, as the cane growers will suffer without an orderly repayment program based on their ability to pay. This bill is needed to alleviate this crisis situation.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1987-72** and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 161-72 Agriculture on **H. B. No. 1988-72**

The purpose of this bill is to establish a revolving fund for use by the Department of Agriculture in providing inspection services for either federal or state marketing order programs.

Under the Appropriations Act of 1970, the Department of Agriculture received an appropriation for \$30,000 to be used in a revolving fund for federal and state marketing order inspection services. The Act, however, failed to provide for the actual establishment of a revolving fund. Thus, all incomes re-

ceived to date for marketing order inspections have had to be deposited in the general fund. This bill is intended to correct this situation.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1988-72** 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. No. 162-72 Agriculture on **H. B. No. 1991-72**

The purpose of this bill is to empower the Board of Agriculture to issue summons and citations to enforce the quarantine law.

The present lack of authority to issue citations and summons for violations of the quarantine law seriously impedes the effectiveness of the enforcement officers of the Department of Agriculture. This applies particularly to animal inspectors working at the airports in Honolulu and Hilo.

It is the opinion of the Department of Agriculture that attempts to enter animals contrary to law would be reduced dramatically if it became known that the offenders would be promptly cited for violations.

As presently worded, this bill broadly authorizes enforcement officers of the Department of Agriculture to issue citations to violators. Your Committee has amended this bill to limit the issuance of citations only at ports of entry.

Your Committee has also amended this bill by deleting the penalty provision therein, leaving the penalty for violations to be covered under rules and regulations.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1991-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1991-72, H. D. 1** and that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 163-72 Agriculture on **H. B. No. 2012-72**

The purpose of this bill is to encourage more young people to go into farming by establishing a new farmer loan program.

Farming as an occupation has not been attractive to young people. The scarcity of land and the lack of credit have been the major deterring factors in the past.

Today, however, large tracts of land are becoming available for farming with plantations closing sugar operations. The State may have to consider inducements to capable young people to enter farming. Availability of credit may be the inducement and the incentive to these people.

Your Committee has amended this bill to allow participants in the Hawaii Young Farmer program to qualify for loans.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 2012-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2012-72, H. D. 1**, and it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 164-72 Higher Education on H. B. No. 2161-72

The purpose of this bill is to reappropriate the sum of \$246,213 appropriated by Act 210, Session Laws of Hawaii, 1971, for the Center for Cross-Culture Training and Research, for non-recurring expenses to improve educational resources at the University of Hawaii at Hilo, including in particular, but not limited to, acquisition of books and audio-visual equipment and other educational equipment and resources.

Your Committee finds that the previous separate vocational and liberal arts institutions of higher education in Hilo will now combine students, faculty, and staff into one complex that will be the State-wide system's only comprehensive college, comprising many forms of undergraduate education. The college will offer a wide range of program options to the student; programs will lead to certificate, Associate, and Bachelors degrees. There will also be community programs in continuing education. This comprehensive design will allow students to mix vocational

and liberal arts courses in ways that were heretofore inconvenient to the point of being impossible.

Your Committee further finds that the University of Hawaii at Hilo has assembled a faculty of high competence, including some outstanding new additions from the national market. But these human resources cannot be put to their full use or even be retained unless they are provided with some necessary academic and physical support.

Your Committee believes that it is a combination of faculty, programs, support, and facilities that will attract and hold students - allowing the Hilo campus to serve as one of the essential elements in the policy of dispersion adopted by the Board of Regents. The college complex is in critical need of support to purchase a variety of instructional equipment and supplies which should have occurred at the time of the transition from a two- to a four-year campus.

Your Committee further finds that the immediately essential items that are being requested include the following:

1. Library Equipment \$150,000

The largest single area needing support is the library. The University of Hawaii at Hilo has 55,000 volumes in its present collection which is more than adequate for a two-year campus. But both in library books and periodicals, the Hilo holdings are grossly insufficient for the needs of a four-year campus. Eighty thousand dollars will be spent for books judged essential for a college program; \$40,000 for periodicals to provide ten years' back subscriptions of selected titles. The remaining \$30,000 will be used to purchase equipment essential to services characteristic to a learning resources center. The acquisition of the materials will greatly relieve the library needs of the liberal arts and vocational/technical programs.

2. Other Undergraduate Equipment

In order to build undergraduate programs, it is essential that additional support be provided for general campus needs, upper division science majors, social sciences, and fine arts.

a. General Campus Needs \$14,309

The Hilo Campus lacks basic instructional equipment such as files, storage cabinets and typewriters as well as other equipment which are necessary for increasing the efficiency of

the instructional programs. The upgrading of registration procedures and the computing facility is a part of this requirement.

b. Upper Division Science Majors \$25,000

Some programs are absolutely basic to a four-year college, among them instruction in chemistry and physics. By their very nature chemistry and physics are heavily dependent upon laboratory equipment, and upper division instruction in chemistry and physics cannot be offered without proper equipment and support. The requested amount will provide 15% of the eventual equipment needs for an adequate chemistry and physics program.

c. Social Science Fields Studies \$9,800

A rapidly growing area of instruction is field studies in the social sciences; particularly in geography/environmental studies and anthropological/archeology programs. Requirements include basic equipment to do physical, geographic field studies, a basic power tools and photographic equipment to support what is a sizeable field operation in anthropology.

d. Social Science, Basic Instruction \$19,850

Business machines are badly needed to be placed in a calculating center for use by students in the social sciences and the sciences. The psychology program requires a polygraph, a collection of basic instructional films, a sampling demonstrator, and other materials to increase the effectiveness of lower division teaching.

e. Fine Arts \$27,041

Basic equipment is needed for art, drama, and music. Art needs the equipment for woodworking, metal working, ceramics, sculpture and slides. The drama program requires additional lighting equipment, curtains, risers, some shop equipment, and a basic collection of costumes and teaching aids. Music needs several important instruments including two pianos, a tuba, a basson, an instrument repair kit, and listening equipment.

Your Committee heard testimony from Harlan Cleveland, President of the University of Hawaii, and Dr. Paul Miwa, Hilo Chancellor, in favor of this bill.

Your Committee on Higher Education is in accord with the intent and purpose of H.

B. No. 2161-72, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 165-72 Legislative Management

Informing the House that **House Resolution Nos. 226 to 236, and Standing Committee Report Nos. 166-72 to 176-72**, have been printed and distributed.

SCRep. 166-72 Education on **H. R. No. 22**

The purpose of this resolution is to request the Department of Education, in cooperation with the Department of Transportation and the Department of Traffic of the City and County of Honolulu, to conduct a feasibility study to determine whether school hours on Oahu could be altered. If a change in hours is feasible, a plan for the necessary changes is also requested.

Your Committee finds that there is an urgent need to alleviate the overcrowded situation and heavy traffic congestion of our roads and highways. Alternatives to lessen the heavy traffic congestion on our roads must be sought immediately. Testimonies received by your Committee indicate that an effective and expedient method to attain at least partial alleviation of traffic congestion may be to shift school hours.

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

1. In the BE IT RESOLVED clause, add the phrase “ ‘ in cooperation with the Department of Transportation and the Department of Traffic of the City and County of Honolulu,” following the phrase “a feasibility study.”

2. In the second BE IT FURTHER RESOLVED clause, delete the period and add the phrase “ ‘ the Director of the Department of Transportation, the Honorable Mayor of the City and County of Honolulu, and the Traffic Director of the City and County of Honolulu.” following the phrase “the Superintendent of Education.”

Your Committee on Education concurs with the intent and purpose of **H. R. No. 22**, as amended herein, and recommends that it be referred to the Committee on Finance, in

the form attached hereto as **H. R. No. 22, H. D. 1.**

Signed by all members of the Committee except Representative Carroll.

SCRep. 167-72 Agriculture on H. R. No. 110

The purpose of this resolution is to request the Department of Agriculture to establish an office of information and counseling to encourage interested persons to engage in farming.

Your Committee on Agriculture is in accord with the intent and purpose of **H. R. No. 110** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 168-72 Education on H. B. No. 2089-72

The purpose of this bill is to provide for at least one certified counselor position for every public elementary school in the State.

Elementary school counselors presently are not part of basic staffing at schools. Testimonies received by your Committee indicate that counselors at the elementary level are vitally necessary for preventive measures to help children at the time this help is most meaningful and still able to make an impact on their behavior.

The elementary school counselor's position entails a wide range of duties. In addition to working with teachers and parents with children who have special problems, the counselor coordinates with the special services team, works with and utilizes the services of other state and community agencies, and also promotes programs to meet the developmental needs of all children in the school. Although it is generally believed that teachers are the best "first line" counselors, many do not have the time nor the specific training to deal effectively with many of the problems. Administrators are also bogged down with their own duties and are not able to provide the appropriate services.

Because the elementary school counselor provides a wide range of special services which are important for children at this developmental stage, the counselor is not an extra or a frill that schools can do without. It

is a very vital and necessary position which should be provided for at each elementary school.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 2089-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 169-72 Education on H. B. No. 1931-72

The purpose of this bill is to amend Section 621-20, Hawaii Revised Statutes, to extend the right of privileged communication to outreach counselors.

The relationship between the counselor and his client requires an atmosphere of mutual trust and confidence. In order to influence youths to confide in counselors more and thereby enhance the counselors' ability to help these youths, every step should be taken to insure this confidentiality.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 1931-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

SCRep. 170-72 Agriculture on H. B. No. 2323-72

The purpose of this bill is to make an appropriation for the construction of an ensilage and feed facility on Oahu.

The livestock industry in the State needs adequate warehousing facilities for imported commercial feed and grain and local roughage. The problem of maintaining adequate inventories of imported commercial feed and grain is critical because of Hawaii's geographic isolation and possibility of disruption in the transportation system from time to time. Warehousing facilities are also needed to increase and stabilize the supply of local roughage for cattle, particularly during seasonal shutdown of sugar and pine industries. A combined ensilage and warehousing

facility will provide the holding capacity for the required animal diet of roughage feed and grain.

The Department of Agriculture believes in State assistance for the establishment of a non-profit warehousing facility and accordingly supports passage of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 2323-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 171-72 Agriculture on **H. B. No. 2346-72**

The purpose of this bill is to amend the Appropriation Act of 1971 relating to the participation by the Kona coffee industry in the coffee inspection program by reducing industry's share of the program cost from 50 per cent to 20 per cent.

The Kona coffee industry is beset with serious financial problems. Since 1957 coffee production has declined from a production level of 18.5 million pounds of coffee valued at \$6.5 million to only \$4.9 million pounds valued at \$1.7 million in 1970. The reduction of industry's share of inspection costs to 20 per cent as contained in this bill would help this faltering industry to get back on its feet.

The Department of Agriculture believes that the 20 per cent participation rate by industry is reasonable and is in support of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 2346-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 172-72 Agriculture on **H. B. No. 2391-72**

The purpose of this bill is to provide compensation to the producer for loss from the condemnation of his raw agricultural commodity due to illegal pesticide residue when he is not responsible for or had no control over such residue.

The Federal Food and Drug Administration, in the interest of protecting the public health, is often called upon to recall and destroy agricultural products due to the finding of excessive amounts of harmful chemicals therein. In many cases, the presence of these chemicals are in agricultural products through no fault of the producer. These recall programs are carried out immediately and without economic consideration to the producer and great economic losses have often resulted to producers from such recalls. This bill is intended to correct this situation by providing for compensation to the producer for such losses.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 2391-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 173-72 Agriculture on **S. C. R. No. 25**

The purpose of this Concurrent Resolution is to request the United States Department of Agriculture to include Hawaiian pineapple juice in the Needy Family Program administered by said department and to make substantial purchases thereof for the program as soon as possible.

Your Committee on Agriculture is in accord with the intent and purpose of **S. C. R. No. 25** and recommends its adoption.

Signed by all members of the Committee.

SCRep. 174-72 Education on **H. C. R. No. 12**

The purpose of this resolution is to request Commissioner Sidney Marland of the Department of Health, Education and Welfare to select and approve the State of Hawaii as one of the project locales to develop new and innovative vocational education programs.

In January of this year, Dr. Calvin Dellefield, Executive Director of the National Advisory Council on Vocational Education, was here to visit and observe Hawaii's vocational education programs at the invitation of the Hawaii State Advisory Council on Vocational and Technical Education. At that time, Dr. Dellefield also met with members of the Legislature and cited Hawaii's central-

ized educational system and method of State funding of education as unique features which would make Hawaii an ideal model to study innovative education programs.

These new programs are designed to enable students to be exposed to a wider range of occupational options than are now available and also help them to develop position attitudes toward work. These programs are also designed to eliminate the artificial separation between "things academic and things vocational" as they will be integrated into the regular curriculum of all students and begin as early as kindergarten.

Since 1969 the Department of Education has been implementing the newly restructured vocational-technical education program in the high school on a projected schedule related to fund availability. In addition, the Department is presently engaged in a research and development project on Career Development for grades K-14, funded by the U. S. Commissioner of Education's discretionary fund. If Hawaii were to be designated a model state for vocational education, it would provide a great impetus to significantly improve and advance the vocational education program in our schools.

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

1) The second WHEREAS clause to be amended to read as follows: "WHEREAS, in response to such findings, the Congress of the United States enacted Public Law 90-576 entitled "Vocational Education Amendments of 1968" so vocational exploration programs could be available from kindergarten through high school and that vocational education programs be concentrated around significant occupational families which promise expanding career opportunities instead of specific trades; and"

Your Committee on Education concurs with the intent and purpose of **H. C. R. No. 12**, as amended herein, and recommends its adoption in the form attached hereto as **H. C. R. No. 12, H. D. 1**.

Signed by all members of the Committee except Representative Carroll.

SCRep. 175-72 Finance on H. C. R. No. 14

The purpose of this concurrent resolution is to request the Congress of the United States to enact an equitable system of federal-state revenue sharing during the 92nd Congress.

The resolution cites the fact of an "increasing flow of funds and power to Washington" while "the problems and costs of local government have increased over 600 per cent . . . in the last twenty years." It notes that the concept of revenue sharing is endorsed by national organizations such as the Governors' Conference, the League of Cities, and the Association of Counties; that proposals therefor are included in the platforms of both major political parties and have been introduced by both parties in measures pending before the U.S. Congress, including legislation sponsored by the President. It is pointed out that Hawaii and all other states stand to gain financially and in the quality of state and local government through "greater accountability" and "restoration of public confidence".

As introduced, the resolution referred specifically, in part, to the revenue sharing proposal introduced by the President which it favored in place of the present "complicated categorical grant system". Thereunder, it was said that Hawaii would be eligible for general revenue sharing (based on per capita population) in the sum of \$23.5 million and special revenue sharing in excess of \$50 million for law enforcement, manpower, transportation, education, and rural and urban community development; and that additional funds required would be generated by normal growth in the income tax base.

Upon the hearing of this resolution, however, it became apparent to your Committee that the revenue sharing plan being given serious Congressional consideration is **H. R. 11950**, the proposed Intergovernmental Fiscal Coordination Act, or an alternative based significantly upon its provisions, rather than the Administration's bill, to which **H. C. R. No. 14** referred. While the particulars of these measures and their differences may be of interest, they are unimportant here, the offeror of the resolution confirming that it was intended that Congress be thereby urged to enact a system of revenue sharing, without specification as to the form or substance thereof, provided it is "equitable". Accordingly, your Committee amended the resolu-

tion by deleting the references to specific legislation, as aforesaid, consisting of three paragraphs (p. 2, lines 1-30).

In addition to several other technical changes made throughout, essentially as to style, your Committee effected a non-substantive amendment to the closing paragraph resolving transmittal of "certified" copies to the "President Pro Tempore" and Speaker of the U. S. Senate and House of Representatives, respectively, and to "each member of Hawaii's delegation to the United States Congress." (Amendatory language in quotations).

Your Committee on Finance is in accord with the intent and purpose of **H. C. R. No. 14**, as amended herein, and recommends its adoption in the form attached hereto as **H. C. R. No. 14, H. D. 1**.

Signed by all members of the Committee.

SCRep. 176-72 Finance on H. C. R. No. 16

The purpose of this concurrent resolution is to direct the Department of Education to mobilize a task force to assist in formulating a State plan for a comprehensive counseling and guidance program, which shall serve in an advisory capacity to the Assistant Superintendent of the Office of Instructional Services in reviewing and resolving counseling and guidance issues during the development of the comprehensive program.

The task force is to include representatives from the Office of Instructional Services, Hawaii State Teachers Association, Hawaii School Counselor Association, Hawaii Mental Health Association, University of Hawaii, among others, all of whom expressed support for the program to be developed pursuant hereto, together with "beneficiaries and other concerned citizens". The Department of Education is to submit a progress report to the 1973 session of the Legislature, and the comprehensive program to the 1974 session.

Upon the hearing hereof, your Committee received essentially the same testimonies as were considered by your Committee on Education, generally from members of the Ad Hoc Task Force on Guidance Counseling, which was constituted in response to **H. R. No. 175**, requesting the Department of Education to provide leadership in the establishment of such an effort to evaluate current programs and report its progress to the

Speaker of the House by June 30, 1971. Although said report has not been received, your Committee, from the testimonies received, has been assured that some progress is being made, and we are particularly pleased with the contributions by task force members from the private sector and from participating students.

Your Committee, upon reviewing the findings of your Committee on Education which support the need for a comprehensive plan for counseling and guidance contained in **Stand. Com. Rep. No. 72-72**, reporting hereupon, expressly adopts those concerns numbered 1 through 6, inclusive, therein. We are also concerned that present program information is fragmented resulting in a disparity of counselor job descriptions between schools; and we, too, believe that the program proposed must be evaluated and implemented on a meaningful statewide basis as soon as possible.

Your Committee on Finance is in accord with the intent and purpose of **H. C. R. No. 16** and recommends its adoption.

Signed by all members of the Committee.

SCRep. No. 177-72 Legislative Management

Informing the House that **House Resolution Nos. 237 to 253, House Concurrent Resolution No. 30, and Standing Committee Report Nos. 178-72 to 210-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 178-72 Public Employment on H. B. No. 1907-72

The purpose of this bill is to assure that public officers and employees taking the oath of office are aware of the opportunity to make an affirmation as an alternative to an oath. The law presently permits a person who does not wish to say the words "so help me God" in an oath or affirmation to make an affirmation in place of the oath. The bill makes it mandatory for the person administering the oath to formally tell the person who is going to take the oath that he has a choice of taking an oath or making an affirmation.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1907-72** and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 179-72 Select Committees of Kauai, Maui, Oahu and Hawaii Representatives on **H. B. No. 1969-72**

The purpose of this bill is to permit the acquisition of personal property by eminent domain proceedings. Chapter 101 of the Hawaii Revised Statutes restricts such proceedings only to real property. The bill enlarges existing law by allowing the taking of personal property whenever a public agency condemns real property used for agricultural purpose for public use; provided, in connection with the use of the condemned real property the taking of the personal property is deemed necessary or convenient by the public agency. The bill also permits the negotiated purchase of personal property under threat of condemnation.

Your Committee believes that the provisions of the bill are constitutionally permissible, and upon consideration of the matter also believes that the proposed additions to existing law are justified in the special circumstances outlined in the bill.

Your Joint Select Committees of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 1969-72** and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. No. 180-72 Transportation on **H. B. No. 2562-72**

The purpose of this bill is to require the consideration of bikeways, bus routes and mass transit facilities in the planning and construction of new highways. The intent and purpose of the bill is endorsed by the Department of Transportation. As drafted, the bill is too restrictive because it would require all highways to possess provisions for bikeways, bus routes and mass transit facilities. To afford flexibility in the planning and designing of highways, the bill was amended by making the requirement mandatory when justified by a comprehensive planning process.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 2562-72**, as amended herein, and recommends that it be referred to the Committee

on Finance in the form attached hereto as **H. B. No. 2562-72, H. D. 1.**

Signed by all members of the Committee except Representatives Carroll and Judd.

SCRep. No. 181-72 Transportation on **H. R. No. 118**

The purpose of this Resolution is to request the State Highway Safety Coordinator to develop in concert with the representatives of the State Highway Safety Council, the Department of Education, the Department of Health, the County Police, Traffic, and Highway Safety Agencies and various bicycle organizations a bicycle safety program. The State Highway Safety Coordinator agrees that such a study would be useful. Your Committee also endorses the intent and purpose as stated above.

Your Committee on Transportation concurs with the intent and purpose of **H. R. No. 118** and recommends that it be referred to your Committee on Finance.

Signed by all members of the Committee except Representatives Carroll and Judd.

SCRep. No. 182-72 Public Employment on **H. R. No. 185**

The purpose of this Resolution is to direct the Department of Budget and Finance to conduct a feasibility study on cost of living allowances for all government employees who will not be able to negotiate a contract before the close of this session of the legislature. Your Committee is informed that there are several bargaining units which have not yet had an election to determine union representation and are not scheduled for such an election until after the adjournment of this session.

Those employees who have not yet had a chance to bargain for a contract are put in a comparatively poor position with respect to those who have had such a chance. In order to alleviate the financial pressures on those who have not had a chance to bargain for increases, a cost of living allowance applicable to them appears to be a very reasonable alternative.

Your Committee on Public Employment concurs with the intent and purpose of **H. R.**

No. 185 and recommends that it be referred to the Joint Select Committees of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

SCRep. No. 183-72 Lands on **H. R. No. 104**

The purpose of this resolution is to request the Department of Land and Natural Resources to preserve the historical sites in North Kohala, Hawaii. The Kohala area is rich in Hawaiian culture and history and your Committee is aware that once these sites are destroyed, all the information that it contains cannot be restored or recovered. Further, your Committee feels that Kamehameha, who is one of the most important individuals in Hawaiian history, North Kohala being his birthplace, his family heiau, Canoe Road, Water Tunnel and other Kamehameha period sites should be protected and developed for posterity so that we may enjoy and understand the contribution of the Hawaiian people to the culture of our islands. For once these sites are lost, no one will ever know what history was made there. It is the recommendation of this Committee that the Department of Land and Natural Resources implement its recommendations of its study entitled HISTORIC NORTH KOHALA, preserving the rich historical nature of North Kohala.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 104** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 184-72 Lands on **H. R. No. 107**

The purpose of this resolution is to get the Department of Land and Natural Resources to coordinate its efforts to study the possibility of incorporating hiking and horse back riding trails throughout the Waianae Coast in its planning and development for recreational use. With the increased interest in hiking and horse back riding, your Committee feels that state land should be set aside for those who enjoy this type of outdoor activity. Your Committee also feels when such provisions become a reality, that all those who enjoy outdoor activity, i.e., hikers, horse back riders, campers, bird watchers etc. be allowed to enjoy these areas.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 107** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 185-72 Lands on **H. R. No. 196**

The purpose of this resolution, as contained in the preceding paragraph, is an attempt to insure that state-owned land is utilized to its highest and best use. Furthermore, it is the specific intent of the measure that the land be utilized for the betterment of the lives of the residents of the McCully-Moiliili area.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 196** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 186-72 Select Committee of Maui Representatives on **H. B. No. 2247-72**

The purpose of this bill is to provide \$1,768,000 to be used for the plans and construction of the Hale Makua Intermediate care unit facilities at the Maui Memorial Hospital complex. This is a supplement to prior appropriations. The total cost of \$3,768,000 for the initial 120 bed facility includes architect's fees, equipment and furnishings.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2247-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 187-72 Select Committee of Maui Representatives on **H. B. No. 2371-72**

The purpose of this bill is to provide for various improvements at Lanai High and Elementary School on Lanai.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2371-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 188-72 Select Committee of Maui Representatives on **H. B. No. 2385-72**

The purpose of this bill is to appropriate \$25,000, or so much thereof, to be used to expend the Paukukalo Pavilion at Paukukalo, Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2385-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 189-72 Select Committee of Maui Representatives on **H. B. No. 2446-72**

The purpose of this bill is to provide \$50,000 to be used for the construction of a sub-fire station at Hoolehua, Molokai. These funds are to be expended on a matching basis upon the appropriation by the County of Maui of an additional \$50,000 for the same sub-fire station.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2446-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 190-72 Select Committee of Maui Representatives on **H. B. No. 2447-72**

The purpose of this bill is to provide \$30,000 for the improvement of Omaopio Road, from Farm Street to Market Street, Maui. These funds shall be expended on a matching basis upon the appropriation by the County of Maui of an additional \$30,000 to be used for the said improvement.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2447-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 191-72 Select Committee of Maui Representatives on **H. B. No. 2448-72**

The purpose of this bill is to provide \$500,000 to be used for the construction of a sewage system for Lanai.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2448-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 192-72 Select Committee of Maui Representatives on **H. B. No. 2451-72**

The purpose of this bill is to appropriate \$473,400 to be used for the plans and construction of eight special classrooms at Molokai High and Intermediate School on Molokai.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2451-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 193-72 Select Committee of Maui Representatives on **H. B. No. 2453-72**

The purpose of this bill is to provide \$300,000 for the plans and construction of recreational facilities, a swimming pool, tennis courts, locker room-bathroom facilities and athletic fields in Lahaina, Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2453-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 194-72 Select Committee of Maui Representatives on **H. B. No. 2454-72**

The purpose of this bill is to provide \$50,000 for plans, acquisition of right of way and construction of a bicycle pathway from Lahaina Civic and Recreation Center to Lahainaluna Road along Honoapiilani Highway in Lahaina, Maui.

Your Select Committee of Maui Representatives is in accord with the intent and

purpose of **H. B. No. 2454-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 195-72 Select Committee of Maui Representatives on **H. B. No. 2455-72**

The purpose of this bill is to provide \$600,000 to be used for the construction of a sewerage system in Lahaina, Maui. These funds shall be allocated on a matching basis after the appropriation of \$300,000 by Maui County and \$4,180,000 by the Federal government for said project.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2455-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 196-72 Lands on **H. B. No. 1928-72**

The purpose of this bill is to amend the existing public lands law (1) by changing the waiting period for a residential lessee to exercise his option to purchase the fee title of State land, and (2) by providing that the residential lessee shall purchase the fee title at the higher of either the fair market value determined as of the date of the exercise of his option to purchase less all lease rentals paid, or the fair market value determined as of the date of the issuance of the residential lease.

Under existing public lands laws, individuals are able to lease public lands with an option to purchase after a period of ten years. In order to make the program meaningful and to make home ownership more widespread, Section 171-79, Hawaii Revised Statutes, is amended to shorten the waiting period for lessees to exercise such options from ten to five years.

Existing public lands laws further provide that the purchase price shall be the fair market value determined as of the date of the exercise of the option to purchase. Section 171-79, Hawaii Revised Statutes, is further amended to provide that the purchase price shall be the higher of (1) the fair market value determined as of the date of the exercise of the option to purchase less the cumulative total of lease rentals paid by the lessee, or (2)

the fair market value determined as of the date of the issuance of his residential lease.

The "higher of" limitation is utilized to cover the contingency that because of the deduction of the cumulative total of lease rentals from the fair market value as of the date of exercise of the option to purchase, the resulting purchase price will be less than the fair market value determined as of the date of the issuance of the residential lease.

Your Committee finds that the relationship between the availability of land and the supply of housing is a critical one. Because of the scarcity of supply, the cost of land is affected in a manner which raises the price of the total housing cost. Land improvement costs are also high although this component of total land costs varies considerably with the location of the parcel and the character of the terrain. While available figures on land improvement costs tend to be general, these costs are most often cited by developers and contractors as major contributors to housing costs. Some representative figures on Oahu are given in the following table which illustrate these points.

Table I

**ON-SITE/OFF-SITE IMPROVEMENT
COSTS OF
SUBDIVISIONS IN HONOLULU**

Development Features	Construction Cost (per sq. ft.)
Level lot, no off-site improvement required	\$.65 - \$.75
Level lot with an off-site improvement, FHA-VA loan commitment	.75 - .90
Semi-level lot, water reservoir tank or sewage treatment plant required, FHA-VA loan commitment	.90 - 1.05
Extensive on-site and off-site improvements	1.05 - 1.25

Source: Figures provided by Planning Department, City and County of Honolulu, based on a telephone survey of subdivision tract developers and consultants.

Statistics from the Federal Housing Administration also confirm the high land costs in Hawaii. The average market price of the site for FHA homes in Hawaii in 1967 was 39.4 per cent of total property value for new homes and 42.0 per cent of the total for existing homes. In contrast, the national averages were 19.7 and 21.1 per cent respectively. Since 1960 the site costs in Hawaii has increased 81.5 per cent for new homes and 95.9 per cent for existing homes.

In view of the high, and still rising, land costs your Committee finds that the lower moderate income group, sometimes referred to as the "gap group", (whose family income is in excess of that permitted for entry in public housing but still too low to achieve home ownership due to high prices) is unable to afford the cost of complete home ownership which includes both home and the land. Therefore, in order to make land available within a price range feasible to the "gap group", your Committee finds that the State must take the initiative and liberalize its existing public land laws to develop a systematic program for the disposition of public lands. By doing so it is strongly felt that a greater number of residents will be able to take advantage of opportunities of acquiring land for residential use.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 1928-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1928-72, H. D. 1** and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 197-72 Lands on H. B. No. 2223-72

The purpose of this bill is to make appropriations for certain capital improvement projects for the County of Hawaii.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 2223-72** and recommends that it pass Second Reading and be referred to the Committee on

Finance.

Signed by all members of the Committee.

SCRep. No. 198-72 Lands on H. B. No. 2357-72

The purpose of this bill is to amend various sub-sections of Chapter 185, Hawaii Revised Statutes, regarding Land Fire Protection Law. It seeks to define more clearly the responsibility and authorization, including the inter-related role of the state, counties and private citizens for fire control on all lands within the forest reserve. In addition to encourage private landowners to make land and water areas available to the public, the bill will relieve them of liability from fire caused by the general public. A further provision places the burning of flammable material under the permit system and provides for burning in a suitable container as a fire prevention tool.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 2357-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 199-72 Lands on H. B. No. 2523-72

The purpose of this bill is to develop an irrigation water system to put into intensive agricultural production 3,000 acres of lightly used lands in North Kohala. As part of the legislative package recommended by the Kohala Task Force Committee for the continuation of Kohala as a viable community, enactment of this bill will enable the development of a feed grain industry - sorghum - and the subsequent employment of over 200 people for the resulting livestock raising and slaughtering operations. This figure does not include the predicted 100 or so to be employed in the feed grain industry. According to Mr. Fred Erskine, Chairman of the Board of Agriculture, ownership of this land is divided among the State, Parker Ranch, and Castle and Cook. In his statement, Mr. Erskine included that Parker Ranch has indicated a willingness to make the land available for this use.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 2523-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 200-72 (Majority) Lands on H. B. No. 2524-72

The purpose of this bill is to amend the public land laws to make the acquisition of private property for agricultural purposes a public purpose or use necessary to facilitate sound agricultural planning. Your Committee finds that the increasing demand for homes and the subsequent urbanization of lands for the development of these homes has adversely affected the agricultural industry of this state. In effect the scarcity of prime agricultural lands throughout the State, due to urban encroachment, has made it difficult for agricultural enterprises, particularly livestock activities, to survive. A typical example is the recent forced relocation of the Kalama Valley hog farmer. Other problems confronting livestock farmers are short-term leases and difficulties in complying with new State and Federal environmental quality control legislation.

According to Mr. Toshio Serizawa, Governor's Agricultural Programs Coordinator, a major item of this legislation will be the provision of permanent locations for agricultural enterprises, relatively free from urban encroachment and sound from an environmental standpoint, either through out right purchase or long-term lease by the State. With sound planning, several similar agricultural activities could be placed in one of these locations; the result of which would be termed an "agricultural park". Such situations would serve two purposes: 1) provide farmers with security of tenure; 2) provide farmers with economies of production because costs of common use facilities would be shared jointly rather than on an individual basis. In addition, it would provide a solution to the problem faced by livestock farmers on Oahu, that of forced relocation due to urbanization and environmental pressures.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 2524-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. No. 201-72 Public Institutions on H. B. No. 1546

The purpose of this bill is to allow aged persons a reserve of \$2,000 of savings or assets as an exclusion from the eligibility requirements for public assistance. It also provides a minimum assistance standard of \$150 per month for blind, aged and disabled persons.

It is obvious that blindness, advanced age and disability, increase the hardship of those who are indigent. This bill attempts to recognize that by providing appropriate recognition in the structure of the standards for public assistance.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 1546** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 202-72 Public Institutions on H. B. No. 497

The purpose of this bill is to liberalize the eligibility requirements for public assistance and to repeal statutory provisions which permit recovery from the estates of welfare recipients.

1. Section 346-29, Hawaii Revised Statutes, provides that no applicant shall be entitled to assistance when he has sufficient income or other resources to provide a subsistence compatible to decency and health, and in determining eligibility the department may disregard such amounts of income as required by federal laws. Section 1 of the bill amends Section 346-29 so that the department may disregard resources as well as income that are not only required but also authorized by federal statutes.

Your Committee finds that the policies of the department to preserve the self-respect, pride and dignity of welfare recipients will not be served if welfare is arbitrarily restricted to those who have virtually no liquid assets. Under existing policies welfare recipients frequently use devious means to hide their limited assets such as cash values of insurance policies in order to qualify. This

bill permits the establishment of realistic income and resource limits which will greatly foster the policies of the state and enhance the welfare of recipients.

2. Section 346-37, Hawaii Revised Statutes, provides that if a recipient dies leaving an estate the department may file a claim against the estate. The statutory section is repealed by section 2 of the bill and substituted therefor are affirmative declarations that the state shall have no claim for assistance rendered.

Initially, it was brought to your Committee's attention that the number of recipients leaving estates are negligible. Furthermore, public assistance to meet current subsistence needs should not be contingent upon attachment of property or recovery from estates of recipients as they are not required by federal statutes and are inconsistent with the state's welfare policies.

Your Committee upon consideration of the matter has amended the bill in the following respects:

(a) permits the filing of a lien against a recipient when assistance is made under fraudulent circumstances as required by Federal laws, and

(b) permits recovery from the estate of a recipient when a third person is liable for the amount of assistance paid.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 497**, as amended herein, and recommends its passage on second reading in the form attached hereto as **H. B. No. 497, H. D. No. 1**, and its referral to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. No. 203-72 Agriculture on **H. B. No. 2330-72**

The purpose of this bill is to ensure the high market quality of all eggs sold in Hawaii. This bill would authorize the Department of Agriculture to require all eggs to be candled or recandled, thus assuring better quality standards for eggs purchased by Hawaii consumers.

Your Committee has amended this bill by empowering the Department of Agriculture to make rules and regulations requiring the candling and recandling of eggs sold in Hawaii.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 2330-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2330-72, H. D. 1** and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. No. 204-72 Public Employment on **H. R. No. 199**

The purpose of this Resolution is to direct the Department of Personnel Services to grant tenure to educational assistants, departmental assistants, general aides and follow-up aides employed by the department. The positions for these para-professionals were created in 1965 and since that time, there has been a great deal of uncertainty as to the classification of the positions. They have at times been considered civil service and at times exempt.

Your Committee is of the strong opinion that their status should be settled on a once-and-for-all basis and that it is clear because of the important role they play in education that they should be granted tenure within the civil service system.

Your Committee on Public Employment concurs with the intent and purpose of **H. R. No. 199** and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee except Representative Yim.

SCRep. No. 205-72 Public Employment on **H. B. No. 1787-72**

The purpose of this bill is not to allow a person who was a resident of Hawaii at some remote time in the past to return and automatically establish residency. The present wording of the law seems to permit a person who has been a resident for three years and leaves the state to reestablish his residency upon returning to the state at any time. The bill provides that in order to reestablish residency, the person must return within five years of his last established residency.

Your Committee, while agreeing with the general principle, feels that a requirement that a person return within five years is a little too strict in that it would just cover college students but not students who go on to graduate school or persons who might stay on the mainland up to ten years fully intending to return. Accordingly, your committee has amended the bill to allow persons to return within a ten-year period immediately following the establishment of his residency in the mainland states.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1787-72**, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as **H. B. No. 1787-72, H. D. 1**.

Signed by all members of the Committee except Representative Yim.

SCRep. No. 206-72 Finance on H. B. No. 2162-72

The purpose of this bill, as amended, is to authorize the office of the lieutenant governor to expend available funds appropriated out of general revenues by Act 68, Session Laws of Hawaii 1971 (the General Appropriations Act) to defray the expenses of the 1973 legislative reapportionment commission.

Section 4, Article III of the State Constitution designates 1973 and every eighth year thereafter as reapportionment years. It authorizes the legislative appointment of the nine-member reapportionment commission and provides that the chief election officer shall serve as secretary of the commission (without vote). The provisions of section 11-2, Hawaii Revised Statutes, designates the lieutenant governor as the chief election officer. Chapter 25, Hawaii Revised Statutes, is the enabling legislation for the reapportionment commission and the apportionment advisory councils for the basic island units (i.e., the four counties) whose members (four from each county) are selected by the commission pursuant to Section 4, Article III of the State Constitution.

For compensation and travel expenses (including per diem), and for staff support and other operating expenses, it was estimated by the lieutenant governor's office, the department of budget and finance concurring, that the reapportionment commission and the

four advisory councils will require the sum of \$125,000. Your Committee notes that of this amount, the sums of \$45,000 and \$40,000, for example, were earmarked as compensation for members of the commission and councils, respectively. We note also that the commission is by the Constitution required to file a reapportionment plan with the chief election officer "not more than one hundred twenty days from the date on which its members are certified." In short, this is a period of four months.

Chapter 25, Hawaii Revised Statutes, limits the compensation of commission and council members to \$50 per meeting, but not to exceed \$1,000 and \$500 per month, respectively (plus expenses). Therefore, during the maximum period allowed for submission of the legislative reapportionment plan, the nine-member commission and the four four-member advisory councils would require a maximum of \$36,000 and \$32,000, respectively, only.

It was explained that the appropriation proposed for the additional (fifth) month were intended as compensation for members (and staff) to reapportion the county governments. However, your Committee is not satisfied that the commission is obliged to reapportion other than the legislature, either by the Constitution or by statute, neither are we sure that any county so reapportioned would be bound by the plan so apportioning it; and assuming that we were inclined toward the purpose for which the additional appropriation is proposed, your Committee is unable to locate authority for the allocation of State funds therefor, either by the Constitution or by statute.

We are not unaware that the Charter of the City and County of Honolulu, Sec. 3-103, as amended, provides that the council districts thereby provided for "shall be reviewed and may be modified, if such modification is necessary, by the legislative reapportionment commission established by . . . the Constitution in a reapportionment year . . ." (Emphasis added). However, we are not persuaded that the provisions of a charter, even where legislatively amended, can control the Constitution or enabling statute, both of which limit commission authorization to reapportionment of "each house" of the legislature.

Therefore, your Committee cannot countenance appropriating the additional

sums requested for personnel services beyond 120 days, and we recommend a corresponding reduction of the estimated costs requiring funding to \$102,084, as follows:

PERSONNEL SERVICES:

9 Commission members @ \$50 per meeting (max. \$1,000 per month)	\$36,000
16 Advisory Council members @ \$50 per meeting (max. \$500 per month)	32,000
Administrative Asst. to Commission @ \$820 per month	3,280
Secretary to Commission @ \$709 per month (Attends all meetings including neighbor islands)	2,836
Clerk to Commission @ \$529 per month (Typing and accounting)	2,116
4 Secretaries or Recorders (as needed) to assist Advisory Councils @ \$643	2,572
TOTAL PERSONNEL SERVICES	\$78,804

OTHER EXPENSES:

Air Travel:	
2 Trips by Commission members to neighbor islands	\$3,476
2 Trips by Advisory Council members to Oahu	1,024
Per Diem:	
Commission members while on neighbor islands @ \$30 per day	6,600
Advisory Council members while on Oahu @ \$30 per day	1,440
Publication of notices	1,000
Stationery and office supplies	1,000
Use of Xerox	400

Equipment Rental (Typewriters and adding machine)	1,260
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OTHER EXPENSES: (Cont.)

Maps drafting	\$1,500
Printing of maps	2,000
Printing of amended constitution	2,000
Mileage (Commission members)	1,000
Miscellaneous	580
TOTAL OTHER EXPENSES	\$23,280
TOTAL	\$102,084

Your Committee has amended the bill by way of several incidental changes in style and language. Furthermore, the sum hereby recommended to be authorized was added to section 1; and section 2 was amended to provide for lapsing into the general fund of all sums remaining unexpended or unencumbered as of June 30, 1973, being four months following the date before which the commission is required to be constituted. Section 3, which was added, bears the effective date.

As amended, the bill authorizes the expenditures of such funds as may be found available, to the extent prescribed, heretofore appropriated by the General Appropriations Act of 1971 upon a program not expressly included within the provisions thereof, notwithstanding section 17 of which provides:

♦ "Transfer of funds between appropriations may be made with the approval of the governor, or the director of finance if so delegated, provided that this section shall apply only to appropriations made for research and development, **operating**, and investment non-capital purposes." (Emphasis added).

Perhaps it would have been more appropriate to have appropriated these funds as part of Act 1, Session Laws of Hawaii 1972 (H. B. No. 1639-72), the Legislative Appropriations Act; and although the opportunity for use of that means has passed, your Committee feels it should be noted for consideration by future legislatures convening prior to prospective reapportionment years.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2162-72**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 2162-72, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. No. 207-72 Finance on H. B. No. 2281-72

The purpose of this bill is to authorize the board of trustees of the Employees' Retirement System to delegate to its investment advisors discretion in the management of the System's investments, provided that such discretion is exercised within the limitations of policies formulated by the board (and applicable statutes) and that any transaction by the investment advisors be thereafter reported and ratified.

The bill amends Sec. 88-110, Hawaii Revised Statutes, by adding two new subsections. The existing section, which specifies the board of trustees as the trustees of the System's funds and vests them with authority to invest and reinvest the same, is designated as subsection (a), and the word "manage" is added to the list of controls (in addition to purchase, sell, etc.) over securities, investments and the proceeds thereof, which the trustees may exercise.

Until recently, under this section, the board of trustees delegated discretion to its investment advisor by permitting the advisor to buy or sell any issue in the System's portfolio of stocks and bonds without prior approval of the board; however, any new acquisitions would require prior approval. In September 1971, the attorney general ruled that the board had no authority to permit the investment counselor discretion in purchasing and selling stocks and bonds without the prior approval of the board, including any issue already included in the System's portfolio.

Therefore, the addition of subsection (b) to Sec. 88-110, authorizes the board to formulate investment and reinvestment policies, and compels their periodic review. Then, by the addition of subsection (c), the board is authorized to enter into contracts with qualified persons to perform the functions specified in subsection (a), subject to the policies prescribed pursuant to subsection (b), and

provided that transactions be promptly reported to the board for ratification at a subsequent meeting.

Your Committee is informed that the board recently engaged the services of three new investment advisors to provide them the highest possible level of performance results. In anticipation of the enactment of **H. B. No. 1749-72** (reported by your Committee in **Stand. Com. Rep. No. 80-72**), raising the rate of "regular interest" on System investments from 4 per cent to 4-½ per cent a year, compounded annually, we believe that there is justification for delegation of a reasonable degree of discretion to the advisors, subject as it is to the limitation imposed.

Your Committee amended the bill by deleting the word "above" in proposed subsection (c), referring to performance of the functions specified in previous subsection (a).

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2281-72**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 2281-72, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. No. 208-72 Transportation on H. B. No. 2286-72

The purpose of this bill is to insure in the proper case that the State shall not be deprived of federal funds in the development and operation of its statewide system of airports.

Section 261-4(a), Hawaii Revised Statutes, delegates to the Department of Transportation the sole responsibility of developing and operating the airports in Hawaii. The department's construction projects and operating programs are subject to legislative appropriations and approval. This delegated Statewide function is, however, under existing law often frustrating because improvement projects are also subject to county zoning.

The provisions of the bill are similar to those contained in section 264-36, Hawaii Revised Laws, enacted in 1963 and relating to highways, wherein the governor may set aside master plans of the counties when conformance jeopardizes the receipt of federal funds. Your Committee has been assured

that all projects will still be subject to State and Federal environmental considerations. Furthermore, your Committee is satisfied that exercise of the additional power will not be abusive and arbitrary.

Your Committee on Transportation is in accord with the intent and purpose of **H. B. No. 2286-72** and recommends that it pass Second Reading and that it be placed on the calendar for third reading.

Signed by all members of the Committee except Representatives Carroll and Judd.

SCRep. No. 209-72 Agriculture on **H. C. R. No. 29**

The purpose of this Concurrent Resolution is to request the United States Congress to adopt **H. R. 7661** relating to the inclusion of papayas under Section 608e-1 of the Agricultural Marketing Act of 1937.

Hawaii's papaya growers have upgraded the grade of papayas shipped to mainland and foreign markets to Hawaii No. 1 grade or better. They are wary of continued increase in foreign imports of papayas which threaten the competitive position of high quality, Hawaiian grown papayas and therefore wish to include papayas within the list of imported commodities to which certain restrictions apply.

Your Committee on Agriculture is in accord with the intent and purpose of **H. C. R. No. 29** and recommends its adoption.

Signed by all members of the Committee.

SCRep. No. 210-72 Finance on **H. R. No. 145**

The purpose of this resolution is to request the Congress of the United States to enact public welfare reform legislation including a federalization of the present state welfare systems.

In justification thereof, the resolution recites the usually advanced arguments of substantially increased numbers of recipients and costs, shortage of jobs, high cost of living, among others, and states that notwithstanding Hawaii's benefits being among the highest in the nation, the average non-working recipient families are required to live below the federal poverty standard, to remedy which the desirability of a guaranteed mini-

imum annual income is suggested. The resolution points out that there are presently "unfair variations" between states; that "Hawaii is already bearing a relatively greater burden than other states by maintaining higher benefit levels and receiving a smaller share of the cost from the federal government."

It is resolved that the reform legislation requested for enactment shall cure the noted deficiencies and provide for the federalization of costs and for a minimum income, for more jobs and work incentives, and for simpler administration of benefits.

It is further resolved that the national welfare program, as reformed, shall include certain features: (1) That there be six "basic benefits" including a uniform minimum income standard, adjusted for regional differences in cost of living, which standard should be revised to reflect no less than the official poverty level, funded fully by the federal government. (2) That as to "earnings and assets", recipients be allowed to retain a portion of earnings over the minimum income assured (to make working worthwhile), and that they be allowed to accumulate a "reasonable amount" of savings and assets such as a home, automobile and other personalty "essential to their well being". (3) That as to "work", there be created more federally funded public service career jobs; that mandatory work performed be compensated at the prevailing wage or federal minimum wage, whichever is higher; and that mothers and others caring for children be exempt from work and training requirements. (4) That "procedures" for determining and checking eligibility and making payments should be no more complex than those for social security benefits; and that recipients be guaranteed due process in any action affecting their rights and benefits under the program.

This resolution is supported by a number of welfare recipient advisory groups, by the National Association of Social Workers (Hawaii Chapter), and by the department of social services and housing. The director of the latter, expressing the view that there is need to re-examine all federally funded income maintenance programs, suggested the substance of the following amendment to the resolution, which was added by your Committee, immediately preceding the paragraph resolving transmittal:

BE IT FURTHER RESOLVED that the Congress of the United States be, and hereby is, respectfully requested to review and reassess the totality of income maintenance programs in relation to other federally sponsored programs which purport to serve the needy; and that those programs which prove to be ineffective or inefficient be curtailed or abolished and be replaced with programs which will benefit the needy, directly and equitably; and

In fiscal year 1970-71, Hawaii's money payments came to \$62,044,000, and by 1972-73, the cost is estimated to nearly double at \$122,699,000. It has been projected that by 1978-79, unless there is some kind of significant reform, the total cost of program benefits in Hawaii will run to some \$630 million, the State paying \$482 million thereof.

Your Committee recognizes the unanimity among states that the present welfare system is placing state governments in an impossible fiscal and administrative situation, precluding the allocation of resources to other pressing areas of state responsibility. We believe that poverty is essentially a national problem which must be dealt with by the federal government to provide for the needs of the poor across the country on a uniform and equitable basis.

Your Committee on Finance is in accord with the intent and purpose of **H. R. No. 145**, as amended herein, and recommends its adoption in the form attached hereto as **H. R. No. 145, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 211-72 Judiciary on **H. B. No. 1654-72**

The purpose of this bill is to authorize the attorney general to bring action to revoke the charter of corporations which are controlled by persons engaged in organized crime. The bill also authorizes civil actions to revoke the permits of foreign corporations to do business and to enjoin unincorporated businesses from engaging in unlawful practices.

In the case of corporations, they are subject to suit for charter revocation if corporate officials or controlling managers engage in organized crime, provided the president and a majority of the board of directors should have been on notice of the illegal activity. The corporation is also responsible for the

persistent acts of directors, officers, and agents in furtherance of organized criminal activities. Similar standards are established for officers in noncorporate ventures.

The need for this legislation is clear. The President's Commission on Law Enforcement and Administration of Justice reports that organized criminal roots are known to operate in at least 80 per cent of cities with 1,000,000 residents. **Task Force Report: Organized Crime**, U. S. Government Printing Office, Washington, D. C., 1967, p. 5. Hawaii, being a resort center, might well be a target for mainland organized crime figures. Representatives from the Honolulu Police Department have testified before your Committee that they have confirmed information that there have been attempts on the part of organized crime forces to get into legitimate businesses as fronts for their illegal operations. A legitimate business enables leaders of organized crime to acquire respectability and to establish an apparently legal source of funds. Because business ownership is easily concealed, it is difficult to determine all types of businesses organized crime has penetrated. Suffice it to say, some public remedy is necessary.

The text of the bill comes from 1971 Suggested State Legislation, Council of State Governments, Volume XXX, page 77 which itself is modeled after provisions of the Florida Penal Code, Florida Statutes, sections 932.58-932.60. Similar provisions have been enacted by Congress, Title 18, United States Code, sections 1961-1968.

The provisions added to the Hawaii Revised Statutes by the bill in its original form are inserted in chapter 28. This placement appears to have been geared to use the existing definition of "organized" in part 5 of chapter 28 which established the State organized crime unit in 1971. Your Committee is of the opinion that statutory provisions directed toward different ends should not be consolidated solely for the purpose of utilizing a single definition. In this instance, the placement seems inappropriate and should be left to the revisor of statutes.

Accordingly, your Committee has amended the bill by deleting the present section 3 and taking the definition which it contained as the first new section in the bill. Our amendment leaves part 5 of chapter 28, establishing the State organized crime unit, unchanged.

Your Committee has further amended this bill by incorporating applicable provisions of federal law relating to racketeer influenced and corrupt organizations to be found in Chapter 96 of the United States Code Annotated. Those provisions directed particularly at individuals, prohibit racketeering activities, and provide criminal penalties, civil remedies, provisions on evidence and civil investigative demand.

Your Committee has also amended this bill to leave no doubt of the clarity of our proposed statutes, that the affirmative defense of being a player in a social gambling game is not available to a person engaged in organized crime or racketeering activity.

Finally, your Committee has amended this bill by inserting a severability clause to provide that if any provision of this bill or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill which can be given effect without the invalid provision or application, and to this end the provisions of the bill are severable.

Your Committee on Judiciary is in accord with the intent and purpose of **H. B. No. 1654-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1654-72, H. D. 1**, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll and Judd.

SCRep. 212-72 Legislative Management

Informing the House that **Standing Committee Report No. 211-72, Conference Committee Report No. 3, Re: Senate Bill No. 310, Senate Draft No. 1, House Draft No. 2, Conference Draft No. 1, House Resolutions Nos. 254 to 261, House Concurrent Resolution No. 31, and Standing Committee Report Nos. 213-72 to 230-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 213-72 Select Committees of Kauai Representatives, Maui Representatives, Oahu Representatives and Hawaii Representatives on **H. B. No. 1959-72**

The purpose of this bill is to allow any employee who was subject to the federal

retirement system and was a member of the employees' retirement system of the State of Hawaii on July 15th, 1971 to retain all benefits which accrued from such membership and to continue membership in the system.

This bill concerns the 36 professional members of the University of Hawaii Cooperative Extension Program. Dual participation was made upon request. A subsequent Attorney General's opinion interpreted a prohibition on dual participation. This bill will allow any employee who at the effective date of this act is subject to the federal retirement system and is denied membership in the state's system pursuant to Section 88-49 of the Hawaii Revised Statutes, to be permitted to elect membership in the State's system; the election to be made by December 31st, 1972. Your Committee is in accord with the findings of your Committee on Public Employment as stated in **Standing Committee Report No. 58-72**.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 1959-72** and recommends that it pass Second Reading and be referred to your Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 214-72 Public Institutions on **H. B. No. 499**

The purpose of this bill is to provide a differential minimal assistance standard of \$150 per month for aid to the blind and additional aid to meet special circumstances.

Your Committee recognizes that the living requirements of the blind are uniquely different, both economically and socially. The character of the blindness disability argues strongly for the differential standard provided for in this bill.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 499** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 215-72 (Majority) Public Institutions on **H. B. No. 501**

The purpose of this bill is to create a commission for the blind. The members would be appointed by the Governor and serve without compensation. The bill directs the commission to serve in an advisory capacity to the director of Social Services and authorizes the appointment of an executive director. The executive director under the direction of the commission has the power to coordinate public assistance and other programs which aid the blind.

In hearings held on this bill, your Committee learned that four states, Iowa, Idaho, Massachusetts and South Carolina presently have commissions for the blind. The same considerations which prompted the creation of those commissions are present in Hawaii and argued strongly for having a commission of the type created by the bill. The bill has the beneficial effect of collecting the State's efforts in aiding the blind in one coordinating agency and will assist in giving the State's efforts in the rehabilitation of the blind a more meaningful direction.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 501** and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 216-72 (Majority) Agriculture on **H. B. No. 1921-72**

The purpose of this bill is to preserve agricultural lands, curtail urban sprawl and promote rational urban growth within the State by establishing agricultural preserves and by assessing agricultural lands on the basis of their value in agricultural use.

This bill would increase the zoning powers of the Land Use Commission and require the Department of Taxation to assess agricultural lands based on their value in agricultural use without regard to market value or to neighboring land of more intensive use.

Lower taxes on agricultural lands combined with stricter agricultural preserve zoning would preserve agricultural lands and tend to curb speculation on such lands.

Your Committee has amended **H. B. No. 1921-72** in the following respects:

1. Provide that public utility facilities may be used on designated agricultural preserve lands.

2. Provide in the criteria for designating lands as agricultural preserves the following: lands with a high capacity and potential for agricultural uses and without regard as to whether or not such lands are presently in agricultural use.

3. Delete the provision that the special permit section of the land use law shall not be applicable to agricultural preserves.

4. Provide that the agricultural preserve boundaries shall be established by July 1, 1973 and that the agricultural preserves be adopted in final form by December 31, 1973.

5. Provide that the tax valuation provisions of lands designated as agricultural preserves shall become effective on July 1, 1973.

This bill provides that no petition for change in reclassification of agricultural preserves be permitted except by the land use commission. Your Committee believes that in emergency situations such as the termination of business enterprises—e.g. the closing of Kohala and Kilauea Plantations—reclassification of agricultural preserves should be permitted.

Your Committee on Agriculture is in accord with the intent and purpose of **H. B. No. 1921-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1921-72, H. D. 1** and be referred to the Committee on Finance.

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

SCRep. 217-72 Select Committee of Hawaii Representatives on **H. B. No. 2349-72**

The purpose of this bill is to appropriate out of the general revenues of the State the sum of \$75,000 to provide for the proper development of the Kona Region through a community development plan.

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 2349-72**, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 218-72 Select Committee of Hawaii Representatives on **H. B. No. 2381-72**

The purpose of this bill is to appropriate out of the general revenues of the State the sum of \$50,000 to provide for the development of specific guidelines for the future growth and development of Kailua-Kona.

Your Select Committee of Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 2381-72**, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 219-72 Select Committee of Maui Representatives on **H. B. No. 2452-72**

The purpose of this bill is to provide for various capital improvement projects for the County of Maui.

Your Select Committee of Maui Representatives is in accord with the intent and purpose of **H. B. No. 2452-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 220-72 Select Committee of Oahu Representatives on **H. B. Nos. 1679-72, 1803-72, 2074-72, 2099-72, 2100-72, 2508-72, 2539-72, 2540-72 and 2541-72**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles in the Eighth Representative District of Oahu.

Your Committee is in accord with the intent and purpose of **H. B. Nos. 1679-72, 1803-72, 2074-72, 2099-72, 2100-72, 2508-72, 2539-72, 2540-72 and 2541-72** and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 221-72 Select Committee of Oahu Representatives on **H. B. No. 2413-72**

The purpose of this bill is to appropriate

sum of money to fund the project stated in the title in the 11th Representative District of Oahu.

Your Committee is in accord with the intent and purpose of **H. B. No. 2413-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 222-72 Select Committee of Oahu Representatives on **H. B. Nos. 1741-72, 1742-72, 1743-72, 1941-72, 2002-72, 2243-72, 2244-72, 2245-72, 2246-72 and 2513-72**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles in the Twelfth Representative District of Oahu.

Your Committee is in accord with the intent and purpose of **H. B. Nos. 1741-72, 1742-72, 1743-72, 1941-72, 2002-72, 2243-72, 2244-72, 2245-72, 2246-72 and 2513-72** and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 223-72 Select Committee of Oahu Representatives on **H. B. Nos. 2035-72, 2036-72, 2156-72, 2421-72, 2434-72 and 2435-72**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles in the Thirteenth Representative District of Oahu.

Your Committee is in accord with the intent and purpose of **H. B. Nos. 2035-72, 2036-72, 2156-72, 2421-72, 2434-72 and 2435-72** and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 224-72 Select Committee of Oahu Representatives on **H. B. Nos. 1677-72, 1940-72, 2166-72 and 2414-72**

The purpose of these bills is to appropriate

sums of money to fund the various projects stated in their titles in the Fourteenth Representative District of Oahu.

Your Committee is in accord with the intent and purpose of **H. B. Nos. 1677-72, 1940-72, 2166-72 and 2414-72** and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 225-72 Select Committee of Oahu Representatives on **H. B. Nos. 2291-72 and 2550-72**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles in the 15th Representative District of Oahu.

Your Committee is in accord with the intent and purpose of **H. B. Nos. 2291-72 and 2550-72** and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 226-72 Select Committee of Oahu Representatives on **H. B. Nos. 1909-72, 2147-72, 2205-72, 2206-72, 2248-72, 2460-72 and 2467-72**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles in the Sixteenth Representative District of Oahu.

Your Committee is in accord with the intent and purpose of **H. B. Nos. 1909-72, 2147-72, 2205-72, 2206-72, 2248-72, 2460-72 and 2467-72** and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 227-72 Select Committee of Oahu Representative on **H. B. Nos. 1835-72, 1836-72, 1837-72, 1856-72, 1857-72, 1858-72 and 2428-72**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles in the Eighteenth Representative District of Oahu.

Your Committee is in accord with the intent and purpose of **H. B. Nos. 1835-72, 1836-72, 1837-72, 1856-72, 1857-72, 1858-72 and 2428-72** and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 228-72 Select Committee on Oahu Representatives on **H. B. Nos. 2212-72 and 2589-72**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles in the Twenty-Fourth Representative District of Oahu.

Your Committee is in accord with the intent and purpose of **H. B. Nos. 2212-72 and 2589-72** and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 229-72 Higher Education on **H. C. R. No. 19**

The purpose of this resolution is to reaffirm the 1971 State House of Representatives' commitment to the development of a baccalaureate degree-granting college in Leeward-Central Oahu and to request that the University of Hawaii expedite its planning process and submit detailed educational and site selection plans for the campus twenty days prior to the convening of the 1973 Regular Legislative Session.

Your Committee heard testimony from University of Hawaii President Harlan Cleveland, Site Selection Committee Chairman William B. Chapman, Chancellor for West Oahu College Richard H. Kosaki, the Leeward and Central DOE District Superintendents, the Leeward Community College Provost, Faculty Senate Chairman, and Student Body President, the Leeward Alliance of Community Associations, and two legislative Student Observers residing in the area.

Your Committee finds that the pattern of increasing enrollments in the public high schools on Oahu indicates that 1) Leeward Oahu shows the greatest gain - 153% increase from 1964 to 1976, and 2) Leeward and Central Oahu districts combined will

have more public high school seniors (4,524) in 1976 than Honolulu (4,011).

Your Committee further finds that according to Mr. Domingo Los Banos, Jr., District Superintendent, Leeward Oahu School District, the establishment of West Oahu College would encourage a greater number of seniors to seek higher education because of its accessibility. The percentages of seniors entering the University of Hawaii system are as follows:

Leeward Seniors	41.4%
Central Seniors	38.6%
Honolulu Seniors	56.4%

The plans for West Oahu College have taken place on two broad fronts—site selection advisement and educational planning. Your Committee finds that the progress thus far, though hampered by financial limitations, is significant.

Site Selection Advisement

In June, 1971, President Cleveland appointed a Site Selection Advisory Committee for the College involving Leeward-Central Oahu communities, State government agencies, City and County of Honolulu Planning Department, and the University of Hawaii students, faculty, and staff. This Committee developed a weighted set of criteria—economic, social, ecological, etc.—that are necessary and desirable for the West Oahu College site, which was accepted by the Board of Regents at their December, 1971, meeting.

The Committee recommended that:

“Because time is short, and because neither the committee nor the University has the resources to adequately undertake these efforts, **we strongly recommend the immediate engagement of a broad-based consultant firm to:**

- a. Complete the inventory of all promising sites in the Leeward-Central area and apply the Preliminary Screen.
- b. Reduce the number of sites to the most likely possibilities by applying the Secondary Screen - a weighted summary of the criteria.
- c. Evaluate the remaining “prime” sites according to the Detailed Criteria

proposed, modified as necessary by the consultants’ professional judgment. (But we respectfully request that these modifications be clear and explicit so that variance from the committee’s recommendations can be fairly evaluated.)

d. Present to the Board of Regents for its review a preliminary report setting forth the performance of each site according to the criteria used, but not “selecting” a site.

e. Upon approval of the preliminary report, conduct a series of public meetings to obtain constructive User-Community-Agency response to the sites evaluated.

f. Submit to the Board of Regents a final report for its use in recommending a site or sites . . . ”

However, because funds were not released for a consultant by January, 1972, a sub-committee began looking at the 35 sites nominated and proceeded to undertake steps (a) and (b) through cooperation between the University and State agencies rather than a consultant. The preliminary screening process has been completed, and the secondary is projected to be finished by the end of March reducing the sites to three to six prime sites that the consultant will evaluate. In mid-February the government released the funds for a consultant. A site or sites should be selected by Fall, 1972. (See Appendix A)

Educational Planning

An Education Advisory Committee was organized in November of 1971, comprised of students, faculty, and administrators from Manoa and the community colleges, residents of the Leeward-Central Oahu communities and a representative of the Department of Education. The committee is charged with the task of developing an academic plan for the new campus which should be completed by November, 1972. Presently the committee members are attending seminars and receiving briefings on current approaches to education that may be applicable to the new campus.

Some approaches being considered are included in these questions about academic plans listed in the progress report:

1. What kinds of programs should be off-

ered? Should there be an emphasis on certain disciplines, e.g., the humanities, the biological sciences, the fine arts, etc.?

2. Should there be a "theme" for the college, or parts of the college, such as "public service" or "environmental studies"?

3. Should the college be organized differently from that of the prevailing mode? Should the college consist of a series of semi-autonomous units (cluster colleges)?

4. Should the library, science laboratories, or even the classrooms be designed in a new manner? How can the physical aspects reflect and enhance the desired learning processes?

5. What "new" approaches to learning should be utilized? Work-study programs? Independent study? Cassettes? Computer assisted instruction?

6. Will changes in the academic calendar (a quarter system, for example) facilitate the processes of learning?

7. What kinds of faculty members should the campus attempt to recruit?

8. How can the campus best meet the higher education needs of the surrounding communities?

Your Committee believes that certain determinations in the nature and character of the campus are significant steps in planning the campus. These decisions approved by the Board of Regents indicate the University has formulated the "general philosophical parameters" pursuant to your Committee's findings in **Standing Committee Report 913** of the 1971 Session. These parameters are:

1. The campus was officially designated as "West Oahu College" in December, 1971. This was a major step in clearly defining the location - in the West Oahu area - and that it is a "college," not a "university" and will concentrate on undergraduate education.

2. The enrollment capacity of the college has been tentatively fixed at 7,500 students with further considerations of capacity when enrollments reach 3,500, 5,000, and 6,200 levels. The projected initial enrollment in Fall, 1975 for West Oahu College will be 1,500 students.

3. West Oahu will be the first baccalaureate degree-granting liberal arts college in the University system. It will be largely a commuter campus, but student housing (for approximately 25% of the student body) will be considered.

4. The students will be largely from the Leeward-Central Oahu area, with special attention given to accommodating community college transfers seeking baccalaureate degrees.

5. The academic program at West Oahu will focus on the undergraduate; the initial emphasis will be on social sciences and humanities.

6. The physical character of the college will be in keeping with open and flexible approaches to learning. Buildings will be of moderate size.

Your Committee hopes that these determinations will hasten the planning process so West Oahu College will open in Fall, 1975. The University presently places releasing funds for State-wide planning for the college on a top-priority list; it has requested the Governor's office to release \$30,000 of \$75,000 already appropriated for Fiscal Year 1971-72 (Act 68). This amount is necessary in order that other plans proceed according to the schedule for campus development. No new monies need authorization this biennium.

Your Committee believes that West Oahu College is a necessary and integral part of the comprehensive State-wide system of higher education for the mid-'70's and '80's. Significantly there is a very sizeable number of transfers from the community colleges seeking a baccalaureate institution. Along with a larger than anticipated increase in Fall, 1971 enrollments - projected 8.4% increase which actually was 9.8% - is evidence that the figures justifying the need for the campus last year were actually on the conservative side. We are faced with an even greater demand for a new baccalaureate degree-granting institution to meet this rapidly growing need. West Oahu College is a major step in implementing the University's policy of maximizing the options open to our many students of diverse needs and varying backgrounds and aspirations.

Your Committee, after hearing testimony on the need for a West Oahu College by 1975,

recommends that the first resolved clause be amended to read as follows:

“BE IT RESOLVED by the House of Representatives of the Sixth Legislature of the State of Hawaii, Regular Session of 1972, the Senate concurring, that it does hereby reaffirm its commitment to the development of a baccalaureate degree-granting college in West Oahu and requests that the University of Hawaii expedite its planning process and submit detailed educational plans for the campus twenty days prior to the convening of the 1973 Regular Session; and

BE IT FURTHER RESOLVED that the University of Hawaii Board of Regents recommend a site and that physical development plans for the campus at this site also be submitted twenty days prior to the convening of the 1973 Regular Session; and”

Your Committee on Higher Education concurs with the intent and purpose of **H. C. R. No. 19**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. C. R. No. 19, H. D. 1**.

Signed by all members of the Committee.

SITE SELECTION PROGRESS SCHEDULE

1971

- 16 December: Committee report accepted by Board of Regents.
- 3 January: Planning Sub-Committee reactivated for preliminary and secondary screening process.
- 20 January: Internal site inventory completed; public request for further “nominations.”
- 4 February: Site “nominations” closed.
- 14 February: Preliminary Screen completed by staff (pending confirmation); Authorization to hire consultant received.
- 3 March: Progress report to Board of Regents.
- March: Completion of secondary screen. Consultant engaged.

April/May: Detailed evaluation of prime sites.

May: Preliminary report to Board of Regents.

May/June: Public meetings on prime sites.

July: Final report to Board of Regents.

1972

Fall: Selection of site.

SCRep. 230-72 Higher Education on H. B. No. 2110-72

The purpose of this bill is to reappropriate, for non-capital investment costs, the unspent balance of \$67,000 and the sum of \$125,000 appropriated to the University of Hawaii in Act 146, Session Laws of Hawaii, 1971 for the 1971-73 biennium in order to establish a law school. This bill also authorizes the University to create, with the approval of the Governor, law school positions for fiscal year 1972-73.

Your Committee believes that this bill reaffirms its commitment to the establishment of a law school at the University of Hawaii pursuant to Act 146 of last year. At that time, we appropriated \$67,000 for FY 1971-72 and \$125,500 for FY 1972-73 to complete the “research and development phase” of the school.

Your Committee was presented this session with “Programs in Legal Education at the University of Hawaii,” prepared by consultant I. Michael Heyman, professor at the University of California, Berkeley, School of Law, with Dean Bayless Manning, co-author of an earlier law report to the 1971 Legislature. The Heyman report: 1) details academic plans for a basic, three-year professional law program; 2) proposes guidelines for training legal paraprofessionals at community colleges; 3) discusses continuing education programs in law for the bar, judges, and the public at-large; and 4) draws operating budgetary needs for the next six years for these programs.

Your Committee believes that this report completes the research and development phase of the establishment of a professional law school at the University offering the J. D.

degree. It concurs with the University's judgment that the program can begin on a sound basis in Fall, 1973.

The basic academic plans and budgetary needs for 1972-73 contained in the report warrant the reappropriation of monies to "non-capital investment costs" as defined in the Executive Budget Act (185).

Basic Academic Plans

Your Committee on Higher Education last session recommended that the law school, in its full operation, be not more than 250 students (**Standing Committee Report No. 633**). The Senate Committee on Ways and Means indicated then that the research and development phase should produce a curriculum taking into account the University's "existing academic strengths" and "special needs of Hawaii" (**Standing Committee Report No. 797**). With these guidelines in mind, the "dominant features" of the J. D. degree curriculum have been outlined as:

1. **First year** - courses, materials, and teaching approaches developing basic attributes that characterize the "first-class, well-educated lawyer." Writing, speaking, listening, interrogating skills would be developed through a curriculum organized around functional problems. An interdisciplinary model such as prepared by the American Association of Law Schools chaired by Paul Carrington of the University of Michigan Law School is a possibility. The opening year program would bear "strong resemblance to the time-tested first-year curriculum design of leading mainland law schools."

2. **Advanced curriculum** - an "array of advanced courses and seminars." The second and third years would let the individual student fashion his own curriculum. Field placement in Hawaii's legal institutions for a three- to six-month period, supervised by law school personnel is one possibility. Substantial research projects of special importance to Hawaii such as land planning, government, ocean-related projects might be conducted. The gradual building of joint degrees is anticipated.

While this constitutes the basic curriculum, the degree-granting law school would also afford opportunities for possible B. A., M. A., and Ph D. degrees. There will also be provision for advanced degrees such as the LL. M. and J. S.

Your Committee is aware that several problems are expected in the operation of the basic degree-granting program. These were pointed out in our deliberations of **Committee Report No. 633** and include:

1. The quality of administrative leadership.
2. The hiring of a competent law librarian and acquiring an adequate library collection.
3. The recruitment of a high caliber faculty.

The Heyman report makes the following observations pursuant to your Committee's past concerns:

1. **Administration** - A full-time Dean, responsible to the faculty and for development of programs, should be appointed by July, 1972. He is expected to do much traveling at the outset of the school's operation; he will be fully responsible for budgeting and negotiating for necessary programs; he may also continue at least part-time in teaching.

An Associate Dean will be recruited at the outset; he will serve, at least half-time, in the initial July, 1972 stage. He will be in charge of admissions and coordinate the adequacy of physical facilities.

2. **Law librarian and library collection** - An experienced law librarian is necessary to build a core collection of 10,000 books, with appointment expected July 1, 1973.

The law collection will consist of volumes at the existing Supreme Court and University collections. A minimal law school library contains 60,000 volumes. There are now 50-60,000 volumes at the Supreme Court library and 15-20,000 in the University Sinclair and Hamilton libraries. An additional 10-15,000 will be acquired to form a "core library" for exclusive use of law students and faculty. The latter will be ready for use by September, 1973. A substantial portion of these need to be acquired by July 1, 1973, and their cost and the services needed to identify and purchase them are indicated below.

3. **Faculty recruitment** - initially the law faculty will consist of five members; ultimately plans call for 15-20 members. Recruitment will begin in July, 1973, and a mixed faculty of visitors, permanent appointees, experienced teachers and younger persons is recommended.

Budgetary Needs 1972-73

Although there are no guarantees that quality administrators, a first-rate librarian and library collection as well as faculty will be secured, your Committee finds that financing these areas is vital to the establishment of a school opening in Fall, 1973.

Budgetary needs for 1972-73 that move the law school into its operating stages are as follows:

Dean's Office and Administration		Position Count
Dean	\$25,000	(1)
Associate Dean	\$15,000	(.5)
Secretary	\$8,000	(1)
Administrative		
Assistant	\$7,600	(.8)
Clerk-typist	\$6,000	(1)
Supplies and Equipment		
Printing and		
Publications	\$ 8,500	
Equipment	\$ 1,100	
Supplies	\$ 2,500	
Telephone	\$10,000	
Library		
Books	\$40,000	
Staff (Consultant and Clerical)	\$10,000	
Supplies and Equipment	\$13,250	
Travel		
Dean	\$ 6,400	
Prospective Faculty	\$ 6,000	
TOTAL	\$173,400	

Your Committee heard testimony from President of the University Harlan Cleveland requesting a minimum of 4.3 positions for the coming year. There is need for a full-time Dean, a part-time Associate Dean, an administrative assistant, and a clerk typist.

Recruitment for the Dean is still in process and the University hopes to make a formal, full-time appointment in July, 1972. If it is impossible to fill the Associate Deanship on a half-time basis for 1972-73, the Heyman report recommends the recruitment of one faculty member in January, 1973, to assist

the opening of the program. This faculty member(s), according to President Cleveland, would work on admissions and counseling.

According to the Law School Planning Office, the lowest position count needed is 3.2, including the Dean, an administrative assistant, and a secretary; the maximum is 6.3, with two faculty members. There is definite need for 3.3 positions by December, 1972.

Your Committee recommends that a minimum of 4.3 positions be authorized for fiscal year 1972-73 for the school of law.

Your Committee further recommends that \$166,000 of unspent moneys for the research and development phase of the law school be reappropriated for "non-capital improvement costs." According to the Law School Planning staff, \$26,500 of the 1971-72 appropriation of \$67,000 has been spent. Furthermore, your Committee recommends that the technical error of \$125,000 rather than \$125,500 in the first line of the bill be corrected at the suggestion of the Law School Planning staff.

Your Committee also finds the following observations of the report pertinent to present considerations:

1. **Location and physical facilities** - a substantial portion of the initial law school program will be in downtown Honolulu in the vicinity of the Supreme Court library and the State Capitol. A Manoa campus facility of modest size is also expected. Minimum space requirements (7,830 square feet) are needed for 1973-74.

Plans are underway for a definite downtown location this June. Estimated rental of premises is \$46,980 in 1973-74, with lower costs if a State building is available.

2. **Initial student body** - there will be a first-year class of approximately 52 members; ultimately there will be 250 full-time students. The Law School Planning Office has already received letters of inquiry in and out of the State, and no problems are expected in admitting a first-year class.

3. **Accreditation** - no problems are anticipated, and library arrangements will not be a necessary obstacle. In Heyman's estimation, a quality faculty and imaginative ad-

ministrators should lead to accreditation in due time.

Although the basic law school is the main focus of Heyman's recommendations, the legal paraprofessional program is also scheduled to begin in 1973. Your Committee concurs with the recommendation that the programs be offered in selected community colleges and that their content be determined jointly by law school administrators, community college personnel, and planning consultants.

Your Committee further finds it strongly agrees with the provisions for offering post-graduate professional training to practicing attorneys and judges on a continuing education basis. It endorses the need for offering law courses as options to those wishing to supplement programs in their respective disciplines or to the general public. The entire scope of legal programs sketched in the Heyman report presents the citizens of Hawaii with further possibilities for learning about legal processes and unique State policies and procedures.

Several long-range problems might be anticipated with the expansion of these opportunities. They include:

1. Relationships between existing community college programs and the training of and job market for legal paraprofessionals.
2. Possibilities of securing federal funds for law school programs and/or student scholarships.
3. Reciprocal arrangements between states in the acceptance and enrollment of law students and relations to the University's present and future enrollment policies.
4. Relationships between Hawaii's eventual graduates, existent bar practices and policies, and future labor market.

These concerns may become more tangible when the law school begins its operations. Your Committee's present focus is a sound, basic program commencing in Fall, 1973. We endorse the findings of the Heyman report with respect to this program. By recommending the conversion of development funds to "non-capital investment" and eventual "operating" costs; we also broaden our firm commitment to legal education programs within the University-wide system of campuses.

Your Committee, upon consideration of this bill, recommends that:

1. The sum of \$125,500 be substituted for \$125,000 in line 1.
2. The number of positions authorized for FY 1972-73 in line 13 be 4.3.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 2110-72**, as herein amended, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2110-72, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 231-72 Legislative Management

Informing the House that **House Resolution Nos. 262 to 274, House Concurrent Resolution Nos. 32 to 35, and Standing Committee Report Nos. 232-72 to 286-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 232-72 Select Committee of Oahu Representatives on **H. B. No. 2515-72**

The purpose of this bill is to amend Act 197, Item 67 section 2, part I, subsection K, subheading Tourism, Session Laws of Hawaii 1971. The amendment provides flexibility in undertaking improvements intended for the Waikiki area as directed by the legislative mandate in Act 197, Session Laws of Hawaii 1971.

Your Committee received in a hearing support for this bill from the Waikiki Improvement Association, the administrative and legislative branches of the City and County of Honolulu, and the Hawaii Visitors Bureau.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of **H. B. No. 2515-72** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 233-72 (Majority) Select Committee of Oahu Representatives on **H. R. No. 197**

The purpose of this Resolution is to request a feasibility study of establishing a senior citizens' project in the Moilili-McCully area.

Your Committee finds that there are many senior citizens living in the Moilili-McCully area who are in dire need of housing and recreational facilities in the area. There are presently no housing units for senior citizens in the Moilili-McCully area.

Your Select Committee of Oahu Representatives is in accord with the intent and purpose of H. R. No. 197 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd. Representative Hansen did not concur.

SCRep. 234-72 Select Committee of Oahu Representatives on H. B. Nos. 1960-72, 1970-72, 2103-72, 2133-72, 2341-72, 2342-72 and 2367-72

The purpose of these bills is to appropriate sums of money to fund the various hospital projects stated in their titles.

Your Committee is in accord with the intent and purpose of H. B. Nos. 1960-72, 1970-72, 2103-72, 2133-72, 2341-72, 2342-72 and 2367-72 and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 235-72 Select Committee of Oahu Representatives on H. B. Nos. 1973-72, 2093-72, 2094-72, 2442-72 and 2443-72

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles in the Tenth Representative District of Oahu.

Your Committee is in accord with the intent and purpose of H. B. Nos. 1973-72, 2093-72, 2094-72, 2442-72, and 2443-72 and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 236-72 Select Committee of Oahu Representatives on H. B. Nos. 1853-72, 1854-72, 2397-72, 2398-72, 2401-72, 2407-72, 2408-72, 2409-72, 2410-72, 2411-72 and 2495-72

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles in the Seventeenth Representative District of Oahu.

Your Committee is in accord with the intent and purpose of H. B. Nos. 1853-72, 1854-72, 2379-72, 2398-72, 2401-72, 2407-72, 2408-72, 2409-72, 2410-72, 2411-72 and 2495-72 and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 237-72 Select Committee of Oahu Representatives on H. B. Nos. 1681-72, 1682-72, 1683-72, 1684-72, 1685-72, 1686-72, 1687-72, 1688-72, 1689-72, 1782-72, 1833-72, 1834-72, 1849-72, 1850-72, 1851-72, 1914-72, 1915-72, 1992-72, 1993-72, 1994-72, 1995-72, 1996-72, 1997-72, 1998-72, 2014-72, 2015-72, 2016-72, 2017-72, 2018-72, 2072-72, 2090-72, 2143-72, 2155-72, 2181-72, 2182-72, 2183-72, 2184-72, 2185-72, 2273-72, 2274-72, 2275-72, 2276-72, 2277-72, 2278-72, 2362-72, 2363-72, and 2415-72

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles in the Twentieth Representative District of Oahu.

Your Committee is in accord with the intent and purpose of H. B. Nos. 1681-72, 1682-72, 1683-72, 1684-72, 1685-72, 1686-72, 1687-72, 1688-72, 1689-72, 1782-72, 1833-72, 1834-72, 1849-72, 1850-72, 1851-72, 1914-72, 1915-72, 1992-72, 1993-72, 1994-72, 1995-72, 1996-72, 1997-72, 1998-72, 2014-72, 2015-72, 2016-72, 2017-72, 2018-72, 2072-72, 2090-72, 2143-72, 2155-72, 2181-72, 2182-72, 2183-72, 2184-72, 2185-72, 2273-72, 2274-72, 2275-72, 2276-72, 2277-72, 2278-72, 2362-72, 2363-72 and 2415-72 and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 238-72 Select Committee of Oahu Representatives on **H. B. Nos. 2102-72, 2134-72, 2135-72** and **2328-72**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles in the Twenty-First Representative District of Oahu.

Your Committee is in accord with the intent and purpose of **H. B. Nos. 2102-72, 2134-72, 2135-72** and **2328-72** and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 239-72 Select Committee of Oahu Representatives on **H. B. Nos. 2128-72, 2202-72, 2293-72, 2294-72, 2295-72, 2296-72, 2297-72, 2298-72, 2299-72, 2300-72, 2301-72, 2302-72, 2303-72, 2494-72** and **2530-72**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles in the Nineteenth Representative District of Oahu.

Your Committee is in accord with the intent and purpose of **H. B. Nos. 2128-72, 2202-72, 2293-72, 2294-72, 2295-72, 2296-72, 2297-72, 2298-72, 2299-72, 2300-72, 2301-72, 2302-72, 2303-72, 2494-72,** and **2530-72** and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 240-72 Select Committee of Oahu Representatives on **H. B. Nos. 1929-72, 1930-72, 1932-72, 1933-72, 2026-72, 2027-72, 2112-72, 2113-72, 2129-72, 2130-72, 2131-72, 2379-72** and **2555-72**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles in the Twenty-Second Representative District of Oahu.

Your Committee is in accord with the intent and purpose of **H. B. Nos. 1929-72, 1930-72, 1932-72, 1933-72, 2026-72, 2027-72, 2112-72, 2113-72, 2129-72, 2130-72, 2131-72, 2379-72** and **2555-72** and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 241-72 Select Committee of Oahu Representatives on **H. B. Nos. 957-72, 2104-72, 2105-72, 2106-72, 2107-72, 2365-72, 2366-72, 2368-72, 2369-72, 2425-72, 2468-72, 2574-72, 2575-72, 2576-72, 2577-72, 2579-72** and **2580-72**

The purpose of these bills is to appropriate sums of money to fund the various projects stated in their titles in the 23rd Representative District of Oahu.

Your Committee is in accord with the intent and purpose of **H. B. Nos. 957-72, 2104-72, 2105-72, 2106-72, 2107-72, 2365-72, 2366-72, 2368-72, 2369-72, 2425-72, 2468-72, 2574-72, 2575-72, 2576-72, 2577-72, 2579-72,** and **2580-72** and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 242-72 Lands on **H. B. No. 1885-72**

The purpose of this bill is to enable the small farmer who is operating on a short-term agricultural lease to utilize the dedication technique for tax abatement purposes. Current law permits dedication of leased lands only in situations where the lease extends at least ten years from the date of dedication.

Your Committee on Lands is in accord with the intent and purpose of **H. B. No. 1885-72, H. D. 1,** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 243-72 Public Employment on **H. B. No. 1874-72**

The purpose of this bill is to change the method of computing the length of service time required under the Special County Pension provisions of the Hawaii Revised Statutes.

Presently an employee must have worked for ten years within the same county to be eligible for the pension. Service in another county could not be added. The bill requires the county to add on service in other counties

in computing the ten years service requirement.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1874-72** and recommends that it pass Second Reading and be referred to the Joint Select Committees of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

SCRep. 244-72 Public Employment on H. B. No. 2219-72

The purpose of this bill is to provide hazard pay differential for personnel at prisons, jails and other correctional facilities.

It is becoming increasingly evident that work in custodial institutions is dangerous. Your Committee notes that there have been numerous escapes from various State facilities and in many of these situations there were confrontations between inmates and institution personnel. The personnel involved are in constant contact with people who have been guilty of anti-social conduct and the hazards are obvious.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 2219-72** and recommends that it pass Second Reading and be referred to the Committee on Public Institutions.

Signed by all members of the Committee.

SCRep. 245-72 Public Employment on H. B. No. 2525-72

The purpose of this bill is to grant to some 1,700 State officers and employees the opportunity to enjoy the additional benefits which may be granted employees as a result of negotiations conducted under the State's Collective Bargaining Law. The additional benefits such as compensation, hours of work, and other rights are those the employees would have enjoyed had they not been excluded from the appropriate bargaining unit.

Your Committee is of the opinion that it is proper public policy to assure excluded officials, officers and employees that they will be treated equally with those officials, officers and employees covered by negotiated collec-

tive bargaining agreements. Your Committee has been informed that no additional funds will be required by virtue of this bill.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 2525-72** and recommends that it pass Second Reading and be referred to the Joint Select Committees of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

SCRep. 246-72 Hawaiian Homes on H. R. No. 59

The purpose of this Resolution is to request the Hawaiian Homes Commission to hold in abeyance any action of a nature similar to that of the rezoning of Hawaiian Homes lands in Hawaii County until the Attorney General can advise the Commission as to the legal ramifications of such action.

A problem has been created by the opinion of the Hawaii County Corporation Counsel that Hawaiian Homes lands leased to native Hawaiians for residential and agricultural purposes are not subject to county zoning restrictions. The State Attorney General's office is presently studying the question of jurisdiction in this particular situation. Any action taken prior to the receipt of the Attorney General's opinion on the matter may be difficult to rectify.

Your Committee on Hawaiian Homes concurs with the intent and purpose of **H. R. No. 59** and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Hansen.

SCRep. 247-72 Hawaiian Homes on H. R. No. 89

The purpose of this Resolution is to request the Hawaiian Homes Commission to develop a statewide master plan for Hawaiian Home lands. This master plan shall include statements as to which lands are available for houselots, pasture, agriculture; proposed plans for incremental development with a volume and cost timetable; planned coordination of the capital improvement program; and relevant educational objectives and programs.

The Hawaiian Homes Commission shall report its findings to the Legislature twenty days before the convening of the Regular Session of 1973.

Your Committee on Hawaiian Homes concurs with the intent and purpose of **H. R. No. 89** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 248-72 Hawaiian Homes on H. B. No. 2210-72

The purpose of this Act is to make an appropriation of \$500,000 to the Hawaiian home-farm loan fund and an appropriation of \$500,000 to the Hawaiian home-commercial loan fund.

As stated in your Committee's report on **H. B. No. 2091-72, H. D. 1**, the Hawaiian home-farm loan fund had originally been created administratively through the discretion given the Chairman of the Department of Hawaiian Home Lands. One of the purposes of **H. B. No. 2091-72, H. D. 1** is to provide specific enabling legislation for the creation of the Hawaiian home-farm loan fund so that the Hawaiian Homes Commission Act, 1920, as amended, would conform to existing practices of the Department of Hawaiian Home Lands. The funds to be appropriated under this Act would be added to funds already existing in the administratively-created farm loan fund.

As further stated in your Committee's report of **H. B. No. 2091-72, H. D. 1**, the Hawaiian home-commercial loan fund was not created administratively and is to be created under **H. B. No. 2091-72, H. D. 1**, as a realistic response to the need of lessees to engage in non-agrarian activities. Since the commercial loan fund does not exist administratively and there are not existing funds therein, this Act provides that in the event the commercial loan fund is not created by this session of the legislature the appropriation shall lapse.

This Act authorizes the director of finance to issue general obligation bonds of the State in the amount of \$1,000,000 to be used for the purposes of this Act, but provides that in the event this session of the legislature does not create the Hawaiian home-commercial loan fund, the authorization to issue bonds under this Act shall be limited to \$500,000.

Your Committee on Hawaiian Homes is in accord with the intent and purpose of **H. B. No. 2210-72** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hansen.

SCRep. 249-72 Hawaiian Homes on H. B. No. 2292-72

The purpose of this bill is to establish a revolving fund from which funds may be loaned to Hawaiian Home Lands lessees to build replacement homes at Papakolea, Oahu. This bill also appropriates a sum of money to fund the establishment of the revolving fund. After hearing testimony on the matter, your Committee concludes that \$500,000 should be appropriated for this fund.

Your Committee on Hawaiian Homes is in accord with the intent and purpose of **H. B. No. 2292-72**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. B. No. 2292-72, H. D. 1**.

Signed by all members of the Committee except Representative Hansen.

SCRep. 250-72 Hawaiian Homes on H. B. No. 2403-72

The purpose of this bill is to establish a revolving fund from which funds may be loaned to Hawaiian Home lands lessees to build replacement homes. This bill originally authorized the director of finance to issue general obligation bonds of the State in the amount of \$1,500,000 to be deposited into the replacement home loan fund. Your Committee, after hearing compelling testimony as to amounts needed and due to the inevitable forces of inflation, has increased the amount authorized to \$2,500,000.

Your Committee on Hawaiian Homes is in accord with the intent and purpose of **H. B. No. 2403-72**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. B. No. 2403-72, H. D. 1**.

Signed by all members of the Committee except Representative Hansen.

SCRep. No. 251-72 Hawaiian Homes on H. B. No. 2496-72

The purpose of this bill is to raise from \$10,000 to \$20,000 the maximum amount the Department of Hawaiian Home Lands may loan, guarantee the repayment of, or otherwise underwrite from the Hawaiian home-loan fund.

One of the great problems of the Hawaiian Home program has been the inability of the homesteader to borrow money to pay for improvements on his homestead.

The United States Department of Agriculture's Farmers Home Administration has a rural housing loan program which lends money at reasonable terms (33 years) and rates (7 1/4% or less) to qualified families (maximum \$12,000.00 annual income) who desire to build a residence in a rural area (less than 10,000 population).

This program has never been able to finance construction of homestead residences because under present law it demands a mortgage on the real estate as security for the loan. A homesteader cannot give a real estate mortgage.

A bill has been introduced in Congress which would allow the United States Department of Agriculture's Farmers Home Administration to accept the Department of Hawaiian Home Lands guarantee of repayment in lieu of a real estate mortgage.

In a letter dated February 3, 1972, the Farmers Homes Administration pointed out some problems existing in the Hawaiian Home Commission Act as it now exists. In essence, the letter says that the Hawaiian Homes Commission Act must be amended before the Farmers Home Administration can or will accept the Department of Hawaiian Home Lands guarantee.

The problem pertinent to this bill is that Section 213(b)(2) of the Hawaiian Homes Commission Act must be amended to permit a larger maximum amount. This bill solves that problem.

Your Committee on Hawaiian Homes is in accord with the intent and purpose of **H. B. No. 2496-72** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hansen.

SCRep. No. 252-72 Hawaiian Homes on H. B. No. 2497-72

The purpose of this bill is to delete the Legislature's right to repeal or amend authorization of deposit of "Additional Receipts" into the Hawaiian home-loan fund. This bill also deletes the Legislature's right to recall the money loaned from the Hawaiian home-loan fund.

One of the great problems of the Hawaiian Home program has been the inability of the homesteader to borrow money to pay for improvements on his homestead.

The United States Department of Agriculture's Farmers Home Administration has a rural housing loan program which lends money at reasonable terms (33 years) and rates (7 1/4% or less) to qualified families (maximum \$12,000.00 annual income) who desire to build a residence in a rural area (less than 10,000 population).

This program has never been able to finance construction of homestead residences because under present law it demands a mortgage on the real estate as security for the loan. A homesteader cannot give a real estate mortgage.

A bill has been introduced in Congress which would allow the United States Department of Agriculture's Farmers Home Administration to accept the Department of Hawaiian Home Lands' guarantee of repayment in lieu of a real estate mortgage.

In a letter dated February 3, 1972, the Farmers Home Administration pointed out some problems existing in the Hawaiian Homes Commission Act as it now exists. In essence, the letter says that the Hawaiian Homes Commission Act must be amended before the Farmers Home Administration can or will accept the Department of Hawaiian Home Land's guarantee.

The problem pertinent to this bill is that Section 213(b) of the Hawaiian Homes Commission Act gives the Legislature the right to recall the moneys used to back up the Department of Hawaiian Homes Lands' guarantee of repayment. This bill solves that problem.

Your Committee on Hawaiian Homes is in

accord with the intent and purpose of **H. B. No. 2497-72** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hansen.

SCRep. 253-72 Hawaiian Homes on H. B. No. 1801-72

The purpose of this bill is to appropriate a sum of money to fund the development of Hawaiian Homes Commission projects on the island of Molokai. According to testimony received by your Committee in a hearing, the funds appropriated can be used for the following:

- 1. Farm and Pasture Equipment \$100,000
- 2. Shop Facilities, Equipment and Office Space 150,000
- 3. Hawaiian Home Lands Water System (To update system installed in 1920's) 350,000
- 4. Recreation Center 750,000

The foregoing projects are listed as guides as to the use of funds appropriated, and it is not required that the funds appropriated be used expressly for those projects.

Your Committee on Hawaiian Homes is in accord with the intent and purpose of **H. B. No. 1801-72**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. B. No. 1801-72, H. D. 1.**

Signed by all members of the Committee except Representative Hansen.

SCRep. 254-72 Public Employment on H. B. No. 2178-72

The purpose of this bill is to increase the State's monthly contribution from \$1.56 to \$1.90 for each child who has not attained the age of nineteen of all employee-beneficiaries who are enrolled for dental benefits.

Your Committee finds that to maintain the current benefit levels of the dental plan the requested increase in the State's contribution is necessary to meet the insurance carrier's proposed premium increase. Additional funds need not be appropriated for the purposes of this bill. Your Committee has been

informed by the Hawaii Public Employees Health Fund that only an increase to \$1.76 is necessary and the bill has been amended accordingly.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 2178-72**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. B. No. 2178-72, H. D. 1.**

Signed by all members of the Committee.

SCRep. 255-72 Public Employment on H. R. No. 161

The purpose of this Resolution is to request the Department of Personnel Services to resume the classification survey of clerical positions.

Your Committee has heard testimony that clerical positions play an integral part in the smooth and efficient operations of many departments of the State Government and a study of these positions has been long overdue. The Department of Personnel Services initiated a classification survey but that survey was abruptly suspended. Your Committee feels that a survey of this nature will have to be completed sooner or later and since one has already been initiated it would be efficient to complete it as soon as possible.

Your Committee on Public Employment concurs with the intent and purpose of **H. R. No. 161** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 256-72 Public Employment on H. B. No. 1658-72

The purpose of this bill is to provide a system of giving staff services and communication channels to a governor-elect succeeding an incumbent governor.

This bill supplies a very real need in the continuity of government where there is a successor administration. Presently, there are no formal requirements for this process and no funds authorized to assist a governor-elect in picking up the reigns of government as his predecessor leaves.

This bill fills that gap. It directs the controller to provide a governor-elect with office

space, equipment, machines, etc. to be located within the state capitol complex. The out-going governor is also directed to assist the governor-elect in communicating with State employees in preparation of his taking office. Finally, the bill appropriates \$50,000 for the next possible transition period and directs the governor to include an appropriation request in any year in which his regular term of office will expire.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1658-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 257-72 Public Employment on H. B. No. 1716-72

The purpose of this bill is to eliminate the distinction between the sexes in pension restriction provisions of the retirement laws.

Item 2 of Section 88-1 and Item 1 of Section 85-1 of the Hawaii Revised Statutes provide for the termination of regular pensions and accidental benefit pensions upon the remarriage of the widow of a deceased member. Both sections are changed by the bill to substitute the word "surviving spouse" for the word "widow" so as to make no distinction between the sexes in the automatic termination of pensions. Item 4 of Section 88-1 permits only the widow of a male retiree to continue to receive a portion of the deceased male retirees' pension. The bill again eliminates the distinction between the sexes and allows either a widow or widower of a pensioner to continue on the pension of the deceased member.

Items 2 and 3 of Section 88-5 of the Hawaii Revised Statutes presently set out the alternative beneficiaries of pensions in the event that there is no widow at the time of an accidental death. The succession is first to the widow then to the children under eighteen and then if there is no widow or children under the age of eighteen to the parents. The bill deletes the word "widow" from the section and substitutes the word "surviving spouse" so that those sexes are treated the same for accidental death pension benefits.

Your Committee has heard testimony from the staff of the employees' retirement system that throughout the forty-six year his-

tory of the system no female member has been killed in an accident while in the actual performance of duty. The staff also testified that their actuary reported that there will be no increase in appropriation requirements necessary because of the change in benefit provided for in the bill.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1716-72** and recommends that it pass Second Reading and be referred to the Joint Select Committees of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

SCRep. 258-72 Public Employment on H. B. No. 1872-72

The purpose of this bill is to provide the same benefits to widowers as are given to widows under the Special County Pension Systems set out in Part IV of Chapter 88 of the Hawaii Revised Statutes.

The section amended by the bill provides for the continuation of a pension to the female surviving spouse of a deceased male pensioner. The bill eliminates the distinction between the sexes and allows either a male or female surviving spouse to continue on the pension. The bill also eliminates the 60 per cent limit on the amount of the pension the surviving spouse would get and makes them eligible also for pensioner's bonuses as provided for in Section 88-11 of the Hawaii Revised Statutes.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1872-72** and recommends that it pass Second Reading and be referred to the Joint Select Committees on Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

SCRep. 259-72 Public Employment on H. B. No. 1947-72

The purpose of this bill is to authorize the Governor to conduct a pilot project to assess the feasibility, effect, costs, cost benefit, and other factors related to a system of flexible working hours for State employees.

Your Committee is of the opinion that such a project with a test group and controlled group will give some valuable experi-

ence in making working hours more flexible. Beneficial effects which might be derived from instituting a program of flexible working hours are an increase in efficiency, cost savings and achieving better morale among workers.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1947-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 260-72 Public Employment on **H. B. No. 2165-72**

The purpose of this bill is to make it clear that the requirements of employee-management cooperation is applicable to the counties as well as the state. The bill also provides that union committeemen be given time off to carry on union business.

Your Committee agrees with the clarification that county governments should be required to cooperate with employee organizations. However, it is felt that elected officers and shop stewards are sufficient to carry on union business during work time. It is also felt that the employer should have a part in determining when the time off to conduct union business should be taken. Accordingly, your Committee has deleted section 2 of the bill.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 2165-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2165-72, H. D. 1** and be referred to the Joint Select Committees of Kauai, Maui, Oahu and Hawaii Representatives.

Signed by all members of the Committee.

SCRep. 261-72 Public Employment on **H. B. No. 2179-72**

The purpose of this bill is to extend medical and dental coverage to foster children of employee-beneficiaries. Under the present law, an employee-beneficiary cannot cover his foster child under his state plan enrollment even though a regular parent-child relationship exists, including responsibility for support and maintenance.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 2179-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 262-72 Labor on **S. B. No. 1348-72**

The purpose of this bill is to amend Section 386-181, Hawaii Revised Statutes, to extend disability benefits under the workmen's compensation law to volunteer deputy fish and game wardens for injuries sustained in and out of the course of the performance of official duties and to extend death benefits under said law to their dependents for death resulting from the performance of official duties by said volunteer wardens.

Section 386-181 presently provides disability benefits under the workmen's compensation law for public board members, reserve police officers, and volunteer firemen. Their dependents are also entitled to dependency benefits under the law in the event said volunteer personnel are killed in the performance of official duties. Volunteer deputy fish and game wardens, however, are only entitled to hospital and medical expenses if they are injured while performing their official duties.

This bill proposes to extend the full protection of the workmen's compensation law to volunteer deputy fish and game wardens performing services "in a voluntary and unpaid capacity under the authorized direction" of the fish and game division of the department of land and natural resources.

Your Committee agrees that volunteer deputy fish and game wardens should be provided the same workmen's compensation benefits presently being provided reserve police officers, volunteer firemen, and public board members and that their dependents should likewise be entitled to workmen's compensation dependency benefits.

Your Committee on Labor is in accord with the intent and purpose of **S. B. No. 1348-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd.

SCRep. 263-72 Labor on H. B. No. 2356-72

The purpose of this bill is to amend the Hawaii Employment Relations Act to make decisions and orders of the Hawaii Employment Relations Board in representation proceedings final and not subject to judicial review.

Section 377-5 of the Act presently permits a decision or order of the Hawaii Employment Relations Board in a representation proceeding to be appealed to the Circuit Court. Any party in interest may therefore delay the effect of a Board determination on a representation question by filing a petition for judicial review. A time-consuming court review, however, delays the collective bargaining process and the rights of interested parties, especially employers and their representatives, may thereby be jeopardized. This bill proposes to delete the provisions of Section 377-5 relating to judicial review of determinations by the Board on representation questions in order to expedite such determinations and the collective bargaining process.

The proposal is consistent with National Labor Relations Board practice and procedure as there is no direct judicial review of NLRB decisions in representation cases. It would eliminate undue delays in deciding such matters as appropriate bargaining units and eligibility to vote in elections. Unless these matters are expeditiously determined, the right of employees to organize for collective bargaining and the purpose of the Hawaii Employment Relations Act to foster industrial peace are both jeopardized.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 2356-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 264-72 Select Committee of Maui Representatives on H. B. No. 1691-72

The purpose of this bill is to enable the State to assume ownership and operation of Molokai General Hospital.

Your Select Committee of Maui Representatives is in accord with the intent and

purpose of **H. B. No. 1691-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 265-72 Tourism on H. B. No. 2510-72

The purpose of this bill is to provide for the preservation and orderly growth of those tourist destination areas which are of national or statewide significance by providing for a planned, coordinated program for those areas.

Your Committee has expanded this short-form bill into long form. Under the expanded bill, the Department of Planning and Economic Development would be empowered:

1. To designate resort preservation districts.

2. To make, amend or repeal any rule or regulations including the superseding of county laws and ordinances relating to the development of areas within a resort preservation district and to the construction or improvement of lands and structures within such district.

3. To provide a general plan for the orderly development of areas within a preservation district and to provide for improvements within a preservation district.

4. To require approval by the department of any county plans for improvement district projects, any application for improvement of any building which would increase the height of the building and the construction of any new building exceeding three stories in height.

Your Committee on Tourism is in accord with the intent and purpose of **H. B. No. 2510-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2510-72, H. D. 1** and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 266-72 Higher Education on H. B. No. 1672-72

The purpose of this bill is to appropriate out of the general revenues of the State of

Hawaii monies that may be necessary to initiate the research and development phase of an adult education program based on open educational opportunities with options leading to a college degree. This bill also requests that such programs be planned on a flexible, State-wide basis.

The "open university" is a relatively new concept in higher education in the State of Hawaii. Present models exist in Britain and Japan and have been experimented with successfully in the United States in New York and California.

Your Committee heard testimony from University of Hawaii President Harlan Cleveland and Dean of Continuing Education Ralph Miwa on the kinds of models available and distinctions that need to be drawn. The prospects of the program at the University, and some problems that might be anticipated in the research and development phase were elaborated.

Models and Distinctions

The open university features innovative programs for the mature citizen. It is geared to the adult learner who cannot, and often will not, attend traditional college or university programs either during the day or in regular "extension" classes. Thus, the degree which it offers is "external" to the traditional, on-campus bachelor's degree.

A new type of degree, however, is not the University's present interest. Rather, according to President Cleveland and Dean Miwa, the emphasis will be on a **new type of educational delivery system** for an increasing potential market of older students. Statistics provided by Miwa based on 1970 census data, show that there were 315,519 people in Hawaii in 1970 (including a 25 and over age group and an 18-24 year-old group not in school) that might be considered potential candidates for the program. If only 10% of this group attended, enrollments in the program would exceed 30,000 people. A 5% registration figure would mean 15,000 potential students; a 1% turnout would mean a potential student body of 3,000.

Under the open university program, the entire State would become a campus. With the advent of cable television, possibilities for such a campus widen. The telephone might be used so the student can carry on a dialogue with a professor; computer-banked informa-

tion can be carried on television; possibilities exist for both voice and video cassettes. However, as President Cleveland stated, Hawaii ought not to become so enmeshed with technology that a reliance upon old content results. There is need, according to Cleveland, for attention to the **process** of education, given a technology now and soon available.

Clearly too, according to Dean Miwa, the external degree acquired off-campus is not an extension of present University extension courses. External degree programs, as founded in Britain, in particular, need to find ways of measuring the educational benefits of experience - and to award college degrees accordingly. Persons in their middle years might be found - under evaluative procedures yet to be devised - to have the equivalent of a twenty-year old junior in college, to be qualified for a B. A. degree, or be ready to enroll in graduate work. The University, therefore, in committing itself to this new way of delivering educational services, undertakes numerous problems about curriculum devisement, appropriate educational technology, and alternative means of accomodating higher education needs at present and future campuses.

Models which the University considered in its deliberations about initiating a study on the open university idea include the British model, the New York State Regents' degree, the Empire State Program, and the New Jersey Open College. The British model and the Regents' degree show two extremes of the program - the former is an elaborate technical delivery system using television, and the latter a testing or certification program without faculty or curriculum. Empire State and New Jersey Open College are more typical programs.

The British Model

The external degree is awarded on a national scale. The Open University as such is now a separate institution authorized under a Queen's Charter with 250 multi-media study centers, a main university center that prepares materials, and a staff of specialists. In 1971, over 25,000 were enrolled out of 40,000 applicants.

The program features wide use of educational television and correspondence study, short residential courses, meetings with other students and tutors, and a sequence of interdisciplinary courses in arts, mathematics,

science and social sciences - these are foundation courses.

The New York Regents' Degree

The degree is awarded by the New York State Board of Regents, and encourages the student to obtain his degree in any way that he can. He may take correspondence courses, enroll in instructional television courses, attend seminars, read, travel, or engage in other individual educational experiences. When the student feels he is ready, he presents himself for a series of oral and written examinations prepared and administered by the Regents' Degree staff. The degree is awarded on the individuals' ability to pass exams equivalent to either a two- or four-year collegiate program.

The Empire State College Program

Empire State launched its program as a degree external to the State University of New York (SUNY) system. Students contract for a program of study with a tutor assigned to them. Screening and testing establishes an entry level, and applicants are then granted class standing. The student may take all work off-campus; he may do a semester or year's work on a traditional campus followed by off-campus study, he may elect off-campus study with short courses on campus; or he may begin work off-campus and transfer to the traditional campus for the last two years. Campus-based learning centers beginning at Albany, educational television network programming, and a correspondence college will be features of the total Empire State program.

New Jersey Open College

Like the New York Regents' model, New Jersey's Open College proposes an educational system that will permit completion of requirements for associate or bachelor's degrees without formal attendance on the campus. Credit by examination, correspondence courses, conference and seminars will be among the educational features. And like the SUNY learning centers, program options are still being determined. Audio cassettes and educational television will be among the means used to deliver content to learners.

Your Committee finds these models exemplary. Advantages of these programs are that they 1) provide further flexibility in learning, 2) service a different student market, 3) ac-

knowledge, albeit problematically, the role of experiential rather than formal classroom learning, and 4) give the dissatisfied student or continuing learner another chance. We agree with Alan Pifer, president of the Carnegie Corporation, who wrote in the Winter 1971 **College Board Review** that the open university is exciting educationally because of "the tremendous opportunity it affords for experimentation with new curriculums and new instructional technology."

Prospects and Problems

What then, we might ask, are the prospects for beginning such a program at the University of Hawaii? President Cleveland and Dean Miwa claim that the College of Continuing Education already performs certain open university functions. The College assesses a basic adult market and provides courses which seem to be needed. Individual instructional colleges still determine the nature of curriculum and degree requirements. The College of Continuing Education (CCE), Miwa stressed, is definitely not offering an external degree now, but is instead an extended extension unit of the University.

However, he reports, there are possibilities of developing non-traditional study in order to increase the alternatives available to the mature student. In his estimation, sufficient justification exists to begin a research and development study which would assess present goals and functions of the College in terms of prospects for an open campus. Questions which might be asked are: 1) Should the degree presently offered be "external" to existing colleges on Manoa? 2) Should the curricula be radically different? 3) How can programs be rationally articulated within the Manoa and existing CCE programs, and throughout the University system of campuses as a whole?

President Cleveland also ventured some prospects on CCE and the open university. In remarks given before the Manoa Faculty Senate in September, 1971, and furnished to your Committee, Cleveland requested that the CCE option now provided to students be strengthened and broadened to include more fields. CCE now enables the earning of a B.A. degree in at least seven fields through evening courses alone. All credits earned in the College are fully transferrable to day-time baccalaureate programs.

The present program, therefore, might be made available throughout the State. According to Cleveland, it might be offered in many different areas at the nearest UH campus - on the Big Isle through the UH at Hilo, in Maui County through Maui Community College, on Kauai through Kauai Community College, or along the Waianae Coast through Leeward Community College. If such a State-wide delivery system were available, instructors could be drawn from all elements and course offerings might be cross-listed.

It might also be possible to offer a four-year Bachelor of Liberal Studies degree and combine it with such a two-year Associate degree. Both might be offered on a State-wide basis. Facilities of the University's present libraries and instructional resource agencies such as the Computer Center and Hawaii Educational Television could be made available to the program. They could be supplemented by conference space in shopping centers or downtown facilities.

Furthermore, according to Cleveland, the open university concept would not be a substitute for developing new campuses. Instead, it will provide alternatives based upon the existing system; it will be supplementary and complementary; it will broaden possibilities for the learner. The on-campus possibility will therefore remain as strong as the off-campus alternative.

Cleveland was not the only person to explore the prospects of an open university. John Bystrom, professor of speech communications, also appeared before your Committee. Bystrom referred to the day when the people of Hawaii may take course work directly from universities of the Pacific and the whole of Asia. Telecommunication links might be established through the existing PEACESAT project. Bystrom hypothesized that experiences of the Pacific Islands may be tapped to bring a course in Hawaiian culture a penetrating and authentic picture of the movement of Polynesian peoples across the Pacific. Students in Hawaii could be in direct communication with students in New Zealand, Tahiti, and the Trust Territory.

Present Manoa and Hilo campus terminals might be connected with those already established at Wellington Polytechnic in New Zealand and the University of South Pacific in Fiji. These terminals provide two-way communication by voice, facsimile, teletype, and

slow scan T.V. In the next several months, Bystrom said, satellite ground terminals will be located in five additional places, including American Samoa and the Trust Territory. Plans call for the addition of foreign countries of the Pacific. The PEACESAT program can therefore further open university possibilities paralleling offerings by the "Television University" of Japan.

In looking forward to some prospects, however, your Committee is also mindful of problems which might be anticipated. In order to guide the University in charting its course, these questions of educational significance, framed by Chancellor Emeritus Samuel Gould of the SUNY system, might be asked:

1. How much guidance will students need in undertaking this program? Will students need some form of professional counseling, formal instruction, or supervision?

2. Is non-traditional study and its popularity due to current dissatisfaction with the substance of traditional delivery systems? Is learning by doing more valid than book learning? What do people seek from education in this century?

3. How will the public know which non-traditional programs are worthwhile? Who will set standards? How will non-credit learning be recognized? Are there viable distinctions which might be established between credit/non-credit options?

Other problems of direct relevance to the existing system of UH campuses might also be outlined:

1. What is the potential market for such a program in Hawaii, given the College of Continuing Education functions and an expanding system of University campuses?

2. What is the eventual capital, non-capital, and operating cost outlook like?

3. What are the University's eventual plans for the maturity of the system?

4. How might existing technological centers at the University be used to support the delivery of alternatives this program requires?

These problems identified by Dean Miwa

will become part of the research and development phase authorized by this bill.

The research and development period will be for one year and will include study of:

1. Existing needs and data from selected states about on-going programs; traditional extension programs; and the new program in relation to selected potential clientele in Hawaii.

2. Curriculum analysis of existing models including the British open university, Thomas Edison College in New Jersey, Metropolitan College in Minnesota; justification for curricula; research about personnel required, including guidance counselors, curriculum developers, media technicians; evaluative techniques and their eventual effectiveness.

3. Financing through State funds, national endowments, private foundation grants, with potential dollar costs based on current College of Continuing Education functions.

4. Systems articulation between the new program and the College of Continuing Education operating with extended day offerings of the community colleges, with planned or existent four-year campuses, and with innovative programs such as New College or the Liberal Studies Program at Manoa.

Funding and staff requirements for the study are as follows:

Personnel

Research and Development Director \$15,000

Curriculum Specialist	15,000
Management Specialist	15,000
Survey Specialist	7,500
Fiscal Specialist	7,500
Statistical Specialist	8,000
Secretarial	7,000
Student Help	2,500

\$77,500

Consultants 10,000

Travel 5,000

Office Supplies 2,500

Office Rental	5,000
TOTAL	\$100,000

Of the foregoing total, \$30,000 is required during the fiscal year beginning July 1, 1972. The remaining \$70,000 will be sought through external funding sources. According to President Cleveland, State and national private foundation assistance will be sought.

Your Committee notes that high priority is given by the University to the one-year research and development phase of open university possibilities. Curriculum development monies authorized, appropriated, and allocated - but not released by the Governor - have been selected by the University for the initial commitment. These funds totaling \$330,000 were authorized for innovative projects in educational development consistent with our rapidly changing technology. Of this total, the University is requesting \$30,000 for the one-year study.

Your Committee thus realizes that no new funds are being requested for the study this session; hence, it urges the University to negotiate with the State Administration for the release of the funds. The \$30,000, when released, will initiate the study the University plans to submit to the 1973 Legislature.

Your Committee recommends, therefore, that the purpose of the bill rather than being directed to granting a certain appropriation be directed to initiating the research and development phase of the concept of the "open university" at the University of Hawaii, given existing State-wide plans for the College of Continuing Education, four-year campuses and community colleges.

Your Committee believes that there is evidence in Hawaii both in terms of population statistics and current data in continuing education enrollments which warrant the University's serious inquiry into the possible applicability of open university programs. These new programs would provide critical options which do not presently prevail - such as credit by examination, advanced standing through work evaluation, off-campus study, and mass media centers or classrooms.

Your Committee is mindful that vexing questions must be confronted before a full-scale State commitment can be made. Because of this it requests that State fundings and initial phasing of the program, including eventual "non-capital investment" and "op-

erating” costs be detailed in the report. We endorse in principle the open university idea at the University of Hawaii and hope that a complete program configuration will be issued by 1973, so that State-wide planning which must be done to implement the programs, might proceed as rapidly as is feasible and possible.

Your Committee recommends that the bill be amended as follows:

1. Section 2 be replaced by:

The University of Hawaii shall initiate the research and development phase of an “open university” program, based on open educational opportunities with options leading to college degrees. These programs shall be planned on a flexible, State-wide basis.

2. Section 3 be deleted.

3. Section 4 read: “This Act shall take effect upon approval.”

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 1672-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1672-72, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 267-72 Higher Education on **H. B. No. 2343-72**

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$212,000 for the acquisition of private lands and improvements and personal property of the Leahi Foundation at Leahi Hospital presently being utilized by the University of Hawaii. This sum would supplement the \$300,000 already appropriated under Act 68, S.L.H. 1971, Item C-151, for the same purpose.

Your Committee finds that the Leahi Hospital Complex presently comprises some 16.83 acres of land of which 8.78 acres (four parcels) is owned by the Leahi Foundation, a private, non-profit Hawaii corporation.

Your Committee further finds that the University desires to acquire these lands, the improvements thereon, and certain personal property contained therein. These have been

utilized by the University’s medical and public health programs since the University took over the management of the Leahi Hospital under authorization of Act 70, S.L.H. 1968.

Agreements between the Leahi Foundation and the University of Hawaii have been reached on the value of lands and improvements and personal property. A “joint appraisal report” prepared by the two establishes a total, fair and reasonable value of the four land parcels, as of July 1, 1971, at \$1,941,650.00. Additionally, according to an appraisal by Haskins and Sells, Public Accountants, on April 3, 1970, at the request of the University, the depreciated value of the personal property owned by Leahi Foundation and situated on the lands aforesaid was valued at \$41,008.41 on December 31, 1968, the date the University assumed beneficial possession.

On October 5, 1971, the Governor authorized the release of the \$300,000 appropriated by Act 68, S.L.H. 1971, for the purpose of initiating condemnation proceedings. In the condemnation proceedings, the State will try to establish an offset of \$1,500,000 which had been appropriated by Act 276, S.L.H. 1945, for alterations and improvements to Leahi Hospital against a value stipulated between the parties, based upon the “joint appraisal report”, of \$1,941,650. Leahi on the other hand alleges that the offset should be only \$762,000, the amount it claims was actually applied to the improvement of Leahi facilities, the balance having been used exclusively to improve State owned facilities. Should the State prevail, the balance owed Leahi, taking into consideration the \$300,000 released by the Governor, would be \$141,650, plus costs. On the other hand, should the Leahi Foundation prevail in its claim of offset, the balance owed Leahi, taking into consideration the \$300,000 released by the Governor, would be \$879,650, plus costs and would require an additional appropriation from the Legislature.

On January 27, 1972, the Attorney General deposited with the clerk of the court the \$300,000 appropriated by Act 68, S.L.H. 1971, and filed a complaint to condemn the four parcels owned by the Leahi Foundation, and obtained an Order of Possession, dated February 1, 1972. Since the law requires that the University pay into court a sum estimated to be just compensation for damages for the taking of real property, and since the parties have stipulated that the fair value of

the four parcels is \$1,941,650.00, and that the maximum credit potentially available to the University is \$1,500,000, the balance of \$441,650 must be paid to the clerk. Thus, taking into consideration the \$300,00 already paid, a balance of at least \$141,650 is required to be paid to the court, and until it is paid, interest accrues at the minimum rate of five percent per year.

Your Committee finds that the estimated additional supplementary sum needed for the acquisition of private lands and improvements and personal property at Leahi Hospital is approximately \$212,000.

Your Committee further finds that the estimated supplementary sum needed for the acquisition of the four land parcels is approximately \$212,000. The Attorney General recommended that an additional \$170,000 be appropriated in order to cover the balance currently due on the purchase price, interest charges, and added court and witness expenses. Also included in the total sum needed is the value of the personal property belonging to the Leahi Foundation in the amount of \$41,008.41, and under the custody of the University since December 31, 1968.

Your Committee heard testimony from Chancellor Richard S. Takasaki of the University Manoa campus supporting the acquisition and appropriation as recommended by the Attorney General.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 2343-72**, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 268-72 Higher Education on **H. B. No. 1674-72**

The purpose of this bill is to encourage and guide the growth and development of non-commercial public broadcasting through the establishment of the Hawaii State Foundation for Public Broadcasting.

According to testimony by Dr. Shiro Amikawa, Department of Education Superintendent, "One of the important reasons for proposed changes in authority and organizational structure of the State's ETV System is

the growing importance of public television. This in fact, is a national trend which will continue into the foreseeable future".

Preview of Deficiencies

The discovery of the need for a distinction between "public" television and "educational" television is paramount to the future effectiveness of its use for education. A central and defined leadership authority, a larger, more representative public governing board, and overall operation policies should effectuate the eventual improvement of ETV in Hawaii. The Legislature also finds that the present system does not represent the interests of the entire community and therefore is not reaching the "ordinary citizen."

A recent study conducted by the Audience Analyst of the HETV shows that approximately 23% of the people of Honolulu regularly watch ETV at least once during the previous week, and 41% watch it occasionally once a month. Both figures are not highly successful percentages. The 1971 national level is up from last year over 26%. Comparative State and National Research studies are difficult to obtain and are unreliable because of varying basic variables and research methods.

According to the Legislative Auditor's report, "Audit of the Hawaii Educational Television System," confusion has occurred in the past, over the lines of authority, responsibility, management, and operational policies, and the use of public funds for educational television. Specific problems include time allotment given to the DOE, UH, and "public" television in technical and tv presentations, who determines the "final say" in "instructional" content development of programs pursuant to their public attractiveness and effectiveness.

Recommendations and Rationale

These problems prompt your Committee on Higher Education to recommend that the DOE and UH be responsible for the development of the content of programs of the "instructional" sense with the supervision and guidance of the Director of ETV and staff. Central supervision is needed for cohesiveness and effectiveness of program content and production. All programs considered "educational" shall be under the complete jurisdiction of the Director and staff.

The present ETV Council Chairman Robert Mackey finds that HETV has not been able to attain its full potential in part because the distinction between instruction television and public television has never been clearly made. The following is your Higher Education Committee's recommendations of definitions.

The term "Public Television" should encompass both "instructional" and "educational" television. The term "instructional" shall apply to those programs which present a recognized body of substantive content as a school requirement or for academic credit. The term "educational" television shall apply to those programs which range in content from a well-organized body of knowledge to those of general interest viewed at the option or choice of the listener.

Membership

The members of the Foundation shall be appointed by the Governor with the approval of the Senate. The membership thereafter will select the chairman from the appointed group. No member shall serve for more than six years in order to maintain a refreshing and endless flow reflecting society's changing interests and needs. In relation to initial appointment, five members will serve for two years, five members for four years, and five members for six years—including the chairman. The rationale for the staggered time length is to insure continuity of background information and practices activated within the Board. The Foundation should represent geographic locations, population density, and various interest groups. The fifteen-member group is recommended to affirm varied representation of these segments.

The President of the University, and the Superintendent of the Department of Education shall act in the capacity of ex-officio non-voting members to insure proper and practical input of ideas and desires in the effective cooperation between all groups.

Your Committee on Higher Education recommends the Foundation set policies and philosophy for public broadcasting, in lieu of present and future direction of ETV. Father Mackey has stated that Hawaii's public television suffers from a lack of direction and philosophy. Some general guidelines can insure less description of scarce resources, and more focus on evaluating performance.

Public Television is, and should be, entirely without commercials. It should be primarily educational and cultural in nature. It should feature types of programs that cannot be presented by a commercial station because of the competitive factor of attracting large audiences for business purposes.

Your Committee on Higher Education recommends that Public Television should not be developed or expected to compete with commercial television and should serve various special audiences (blind, ethnic, parent programs) at all times and all audiences on special occasions, in serving the ordinary citizen.

Your Committee on Higher Education recommends that audience research should be an independent unit under the direction of the Chairman of the Foundation. The findings of the research on DOE, UH and public programs should be taken into consideration in developing the programs of all departments.

The Foundation shall **not** be a regulatory agency or under the Governor's office **but** a broad policy-making board with public representation, free from political, governmental or commercial influences.

The Director shall be hired by the newly founded "Hawaii State Foundation of Public Broadcasting." It is recommended that the Director's responsibilities and powers be explicitly spelled out by the Foundation. The FCC directors' selection requirements could be used as a sample guide.

Your Committee on Higher Education believes that the selection of the Director—his technical and over-all television background, creativity and abilities in personnel management—is of great consequence to the success of ETV in Hawaii.

Fiscal Matters

The Foundation will submit to the Legislature a budget for travel and other expenses; otherwise no monetary compensation will be appropriated. The Foundation will investigate the appropriate salary to be offered to the Director and Assistant Director. Committee findings on salary offerings suggest approximately \$30,000 a year. The present director has a salary around \$28,000 a year. The Governor shall approve the Foundation's suggested Director salary.

All monies such as grants, sales, and donations shall be allocated to the specific segments intended—DOE instruction, UH instruction or Public Television.

The DOE, UH, Public TV and all other agencies desiring technical assistance and show time will buy the services from Public Television.

With the hope that this legislation will improve the structure, policies, and philosophy of ETV for the educational enlightenment of the people of Hawaii and our future, we submit a summary of amendments to this bill:

Amendments

1. Increase the number of members to 15 with staggered lengths of service specified in detail.

2. Geographic, varied community needs, and population density be considered factors in Foundation membership.

3. A budget for "travel and reasonable expenses" be submitted before or by the beginning of the 1972-73 Legislative Session.

4. The director's salary, responsibilities and powers be made explicit by the Foundation.

5. Consultation with the Director on the Foundation's employee appointments shall occur.

6. Consideration to equal priority of operations facilities and show time allotment will be given to all departments.

7. The DOE and UH instructional content and production will be under the guidance of the Director.

8. No appropriations will be made at this time.

9. This Act shall take effect on approval.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 1674-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1674-72, H. D. 1** and be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 269-72 (Majority) Higher Education on H. B. No. 2111-72

The purpose of this bill is to reappropriate the sum of \$200,000 appropriated to the University of Hawaii by Act 80, Session Laws of Hawaii, 1971, for the research and development costs of expanding the present two-year medical school into a degree-granting program. This unexpended part of the total sum of \$299,000 will be converted to non-capital investment and/or operating costs. This bill also seeks to authorize the University to create, with the approval of the Governor, additional positions as may be necessary during the fiscal year 1971-72 for the medical school.

Your Committee on Higher Education reviewed the research and development report by Dean Terence Rogers of the UH Medical School in consultation with Dr. David Rogers of Johns Hopkins University and the cost analysis by the consultant firms of Naramore and Johanson, and Arthur Young. These reports, accompanied by supplements requested by House and Senate Higher Education Committee chairmen from Dean Rogers after hearings, detail curriculum plans and costs for the third and fourth years of the medical school.

On the basis of these reports, the University recommends: 1) that the Sixth Legislature authorize the implementation of a third-year class in 1973, and 2) that \$200,000 of unspent funds originally appropriated in 1971 be converted to "non-capital investment" and further "operating" costs for FY 1972-73.

Your Committee believes that the program and budget configuration for the medical school - as supplemented - is complete and adequate. We have some reservations about eventual State operating costs, and express this later in our findings. We do, however, strongly endorse the recommendations of the University, and thereby reaffirm our commitment to the establishment of a four-year medical school, with the third-year class beginning in Fall, 1973. That class would be Hawaii's first M.D. graduates in 1975.

Your Committee held hearings on the reports and received favorable testimony from the University administration, the Medical School faculty, hospital administrators negotiating affiliation agreements with the School,

the State Department of Health, the Hawaii Medical Association, and students now enrolled in the first and second years. There was strong consensus that the four-year program would be advantageous to all parties and to the establishment of a State-wide health care delivery system. However, some problems were anticipated.

1. Concern was expressed by Dr. Masato Hasegawa, Executive Director, the Regional Medical Program of Hawaii, over the overspecialization of the third-year program. Basic skills in the rotation of clerkships seemed to be "traditional" rather than dynamic. An ever changing method of medical education along "different tracks" should be offered.

2. Affiliation agreements still are problematic, according to Masaichi Tasaka, Executive Vice President, Kuakini Hospital. The hospital sees patient care as its primary responsibility; education and research are secondary. It hopes that the University will not subsume its facility and expand it into a "university hospital."

3. Federal funds for 1973 are still being negotiated for, according to Dean Rogers and University President Harlan Cleveland. The significant piece of legislation since the McDermott report is the Health Manpower Training Act (PL 92-157) which provides formula (capitation), start-up conversion, and special project grants. Applications have been submitted in all categories, and the UH is expecting at least three million for 1972-73 for use through the 1973-75 biennium if it receives legislative authorization this year. No new State funds are needed this biennium.

These areas - **program, affiliation agreements, costs** - are all operational or implementation problems your Committee anticipated in **Standing Committee Report 779** last session. Your Committee finds that the University reports and supplements provide definite answers in these areas. These answers are aspects or phases of a third-fourth-year educational program that will help meet the growing health consciousness of our people and the need for improving the delivery of health care in the State.

The Educational Program

In accord with the PPBS format required by the Executive Budget Act (185), the Uni-

versity has provided a program configuration that extends from the more general goal of producing M.D.'s for Hawaii and the Pacific Basin to the more specific objective of providing post graduate experiences in family and emergency medicine, and nursing team and allied health professional programs in the School of Public Health and community colleges. In between these goals lie the third- and fourth-year programs.

The **third-year** program will consist of 48 basic weeks of **clerkships** in the great disciplines of medicine, internal medicine, surgery, pediatrics, obstetrics, gynecology, psychiatry, and family medicine. These rotating work-study type programs with patients will be required of all students, and will be featured at various hospitals, e.g., pediatrics at Children's Hospital taken simultaneously with obstetrics and gynecology at Kapiolani. Students will not be bound to any sequential arrangement; in fact, this clinical experience will expand into a fourth year. The objective is to give fundamental and basic grounding in medicine that will produce a well-rounded practitioner. The clinical principle of guided responsibility where the doctor learns patient care by caring for the patient will be the main focus.

The **fourth year** will continue to expand core knowledge by elective clerkships leading to the **pathway of service** a student has chosen. These pathways of 40 weeks may include family medicine, behavioral medicine, specialization in a surgical or non-surgical area, community medicine, and clinical research. Some of these may be taken in foreign countries; the 40-week period will be a minimum rather than limit. The fourth year will thus be subject to evolution as formal "internship" is eventually replaced.

Of special interest to your Committee is the provision for **family medicine**, with **preceptorships** in Honolulu, rural Oahu, and neighbor islands. Students would work closely with practitioners and live in communities they serve. Similar training may be offered in an urban setting such as at the Straub, Medical Group, and Kaiser clinics in Honolulu. Testimony offered by Dr. Frank L. Tabrah of Kapaau, Hawaii; Sister Maureen, administrator at St. Francis Hospital; and medical student Solomon D. K. Nauluai, underscores the need for outreach programs attuned to the specific sensitivities of Hawaii's communities.

Underlying these concerns of your Committee for the kind of curriculum offered is not so much specificity of content, but the direction in which the third and fourth years move students enrolling in these programs. A major concern of ours during the last session was the provision for Hawaii students who increasingly are being turned away from medical schools in other States or are subject to out-of-state tuition. In order for students to continue attending their own State institution, programs of direct relevance as well as broad social implication are needed.

Your Committee hopes that the present Curriculum Committee at the School of Medicine constantly subjects these offerings planned to discussion, recommended in the McDermott report. The fact that students and faculty - from various academic medical fields as well as hospitals - are represented shows that a dynamic curriculum can be formulated through mutual collaboration.

Second, your Committee notes that skillful transition has already been made between the second-year program and what the School of Medicine foresees as basic to the third year. Present offerings for the second year include clinical correlation, history taking and physical examination, and clinical judgment. A strong emphasis on the clinical context - inherent in the present curriculum and as recommended by the McDermott report - warrants an educational extension of the two-year program into third and fourth years.

Finally, it might also be pointed out that the present two-year curriculum is in its "third year" of operation. The program was first offered in 1967, and the first two-year transfers are the "promoted students" listed in the current School of Medicine bulletin. Promoted students of 1970 and 1971 and the schools to which they have transferred are also listed. The students now in their first year (headed by president Raymond Itagaki who appeared before your Committee to testify) will be those affected by our 1973 authorization. The time seems ripe for extending a program already "tested" by Hawaii's two-year graduates.

Your Committee accepts the educational program as a major part of completing the research and development phase of establishing the degree-granting program. These guidelines fit the academic requirements of the Association of American Medical Colleges and American Medical Association

Liaison Committee on Accreditation, according to Stuart M. Brown, Jr., Vice President for Academic Affairs and Acting Executive Officer for the University.

The Affiliation Agreements

Your Committee also finds that pre-contract negotiations have led to acceptance "in principle" by all parties at Children's, Kaiser, Kapiolani, Kuakini, Queen's, St. Francis, and Tripler Hospitals pursuant to the care of patients and hospital policies. In general, the working agreement describes a compromise in which the University has some control over the clinical environment in which students are taught, but the UH will not control access to the hospital of the treatment of their patients. Dean Rogers reports that this agreement gives Hawaii a unique opportunity to develop innovative ways of melding "town-gown" relationships.

Your Committee finds these features of the agreement may facilitate mutual cooperation:

1. The UH faculty is assigned to function as a member of a **team care system** rather than an exclusively university faculty team. A resident, under final authority of the patient's own doctor, will be under the teaching supervision of an attending physician. UH full-time faculty serving as attending physicians may admit their own patients to the system. The final authority and responsibility for the patient lies with his private doctor who admits him.

This system is already working satisfactorily, according to Dean Rogers, and hospitals have agreed that this approach shall be the method for teaching.

2. Means of **governance by committees** through which the UH Medical School faculty can identify with hospital operations and the hospital staff with the University. There will be a departmental executive committee of both UH and practical hospital staff in charge of general management procedures.

3. **Mutual appointments** - The hospitals will appoint, with the University, a full-time **Program Director** in each clinical specialty in charge of educational programs. House staff selection will be by committees with members from both the UH and hospitals chaired by the Director.

Educational programs that involve more than one hospital will select house staff candidates through selection committees chaired by the chairman of the relevant Medical School department. As internships are phased out and residency programs are consolidated, this arrangement will become the only one functioning.

The hospitals will appoint, jointly with the UH, a full-time **Associate Chief** for each major clinical service. The same person may be both chief and director. The Associate Chief will be simultaneously appointed to major rank in the appropriate department within the Medical School.

Full-time UH faculty teaching in the hospital will receive staff appointments in the hospital.

4. Reciprocal payment arrangements - the UH will pay hospitals for expenses incurred for educational programs and the hospitals pay the UH for services rendered by their faculty.

These contract stipulations provide for the mutuality of agreements between the UH and hospitals recommended by the McDermott report. All relationships have been amicable, according to University President Harlan Cleveland and Dean Rogers. The Hawaii Medical Association played a seminal role as convenor of meetings with all hospitals and President Herbert Y.H. Chinn testified "effective working relationship(s)" have been established.

Your Committee finds further assurance in the strength of ties between hospitals and University in the particular negotiations with Tripler. The existing affiliation agreement has been modified so that a part of each major clerkship (medicine, surgery, pediatrics) in rotation, rather than selected clerkships only, might be offered. The "warm cooperativeness" of Tripler in undertaking third-fourth-year programs, according to Dean Rogers, has been encouraging.

Your Committee also heard favorable testimony about negotiations from the hospital administrators or representatives of Children's, St. Francis, Kapiolani, and Queen's hospitals. All continued to endorse the strong clinical orientation of the programs in the agreement and foresaw future accommodation of the State's expanding health needs.

Possibilities for signing agreements for out-reach programs on neighbor islands also seem favorable. Dean Rogers has met formally with county medical societies, and reports that doctors will be pleased to accommodate students and the program.

The Costs

Three aspects of research and development were listed as "essential preconditions" for enrolling third-year students in the McDermott report. They were program, affiliation agreements, and costs. Although your Committee finds the first two aspects in the University reports complete and adequate, it remains skeptical about methods of financing the four-year program which the State will eventually face by committing itself to authorization of the program this session.

Your Committee expresses caution, not so much about costs *per se*, but about alternative ways of funding the mature four-year program. We request further and serious consideration be given to projected State operating costs and to other means of financing higher education requested of the Legislative Auditor in our Committee Report last year.

Our findings this year from the Naramore and Young report (hereafter N & Y) focus on capital improvement costs for new construction, operating and non-capital expenditures, and prospects for federal funds. Our emphasis is on the stabilized third- fourth-year program, and its increase over the existing two-year program.

Capital Improvement Costs

Your Committee finds that, according to the consultants, a total of 110,800 gross square feet is needed for the stabilized M.D. degree-granting program at the six existing teaching affiliate hospitals. (N & Y, Exhibit 3, p. 11.) Estimates of the total capital improvement cost of implementing the program given range from the "lowest probable" to the "highest probable" cost - and for comparison, "cost of all new construction" (exclusive of land acquisition):

Lowest probable cost	\$5,680,000
Highest probable cost	\$7,090,000
Cost of all new construction	\$8,060,000

(N & Y, Exhibit 5, p. 15.)

The consultants concluded generally that the hospitals do provide an adequate base for teaching which will be greatly strengthened as they implement their own long-range plans and incorporate facility requirements of the teaching program. Initially the sharing of programs will require a compromise of physical facilities, but all temporary location of programs appears feasible. In terms of capital improvements and space requirements over the period from start-up (1973-74) to maturity (1976-77):

1. 17.7% of the total space expected at maturity is currently available for use.
2. Another 34% is available, but requires remodeling to meet specific needs. Much of this can be used on an "as is" basis, making a total of 51.9% space currently available.
3. Approximately 8,200 gross square feet, or 48%, must be leased from private sectors at Queen's and Kapiolani from start-up to maturity.

Other factors such as site expansion and land acquisition, current adequacy of site with respect to individual hospitals are included in the probable costs above. Your Committee accepts these general estimates of capital improvement costs.

Operating and Non-capital Costs

Your Committee finds that the operating and non-capital investment costs for third- and fourth-year increments are to begin in FY 1972-73, with \$0.5 million of the \$3 million Federal "start-up money" for conversion from a two- to four-year program. Thereafter, operating and non-capital costs have been projected incrementally for a six-year span, in conformance with PPB requirements. Totals range from \$4 million for FY 1973-74 to \$6.4 million in 1978-79. (See Supplementary Exhibit 11)

Your Committee also finds that 81.75 positions were budgeted for FY 1972-73. (N & Y, Exhibits 8 and 9, pp. 32-33.) However, according to Dean Rogers, an additional ten positions will be needed to effectuate the transition from a two-year to a four-year program. These additional positions would not increase the 1972-73 budget as the cost would be taken up by the Federal start-up grant and by the conversion of R & D to non-capital

funds authorized in this bill. Your Committee recommends that these positions be authorized.

Federal Funds and State Costs

Your Committee believes that an accurate picture of the financial implications of a four-year medical school may be obtained by assessing Federal and State funding possibilities. Naramore and Young have made summary projections of the total costs and the methods of funding third- and fourth-year increments from 1973-79. The anticipated sources of funding are: (See Supplementary Exhibit 12)

1. Federal Funds (1971 Comprehensive Health Manpower Act).
2. State General Fund.
3. General Obligation Bonds (for CIP funding).

Federal funds are expected to account for 70% of the third-year start-up costs, according to President Cleveland. Title I of the Comprehensive Health Manpower Training Act of 1971 (PL 92-157) provides the following grants that may assist the UH four-year program in particular:

1. **Formula (Capitation) Grants:** Section 770(j) of the Act authorizes appropriations for capitation grants for Schools of Medicine, Osteopathy, and Dentistry. Section 770(a) provides for capitations at the following levels:

\$2,500 per full-time first-, second-, and third-year student;

\$4,000 per graduate, except in the case of three-year training programs or programs allowing completion of requirements for M.D. degree within six years post-high school, when the amount per graduate shall be \$6,000;

\$1,000 per full-time student in training program for physicians' assistants or dental therapists.

The University presently receives capitation grants for its two-year program.

2. ("Start-up") **Grant Assistance for conversion from a Two-Year School of Medicine to a Degree-Granting School:**

Section 771(b) authorizes special one-time grants for any two-year school of medicine which intends to become a school accredited to grant the M.D. degree. This is equal to \$50,000 times the number of students enrolled in the school's first third-year class. The school must submit its application for conversion to the Secretary before July 1, 1974, and enroll a third-year class in the school year beginning in the fiscal year 1975.

Dean Rogers emphasized that the UH start-up application stands little chance of being accepted if the State fails to authorize the degree-granting Medical School **this session**.

3. Special Project Grant Assistances: Section 772(a) authorizes grants for specific projects outlined in the Act, many of which fit Hawaii's situation, e.g., multi-ethnic population, curriculum directed toward family medicine and a team approach to delivering health services. Grants from private sectors may also be obtained. These assistances will not contribute to the costs of the Medical School. Rather, they may be used to obtain facilities and draw and retain top faculty.

Dean Rogers reports that grant papers have been filed for specific projects, and he is presently awaiting word of their status. Two applications for "interdisciplinary training" and "clinical pharmacology" are contingent upon legislative authorization of the four-year program. This grant support is clearly **in addition** to that already set out in the reports originally submitted.

4. Construction Grant Assistance: The Act also authorizes Federal grants to assist in the construction, expansion, or renovation of Schools of Medicine and the other health professions. It includes assistance for acquiring existing buildings and is awarded to hospitals and out-patient facilities affiliated with a school of medicine. Further, the maximum Federal share of costs of construction for new schools or major expansion of existing schools is raised from up to 66 2/3% to up to 80%.

This assistance has little effect on the costs the State must bear out of the General Fund as CIP funding is from General Obligation Bonds.

Though there is a significant possibility that the Federal support may increase, ac-

ording to President Cleveland, your Committee strongly recommends that a serious look be taken at the heavy financial burden to the State that the medical school will cause. A \$6 million load on the State in the 1973-75 biennium is projected to increase to an \$11.8 million need by the 1977-79 biennium - and for only the third- and fourth-year programs!

Your Committee has, however, received unanimous encouragement from the Hawaii Congressional delegation about the prospects of securing Federal funds. All four members have written letters to your Chairman guaranteeing cooperation with Federal officials in all grant applications the University submits. Dean Rogers has also been in touch with relevant Department of Health, Education, Welfare personnel, especially at the National Institute of Health.

The caution your Committee expresses may thus be placed in a positive context. We believe - and here reiterate our report of last session - that "the need for upgrading medical care outweighs the cost." Mindful of costs, however, we recommend that serious consideration be given to alternative ways of furnishing State revenues for the four-year school in the next biennium, and that careful study be given to financing the costs of a four-year medical education.

At the same time, we believe that the reports and supplements submitted by the University this year complete the research and development phase of the four-year school. We find the three areas of program, affiliation agreements, and costs - stipulated as basic requirements for enrolling third-year students by the McDermott report - form as complete a program configuration as is presently possible.

We therefore recommend that \$200,000 of unexpended research and development costs be converted to non-capital investment and eventual operating costs as requested by the University and that ten additional positions be authorized for FY 1972-73 to effect the transition to a three- four-year program.

Your Committee on Higher Education thus reaffirms its commitment to a degree-granting School of Medicine at the University of Hawaii and authorizes the third-year class to begin in Fall, 1973. And, we look forward to the first M.D. graduates from Hawaii in 1975, as well as to the extension of

SUPPLEMENTARY EXHIBIT 11

PROGRAM MULTI-YEAR FINANCIAL PLAN

(in thousand \$)

Statewide Objective: Improve Health Care Delivery and Increase Career Opportunities
in Medicine for State Residents

Major Program Area: Health Manpower Education

Program: M.D. Degree-Granting Program

Element: Third and Fourth Year Increment

Number of Positions in Parentheses ()

Cost Elements	1973-74 Estimate	1974-75 Estimate	1975-76 Estimate	1976-77 Estimate	1977-78 Estimate	1978-79 Estimate
I. Research and Development						
Planning	100	100	100	-	-	-
II. Operating						
Personal Services	(59.00)	(78.00)	(91.75)	(95.75)	(95.75)	(95.75)
Salaries	1,032	1,349	1,540	1,631	1,696	1,764
Student Help	8	9	11	12	12	12
Supplies	88	125	138	138	138	138
Equipment	79	112	130	135	135	135
Facilities	373	404	453	503	543	586
Outreach	286	326	338	352	366	381
Incremental Clinical	560	894	983	1,082	1,193	1,309
Intern-Resident Program	1,481	1,699	1,809	1,938	2,043	2,153
IIIa. Investment: Non-Capital	72	32	-	-	-	-
Total (I, II, IIIa)	4,079	5,018	5,502	5,791	6,126	6,478
IIIb. Investment: Capital						
Design						
Consultant Services	233.7	143.1	37.4	33.4		
Staff Services	137.9	47.5	-	-		
Construction						
Building (new constr.)	10	560	1,598.7	1,125.7		
Building (remodeling)	36	492	215	-		
Equipment	-	9.4	95.3	225		
Landscaping & Parking	54	208.2	532	-		
Staff Services	-	17.8	19.2	11.2		
Total IIIb	471.6	1,478	2,497.6	1,395.3		
Total Program Requirements	4,550.6	6,496	7,999.6	7,186.3	6,126	6,478

SUPPLEMENTARY EXHIBIT 12

PROGRAM MULTI-YEAR FINANCIAL PLAN
MEANS OF FINANCING AND PROGRAM REVENUES

1973 to 1979

(in thousand \$)

Statewide Objective: Improve Health Care Delivery and Increase Career Opportunities
in Medicine for State Residents

Major Program Area: Health Manpower Education

Program: M.D. Degree-Granting Program

Element: Third and Fourth Year Increment

Number of Positions in Parentheses ()

	1973-74 Estimate	1974-75 Estimate	1975-76 Estimate	1976-77 Estimate	1977-78 Estimate	1978-79 Estimate
Research and Development						
Special Funds						
Federal Funds	100	100				
General Fund			100			
Operations						
Special Funds						
Federal Funds	1,300	1,540	390	390	390	390
General Fund	2,607	3,346	5,012	5,401	5,736	6,088
Investment: Non-Capital						
Special Funds						
Federal Funds						
General Fund	72	32				
Investment: Capital						
Special Funds						
Federal Funds						
General Fund						
Revenue Bonds						
G.O. Bonds	471.6	1,478	2,497.6	1,395.3		
Reimbursable G.O. Bonds						
Total Program Requirements						
Special Funds						
Federal Funds	1,400	1,640	390	390	390	390
General Fund	2,679	3,378	5,112	5,401	5,736	6,088
Revenue Bonds						
G.O. Bonds	471.6	1,478	2,497.6	1,395.3		
Total	4,550.6	6,496	7,999.6	7,186.3	6,126	6,478

health care services to the people of the State and the Pacific Basin.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 2111-72** as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2111-72, H. D. 1** and be referred to the Committee on Finance.

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

SCRep. 270-72 Hawaiian Homes on H. B. No. 2091-72

The purpose of this Act is to establish certain revolving funds to be administered under the Hawaiian Homes Commission Act, 1920, as amended. The revolving funds established are the Hawaiian home-farm loan fund, the Hawaiian home-commercial loan fund, the Hawaiian home-repair loan fund, and the Anahola-Kekaha fund.

Under present law, past legislative appropriations had been spent at the direction of the Chairman of the Department of Hawaiian Home Lands. In actual practice, the appropriations were placed in revolving funds and expended for the same purposes as enumerated in the newly-created Hawaiian home-farm loan, Hawaiian home-repair loan and Anahola-Kekaha funds. Thus, the creation of these funds by amending certain sections of the Hawaiian Homes Commission Act, 1920, as amended, is to conform to existing practices of the Department of Hawaiian Home Lands.

The Hawaiian home-commercial loan fund is to make loans to assist lessees in the operation or erection of theaters, garages, service stations, markets, stores, and other mercantile establishments. Your Committee is aware of the necessity to expand the purposes for which loans can be made and the expansion to include commercial loans is a realistic response to the need of the lessees to engage in non-agrarian activities. Our society is no longer purely agrarian and as such the law must be changed to reflect this fact.

There are already existing funds being

used for purposes as enumerated in the newly-created Hawaiian home-farm loan fund, Hawaiian home-repair loan fund and Anahola-Kekaha fund. Therefore, only the Hawaiian home-commercial loan fund will require an appropriation from the legislature.

The Act has been amended in a non-substantive manner to replace the words "Hawaiian homes" with the words "Hawaiian home," and to replace the words "Hawaiian Home" with the words "Hawaiian home," except in the case of the words designating the Hawaiian Homes Commission Act, 1920, as amended. This change has been made for purposes of consistency.

Your Committee on Hawaiian Homes is in accord with the intent and purpose of **H. B. No. 2091-72**, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as **H. B. No. 2091-72, H. D. 1**.

Signed by all members of the Committee except Representative Hansen.

SCRep. 271-72 Public Employment on H. B. No. 2137-72

The purpose of this bill is to require all persons employed by the State and those employed by companies under State contract whose work is concerned with the safety of citizens to complete an advanced first aid and cardial-pulmonary resuscitation course.

This measure would increase the number of persons capable of providing high caliber emergency care to accident victims. This measure should result in preventing a considerable amount of suffering and very possibly some deaths.

Your Committee was informed at the hearings on this bill that the Hawaii Chapter of the American Red Cross and the Hawaii Heart Association have the capability to train and certify instructors for the various State and county governments who in turn could provide this training for their respective personnel.

Your Committee is of the opinion that it is unnecessary to provide sanctions for the failure to complete such a course. Accordingly, that portion of the bill has been deleted.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 2137-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2137-72, H. D. 1** and be referred to the Committee on Public Health, Youth and General Welfare.

Signed by all members of the Committee.

SCRep. 272-72 (Majority) Public Utilities on H. B. No. 1865-72

The purpose of this bill is to authorize either the state or county to acquire and private electric companies in counties of less than 35,000 residents.

Your Committee feels that all privately operated companies in smaller counties are not providing adequate service to residents. This is partly due to difficulty that some smaller companies had in financing expensive capital programs in order to provide adequate electric power. If such electric companies are taken over by the state or county, money for expansion of electric power capacity would become more readily available through state or county bonds. We feel that such bonds would be cheaper and thus produce the price of electric power to consumers.

Your Committee on Public Utilities is in accord with the intent and purpose of **H. B. No. 1865-72** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Judd. Representative Poepoe did not concur.

SCRep. 273-72 Public Utilities on H. B. No. 1902-72

The purpose of this bill is to require public

utilities to use public bidding for expenditures of \$4,000 or more.

It is becoming increasingly evident that the public character of utility operations require the same type of control and guarantees provided for in governmental operations.

Your Committee feels, however, that this requirement should not be inflexible and that there are circumstances which might require an exception to the public bidding requirements. Accordingly, your Committee has amended the bill by inserting such an exception.

Your Committee on Public Utilities is in accord with the intent and purpose of **H. B. No. 1902-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1902-72, H. D. 1** and that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Judd.

SCRep. 274-72 Public Utilities on H. B. No. 2360-72

The purpose of this bill is to change the definition of "mass transit" as used in the revised statutes under the chapter granting powers to counties and to prohibit counties from competing against certain entrepreneurs.

The first added sentence to section 51-1 of the Hawaii Revised Statutes adopts the definition found in the Urban Mass Transportation Act of 1964 so as to provide a clear and uniform definition of "mass transit" and "mass transportation". The second sentence prohibits counties from competing with private school bus operators or persons engaged in the business of chartering buses and running siteseeing operations.

Your Committee feels that it is not the role of county governments to compete with private enterprise. Private entrepreneurs running school bus operations have contracts with the Department of Education and

others covered by the bill are regulated by the Public Utilities Commission. All such companies rates are effectively controlled by state agencies providing reasonable services at fair prices.

Your Committee on Public Utilities is in accord with the intent and purpose of **H. B. No. 2360-72** and recommend 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 except Representative Judd.

SCRep. 275-72 Higher Education on H. B. No. 2142-72

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$50,000 for the establishment of an instructional food service program at Leeward Community College, Oahu.

Your Committee finds that the Leeward Community College Food Service Program has been in the planning stage since late 1970. The purpose of the program is to provide an instructional program in food services leading to a degree in hospitality education and food services, and to provide meals and snacks for the student body.

Your Committee further finds that construction for the Leeward Community College Campus Center has been completed and includes a finished and well designed cafeteria that has not been utilized due to lack of a food service program.

Your Committee further finds that an instructional food service program proposal was submitted to the Council of Provosts in February, 1971, but was not approved pending further investigation to clearly determine the industry needs and demands. Consequently, funds for such a program were not included in the budget request to the Governor or the Legislature for the 1971-73 biennium. It was also recommended by the Council to explore options for feeding the student body.

Your Committee further finds that a survey of the Food Service industry in the Leeward area was prepared by the Voc-Tech Division of the Leeward Community College, and it was their recommendation that there be "a formal food oriented training program established at the post-high school level in the Leeward area." Also, according to a report by Henry Kalani, Hotel Operations & Co-Op Education Coordinator, Kapiolani Community College, "It is obvious from current studies available from the Hawaii Hotel Association Education Committee, the Hawaii Visitor's Bureau Long-Range Planning Committee, the Governor's Committee on Manpower, the State of Hawaii Department of Planning and Economic Development, Department of Labor and Industrial Relations that we need to train and educate thousands of skilled, semi-professional and professional personnel for the hospitality industry. Kapiolani Community College, Hawaii Technical College, Honolulu Community College, and the Pacific Training Council have provided less than half of our needs for trained personnel each year. The addition of Leeward Community College will be welcomed."

Your Committee further finds that there have been three proposed directions to provide for food services at the college: 1) LCC start a Pilot Demonstration; 2) receive assistance from the Manpower Development Training Program for Food Service Training; and 3) Contract with a commercial food vendor. It is apparent that the first two options are the most favorable to the development of the Food Service Program. The third option was offered to resolve the immediate need for feeding the Community College students and personnel and sought for a one-year contract with a commercial vendor. However, it was found that private vendors are disinterested in short-term contracts; such contracts are too binding on the institution; and no teaching of food services may occur.

Your Committee further finds that the MDTA program is already assisting Kapiolani and Honolulu Community Colleges and adding Leeward would spread the funds too thin. The University has, therefore, decided to request funds from the Legislature for initiating a Pilot Demonstration Food Services Program for Fall, 1972.

Your Committee further finds that the projected initial budget for the program will require an appropriation of \$50,000, with the

food service aspect of the operation - preparing of 5,000 lunches per day and assorted snacks and breakfast - will be self-sustaining.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 2142-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakama.

SCRep. 276-72 Higher Education on H. B. No. 2191-72

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$ to continue the production of the educational television series on labor entitled "Rice & Roses." These

monies shall supplement or match federal funds that have supported the series for the past year, together with matching funds from the State.

Your Committee heard favorable testimony about the program from Robert Steiner, Director of Hawaii Educational Television. Tom Howe, Producer of the Show, requested \$65,000 to continue the show. A budget of program needs is attached.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 2191-72**, as amended herein, and recommends it pass Second Reading in the form attached hereto as **H. B. No. 2191-72, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakama.

BUDGET FOR "RICE & ROSES"

(In reference to **H. B. No. 2191-72** and **S. B. No. 1744-72**)

Herewith is an estimated budget for the production of a series of 39 weekly programs to be entitled "Rice and Roses." This series would be produced by the Hawaii Educational Television Network in cooperation with the University of Hawaii College of Continuing Education and the Labor Advisory Council. It would be addressed to the working people of Hawaii and designed to provide them with information on social and economic questions of interest and concern to them.

A. Additional Funds Required

I. Annual Production Costs		\$26,170.00
Staff (Producer & Asst.)	\$23,000.00	
Production Supplies	2,000.00	
Promotion & Evaluation	1,170.00	
II. Color Film and Video Tape		16,285.00
2,100' color film/show		
@ 15¢ x 39	12,285.00	
20 Tapes @ \$200	4,000.00	
III. Professional Fees (\$125.00 per show)		4,875.00
IV. Student Crew		9,360.00
120 hrs./show @ \$2.00 an hour		
V. Cinematographer/Editor & Equipment (\$200/program)		7,800.00
Total Additional Funds Required		\$64,490.00

B. HETV "In Kind" Costs

I. Director		\$ 8,000.00
II. Engineer (12 hrs/show @ \$6.50)		3,042.00
III. Graphics (15 hrs/show @ \$6.00)		3,510.00

IV. Cinematographer (8 hrs/show @ \$6.00)	1,872.00
Fringe Benefits	\$16,425.00
	2,358.00
Total "in kind" costs	\$18,782.00
TOTAL COST OF COMPLETE SERIES OF 39 SHOWS	\$83,272.00

This averages out to approximately \$2,135 per hour program which compares with the national average of about \$2,500 for locally produced programs for local distribution, or \$48,000 for locally produced programs for network distribution.

SCRep. 277-72 Higher Education on H. B. No. 2344-72

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii, the sum of \$65,400 for the establishment of a Pacific Asian Affairs Program jointly sponsored by the University and the Pacific Asian Affairs Council. The point of the program is to strengthen and coordinate Pacific and Asian studies throughout the entire educational system of the State of Hawaii, in the high schools, community colleges, and the University. It would develop and distribute appropriate curricular materials and provide teacher training workshops on all aspects of the Asian and Pacific studies - language, history, culture, and local community experience in Hawaii.

Your Committee finds that the PAAC program last year was forced, due to lack of financial support, to suspend fifty percent of their activities and use all remaining assets to provide international programs on the Neighbor Islands. This was done because of the PAAC commitment to provide resources and opportunities where they were most needed and where they were not available.

Your Committee further finds that this year the program has worked in concert with the College of Education, faculty of Asian Studies, East-West Center and a bi-partisan legislative committee to develop a long-range program which would continue to stimulate interest in the study of the Pacific and Asia at reduced costs. Moreover, the program has been developed to take advantage of the unique resource of the East-West Center, its grantees and staff. It was the recommendation of this latter group that the program be housed under the University with a total budget of \$92,520 of which the State would provide \$65,400 and the Pacific Asian Affairs Council the balance of \$27,120.

Your Committee finds that the present

PAAC program has utilized East-West Center grantees and their experiences resourcefully in the Inter-Island Educational Program which has proven to be mutually beneficial. The grantees have expressed a need for this type of interaction with the community and a desire for this sharing to continue. High school students also have reaffirmed their gains through the many new first-hand insights received.

According to Stuart M. Brown, Jr., Vice President for Academic Affairs, the University sees the need and importance of the program. However, because of the special focus of the program on high school, the University Administration feels that the task is somewhat ancillary to the University's major mission and perhaps the program is best suited in the Department of Education. In spite of this the University is willing to take the program on the condition that the Legislature appropriate the additional funds needed to operate it. Its high added costs cannot be absorbed into the present University budget and budget projections.

Your Committee heard several favorable testimony from students, teachers, and East-West Center grantees lauding the benefits and need for such a Pacific and Asian Affairs Program.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 2344-72**, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakama.

SCRep. 278-72 Higher Education on H. B. No. 2358-72

The purpose of this bill is to provide for the establishment of a Revolving Fund for the University of Hawaii. It defines said Revolv-

ing Fund and establishes the University Board of Regents as the body authorized to approve its use. This measure amends Section 304-8 of the Hawaii Revised Statutes 1969.

Your Committee finds that according to William W. Parsons, Vice President - Business Affairs, University of Hawaii:

1. Present State statutes make reference to revolving funds. However, they are unclear on the subjects of what they are to be used for and who has the authority to approve their use.

2. In February, 1970, a highly regarded consultant, Robert M. Cornett, submitted a report to the State Department of Budget and Finance as a result of a systems engagement with that department. His recommendations were concerned, among other things, with revolving funds. He characterized them as funds to be established where receipts significantly influence spending levels and which, therefore, should not require appropriation by the legislature. He recommended that their use be restricted to self-supporting enterprise type operations for which commercial type accounting, rather than appropriation type, is better suited.

3. Such funds should be used for the auxiliary enterprise operations traditional to universities, including bookstores, housing, food services, student unions and student health services (primarily special medication and laboratory services). They may also be used merely as a method of distributing costs of certain service facilities used, sometimes in common, by a number of teaching and research programs already approved by the legislature. Examples of the latter include shop and laboratory operations, audio visual services, graphics and photocopy services, computer services, duplicating services, and transportation services. They are appropriate for operations which are an integral part of vocational training projects (such as food service, sewing, auto and aircraft mechanics, carpentry, plumbing, electrical, radio, refrigeration, sheet metal, etc.).

4. Passage of this bill will facilitate the establishment of self-supporting operations which, in turn, will lend support and aid to the educational, research and public service programs of the University. Certain economies will be possible, as the University will have an approved fiscal method of consolidating certain services required by those programs; it will provide for better account-

ing for their costs according to the principles of PPBS.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 2358-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakama.

SCRep. 279-72 Higher Education on **H. B. No. 2438-72**

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii, the necessary funds for improvements to the Hemenway Union Building, University of Hawaii, Manoa Campus. The funds appropriated will be used to convert the second floor of the Hemenway Union Building into a University Service Center.

Your Committee finds that \$831,000 was requested in the 1971 University CIP budget for the University Services Center to be funded through State General Obligation bonds. However, the proposed project was not funded by the State Legislature. The Campus Center Board has reviewed the project and has resolved to seek CIP authorization again.

Your Committee further finds that the University Services Center is an integral part of the Campus Center already under construction. According to A. L. Ellingson, Dean of Students, University of Hawaii, the Center will have direct and measurable benefits to the campus environment and consequently benefit the educational programs. Present Service Center planning has been endorsed by the Campus Center Board, the Faculty Senate and the Administration. The proposal involved placing the Faculty Senate and ASUH offices, committee rooms, and a support library of University reports and files, in the Center, along with such social and recreational activities as food services, reading and recreational rooms, and lounges. The proposal also stipulates that all members of the campus participate in the funding of the project.

Although there are still some unknowns in regards to the Campus Center fee, it is known that the maximum semester fee will be \$8.70 per student. If faculty and staff pay the same fee, we can amortize at least one half the cost of the proposed University Services Center. It seems appropriate to your Committee that all members of the Manoa campus - students,

faculty, staff - be assessed an equal fee for the amortization of the Center.

According to Ellingson, \$70,000 is needed in the fiscal year 1972-73 for planning of the Services Center. Another \$761,000 will be needed in the 1973-75 biennium for construction and equipping of the Center.

Your Committee, therefore, recommends that this bill be amended to appropriate the sum of \$70,000. Line 7 is amended to read: "revenues of the State of Hawaii the sum of \$70,000, or". This figure is a tentative one, and we leave it for the Committee on Finance for further consideration.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 2438-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2438-72, H. D. 1** and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakama.

SCRep. 280-72 Higher Education on **H. B. No. 2439-72**

The purpose of this bill is to appropriate the necessary additional monies for the State Higher Education Loan Fund (SHELF) established by Act 230, S.L.H. 1969.

Your Committee finds that since the State Legislature established this SHELF program in 1969 approximately 1,600 loans have been awarded to 1,213 students to assist them in meeting the costs of pursuing a higher education. However, present projections indicate that only \$25,000 will be available in September, 1972, for loans under this program. In two separate appropriations a total of \$950,000 has been authorized by the Legislature which has provided for the first two years of the program.

Your Committee further finds that if the Legislature is to meet its previous intent of establishing a revolving loan fund capitalized at a value of five to six million dollars, additional funding is necessary. The current standards for issuing loans are leased on the basis that this was the intent. It takes about fourteen years to stabilize such a loan program, i.e., when repayment equals new loans.

The fund has been of great assistance to a large number of students who could not qualify otherwise for any kind of assistance. They include students and their parents from lower middle to middle income brackets (\$7,500 to \$16,000) whose personal and family assets are above the adjusted family means level set for the Federal loans.

Another great asset of SHELF is that it covers summer school expenses. Students who work part-time while in college frequently have to extend the number of years to obtain their degrees. The ability to attend summer school enables many to complete studies within four calendar years, even though the number of semester/sessions attended may be more than the standard eight. This allows students who work while going to school to complete degree programs as quickly as possible and in turn create more room for incoming freshmen.

Your Committee on Higher Education is in accord with the intent and purpose of **H. B. No. 2439-72**, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 281-72 Finance on **H. B. No. 2522-72**

The purpose of this bill, as amended herein, the provisions of which relate to planning and development of North Kohala, Hawaii, is to appropriate monies out of general obligation bond funds (1) to carry out feasibility studies for potentially viable industries, (2) for planning and development of the area, and (3) for development of an irrigation water system, in the sums of \$100,000, \$3,700,000 and \$850,000, respectively.

During the 1971 legislative session, **H. C. R. No. 60** was adopted requesting the governor "to appoint an action task force to recommend a plan of action to save the Kohala Sugar Company and the community and to stimulate . . . growth and prosperity." The task force, chaired by the lieutenant governor and comprised of members representing labor, management and government, submitted an interim report to the legislature in February, 1972, indicating its belief that the Kohala area should retain its essentially agricultural character and that a number of non-sugar ventures appeared feasible for the area.

In submitting its final report dated March 6, 1972, the task force expressed its wish "to emphasize that the prevention of unemployment with its attendant problems and costs has been its primary motivation and aim." It was recommended that the essentially agricultural character of the community be retained, and that other diversified agricultural activities should be phased in as sugar was being phased out of the area.

In order to implement these recommendations, the task force has submitted to the legislature several measures, among them **H. B. Nos. 2521-72, 2522-72 and 2523-72**, together with **H. C. R. No. 26**. Your Committee considered these four measures concurrently, at the hearing upon which the lieutenant governor, referring to them (together with certain related projects contained in the administration's capital improvements program) as "an integrated package of legislation", stated: "I cannot over emphasize the importance of looking at these measures as part of a package of steps which must be taken if the Kohala area is to be saved."

This bill, being **H. B. No. 2522-72**, (Relating to the Planning and Development of North Kohala) incorporates the substantive provisions of the other bills, being **H. B. No. 2521-72** (Relating to Feasibility Studies of Potential Industries in North Kohala) and **H. B. No. 2523-72** (Making an Appropriation for the Development of an Irrigation Water System in North Kohala). Arranged numerically, they appear in the bill at Sections 2, 3 and 4, respectively.

Section 2 of the bill authorizes the governor to commission feasibility studies of potential industries in Kohala, appropriating the sum of \$100,000 therefor. As described in its interim report, the task force has already identified a number of diversified agricultural activities (such as tropical fruit processing, feed grain production, feed grain mill, beef cattle feed lot, swine production, slaughterhouse-meat packing, tropical plant nursery, and aquaculture) which could be developed in Kohala and which could provide more than enough employment for the Kohala Sugar Company employees.

However, merely to report that an industry looks promising is not enough justification for investors or lending institutions to make a decision involving large sums of capital. More data would be needed such as capi-

tal costs of land, buildings, equipment, raw materials, labor and other operating costs, revenues, markets, projected profits, etc., before any definite action will be taken. A good example of this would be the feedlot project. Preliminary experiments have been very encouraging, but even if the results should prove that the project is technically feasible, there will still be a need for an economic analysis of a Kohala operation in comparison with an operation in Kawaihae, Kamuela, or even in Honolulu.

In addition, this authorization for feasibility studies may be needed in order to help attract some small investors to Kohala. In many instances, smaller operators do not have the capital to themselves finance the feasibility studies necessary for qualification of even limited financial assistance.

Section 3 of the bill permits the governor to authorize the expenditure of general obligation bond funds for the over-all planning and development of the Kohala area, appropriating the sum of \$3,700,000 therefor. This provision allows the governor the flexibility needed to insure that there is a smooth transition between the phase-out of sugar and phase-in of other agricultural products. According to the task force, it is only with this kind and degree of flexibility that the governor would be able to respond quickly to new situations as they arise and do everything possible to alleviate transitional problems.

According to the dean of the College of Tropical Agriculture, which would also participate in the feasibility studies:

"Agriculture is only one—but a very important component in the total planning and development for North Kohala. Optimum development will require integration into a plan of all enterprises and activities which should promise for the redevelopment of the area. We should strive to develop a plan which will maximize the benefits to the people of Kohala, to the County of Hawaii and to the State of Hawaii."

Section 4 of the bill appropriates the sum of \$850,000 for development of an irrigation water system in Kohala. The system is intended to service approximately 3,000 acres of agricultural land which is primarily owned by the State and is presently being leased to Parker Ranch. This land which is now being used for raising beef cattle, can be put into

sorghum production if an adequate irrigation system is developed. The land itself is better than much that is now in sugar production and requires only water to put it into the higher use of sorghum production. Parker Ranch has already indicated a willingness to make the land available for this higher use.

With the development of this 3,000 acres, in addition to the 7,000 acres of Kohala Sugar Company land which has been committed to sorghum production, the feed grain industry can play a major role in diversifying the agricultural base of the area. According to the task force, the director of the department of agriculture concurring, this industry can act as a catalyst for the development of a string of other industries—feed lot, state-wide dairy heifer replacement program, large hog farm or farms, slaughter house, meat packing plant, rendering plant, and even a leather tanning and manufacturing operation.

In order to complete the “package”, your Committee anticipates recommending, under separate report, adoption of **H. C. R. No. 26**, requesting the Economic Development Administration, U. S. Department of Commerce to provide grants for the development of neighbor island counties in general and, more specifically, the Kohala area. Heretofore, another measure in the “package”, **H. B. No. 2012-72**, creating a new class of loans under the Farm Loan Program for the costs of a “new farm enterprise” and appropriating \$2 million therefor, was passed on second reading under **Stand. Com. Rep. No. 163-72** from your Committee on Agriculture, and we have reported upon this bill recommending passage on third reading as **H. B. No. 2012-72, H. D. 2**.

In addition, the task force has endorsed, and your Committee has scheduled hearings upon, four items contained in **H. B. No. 1972-72**, the governor’s supplemental capital improvements bill. These are:

(1) Item B-3, which appropriates funds for research plans acquisition, preservation, restoration, development and interpretation of North Kohala’s historic places, structures and objects.

(2) Item C-10, which supplements prior appropriations for the incremental construction of a 2-lane highway on the Kailua-Kawaihae Road.

(3) Item C-12, which supplements prior appropriations for the construction of a 2-lane highway on the Hawi-Mahukona Road.

(4) Item I-5, which appropriates funds for the planning and construction of a North Kohala Civic Center.

Finally, in its final report, the task force recommended that the County of Hawaii appropriate the sum of \$1.8 million to be expended, in consultation with the governor, for the purpose of “preventing unemployment” in Kohala. Your Committee is informed that the Hawaii County Council is on record as being committed to the appropriation of such a sum; and although the funds were intended for the public purchase of Kohala Sugar Company (an alternative inconsistent with the programs we hereby recommend), it is our further understanding through Councilman Yamada, also representing Mayor Kimura at the hearing, that the monies will be recommitted to the purpose recommended by the task force. Your Committee hereby recommends, therefore, that final legislative action upon this and all other bills relative to the Kohala situation be deferred pending reappropriation of the \$1.8 million by the Hawaii County Council in accordance with the purpose and means of expenditure recommended therefor by the task force in its final report.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2522-72**, as amended herein, and recommends that it pass second reading in the form attached hereto as **H. B. No. 2522-72, H. D. 1**, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 282-72 Finance on H. B. No. 1987-72

The purpose of this bill is to appropriate out of general obligation bond funds the sum of \$1,200,000 to supplement the farm loan revolving fund with financing necessary to assist independent cane growers on the Hilo-Hamakua coast in the formulation of a processing cooperative for the modernization of mills and compliance with required air and water quality standards.

Sugar has historically been a prime industry of the State. It remains, whatever changes our economy may have experienced else-

where, the principal source of livelihood for residents of the county of Hawaii, second-largest in State population. Presently, for example, the independent cane growers at Pepeekeo Sugar Company and Mauna Kea Sugar Company on the Hilo-Hamakua coast, already suffering the effects of an industry in advanced stages of deterioration, cannot continue profitably unless facilities and equipment incidental to the harvesting and milling of sugar are modernized. There are over 400 such independent growers concerned who cultivate over 8,000 of the approximately 26,000 acres of sugar cane lands involved. Of the approximately 127,000 tons of sugar produced annually, the growers' cash value for their crop comes to about \$6 million.

C. Brewer and Company, Ltd., the corporate parent of these sugar companies, has, as an alternative to save the industry, presented a proposal to the independent growers to form a processing cooperative. The basic plan is that the current acreage ratio be maintained, with the plantations and the growers each continuing to cultivate sugar on their own lands. The processing function, however, which begins from the time cane is delivered into the trucks, and thus includes hauling and milling operations, will be performed by a cooperative composed of the plantations and the growers.

This venture, known as the Hilo Coast Processing Company, has been formed and has been capitalized by contributions from both sides. The plantations have turned over the factories at Pepeekeo and Papaikou, the hauling equipment and the roads, which have an aggregate value of approximately \$10.5 million. The growers have put up a combined initial investment of some \$1.2 million in cash and received an additional credit allowance totaling nearly \$600,000 for roadway system construction.

The capital contribution of the growers was obtained by way of interim financing through the six major banks in Hilo upon demand notes. Having arranged for this funding, the farm loan division of the department of agriculture is committed to "take out" the banks as soon as practicable, as the growers may suffer irretrievable loss without an orderly repayment program based upon ability to repay. It is estimated that the revolving fund will be fully reimbursed after 5 crops—or in approximately 10 years.

It is anticipated by the farm loan division that the rate of interest upon such direct loans to the independent growers will be one per cent over the selling price of the bond issue, section 155-8, which relates to direct loans, providing, in relevant part, that "if the money loaned is borrowed by the department, then the interest . . . shall not exceed six per cent a year or one per cent over the cost to the State of borrowing the money, whichever is greater."

In any event, your Committee is informed that based upon the joint contributions totaling over \$12 million, the Berkeley Bank of Cooperatives is committed to a \$15 million loan to the processing cooperative, which was contingent upon the independent growers investment.

It has been noted by the department of agriculture that unless additional funds are appropriated, a crisis situation will develop for the whole diversified agricultural industry if only presently available revenues were funneled to the independent cane growers, the sum required representing about 90 per cent of the resources in the farm loan revolving fund for fiscal year 1972-73. The funds appropriated by this measure will alleviate this problem.

The required monies, in the sum of \$1,200,000, are appropriated out of general obligation bond funds to the farm loan revolving fund under Section 1 of the bill; and the director of finance is authorized to issue general obligation bonds in such amount under Section 2. Although this revolving fund has traditionally been funded or supplemented out of general revenues, your Committee is informed that the attorney general is of the opinion that general obligation bond funding is not impermissible because "the bond issue is, by the bill, expressly authorized by the legislature, and provided that the proceeds of bonds so issued shall be exclusively devoted to the purpose or purposes defined and expressed in the acts of the legislature authorizing the issuance of bonds . . ." (See sections 39-1 and 39-2, Hawaii Revised Statutes).

Your Committee is of understanding that the department of agriculture explored the possibility of financing the proposal in somewhat the same manner as was done with producers complying with wholesome meat, poultry and egg inspection laws. Farmers affected by these Federal statutes have been fortunate to receive federal assistance from

Small Business Administration loans through special Congressional legislation.

Sugar, however, being a more localized industry, has not been so fortunate, and there is no similar special legislation to assist in compliance with required air and water quality standards. Nevertheless, sugar has been and is a significant part of the State's economic base, the continued vitality of which, together with social factors occurring to the communities affected thereby, is a matter of your Committee's grave concern.

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 1987-72** and recommends that it pass third reading.

Signed by all members of the Committee.

SCRep. 283-72 Finance on H. B. No. 2012-72

The purpose of this bill is to create a new class of loans under the Farm Loan Program to provide for costs of a "new farm enterprise", and to appropriate the sum of \$2 million out of general obligation bond funds to the farm loan revolving fund to finance the new farmer loan program hereby established.

As amended further by your Committee, Section 1 of the bill adds a new subsection to section 155-1, Hawaii Revised Statutes, which defines the program and the requirements for eligibility:

"(3) 'New farmer program' means a new farm enterprise for qualified farmers, which includes persons who are displaced from employment in an agricultural production enterprise, college graduates in agriculture, members of the Hawaii Young Farmer Association and Future Farmer of America graduates with farming projects who otherwise meet the eligibility requirements of section 155-10."

As introduced, and as received from your Committee on Agriculture under **Stand. Com. Rep. No. 163-72**, the description of persons eligible was included immediately following the definition of "qualified farmer" contained in section 155-1(2). We believe that this is inconsistent with the nature of the class of loan established in Section 3 of the bill as the "new farmer program" for which those who are so described may apply. Therefore, the eligibility listing was included in a

separate subsection, numbered (3), and preceded by the same definition of "new farmer program" which defines the new loan classification. To that listing, your Committee on Agriculture added members of the Hawaii Young Farmer Association, which we have left intact, although we deleted as superfluous the phrase "and would qualify for initial start up loans under section 155-9" which followed the listing, because we preceded the same with the definition contained in that section. Then, existing subsections (3), (4) and (5) under section 155-1 were renumbered as subsections (4), (5) and (6), respectively, to accommodate new subsection (3) defining the program and the requirements for eligibility.

The new loan classification established by the bill is contained under Section 3 thereof, amending section 155-9, Hawaii Revised Statutes, by adding subsection (6) as "Class 'F' " loans, being "for new farmer program" which are "to provide for costs of a new farm enterprise for qualified farmers." Initial loans thereunder are authorized for an amount up to \$75,000 or 90 per cent of the cost of the project, whichever is lesser. Again, your Committee amended the language limiting loans under this class: In place of the phrase "for purposes and terms described in paragraphs (1) and (3) above this section," we substituted "for purposes and in accordance with the terms specified in classes 'A' and 'C' only," which are the classes of loans contained in subsections 155-9(1) and (3), respectively, being loans for farm ownership and improvement and for farm operations, respectively.

Finally, as to loans under this new class, any subsequent loan may be made from all classes (except as to cooperatives and corporations under "Class 'E' "); and there is a requirement that borrowers comply with such special term agreements and take such special training courses as prescribed by the department of agriculture.

Section 4 of this bill appropriates the sum of \$2,000,000 out of general obligation bond funds to the farm loan revolving fund as financing for the "Class 'F' " loans, and the director of finance is authorized to issue general obligation bonds in such amount. Although this revolving fund has traditionally been funded or supplemented out of general revenues, your Committee is informed that the attorney general is of the opinion that general obligation bond funding is not impermissible because the bond issue is expressly

authorized by the legislature, provided that “the proceeds of bonds so issued shall be exclusively devoted to the purpose or purposes defined and expressed in the acts of the legislature authorizing the issuance of bonds” (See sections 39-1 and 39-2, Hawaii Revised Statutes).

As found by your Committee on Agriculture reporting hereupon in **Stand. Com. Rep. No. 163-72**, aforesaid:

“Farming as an occupation has not been attractive to young people. The scarcity of land and the lack of credit have been the major deterring factors in the past.

“Today, however, large tracts of land are becoming available for farming with plantations closing sugar operations. The State may have to consider inducements to capable young people to enter farming. Availability of credit may be the inducement and the incentive to these people.”

Your Committee on Finance is in accord with the intent and purpose of **H. B. No. 2012-72, H. D. 1**, as amended herein, and recommends that it pass third reading in the form attached hereto as **H. B. No. 2012-72, H. D. 2**.

Signed by all members of the Committee.

SCRep. 284-72 Public Employment on H. B. No. 1814-72

The purpose of this bill is to clarify and expand the scope of responsibilities of the State Commission on the status of women.

The present law directs the Commission to cooperate with the Department of Labor and Industrial Relations. The bill amends the law by directing the Commission to cooperate also with other State departments and agencies. Finally, the bill makes it clear that the Commission is to concern itself with unlawful employment practices in both the public and private sectors of the community.

Your Committee on Public Employment is in accord with the intent and purpose of **H. B. No. 1814-72** and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 285-72 Housing and Consumer Protection on H. R. No. 113

The purpose of this Resolution is to request that the Hawaii Housing Authority enunciate a policy in their state supported housing programs that will prevent the concentration of minority segments of the community, both in terms of income levels and racial and national origins, in housing pockets throughout the State and provide a wider range of opportunities for minorities in the location of housing outside of existing areas of minority concentration.

Your Committee on Housing and Consumer Protection concurs with the intent and purpose of **H. R. No. 113** and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

SCRep. 286-72 Housing and Consumer Protection on H. R. No. 134

The purpose of this Resolution is to request that the major automobile manufacturers educate automobile repairmen in their particular methods and innovations.

Your Committee on Housing and Consumer Protection concurs with the intent and purpose of **H. R. No. 134** and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

SCRep. 287-72 Legislative Management

Informing the House that **House Resolution Nos. 275 to 279, House Concurrent Resolution No. 36, and Standing Committee Report Nos. 288-72 to 318-72**, have been printed and distributed.

Signed by all members of the Committee except Representative Poepoe.

SCRep. 288-72 Select Committees of Kauai Representatives, Maui Representatives, Oahu Representatives and Hawaii Representatives on H. B. No. 129

The purpose of this bill is to allow a member of the Employees Retirement System to purchase credits for military service rendered by him prior to his employment by the State or county. This bill would permit a member

to buy two years of his military service if he has fifteen years of State or county employment; three years if he has twenty years of State of county employment; and four years if he has twenty-five years of employment with the State or county government.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 129** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 289-72 Select Committees of Kauai Representative, Maui Representatives, Oahu Representatives and Hawaii Representatives on **H. B. No. 894**

The purpose of this bill is to establish a burial fund for retirees in the Retirement System and to provide for the payment of the sum of \$300 for the funeral expenses of any retirant of the System who dies.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 894** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 290-72 Select Committees of Kauai Representatives, Maui Representatives, Oahu Representatives and Hawaii Representatives on **H. B. No. 1750-72**

The purpose of this bill is to amend the Retirement System law by eliminating the 30-day waiting period following the effective date of retirement. However, the 30-day waiting period would be waived only if the System receives a letter from a licensed physician prior to the effective date of retirement indicating that because of the applicant's illness, death may result within one year of the effective date of retirement.

Under existing law, a member would have to survive sixty days from date of filing for retirement in order for this beneficiary to become eligible for the death benefit under the plan of retirement selected by the member. Otherwise, the member's death would be considered to be "in service" and his beneficiary would receive the return of the member's contribution plus up to one year's salary. The elimination of the subsequent 30-day waiting

period would be of great advantage to the member's beneficiary.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 1750-72, H. D. 1** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 291-72 Select Committees of Kauai Representatives, Maui Representatives, Oahu Representatives and Hawaii Representatives on **H. B. No. 2336-72**

The purpose of this bill is to amend the law relating to veterans rights and benefits by allowing veterans who formerly resided in Hawaii, Kauai or Maui to be interred in the county of his former residence.

Present law allows only veterans who are residents of their respective counties at the time of their death to be eligible for burial in the respective county veterans cemeteries. This bill would allow the veteran an opportunity to be interred in the county of his former residence and near his immediate relatives.

Your Joint Select Committee of Kauai, Maui, Oahu and Hawaii Representatives is in accord with the intent and purpose of **H. B. No. 2336-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 292-72 Education on **H. B. No. 2208-72**

The purpose of this bill is to permit the Department of Education and appropriate county agencies to establish and regulate after-school and weekend activities for children at public school and park facilities and authorizes the appropriate agencies of government to obtain the services of persons in a voluntary or unpaid capacity in conducting such after-school and weekend activities. Such volunteers would be treated as government employees when rendering services so that the State or political subdivisions could be held liable for the negligent acts of such persons.

Your Committee finds that providing such protection to persons serving in a voluntary

or unpaid capacity in conducting after-school and weekend activities will encourage more people to participate in such activities and further encourage the use of school facilities during non-school hours.

Your Committee on Education is in accord with the intent and purpose of **H. B. No. 2208-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 293-72 Labor on H. B. No. 2004-72

The purpose of this bill is to amend the third party liability section of the workmen's compensation law, Section 386-8, to require an employer or his insurance carrier to pay a proportionate share of the attorney's fees and costs on sums recovered by an injured employee from a third party which are reimburseable to the employer or his carrier.

Section 386-8 provides that a worker who is injured in an industrial accident where someone other than his employer or fellow employee is at fault may claim compensation and also recover damages from the third party whose negligence caused the injury. The employer or his insurance carrier, however, is entitled to the reimbursement of any compensation it may have paid the employee from the amount recovered by the employee from the third party. Said section also contains provisions covering the payment of attorney's fees and costs in third party actions. It specifically provides that where "the action is prosecuted by the employee alone, the employer shall be entitled to apply out of the amount of the judgment for damages, or settlement in case the action is compromised before judgment, the reasonable litigation expenses incurred in preparation and prosecution of such action, together with a reasonable attorney's fee which shall be based solely upon the services rendered by the employee's attorney in effecting recovery both for the benefit of the employee and the employer." This provision which was enacted in 1970 was intended to provide for the sharing of attorney's fees and costs by the employee and the employer. While this intent was expressed in the committee reports accompanying the legislation, Senate **Stand. Com. Rep. No. 255-70**, Senate **Stand. Com. Rep. No. 287-70**, House **Stand. Com. Rep. No. 638-70**, and House **Stand. Com. Rep. No. 695-70**, it has been held by a court that

this intent is not expressed in the statutory provision involved.

This bill proposes to explicitly re-state the intent of the legislature to require an employer or insurance carrier to share in the payment of attorney's fees and costs in cases where an injured employee brings a third party action and there is a recovery from a third person which benefits both the employee and the employer. The court's interpretation which created a windfall for the employer was not intended by the legislature and legislation to explicitly provide a sharing of attorney's fees and costs is presently required.

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 2004-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 294-72 Public Health, Youth and General Welfare on H. B. No. 531

The purpose of this bill is to eliminate the one year residence requirement as a qualification for examination to practice medicine and surgery.

Your Committee heard three main arguments against this measure in testimony before it. Opponents of the bill were concerned with:

1. The protection of the public against unqualified practitioners;
2. The encouragement of transient medical practitioners to come to work in Hawaii while on vacation or during a short visit, which was felt not to be in the best interest of the public; and
3. The residence requirement is under litigation and may be struck down by the courts.

Your Committee, however, upon review of these argument, finds that:

1. No connection can be established between a one year residence in the state and the ability of a physician to deliver high quality service. Your Committee finds, in fact, that the residence requirement severely limits the availability of medical care for the people of Hawaii. Testimony was presented before

your Committee on the plight of certain areas of the islands and plantation communities located in the rural low-population areas. These communities have found it difficult to obtain locally licensed doctors, many of whom prefer to practice in more heavily populated areas. If the residence requirement was eliminated, physicians otherwise qualified would be available to fill the openings not presently desired by doctors licensed in Hawaii.

2. Your Committee also feels that the high cost of living in Hawaii and the high cost of establishing a medical practice here are deterrents to the migratory physician coming to our state and practicing simply to help pay for a vacation or retirement. On the other hand, your Committee would like to find a means of attracting physicians to the state for limited periods of time in order to free our physicians in specialties or geographical areas where there are extreme shortages of physicians so they may have an opportunity to engage in continuing education programs and to get needed vacations in order to maintain a high quality of practice.

3. Your Committee finds that the residence requirement indirectly adds to the cost of medical care. When a physician arrives in Hawaii and receives his temporary license while waiting out his year's residence requirement, he must have a licensed physician observe his work at all times. The patient must pay for two physicians when only one is required.

4. Your Committee realizes that state residency requirements under a variety of circumstances are now being challenged and are under judicial review. But your Committee feels that the Legislature must express its concern in this area and state its position to the community.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 531** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 295-72 (Majority) Public Health, Youth and General Welfare on **H. B. No. 1660-72**

The purpose of this bill is to increase the consumer's knowledge in shopping for drugs

by advertising of prescription drugs by price and name by amending Chapter 328, Hawaii Revised Statutes, and adding a new section.

Your Committee recommends an amendment requiring physicians and pharmacists to list the brand name of prescription drugs. Since there are various brands of generic drugs, your Committee feels it is in the best interest of the consumer that he understand the reasons for price differentiation.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 1660-72** as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1660-72, H. D. 1**, and be referred to the Committee on Judiciary.

Signed by all members of the Committee. Representatives Kawakami, Saiki and Yamada did not concur.

SCRep. 296-72 Public Health, Youth and General Welfare on **H. B. No. 1753-72**

The purposes of this bill are the following: (1) to extend the thirty-day deadline for filing dental applications to forty-five days and (2) to allow American citizens who are graduates of accredited Canadian dental colleges to qualify for dental licensure by amending Section 448-9, Hawaii Revised Statutes, third paragraph by deleting the word "thirty" and adding the word "forty-five" and in paragraph three sub-paragraph (1) adding the words "accredited" and "Canadian" as follows: "an accredited American or Canadian college".

Presently the thirty-day deadline does not allow the Board of Dental Examiners enough time to review and qualify the ever-increasing number of applicants for examination and give the staff enough time to correspond with the candidates and instruct them on their needs for the three-day examination and arrange for an examination site.

The present law does not allow American citizens who are graduates of an accredited Canadian college to qualify for dental licensure. The Council of Dental Education of the American Dental Association accredits Canadian dental colleges. This amendment will allow American citizens who are graduates of accredited Canadian dental schools to qualify for licensure.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 1753-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 297-72 Public Health, Youth and General Welfare on **H. B. No. 1754-72**

The purpose of this bill is to extend the present thirty-day deadline for filing application for dental hygienist license to forty-five days by amending Section 447-1, Hawaii Revised Statutes, first paragraph by deleting the word "thirty" and adding the word "forty-five".

The proposed change to 45 days for filing of applications will give the board the time it needs to qualify the ever-increasing number of applicants corresponding with the eligible candidates for examination and arrange for a suitable examination site.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 1754-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 298-72 Public Health, Youth and General Welfare on **H. B. No. 1758-72**

The purpose of this bill is to bring the statutory provisions regarding charges for the services of State Mental Health Clinics into accord with the requirements of Title XIX of the Federal Social Security Act by amending Section 334-6(a) relative to consideration of the financial circumstances of the patient by allowing the director to make collections based on charges which are made.

This amendment would require the Director of Health to establish reasonable charges for outpatient mental health services rather than leaving this as an optional matter. It provides that charges are to be standardized, while collections on such charges may vary depending on the financial circumstances of the patient.

In this way, the State Department of Health would receive full reimbursement

from Title XIX but still be in a position to establish reasonable collections from clients based on their financial circumstances.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 1758-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 299-72 (Majority) Public Health, Youth and General Welfare on **H. B. No. 1934-72**

The purpose of this bill is to make cosmetology education more available to interested and aspiring students by amending Section 439-10, Hawaii Revised Statutes, and deleting reference to four year high school education or its equivalent.

The Section is amended to read: "**meets appropriate qualifications established by the board; provided the board shall not impose any educational requirements as a condition of registration.**"

Your Committee feels that in a field such as cosmetology the talent and knowledge required can differ significantly from the conventional education begot from high school.

Your Committee would like to propose an amendment:

(1) Page 1 Sec. 1 "that he is at least eighteen years of age"

Your Committee feels that such a field as cosmetology requires that a student be serious and responsible about practicing and that the eighteen year old requirement would help in this direction.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 1934-72** as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1934-72, H. D. 1** and be referred to the Committee on Judiciary.

Signed by all members of the Committee. Representatives Uechi and Devereux did not concur.

SCRep. 300-72 (Majority) Public Health,

Youth and General Welfare on **H. B. No. 1977-72**

The purpose of this bill is to require restaurants to keep and make available upon a customer's request, a list of all synthetic additives and imitation foods that they have added to the preparation of the foods listed on their menus.

Presently, no such listing requirement exists. Your Committee on Public Health, Youth, and General Welfare recognizes that this is still a controversial and many-faceted area of public health and consumer concern, and does not wish to inflict hardship on the restaurateur by requiring endless listings on menus or curtailing in any way his right to use additives or synthetics in the preparation of his menu items.

However, your Committee also takes into account the growing public awareness of the content and chemical make-up of the foods we eat, and because of this, feels that the patron of a restaurant has the **right to know**—if he requests such information—the types of additives and synthetics which the restaurateur has added to the foods listed on the menu.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 1977-72** and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee. Representatives Uechi, Iha, Kawakami, Kihano, Lunasco, Devereux, and Saiki did not concur.

SCRep. 301-72 Public Health, Youth and General Welfare on **H. B. No. 1978-72**

The purpose of this bill is to establish a fee for proctoring services rendered by the Hawaii Board of Nursing to applicants who want to qualify for licenses in the sister states by amending Sections 457-7 and 457-8, Hawaii Revised Statutes, by adding the following subsection:

“(f) Any person requesting proctoring service in the licensing examination to qualify for license in a sister state shall pay a fee of \$10 to the board.”

The proposed fee will help defray the cost of administering licensing examinations to

nurses who are not Hawaii candidates. Considerable time and effort are expended in corresponding with the person who is requesting the proctoring service and also with the board of nursing in the state which authorizes the proctoring service.

There is also a direct cost factor to the Department of Regulatory Agencies because these examinations are administered in rented facilities and necessitate the use of additional space to accommodate this group.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 1978-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 302-72 Public Health, Youth and General Welfare on **H. B. No. 1979-72**

The purpose of this bill is to amend section 459-7 of the Hawaii Revised Statutes to require continuing education for the annual relicensure of optometrists.

Your Committee recognizes the importance of continuing education to insure the public of the highest quality service. Your Committee believes that relicensing through continuing optometric education provides a mechanism by which an active practitioner may keep abreast of new developments in optometry.

Your Committee, upon consideration of this bill, recommends that it be amended by reducing the number of hours required for the continuing education program from not greater than twenty four hours to a minimum of eight hours. Your Committee believes that the eight hours of study annually is a sufficient requirement for relicensure.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 1979-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 1979-72, H. D. 1** and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 303-72 Public Health, Youth and General Welfare on **H. B. No. 2556-72**

The purpose of this bill is to help develop an accessible environment to the handicapped. The bill refers to architectural barriers which exist and prevent accessibility to places of education, employment, culture and entertainment.

Since these architectural barriers exist because of the construction design, the bill proposes to amend the Hawaii Revised Statutes by adding a new chapter to read as follows:

“ACCESS AND USE BY THE HANDICAPPED OF PUBLIC AND PUBLIC ACCOMODATION BUILDINGS AND FACILITIES”

Your Committee recommends the following amendments:

(1) Page 5 Section 2 line 19 and 20 delete American Standards Association and substitute American National Standards Institute.

(2) Page 5 Section 2 add “As long as such standards are in effect no public building facility or place of public accomodation shall be constructed, reconstructed, altered or remodeled except in conforming therewith.

(3) Page 6. The comptroller shall have all necessary powers to require compliance with this chapter and or any rules or regulations made hereunder including the power to institute and prosecute a civil action in any court of competent jurisdiction for injunctive relief to prevent violations of this chapter or any rule or regulation made hereunder and to restrain the use and occupation of any building subject to any provision of this chapter during the period of non-compliance with the terms of this chapter or any order of the comptroller or his authorized representative or of the court.

Your Committee feels that the bill along with the amendments offers serious consideration to the problems facing the handicapped.

Your Committee on Public Health, Youth and General Welfare is in accord with the intent and purpose of **H. B. No. 2556-72** as amended herein and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2556-72, H. D. 1** and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 304-72 Public Institutions on H. B. No. 801

The purpose of this bill is to establish a statewide comprehensive pre-school program under the sponsorship of the Department of Social Services and Housing and the Department of Education. Two million dollars is appropriated to be expended by the Department of Social Services and Housing and the Department of Education.

Your Committee feels that a modern child development care system is essential to our community. Most importantly it concerns itself with the full development of the pre-school child. Pre-school years are perhaps the most critical in a child’s life. Also, proper guidance and care are essential in safe-guarding and caring for the children of working mothers. Such a program will be useful in insuring that children do not have to grow up under inadequate and adverse conditions.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 801** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 305-72 Public Institutions on H. B. No. 815

The purpose of this bill is to appropriate \$470,000 for a vocational rehabilitation project at Nanakuli. The sum is to be used to acquire land, develop plans, construct and purchase furniture and equipment for a 9,300 square feet facility. The project is designed for the work evaluation and work training of handicapped residents of Nanakuli.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 815** and recommends that it pass Second Reading and be referred to the Select Committee of Oahu Representatives.

Signed by all members of the Committee.

SCRep. 306-72 (Majority) Public Institutions on H. B. No. 2010-72

The purpose of this bill is to require all physically fit persons as a condition to receiving general assistance to register for work on public work projects and to accept such employment as may be offered to them. The bill also requires that such persons report each

week to receive payments for general assistance or for a work assignment.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 2010-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee. Representatives Devereux, and Leopold did not concur.

SCRep. 307-72 Public Institutions on **H. B. No. 2119-72**

The purpose of this bill is to provide to older citizens who suffer from poor nutrition and social isolation, low cost nutritionally sound meals delivered to their homes or served at strategically located centers.

The bill which is in short form, appropriates \$50,000 for fiscal year 1972-1973 to match some \$500,000 of federal funds currently pending in the United States Senate.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 2119-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 308-72 Public Institutions on **H. B. No. 2123-72**

The purpose of this bill is to appropriate \$100,000 to develop models of alternate systems of day care for children which will serve as an example to be utilized on a statewide basis.

The bill provides that the funds shall be expended only if matched by federal funds.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 2123-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 309-72 Public Institutions on **H. B. No. 2124-72**

The purpose of this bill is to appropriate \$200,000 to develop models of alternate sys-

tems of day care children which will serve as an example to be utilized on a statewide basis.

The bill provides that the funds shall be expanded only if matched by federal funds.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 2124-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 310-72 Public Institutions on **H. B. No. 2517-72**

The purpose of this bill is to enable the Department of Social Services and Housing to provide special services to recipients registered with the Department of Labor and Industrial Relations for employment or training and to also meet Federal mandates which require the establishment of a separate administrative unit to return recipients to self support which include health, vocational rehabilitation, counseling, child care and other social and supportive services, provided by special units of social workers and necessary in order to assist appropriate individuals attain opportunities for self support and to participate effectively in work or training.

At present, the Work Incentive Program, which is administered by the Department of Labor and Industrial Relations in cooperation with the Department of Social Services and Housing exclusively for individuals age sixteen and over receiving aid to families with dependant children, operates only in Oahu. Only minimal social and supportive services have been provided recipients enrolled in the program because of the lack of sufficient social work staff and heavy demands for service in other public welfare areas. Public law 92-223 enacted December 28, 1971 requires, effective July 1, 1972, the establishment of a special administrative unit separate from those now in existence to provide a program of special services to recipients who will be required to register for work or for manpower training in all counties of the State. Federal participation rate is increased from 75 per cent to 90 per cent effective July 1, 1972 in order for States to implement the Work Incentive Program on an expansion basis.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 2517-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 311-72 Public Institutions on H. B. No. 2518-72

The purpose of this bill is to provide 25 per cent State matching funds to the 75 per cent funds obtained from Title IV-A of the Social Security Act from the Department of Health, Education and Welfare.

The Department of Social Services and Housing on March 1, 1971, supported the continuation and development of these day care services in the Model Cities areas. The City Demonstration Agency (Model Cities) has been providing the Department of Social Services and Housing with the 25 per cent matching funds. These funds will terminate on June 30, 1972. The Department of Social Services and Housing feels that the Centers are meeting a very basic need of children in the Kalihi-Palama and Waianae-Nanakuli areas. The number of children from low income families served by these centers is 427.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 2518-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 312-72 Public Institutions on H. B. No. 2519-72

The purpose of this bill is to provide for the establishment of a Demonstration Centralized Support Unit to locate and enforce the legal responsibilities of absent parents for the support of their minor children. The establishment of such Centralized Support Enforcement Unit is contained in federal regulations relating to "Establishing Paternity and Securing Support for Children Receiving Aid." Additionally, establishment of centralized operations is intended to provide for investigation of other resources.

At present, there is no centralized unit to carry out the intent of federal and State laws pertaining to enforcement of support and recovery of public funds. It is estimated that

there are approximately 1,000 absent parents who are not carrying out their duty to support. Establishment of such a unit will enable the Department to carry out its responsibilities in this area. It is estimated that in the long run such an operation might recover approximately \$750,000.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 2519-72** and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 313-72 Public Institutions on H. B. No. 2567-72

The purpose of this bill is to mandate the Department of Social Services and Housing to require physically fit persons as a condition for receiving general assistance to register for work on public projects and to accept such employment as may be offered to them.

The present law merely permits the Department head to make such a requirement. This bill changes that discretionary power to a legal requirement.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 2567-72** and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 314-72 Public Institutions on H. B. No. 2568-72

The purpose of this bill is to make the parents of a minor committed to the Hawaii Youth Correctional Facility liable for the cost of the minor's commitment. The bill provides that the director shall be responsible for determining and collecting the cost for each term of commitment.

Your Committee feels that the detention of a minor at the facility should not relieve the parents' responsibility for support and maintenance and therefore it is appropriate that parents reimburse the support and maintenance provided by the State.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 2568-72** and recommends that it pass

Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 315-72 Labor on H. B. No. 2255-72

The purpose of this bill is to amend the Workmen's Compensation Law to insure the solvency of the Workmen's Compensation Special Compensation Fund for the calendar years 1972 and 1973. The bill proposes to accomplish this by taking the following steps:

1. Remove the present individual employer maximum aggregate liability for income and indemnity benefits of \$35,100 for a single industrial accident (§386-31 and 386-32).

2. For the calendar year 1972 only, require insurance carriers to pay a special assessment (surcharge) of 3/4 of 1% on gross workmen's compensation insurance premiums written by carriers in the calendar year 1971.

3. For the calendar year 1972 only, require employers not insured under §386-121(a) to pay a special assessment (surcharge) equal to the special charge as defined and in accordance with the provisions of §386-154.

At the time the department testified before this Committee, it was felt that the special assessments against the carriers and self-insurers as set forth above would be sufficient to insure the solvency of the fund. However, subsequent information received from the insurance commissioner has indicated that even these special assessments will not insure such solvency. Therefore, the Committee suggests that the 3/4 of 1% surcharge for carriers be increased to 1-1/4%, and a pro-rata increase be assessed against the self-insurers. As amended, §386-154.5 would read:

"Sec. 386-154.5. Special Assessments.

(a) For the calendar year 1972 only, insurers of employers as defined in §386-121(a) shall pay a special assessment of one and one-quarter per cent on gross premiums as defined in §431-318(a) and in accordance with the provisions of §386-153."

(b) For the calendar year 1972 only, employers not insured under §386-121(a) shall pay a special assessment equal to 1.67 times the special charge as defined and in accordance with the provisions of §386-154.

(c) The assessments under this section shall be paid within 30 days from the receipt of notification by the department of regulatory agencies."

Your Committee on Labor is in accord with the intent and purpose of **H. B. No. 2255-72**, as amended herein, and recommends that it pass Second Reading in the form attached hereto as **H. B. No. 2255-72, H. D. 1**, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Judd and Aduja.

SCRep. 316-72 Public Institutions on S. B. No. 1346-72

The purpose of this bill is to amend the Manpower Development and Training Act to clarify the responsibility for determining the ineligibility for public assistance of persons who refuse to participate in manpower training programs or to accept suitable work without justifiable reasons.

Section 394-2 establishes manpower development and training programs within the department of labor and industrial relations to assist unemployed and underemployed persons who have difficulty in obtaining suitable employment. Said section also provides that: "Refusal to participate in any training program or to accept suitable work as determined by the department of labor and industrial relations without justifiable reasons shall render an unemployed or underemployed person ineligible for public assistance . . ." The foregoing provision is unclear on the responsibility for determining ineligibility for public assistance for reasons stated above. This bill proposes the addition of language which would explicitly make ineligibility determinations based on refusal to participate in manpower training programs or refusal to accept suitable work the responsibility of the department of social services and housing.

Your Committee agrees that determining eligibility for public assistance should be the function and responsibility of the department of social services and housing. It has the responsibility of administering public assistance funds and determinations of eligibility for such funds should be part of said responsibility.

Your Committee on Public Institutions is in accord with the intent and purpose of **S. B. No. 1346-72, S. D. 1**, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 317-72 Public Institutions on H. B. No. 2285-72

The purpose of this bill subrogates the State in cases where public assistance has been rendered to a child, to any rights which such child or his custodial parent may have against an absent parent for maintenance and support.

Under existing law the Department of Social Services and Housing as a condition of eligibility may not require a recipient to pursue any rights she may have against an absent or deserting parent. This bill allows the State after furnishing assistance to a child or his custodial parent to succeed to any rights which such child or custodial parent may have against an absent or deserting parent who has failed to meet his obligations.

Your Committee on Public Institutions is in accord with the intent and purpose of **H. B. No. 2285-72** and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 318-72 Finance on H. C. R. No. 26

The purpose of this Concurrent Resolution, as amended in content and title, is to request the Economic Development Administration of the U. S. Department of Commerce for federal assistance which would benefit the Neighbor Islands and particularly the area of North Kohala, Hawaii.

This measure is part of a legislative "package" presented by the Kohala Task Force, constituted by the governor pursuant to **H. C. R. No. 60** of the 1971 legislative session. Included also were several bills relating to the planning and development of North Kohala, which your Committee consolidated into **H. B. No. 2522-72, H. D. 1**, and upon which we have recommended passage.

In an effort to broaden the scope of participants in the Kohala project, the task force has suggested soliciting the support of the

Economic Development Administration and the Neighbor Island County governments, the former being hereby requested to provide grants to the latter for their development in general, and more specifically, the Kohala area.

Through a request for such assistance, the State Department of Planning and Economic Development has proposed and would coordinate an economic development program based upon a tri-county approach, the planning and action phase of which would serve as the basis for investigating and promoting development possibilities suitable to the Neighbor Island Counties as a whole.

Examples advanced by the task force as specific projects in the program would be the following:

1. Determine the feasibility of attracting and expanding fruit and juice manufacturing and processing plants to the Neighbor Islands.
2. Determine the feasibility of expanding garment manufacturing to the Neighbor Islands.
3. Methods of increasing efficiency and reducing the cost of inter-island freight and direct freight shipments to the mainland.

Furthermore, your Committee is informed that the emphasis upon mutually beneficial projects does not preclude the possibility of working upon specific problems in the nature of an emergency such as those affecting only one County, or as in this case, an area thereof. In fact, this is said to be in keeping with one of the objectives of the Economic Development Administration, which is to aid communities faced with a grave employment situation of large scale layoffs attributable to the closing down of a major industry. North Kohala, traditionally almost entirely dependent for its existence upon sugar, certainly fits this category.

Of the \$92,000 total which this request is anticipated to generate, \$60,000 represents federal funds, the balance being represented by State contribution of services for which funds have been previously appropriated.

It is resolved by this measure, as introduced, that the grants requested be for (1) a comprehensive economic development planning support program with a full-time coor-

dinator and supporting staff, (2) a technical assistance project to conduct a feasibility study of establishing a large scale fruit juice and drink processing industry, and (3) a comprehensive promotion program, both on Oahu and on the mainland in an effort to attract new economic activity to the less fortunate areas on the Neighbor Islands.

Your Committee has amended this Concurrent Resolution in several particulars: Its plain reading, reaffirmed by testimonies received from the task force upon the hearing thereof, indicates that whereas the funds requested are essentially intended for use in the Kohala area, such grants, according to purpose (3) expressed in the paragraph resolving that the request be made, will be limitedly applied "in an effort to attract new economic activity to the less fortunate areas of the Neighbor Islands," but without specific reference to Kohala. This is inconsistent with the title and with the substance of the testimonies as herein set forth. Therefore, we have amended the title to more suitably describe whereto the assistance requested would benefit, i. e., ". . . THE STATE'S NEIGHBOR ISLAND COUNTIES AND PARTICULARLY THE AREA OF NORTH KOHALA, HAWAII." Likewise, we added a similar purpose (4) to the paragraph resolving the making of the request, i. e., that the grants be also "for such other Federal assistance which would benefit the Neighbor Island Counties and particularly the area of North Kohala, Hawaii."

In addition to other incidental changes as to style and language throughout, your Committee also added to the list of transmitters of copies the Secretary of Agriculture and the members of Hawaii's delegation to the United States Congress.

Your Committee on Finance is in accord with the intent and purpose of **H. C. R. No. 26**, as amended herein, and recommends its adoption in the form attached hereto as **H. C. R. No. 26, H. D. 1**.

Signed by all members of the Committee.

SCRep. No. 319-72 Legislative Management

Informing the **House Resolution Nos. 280 to 286**, **House Concurrent Resolution Nos. 37 and 38**, and **Standing Committee Report Nos. 320-72 to 357-72**, have been printed and distributed.

Signed by all members of the Committee.

SCRep. No. 320-72 Lands on **H. R. No. 158**

The purpose of this Resolution is to request the Department of Land and Natural Resources and the Department of Transportation to determine the suitability of providing and including canoe storage facilities in their State Parks and Harbor Development Programs. Your Committee finds that canoe racing, an activity totally in accord with State goals of recreational opportunity and cultural enrichment, is increasing in popularity. Further, your Committee finds that these canoes are expensive and will deteriorate if continuously exposed to the elements and also that the bulky nature of the canoes make them subject to damages if hauled. Therefore, your Committee finds that there exists a need for canoe storage facilities.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 158** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 321-72 Lands on **H. R. No. 178**

The purpose of this Resolution is to request the Department of Land and Natural Resources and the Department of Planning and Economic Development to develop a joint plan to acquire unused federal land in Hawaii for State purposes. Land for State purposes would be urban lands suitable for housing and beach frontage suitable for public recreation. Your Committee feels that both of these types of land, in substantial acreages, are controlled by the federal government.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 178** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 322-72 Lands on **H. R. No. 184**

The purpose of this resolution is to request the Department of Land and Natural Resources to make a study on the possibility of creating sediment or silt basins throughout the State. Rather than control sediment or silt at the source of its production as in the past, your Committee finds that possibly a

more natural and effective way is through the use of these basins for erosion control. Currently, the Maui Land and Pineapple Company, in cooperation with the Federal government, State of Hawaii and Maui County, is developing a similar plan on the West Side of Maui; the direct dollar outlay is borne by the Federal government.

Your Committee on Lands is in accord with the intent and purpose of **H. R. No. 184** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 323-72 Lands on H. R. No. 211

The purpose of this resolution is to request the Department of Land and Natural Resources to make available facilities and land areas - and incorporate it into the state outdoor recreation and state park program - suitable for off-road motorcycle trail riding and other such off-road motorcycle sport activities.

Your Committee finds that motorcycle riding has increased in popularity in the last few years and as a result there has been a phenomenal increase in the number of motorcycle enthusiasts. The fact that it has also become a socially accepted leisure time activity has prompted many families to participate in this sport. Unfortunately, however, to date there are no established areas suitable to motorcycle riding on an organized or individual basis. The result has been riding illegally on private or state lands with no emphasis on safety or rules and regulations governing the activity.

According to Mr. Sunao Kido, Chairman of the Board of Land and Natural Resources, the State currently has suitable areas for motorcycle riding in the Wailee section of Oahu. Under lease to the United States Army Hawaii, the contract for this land has a provision authorizing the State to use the area (approximately 400 acres) on weekends and holidays. In conjunction with the Hawaii Motorsports Association, a non-profit organization incorporated under the revised laws of the State of Hawaii, the State is willing to open the area to the organization on weekends and holidays, at no cost to the State, for motorcycle riding through the issuance of a riding permit, providing that the organization be responsible for the management of the area and supervision of the activity.

Your Committee on Lands concurs with the intent and purpose of **H. R. No. 211** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. No. 324-72 Lands on H. C. R. No. 28

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to make available facilities and land areas - and incorporate it into the state outdoor recreation and state park program - suitable for off-road motorcycle trail riding and other such off-road motorcycle sport activities.

Your Committee finds that motorcycle riding has increased in popularity in the last few years and as a result there has been a phenomenal increase in the number of motorcycle enthusiasts. The fact that it has also become a socially accepted leisure time activity has prompted many families to participate in this sport. Unfortunately, however, to date there are no established areas suitable to motorcycle riding on an organized or individual basis. The result has been riding illegally on private or state lands with no emphasis on safety or rules and regulations governing the activity.

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Your Committee on Lands concurs with the intent and purpose of **H. C. R. No. 28** and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.