

STANDING COMMITTEE REPORTS

SCRep. 1 Legislative Management

Informing the House that House Resolution No. 5 has been printed and distributed.

Signed by all members of the Committee.

SCRep. 2 Legislative Management

Informing the House that House Bill Nos. 1 to 196 and House Resolution No. 7 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 3 Legislative Management

Informing the House that House Bill Nos. 197 to 257, House Resolution Nos. 8 to 220 and House Concurrent Resolution Nos. 2 to 18 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 4 Legislative Management

Informing the House that House Bill Nos. 258 to 275, House Concurrent Resolution Nos. 19 and 20, and House Resolution Nos. 221 to 226 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 5 Legislative Management

Informing the House that House Bill Nos. 276 to 298, House Concurrent Resolution Nos. 21 to 24, and House Resolution Nos. 227 to 235 have been printed and distributed.

SCRep. 6 Legislative Management

Informing the House that House Bill Nos. 299 to 324, House Resolution Nos. 236 to 245, and House Concurrent Resolution No. 25 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 7 Legislative Management and Finance on H.B. No. 3

The purpose of this bill is to appropriate from general revenues such funds as are necessary for defraying the expenses contemplated to be incurred in the current conduct of legislative and related support functions as follows: (1) the Senate and House of Representatives during the 1975 regular session and interim committees established between sessions; (2) the office of the legislative auditor, including certain other legislatively directed services and studies which are therein and thereby performed during the fiscal year 1975-76, including the expenses of the State ethics commission which it administers; (3) the legislative reference bureau during the fiscal year 1975-76, including the expenses of the office of the revisor of statutes which it administers; and (4) the office of the ombudsman during the fiscal year 1975-76.

Upon consideration of the bill, your Committee has effected certain amendments thereto and provided for the following appropriations therein: \$1,321,558 for the expenses of the Senate, and \$1,709,540 for the expenses of the House of Representatives; \$1,017,742 for expenses of and through the office of the legislative auditor; \$707,650

for expenses of and through the legislative reference bureau; and \$210,757 for expenses of the office of the ombudsman.

Senate and House of Representatives.

The sums recommended for the Senate and House of Representatives are the requisites for meeting the expenses during the present session, forthcoming interim committees, and nonsession and presession activities before the convening of the 1976 session.

The recommended appropriation for the Senate and the House of Representatives represents an increase over the 1974 appropriation. Your Committees suggest that the increase will finally provide the respective houses with the means to begin to strengthen staff needs for technical and analytical personnel, to upgrade the capabilities of legislative committees for the session and anticipated work during the forthcoming interim, thereby availing the legislature of the resources for research and collection of data for meaningful decision-making. The development of a full time core of fiscal, legal, and other analysts and researchers is long overdue and your Committees recommend that every effort be made to establish such a core of operations.

Legislative Auditor.

The appropriation of \$787,377 for the legislative auditor is slightly more than the \$721,471 budgeted for the operations in the current fiscal year.

The proposed increase of \$65,905 over the current budget reflects higher personnel costs attributable to (1) the normal salary increments for present employees and (2) the proposed addition of two analysts and one secretary to the staff. The funding requirements for "other expenses" (other than personal services) is expected to be less than the sum budgeted for this year.

The two new analyst positions will be utilized in program evaluation to intensify efforts in monitoring public programs to ensure compliance with legislative directions. Increased emphasis in this aspect of operations will also lend valuable support to the audit program and, further, will provide for more effective technical support to the various subject matter committees of the legislature. The secretarial position is needed to augment the office services workforce in coping with the workload generated by the professional staff.

State Ethics Commission.

The State ethics commission has an authorized staff of four employees. Two of these employees are professional persons, usually attorneys. The remaining two are secretaries, who have been trained to do some investigative work and, therefore, function at times as paralegals.

The budgetary requirements reflect generally no increases in operational expenditure requirements over 1974-75 despite higher cost of salary and wages due to seniority and normal increases.

Legislative Reference Bureau.

The proposed 1975-76 budget of the legislative reference bureau requests a total of \$490,108. The increases in the budget is accounted for as follows:

- (1) Each research position is budgeted for a one increment increase with the exception of the two senior attorneys who are budgeted at the top salary step. In addition, the addition of another position at the top salary step is to be filled by an experienced attorney.
- (2) Student staff and overtime items is increased by \$1,000 each because of the increase in minimum wage and clerical salaries.
- (3) An additional \$700 is budgeted for intrastate travel. During the past year, the bureau has experienced a greater need in this category of expense due to bureau researchers accompanying legislative committees on their committee hearings and due to their going in the field to gather information on their studies.

With the approval of the budget request for attorneys, it is the opinion of your

Committees that the bureau will now be able to provide the fullest of service to the legislature and undertake the scope of comprehensive research necessary for legislative reports and references.

Your Committees have not included a request for \$16,428 to be expended for a special pilot project preparatory to a codification of rules and regulations of all state agencies. Your Committees suggest that such a program belongs under the Office of the Lieutenant Governor as that office is the agency charged with the filing of administrative rules and regulations under the Administrative Procedures Act. Your Committees will give consideration to proposing other legislation to provide for the codification of rules and regulations by the Lieutenant Governor.

Revisor of Statutes.

The total request of the revisor of statutes is for \$217,541.80, of which \$79,712.80 is for personal services and \$137,829 is for other expenses.

The request for personal services includes and amount for temporary clerical assistance. The amount requested will enable the revisor to employ a clerk for about 4 or 5 months to assist completing the Session Laws and Supplement as expeditiously as possible.

Printing is the revisor's major expense. The breakdown for the printing is as follows:

1975 Session Laws		
2,000 copies of 1,000-page volume		
at \$28 per page		\$ 28,000.00
1975 Supplement		
2,500 copies of 2,800-page set		
at \$34 per page		97, 920.00
Update of computer tapes		<u>9,000.00</u>
	TOTAL	\$134,920.00

The substantial increase in size is anticipated based on the possible enactment of the Uniform Probate Code and the Uniform Consumer Code. The following tables show the estimated number of pages.

SESSION LAWS

Average no. of pages of past 2 session laws	750
Estimated no. of pages, Probate Code	125
Estimated no. of pages, Consumer Credit Code	<u>110</u>
Total	985
Rounded to	1,000

SUPPLEMENT

No. of pages, 1974 supplement	2,224
Average annual increase in pages	286
Estimated no. of pages, Probate Code	115
Estimated no. of pages, Consumer Credit Code	101
Tables for Uniform Codes	54
Cushion	<u>100</u>
Total	2,880

Your Committees are aware of H.B. No. 11 relating to the reorganization of the statute revision and publication program. Should H.B. No. 11 be enacted into law, the proposed appropriations for the Revisor of Statutes shall be transferred to the office of the Legislative Reference Bureau.

Ombudsman.

The requested budget of the ombudsman totals \$210,757, or \$24,520 more than the \$186,237 appropriated for FY 74-75. The amount of the increase, other than for salary increments for staff, includes necessary funds for the following:

(1) One additional position, if such is required, for additional work load, or in the alternative to be used for contractual professional services, if such is required to resolve a particular complaint. That amount of \$16,000 is to be viewed as a stand-by appropriation to be used only if necessary.

(2) An additional amount of \$1,200 to cover the increasing costs of office supplies and for the maintenance and rental of equipment.

Legislative Scientific Advisory Committee.

Your Committees conceive that the provisions of sections 1 and 2 of the bill are adequately comprehensive to accommodate funding for the requirements of the legislative scientific advisory committee established by Act 168, Session Laws of Hawaii 1972. From the sums therein appropriated, it is anticipated, and it is the intent of your Committees, that funds shall be allocated by the President of the Senate and Speaker of the House of Representatives as reimbursement for necessary expenses incurred by the members of the legislative scientific advisory committee in the performance of their duties, which includes providing the Legislature with scientific and technical resources.

Your Committees request that any reports or findings of the Legislative Scientific Advisory Committee be submitted to each member of the legislature.

This Bill also proposes to lapse the unencumbered balances of certain appropriations previously made to the office of the legislative auditor for special studies and contractual services and other purposes for improving the efficiency of legislative operations. These funds are to lapse on June 30, 1975.

All appropriations made by this bill will be subject to lapse as of June 30, 1976.

Your Committees on Legislative Management and Finance are in accord with the intent and purpose of H. B. No. 3, as amended herein, and recommends that it pass second reading in the form attached hereto and H. B. No. 3, H. D. 1, and be placed on the calendar for third reading.

Signed by all members of the Committee.

SCRep. 8 Legislative Management

Informing the House that House Bill Nos. 325 to 386, House Resolution Nos. 246 to 252, Standing Committee Report No. 7, Re: H.B. 3, H.D. 1, and Standing Committee Report No. 9, Re: H.C.R. 20 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 9 Public Assistance and Human Services on H.C.R. No. 20

The purpose of this concurrent resolution is to request the Congress of the United States to direct the Secretary of Agriculture to maintain food stamp prices at their present level.

On December 6, 1974, the Secretary of Agriculture proposed in the Federal Register that the schedule of prices charged for food stamps be increased beginning March 1, 1975. Your Committee estimates that under presently paid benefits many families will pay more for food stamps, especially one and two person households. Under present benefits a single individual receiving welfare would have to pay approximately \$17/month more for food stamps than he does currently. A family of 4 would have to pay \$10/month more and a family of 7 would have to pay \$8/month more than they do now. Your Committee finds that the effect of increased food stamp prices would be to hurt the neediest people in the State of Hawaii. Your Committee also finds that because many other states do not provide public assistance to poor, intact families in which the father works more than 100 hours a month, that food stamps in effect

are the only public assistance available everywhere in the country to anyone who is poor.

The testimony which has been submitted to your Committee is unanimously opposed to increases in food stamp prices.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.C.R. No. 20 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 10 Legislative Management

Informing the House that House Bill Nos. 387 to 456, House Resolution Nos. 253 to 261, and House Concurrent Resolution Nos. 26 and 27 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 11 Legislative Management

Informing the House that House Bill Nos. 457 to 484, House Resolution Nos. 262 to 263, and House Concurrent Resolution No. 28, and Standing Committee Report No. 12, Re: H.C.R. No. 5 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 12 Judiciary on H.C.R. No. 5

The purpose of this Concurrent Resolution is to have the Eighth Legislature proclaim 1975 as International Women's Year for the reasons and purposes as set forth in the Resolution itself.

Your Committee concurs with the intent and purpose of H.C.R. No. 5 and recommends its adoption.

Signed by all members of the Committee except Representative Yap.

SCRep. 13 Legislative Management

Informing the House that House Bill Nos. 485 to 512, House Resolution Nos. 264 to 266 and House Concurrent Resolution Nos. 29 to 31 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 14 Legislative Management

Informing the House that House Resolution Nos. 267 to 277, House Bill Nos. 513 to 571, and House Concurrent Resolution Nos. 32 to 34 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 15 Legislative Management

Informing the House that House Bill Nos. 572 to 595, House Concurrent Resolution No. 35, House Resolution Nos. 278 to 283, and Standing Committee Report No. 16, Re: H.C.R. No. 29, HD 1 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 16 Tourism on H.C.R. No. 29

The purpose of this concurrent resolution is to request Hawaii's Congressional Delegation to assist and support the appeal of the State of Hawaii on a recent ruling of the Civil Aeronautics Board (CAB) that would discontinue GIT travel between Hawaii and the mainland effective June 1976. The ruling included a deadline of February 7, 1975 to file appeals.

Your Committee finds that:

- (1) Tourism is the leading industry in Hawaii.
- (2) The tourist industry generates over \$182 million annually in State and local taxes.
- (3) Approximately thirty percent of the total visitor traffic to Hawaii is derived from group travel which has been vital to the overall growth of the State.
- (4) To allow the CAB ruling to stand will be detrimental to the future economy of the State.

In testimony received by your Committee it was learned that the CAB agreed to review its ruling on GIT travel between Hawaii and the mainland, and therefore action has been stayed until further notice. In view of this new information, your Committee has amended H.C.R. No. 29 by requesting the Governor to actively pursue the retention of group discount fares between Hawaii and the mainland and, if necessary, request the Attorney General of the State to proceed with the filing of an appeal to the CAB.

Your Committee on Tourism concurs with the intent and purpose of H.C.R. No. 29, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 29, H.D. 1.

Signed by all members of the Committee.

SCRep. 17 Legislative Management

Informing the House that House Bill Nos. 596 to 633, House Resolution Nos. 284 to 292 and House Concurrent Resolution Nos. 36 to 38 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 18 Legislative Management

Informing the House that House Bill Nos. 634 to 672, House Concurrent Resolution Nos. 39 to 40 and House Resolution Nos. 293 to 305 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 19 Legislative Management

Informing the House that House Bill Nos. 635 to 704, House Resolution Nos. 306 to 315 and House Concurrent Resolution No. 41 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 20 Legislative Management

Informing the House that House Bill Nos. 705 to 752, House Resolution Nos. 316 to 330, House Concurrent Resolution No. 42, and Standing Committee Report Nos. 21 to 37 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 21 Education on H.R. No. 45

The purpose of this Resolution is to request the Department of Education to submit a report to the House Committee on Education prior to the close of the 1975 legislative session, as to the Department's plans for increased in-service training.

Your Committee recommends an amendment in the form of deleting Whereas clauses number five and six. The deletion of these clauses allows for more clarity in the Resolution.

Your Committee on Education concurs with the intent and purpose of H.R. No. 45, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 45, H.D. 1.

Signed by all members of the Committee.

SCRep. 22 Education on H.R. No. 51

The purpose of this Resolution is to request that the Department of Education assure accountability for their decisions at all levels, including teacher accountability. The Department of Education is further requested to submit a report to your House Committee on Education prior to the closing of the 1975 Legislative Session containing the means by which this accountability will be assured.

Your Committee recommends amendments which serve to clarify this Resolution and make the body conform to the purpose of the Be It Resolved clauses. These amendments consist only of word clarity in the seventh and ninth clauses.

Your Committee on Education concurs with the intent and purpose of H.R. No. 51, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 51, H.D. 1.

Signed by all members of the Committee.

SCRep. 23 Education on H.R. No. 53

The purpose of this Resolution is to encourage the Department of Education to consider input from the varied segments of both the community and the school system in their decision-making processes at the school, district, and department levels, and including the evaluations. The Superintendent of Education is directed to submit a report to the Legislature on the means by which the Department intends to encourage and assure such input prior to the close of the 1975 legislative session.

Your Committee on Education concurs with the intent and purpose of the Resolution and recommends its adoption.

Signed by all members of the Committee.

SCRep. 24 Education on H.R. No. 54

The purpose of H.R. No. 54 is to request the Department of Education to expand its alternatives to the traditional public schools and to consider alternatives for elementary school students as well. The Department of Education is further requested to submit a report of its plans for expansion to the House Committee on Education prior to the close of the 1975 Legislative Session.

Your Committee on Education concurs with the intent and purpose of H.R. No. 54 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 25 Education on H.R. No. 55

The purpose of this Resolution is to request the Department of Education to encourage the continuation of student organizations formed on the basis of occupational interests

and to submit a report to the House Education Committee prior to the close of the 1975 Legislative Session as to how these clubs and organizations will be encouraged.

Your Committee on Education concurs with the intent and purpose of H.R. No. 55 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 26 Education on H.R. No. 56

The purpose of this Resolution is two-fold. First, the Department of Education is requested to provide for student participation in school decision-making processes, including the assessment of school needs and progress evaluations. Secondly, the Department of Education is requested to submit a report to the Legislature prior to the closing of the 1975 Legislative Session describing the means by which this student participation will be achieved.

Your Committee on Education concurs with the intent and purpose of H.R. No. 56 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 27 Education on H.R. No. 57

The purpose of this Resolution is to request the Department of Education to expand the use of school facilities as community centers accessible to the public for recreation, public affairs, and cultural activities. The Department of Education is further requested to submit a report to the House Education Committee as to how this will be accomplished prior to the close of the 1975 legislative session.

Your Committee on Education concurs with the intent and purpose of H.R. No. 57 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 28 Education on H.R. No. 58

The purpose of this Resolution is to request the Department of Education to examine and develop plans for implementing a testing program to determine the effectiveness of various educational programs, the progress of students, and the strengths and weaknesses of teachers. It is further requested that the testing program be coordinated with the Foundation Program and used as a tool to determine whether educational objectives are being met. Further, these tests should be used as a diagnostic tool to help teachers perfect their methods, designate communication needs, and help students determine their needs. To this end, the Department of Education is requested to submit a report on its progress in this area to the House Education Committee prior to the close of the 1975 Legislative Session.

Your Committee recommends amendments to this Resolution which serve to clarify the body and assure that it conforms to the purpose as stated by the title. These amendments occur in the last Whereas clause and the first Be It Resolved clause.

Your Committee on Education concurs with the intent and purpose of H.R. No. 58, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 58, H.D. 1.

Signed by all members of the Committee.

SCRep. 29 Education on H.R. No. 59

The purpose of this Resolution is seven-fold. The Department of Education is requested to establish a system for the evaluation of new and on-going programs, including the development of relevant measures for all of its programs; include discretionary feedback from parents and students in school level evaluation; establish a system to assure

realistic programing; identify basic programs; provide some continuity to the programs once they have been introduced; and strengthen the leadership qualities of principals in the area of program implementation and evaluation. It is further requested that the Department of Education report the means by which these requirements will be fulfilled to the House Committee on Education prior to April 1, 1975.

Your Committee recommends as an amendment to this Resolution the deletion of the second Be It Further Resolved clause, because it was found to be inconsistent with the purpose of this Resolution.

Your Committee on Education concurs with the intent and purpose of H.R. No. 59, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 59, H.D. 1.

Signed by all members of the Committee.

SCRep. 30 Education on H.R. No. 63

The purpose of H.R. No. 63 is to request that the Department of Education review how the leadership qualities of principals can be strengthened. To this end, the Department of Education is requested to submit a report of its findings to the House Committee on Education prior to July 1, 1975.

Your Committee recommends a series of amendments so as to make the body consistent with the title and intent of the Resolution. These amendments consist of the deletion of Whereas clauses four, five and six and the deletion of certain words in the last Whereas clause and the first Be It Resolved clause which were inconsistent with the title of this Resolution.

Your Committee on Education concurs with the intent and purpose of H.R. No. 63, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 63, H.D. 1.

Signed by all members of the Committee.

SCRep. 31 Education on H.R. No. 70

The purpose of this Resolution is to request the Department of Education to submit a report to the Legislature prior to March 1, 1975, on the status of implementation of recommendations of the Legislative Auditor's report on the management of the Department of Education.

Your Committee on Education concurs with the intent and purpose of House Resolution No. 70 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 32 Finance on H.B. No. 16

The purpose of this bill is to amend the State Income Tax Law, by making adjustments in rates, exemptions and credits. The bill was introduced in short form and your Committee in its deliberation limited the scope of the consideration of the State Income Tax Law to the provisions of Section 235-55.5 pursuant to the notice of public hearing on the bill.

Section 235-55.5 provides for excise tax credit under a single schedule. For each income bracket entitled to a tax credit, the taxpayer multiplies the number of qualified exemptions by the per qualified exemption tax credit amount. The excise tax credit is scaled in 11 categories with adjusted gross income under \$5,000 to \$14,999.

Your Committee was concerned with the plight of the many members in the hard-working poor of the community in the low income brackets. In the under \$5,000 category, the State Tax Department reported 142,753 claimants as against the next category (\$5,000 to under \$6,000) in which the claimants number 24,056. Your Committee agrees that the many persons in Hawaii in the lower income categories need further relief.

Your Committee therefore recommends that the amount of credit in the first four categories be increased to provide this relief. Your Committee has redrafted H.B. No. 16 incorporating an amendment to Section 235-55.5 to increase these four categories accordingly: \$30 to \$40; \$28 to \$32; \$26 to \$28; and \$24 to \$26.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 16, 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. 33 Legislative Management and Finance on H.B. No. 171

The purpose of this bill is to make an adjustment in the allowance to legislators to cover incidental expenses, the general intent being to provide for an increase in the allowance so as to adequately reimburse the legislators for the financial burdens necessarily incurred in the performance of their legislative duties.

Your Committees find that the amount of time spent by its members to fully gain an understanding of the complexities of our State government is very demanding. The hours are long during which the legislators must listen to public officials and private citizens on matters of concern to the State. Although the regular sessions are for 60 legislative days, session workdays number close to 100 when Saturdays, Sundays, holidays and days of heavy pre-session work immediately before the opening day are included. Interim work between session has also demanded more and more time of the legislators in recent years and such interim work is anticipated to increase.

Whereas reasonable adjustments have been authorized to raise the salaries of other public officers and employees, no such adjustment has been made in legislative allowances since 1969. Given the steady inflation in the cost of living in Hawaii over the last six years, it appears to your Committees that there is good and sufficient reason to recommend an adjustment in the annual allowance. Your Committees have accordingly amended this bill in its entirety to reflect this change. It is the recommendation of your Committees that the annual allowance of \$750 be increased to \$1500.

Your Committees on Legislative Management and Finance are in accord with the intent and purpose of H.B. No. 171, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 171, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 34 Finance on H.B. No. 369

The purpose of this bill is to standardize certain terms used in chapter 40, Hawaii Revised Statutes, to conform to current terminology and procedures in voucher payments of the State government.

Your Committee was informed by the State administration that this bill is the result of an analysis of chapter 40, for the purpose of clarifying the meaning of inadequately defined terms, and for the purpose of reflecting current pre-audit procedures where such procedures are not clear in the present statutes. It is not the intent of this bill to alter the substance of any auditing or accounting requirement in chapter 40.

The sections of chapter 40 affected by this bill were all originally enacted in 1898. The language has carried over to the present statutes but procedures originally in effect have changed over the years without being reflected by changes in the statutes.

The specific terms that would be clarified by the proposed amendments are "voucher", "warrant voucher", "statement", and "bill". With these clarifications, a clearer understanding of the State's vouchering procedure will be available to all who refer to chapter 40, and those persons responsible for record-keeping related to voucher payments will be especially aided.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 369 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 35 Finance on H.B. No. 370

The purpose of this bill is to conform the Hawaii Revised Statutes to the current practice and procedure for depositing receipts into the State Treasury.

The amendments to section 40-40, Hawaii Revised Statutes, as proposed by this bill, would remove provisions that are no longer applicable and would include practices that now apply.

Your Committee was informed by the State administration that section 40-40, which was originally enacted in 1898, has not been sufficiently amended since then to reflect changes in practice. The amendments proposed by this bill would bring the statutes into agreement with the practices followed in more recent decades, and they would also provide flexibility for future changes of a routine nature that can be expected to occur from time to time within the government.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 370 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 36 Finance on H.B. No. 371

The purpose of this bill is to remove the requirement that State employee-accountants file monthly schedules of collections and deposits with the State Comptroller.

Your Committee was informed by the State administration that section 40-32 and 40-33, Hawaii Revised Statutes, have heretofore required State employee-accountants who receive and deposit money on behalf of the State to file with the Comptroller a schedule of collections and deposits each month. The apparent intent of these sections, which first became law in 1898, was to provide the Comptroller with a means of double-checking receipts as recorded in his accounting records.

Procedural changes over the years have resulted in direct processing of deposit receipts by the Director of Finance to the Comptroller each day; at some point not presently identifiable, double-checking of the receipts against schedules submitted by the employee-accountants was dropped as an unnecessary procedure.

This bill would therefore remove from the statutes the requirement for the schedules of collections and deposits. Since these schedules no longer provide a useful benefit within the current audit and accounting procedures of the State, they are wasteful of the time and effort of those employees who must prepare them.

This bill would also remove sections 40-37 and 40-38, which are directly related to the requirement for the schedule of collections and deposits.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 371 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 37 Finance on H.B. No. 12

The purpose of this bill is to increase the real property home exemption from \$8,000 to \$12,000.

Your Committee is aware of the concern and need to counter the rising real property values, and consequently higher real property taxes paid by homeowners, among whom are many senior citizens and persons on fixed income or in lower income brackets. Your Committee agrees that one method of providing relief to the homeowner is to provide for an increase in the amount of the home exemption.

Your Committee was informed by the State administration that other related matters need to be revised in the present statute. Your Committee therefore proposes that this bill be amended as follows:

- (a) require that exemption apply to the principal home occupied by the claimant as of the date of assessment;
- (b) delete the requirement that the home be occupied by owners during the first three months of the tax year;
- (c) clarify ownership which is jointly, by the entirety, or in common.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 12, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 12, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 38 Legislative Management

Informing the House that House Bill Nos. 753 to 800, House Resolution Nos. 331 to 350, House Concurrent Resolution Nos. 43 to 46, and Standing Committee Report Nos. 39 to 42 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 39 Consumer Protection and Commerce on H.B. No. 133

The purpose of this bill is to make clear that the circuit courts have the power to enjoin or prohibit violations of State laws or county ordinances upon application of the director of the Office of Consumer Protection as well as other government legal officers.

Chapter 487, Hawaii Revised Statutes, empowers the Office of Consumer Protection to enforce laws enacted for the purpose of consumer protection. However, under present law, the director of the Office of Consumer Protection is not specifically named as one of the government legal officers upon whose application the circuit courts may enjoin violations of State laws or county ordinances. The injunction is one of the main legal tools employed by the Office of Consumer Protection to halt deceptive business practices, and this Bill amends Section 60323, Hawaii Revised Statutes, to specifically authorize the circuit courts to enjoin violations of laws upon application of the director of the Office of Consumer Protection.

Your Committee has made minor amendments to the bill which have no substantive effect on the measure.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 133, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 40 Consumer Protection and Commerce on H.B. No. 132

The purpose of this bill is to make clear that the Office of Consumer Protection may bring civil actions to collect civil penalties for violations of Section 480-2, Hawaii Revised Statutes.

Under present law, the Attorney General is specifically authorized to collect civil penalties for violation of Section 480-2. The majority of the court actions brought by the Office of Consumer Protection are for violations of Section 480-2 and its authority to collect civil penalties has been challenged on the basis that the proper party to collect such penalties is the Attorney General as specifically authorized by statute.

This bill amends Section 480-3.1, Hawaii Revised Statutes, to specifically authorize

the Office of Consumer Protection as well as the Attorney General to bring actions to collect civil penalties for violation of Section 480-2.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 132 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 41 Consumer Protection and Commerce on H.B. No. 134

The purpose of this bill is to make clear that the Office of Consumer Protection may bring proceedings to enjoin violations of unfair or deceptive acts or practices declared unlawful by Section 480-2, Hawaii Revised Statutes.

Under present law, the Attorney General is specifically authorized to bring injunctive proceedings to halt unfair and deceptive acts and practices, and the Office of Consumer Protection has been challenged as to its authority to initiate such proceedings.

This bill amends Section 480-15, Hawaii Revised Statutes, to specially authorize the Office of Consumer Protection to bring proceedings to enjoin unfair or deceptive acts or practices.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 134 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 42 Health on H.R. No. 122

The purpose of this resolution is to urge the Congress of the United States to enact, and the President to support legislation establishing a national health insurance program to assure adequate health care for all residents of the United States.

Your Committee finds that the concept of good health as a basic human right is gaining rapid acceptance, particularly as coverage becomes more widespread. Statistics show that approximately eighty percent of the population under 65 and seventy-five percent of the working population benefit from some kind of health insurance plan. Medicare provides health insurance for approximately ninety-five percent of the elderly and Medicaid provides some protection for 15 million of the economically disadvantaged.

The Hawaii Pre-paid Health Care Act enacted by the Legislature during the Regular Session of 1974 extended health insurance coverage to workers who were not enrolled in health insurance plans or who had inadequate health care insurance. In its action, the Legislature recognized the need to extend health insurance to employees in the State. This law represented a move toward universal health insurance coverage.

Your Committee on Health concurs with the intent and purpose of H.R. No. 122 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 43 Legislative Management

Informing the House that House Bill Nos. 801 to 833, House Resolution Nos. 351 to 362, House Concurrent Resolution Nos. 47 and 48, and Standing Committee Report Nos. 44 to 48 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 44 Water, Land Use, Development, and Hawaiian Homes on H.B. No. 40

The purpose of this bill is to fund chapter 115 of the Hawaii Revised Statutes for

the purpose of assisting the various counties in the purchase of land for public rights-of-way to the shorelines and the sea and for public transit corridors where the topography is such that safe transit does not exist along the shoreline.

Your Committee recommends that the sum of \$1,000,000 be appropriated to carry out the purposes of this Act.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 40, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 40, H.D. 1.

Signed by all members of the Committee.

SCRep. 45 Water, Land Use, Development, and Hawaiian Homes on H.B. No. 378

The purpose of this bill is to provide funds for a Hawaii celebration in the International Ocean Exposition to be held in Okinawa, Japan, from July 20, 1975 through January 18, 1976.

The ocean is one of the most vital aspects of Hawaii's lifestyle and economy. The sea around us provides us with both livelihood and leisure. The State of Hawaii has a basic commitment to the growth of oceanography in the Islands. It is only natural that Hawaii participate in some manner in the first and most significant world exposition devoted to the ocean.

Hawaii's participation will be symbolic. It will emphasize the multi-racial people-to-people aspect of Hawaii's interaction with the nations of Asia and the Pacific.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 378 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 46 Water, Land Use, Development, and Hawaiian Homes on H.B. No. 379

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$100,000, or so much thereof as may be necessary, for an analysis of the manganese nodule processing industry, including industry requirements, State of Hawaii policy options, legal investigations on State ownership of manganese nodule resources, site availability, and environmental problems.

Some of the world's richest nodule deposits with high concentration of nickel, iron, copper and cobalt lie in the deep seas close to Hawaii. Manganese crusts lying in terraces off the Islands contain platinum and other noble metals and may require different processing than the deep sea nodules. All of these mineral resources are of great economic and strategic value to our nation.

Half a dozen U. S. and international companies have invested over \$300 million and it can be said with certainty that there will be a manganese nodule mining and processing industry within the next decade. The opportunities open to the State can only be determined by the detailed investigations funded from this bill.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 379 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 47 Water, Land Use, Development, and Hawaiian Homes on H.B. No. 392

The purpose of this bill is to appropriate out of the general revenue of the State of Hawaii the sum of \$110,000 or so much thereof as may be necessary, for the replacement of existing water mains.

The water mains now servicing Palolo are 50 years old and are in poor condition due to their age and the corrosive nature of the surrounding soil.

During the past five years, there have been six failures. Replacement of these mains and appurtenances will remedy the inconveniences and damages suffered by residents.

Your Committee on Water, Land Use, Development and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 392 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 48 Water, Land Use, Development, and Hawaiian Homes, and Agriculture on H.B. No. 94

The purpose of this bill is to require the County Boards of Water supply to establish low rates for agricultural uses of water.

The availability of irrigation water at appropriate rates is one of the vital factors in expanding Hawaii's diversified agriculture.

Preferential rates for agricultural users will benefit all residents by improving supplies of locally produced agricultural commodities, thereby improving tax revenues and enhancing Hawaii's employment base.

Your Committees on Water, Land use, Development, and Hawaiian Homes, and Agriculture, are in accord with the intent and purpose of H.B. No. 94 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 49 Legislative Management

Informing the House that House Bill Nos. 834 to 932, House Resolution Nos. 363 to 378, House Concurrent Resolution Nos. 49 to 53, Standing Committee Report Nos. 50 to 52, and Special Committee Report No. 2 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 50 Water, Land Use, Development, and Hawaiian Homes on H.B. No. 487

The original purpose of this bill is to appropriate funds for the acquisition of rights of way to certain hunting areas on Oahu.

Your Committee recommends an amendment to carry out the purposes of this Act. Such amendment would be as follows:

"Section 1. There is appropriated out of the general revenues of the State of Hawaii, the sum of \$250,000, or so much thereof as may be necessary, for acquisition of rights of way to certain State hunting and hiking areas, Oahu."

There are many public hunting and hiking areas which are kept well groomed by the Department of Land and Natural Resources, but the lack of public access keeps usage to a minimum.

The problem lies in the fact that these State lands are either surrounded by private lands, or State lands under the jurisdiction of the Department of Land and Natural Resources are "landlocked" by Hawaiian Homes Commission lands leased out to others.

The funds appropriated by this Act will be used to investigate each problem area on Oahu, determine the most feasible course of action, determine the cost of acquisition, and expedite the acquisition of rights of way through purchase, agreement, lease or easement.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord

with the intent and purpose of H.B. No. 487, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 487, H.D. 1.

Signed by all members of the Committee.

SCRep. 51 Energy and Transportation on H.C.R. No. 23

The purpose of this Concurrent Resolution is to request the President of the United States to exempt the State of Hawaii from the tariff to be imposed on foreign crude oil.

Your Committee finds that President Gerald Ford's proposed new energy conservation program which include the imposition of a tariff on foreign crude oil, places an unfair burden on the people of the State of Hawaii. Your Committee further finds that while the price of a gallon of gasoline is expected to increase as much as twenty cents per gallon, the increased cost of other goods and services which rely on oil are expected to be even greater.

As a result, the imposition of this tariff on foreign crude oil will increase the monthly rate of electricity bills in Hawaii by four dollars. This represents more than five times the upward effect on electricity rates than would be experienced by the rest of the states on the mainland.

Other factors contributing to Hawaii's unique situation include geographic isolation, inefficiency in hauling of fuels other than oil for use in generating electricity and the lack of natural resources.

Your Committee finds that because of these factors, the people of the State of Hawaii pay an even higher rate for electricity. As it is, they are already burdened with high electricity and gas rates due to the size factor and the high cost of fuel.

The Concurrent Resolution has been amended as follows:

1. The fifth "Whereas" clause has been amended to read: "WHEREAS, as a result of the imposition of the tariff on foreign crude oil, the monthly rate of the average residential electric bill in Hawaii is expected to increase by as much as four dollars;"
2. The eighth "Whereas" clause has been amended to read: "WHEREAS, studies are being made into seeking alternative energy sources for the generation of electricity. However, thus far, no other economically feasible method has been developed for Hawaii;"

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.C.R. No. 23, and recommends its adoption as amended herein in the form attached hereto as H.C.R. No. 23, H.D. 1.

Signed by all members of the Committee.

SCRep. 52 Energy and Transportation on H.R. No. 232

The purpose of this Resolution is to request the President of the United States to exempt the State of Hawaii from the tariff to be imposed on foreign crude oil.

Your Committee finds that President Gerald Ford's proposed new energy conservation program which include the imposition of a tariff on foreign crude oil, places an unfair burden on the people of the State of Hawaii. Your Committee further finds that while the prices of a gallon of gasoline is expected to increase as much as twenty cents per gallon, the increased cost of other goods and services which rely on oil are expected to be even greater.

As a result, the imposition of this tariff on foreign crude oil will increase the monthly rate of electricity bills in Hawaii by four dollars. This represents more than five times the upward effect on electricity rates than would be experienced by the rest of the states on the mainland.

Other factors contributing to Hawaii's unique situation include geographic isolation, inefficiency in hauling of fuels other than oil for use in generating electricity and the lack of natural resources.

Your Committee finds that because of these factors, the people of the State of Hawaii pay an even higher rate for electricity. As it is, they are already burdened with high electricity and gas rates due to the size factor and the high cost of fuel.

The Resolution has been amended as follows:

1. The fifth "Whereas" clause has been amended to read: "WHEREAS, as a result of the imposition of the tariff on foreign crude oil, the monthly rate of the average residential electric bill in Hawaii is expected to increase by as much as four dollars; "
2. The eighth "Whereas" clause has been amended to read: "WHEREAS, studies are being made into seeking alternative energy sources for the generation of electricity. However, thus far, no other economically feasible method has been developed for Hawaii; "

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.R. No. 232, and recommends its adoption as amended herein in the form attached hereto as H.R. No. 232, H.D. 1.

Signed by all members of the Committee.

SCRep. 53 Legislative Management

Informing the House that House Bill Nos. 933 to 989, House Resolution Nos. 379 to 389, House Concurrent Resolution Nos. 54 to 57, and Standing Committee Report Nos. 54 to 59 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 54 Education on H.B. No. 80

The purpose of this Act is to appropriate funds for the planning of a comprehensive workshop on the state of education in Hawaii. What is envisaged is a comprehensive look at primary and secondary education. Some of the subjects to be reviewed should be quality, cost, and financing of education, for these are inextricably interrelated. Governance and organization are two subjects which cut across considerations of quality, cost and financing and these should be closely studied.

It is imperative that an examination is made of what educational criteria exists today, how these are working, and what improvements need to be made in view of our changing living patterns. It can not be expected that a single conference can attempt to solve all educational problems, but it can shed light on them and point out avenues for appropriate action as we approach the year in which the State Constitution is to be reviewed.

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

Signed by all members of the Committee.

SCRep. 55 Education on H.B. No. 79

The purpose of this bill is to assign vice-principals to the schools on the basis of need rather than on the basis of student enrollment.

Section 297-31 now calls for vice-principals being assigned to schools with a minimum student enrollment of 750 students. It further allows the Department of Education, under special circumstances, to appoint a vice-principal to a school which has less than 750 students. The Department testified however, that due to fiscal constraints, the program was abandoned.

Your Committee feels that the present formula used for placing vice-principals is not a reasonable guideline. The demand for administrative services has increased with the implementation of the 3 on 2 program, Hawaii English Program, Vocational/Technical Program and Foundation Program among other programs. Further, with the passage of the collective bargaining law, the administrator has become responsible for 5 different collective bargaining contracts.

Foremost however, each school manifests unique problems calling for certain types and levels of services. The economically dis-advantaged, the affluent, the transient, and high immigrant population areas demand unique and additional services. This bill provides for in-dividualized consideration of each school needs, considering such criteria as general student problems, social and behavioral experiences and existing personnel.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 79 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

SCRep. 56 Youth and Elderly Affairs and Health on H.B. No. 60 (Majority)

The purpose of this Act is to remove barriers to the provision to minors of medical services for venereal disease, pregnancy, substance abuse and family planning.

Your Committees feel that when a minor's physical or mental health is endangered, the most urgent concern is to facilitate the delivery of all necessary medical services, and that this is also the primary concern of parents and guardians.

Your Committees also recognize the need for counseling which seeks to open the lines of communication between parent and child, as provided for in Section 577A-5 of this Act. Your Committees believe that this Act, by averting irreparable damage to the minors' health while seeking to breach the rift dividing children from their parents, will not disrupt the family but will in fact take steps to ameliorate damage which has already occurred.

Your Committees recommend an amendment to Section 577A-5 of this Act to provide for counseling by "a qualified person" instead of by "duly authorized professionals", allowing the physician or clinic personnel to provide the requisite counseling where appropriate.

Your Committees further recommend an amendment to Section 577A-4 of this Act so as to exempt third party payors and agencies, including the Department of Social Services and Housing, from financial liability for any treatment or services provided to a minor without the agency's or third party's prior knowledge or consent.

Your Committees recommend other technical amendments made for the purpose of grammar and clarity of expression.

Your Committees on Youth and Elderly Affairs and Health are in accord with the intent and purpose of H.B. No. 60, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 60, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Representatives Akizaki, Kiyabu, Kondo, Shito, Ikeda, Medeiros and Sutton did not concur.

SCRep. 57 Education on H.C.R. No. 35

The purpose of this Concurrent Resolution is to request that the Congress of the United States enact appropriate legislation to enable all states, at their option, to receive cash in lieu of commodities.

This request is prompted by an amendment to the Federal Commodity Assistance Program, specifically Part 240-Cash in Lieu of Commodities, which became effective October 4, 1974. This amendment provides that a state which has phased out its commodity distribution facilities prior to July 1, 1974 because of the U.S.D.A.'s stated intention

to terminate the commodity distribution program, may receive cash in lieu of commodities if it lacks the staff and budget to distribute the commodities itself.

It is expected that during the present school year the public schools will use an estimated \$2.5 million of federal commodities. The current commodity distribution practices have contributed to the decline of business for certain Hawaii meat producers. The total economy of the State of Hawaii, and the agricultural economy in particular, would benefit significantly if the State received cash in lieu of commodities and increased purchases of food from within the State.

Your Committee on Education concurs with the intent and purpose of H.C.R. No. 35 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 58 Education on H.R. No. 278

The purpose of this Resolution is to request that the Congress of the United States enact appropriate legislation to enable all states, at their option, to receive cash in lieu of commodities.

This request is prompted by an amendment to the Federal Commodity Assistance Program, specifically Part 240 - Cash in Lieu of Commodities, which became effective October 4, 1974. This amendment provides that a state which has phased out its commodity distribution facilities prior to July 1, 1974 because of the U.S.D.A.'s stated intention to terminate the commodity distribution program, may receive cash in lieu of commodities if it lacks the staff and budget to distribute the commodities itself.

It is expected that during the present school year the public schools will use an estimated \$2.5 million of federal commodities. The current commodity distribution practices have contributed to the decline of business for certain Hawaii meat producers. The total economy of the State of Hawaii, and the agricultural economy in particular, would benefit significantly if the State received cash in lieu of commodities and increased purchases of food from within the State.

Your Committee on Education concurs with the intent and purpose of H.R. No. 278 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 59 Education on H.R. No. 49

The purpose of this Resolution is to request the Board of Education to review the resources required and determine what additional property protection and personal injury safeguards need to be established in connection with the more extensive use of school facilities. The Board of Education is further requested to submit a report of its findings prior to August 1, 1975 to the House Committee on Education.

Your Committee believes that because the Legislature is encouraging the use of our public school facilities, both as a prudent economic measure and as an important part of school-community relations, the effects of this increased use, be it positive or negative, should be reviewed and the necessary plans made to handle the usage in an efficient manner.

Your Committee offers as an amendment, changing the reviewing body from the House Committee on Education to the Board of Education. It was felt that the Board of Education was the proper body to conduct the review because the Board is the policy-making body and exercises control over the public school system through the Superintendent of Education.

Your Committee on Education concurs with the intent and purpose of H.R. No. 49, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 49, H.D.1.

Signed by all members of the Committee.

SCRep. 60 Legislative Management

Informing the House that House Bill Nos. 990 to 1061, House Resolution Nos. 390 to 401, House Concurrent Resolution No. 58, Special Committee Report Nos. 3 and 4, and Standing Committee Report Nos. 60 to 66 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 61 Judiciary on H.B. No. 105 (Majority)

The purposes of this bill are to mandate each county to designate appropriate centers for rendering aid and treatment to victims of rape and other sexual abuse, and to fund such centers through grants-in-aid to the counties.

The immediate focus of your committee's concern is the utter lack of facilities adequately organized and staffed to render immediate aid to rape victims. We consider such lack to present an urgent problem prompting the mandate of this bill.

We are aware of differences between and within the counties in terms of population densities and geographic compactness or sprawl. To that end, your committee has amended the bill to permit administrative flexibility to the counties in locating, organizing and staffing these rape treatment centers.

Your committee has, with distinct intent, added the concept of "aiding . . . victims of rape and other sexual abuse" for the simple reason that responding to the plight of such victims is this legislature's primary objective by this bill.

Further in that regard, your committee has amended the bill to extend aid and care, not only to the victims and family members, but also to others who may be substantially affected by rape or other sexual abuse. For instance, a neighbor's little girl in traumatic shock after witnessing the violence may be such other.

Finally, no witnesses have testified before your committee on the expected cost. For that reason, and to assure timely processing, H.B. No. 105 is being transmitted to the Finance Committee with the amounts of appropriation left blank, but with the expressed concern that this legislature should study such question of cost in depth and render proper priority to such appropriation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 105, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

Representatives Fong, Sutton and Kondo did not concur.

SCRep. 62 Judiciary on H.B. No. 8

The purpose of this bill is to appropriate sums to compensate victims of crime pursuant to chapter 351, Hawaii Revised Statutes.

The bill was received by your committee with the amounts to be appropriated left blank. Your committee has reviewed items and amounts submitted by Criminal Injuries Compensation Commission at the hearing and has amended the bill in accordance with such review.

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

Signed by all members of the Committee except Representative Carroll.

SCRep. 63 Judiciary on H.B. No. 106

The purpose of this bill is to establish a fair and workable procedure in a rape trial for the courts, to screen evidence to be adduced respecting a prosecuting witness'

previous sexual conduct.

Your committee has received testimonies expressing concern about "character-assassination" of the prosecuting witness often indulged in the defense of rape cases. This is common knowledge. Your committee is aware that such common knowledge is a serious deterrent to cases of rape being properly reported and pursued. As such, adequate protection of our society against this heinous crime is substantially compromised.

Your committee is also aware that section 205 of the Hawaii Penal Code defines "attendant circumstances" as an element of every criminal offense. This has always been within the general scheme of criminal jurisprudence in our society. As such, in an appropriate case, a prosecuting witness' prior sexual conduct may constitute "attendant circumstances" relevant to the jury's fair determination as to the guilt or innocence of the accused. It would be contrary to "due process" of law to categorically prevent such evidence from being adduced in defense of every prosecution for rape.

House Bill No. 106 judiciously takes the middle course and provides a procedure whereby the trial court will be required, on a case-by-case basis, to screen out irrelevant evidence in this regard, and prevent unfair and flagrant attempts at character assassination of the prosecuting witness. It is hoped that the knowledge that fair procedure exists to provide adequate protection of rape victims will promote more effective prosecution in a matter that we acknowledge to be acutely private and delicately sensitive to the victims.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 106, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 106, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 64 Judiciary on H.B. No. 104 (Majority)

The purpose of this bill is to mandate each county to establish special units to take on immediate and principal responsibility for the investigation of rape and other sexual abuse.

In the course of his testimony the representative of the Honolulu Police Department indicated serious hesitancy to implementing the use of female investigating personnel in rape cases, saying that police personnel are considered qualified to participate in the investigation of rape only when they have attained the rank of detectives. He added that it will take present female police recruits at least three years just to qualify to take appropriate examinations for that rank.

Your committee, with all due respect to the contrary view of the representative of the Honolulu Police Department, feels that it is simple common sense that rape victims should generally feel immediate comfort in being received and examined with respect to the perpetuated violence, by persons of the same sex. Moreover, it is clearly a matter of common decency.

Your Committee is aware of Senate Resolution No. 165 of the Seventh Legislature, 1974, by which the Honolulu Police Department was requested to take immediate steps to create a special rape squad, and which pointed out "a serious deficiency of women and positions for women in the Honolulu Police Department" that may facilitate the investigation of rape and other related cases.

When asked about Senate Resolution No. 165, the representative of the Honolulu Police Department said in mock jest, "Of what effect is a resolution?" and quickly corrected that remark by stating that the request of Senate Resolution No. 165 was already implemented. However, when asked about the participation of female personnel in such investigations to help diminish the emotional trauma of the victims, his answer was that it would take between three to five years. His reasoning was as already discussed, that it will take that long for female personnel to attain detective rank.

Your Committee is thoroughly dissatisfied with the Honolulu Police Department's indicated schedule of three to five years. Accordingly, we feel compelled to mandate each county to act upon the intent of this bill with all due haste.

Even if it is conceded that supervision by a person with the rank of detective is necessary in the investigation of rape, there is no reason why female personnel cannot participate in the investigation to render aid to the victim, to act as appropriate liaison, and to obtain details that a victim may be hesitant to reveal to a male investigator. Seemingly, this is simply a matter of administrative efficiency. Your committee has amended House Bill No. 104 in that regard.

Your committee's inquiries indicate that, at the present time, female personnel are being utilized in the area of juvenile work and also in the reception of female criminals. Your committee fails to understand the Honolulu Police Department's hesitancy to extend the same courtesy now being extended to females accused of crime, to female persons who are victims of this most horrendous crime of rape. Your committee's inquiries further indicate that positions auxiliary to rape investigation and directed to render aid to rape victims, and to acting as liaison between such victims and other investigating personnel and treatment and care centers, can be administratively effectuated without doing abuse to civil service and other related laws.

Your committee is also particularly concerned about the speed by which rape investigations reach the hands of a special unit. For this reason House Bill No. 104 has been amended to reflect the concept that "immediate and principal responsibility" for the investigation should be the function of the special unit.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 104, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

Representative Sutton did not concur.

SCRep. 65 Judiciary on H.B. No. 612

The purpose of this bill is to effectuate changes to Chapter 351, Hawaii Revised Statutes in the following respect:

- (1) Permit the Criminal Injuries Compensation Commission to hold official hearings and meetings in the absence of the chairman so long as two members are present;
- (2) Enable the Commission to deny a case if police report is not made available within three years; and
- (3) List specifically the crimes for which criminal injuries compensation is to be awarded.

Your Committee notes the deletions of criminal attempts, threats and coercions from the category of compensable situations. This accords with the general intent of the Criminal Injuries Compensation Law to compensate victims for actual damages they have suffered.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 612, 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 Carroll.

SCRep. 66 Legislative Management

Informing the House that House Bill Nos. 1062 to 1103, House Resolution Nos. 402 to 408, House Concurrent Resolution Nos. 59 and 60, Special Committee Report No. 5, Floor Amendment Re: House Bill No. 60, House Draft No. 2, and Standing Committee Report Nos. 67 to 78 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 67 Judiciary on H.B. No. 107 (Majority)

The purpose of this bill is to restructure the board of paroles and pardons into a professional full-time paroling authority.

Your Committee on Judiciary upon hearing the testimony on H.B. No. 107 believes a full-time paroling authority is needed believes that the intent and purpose of the bill can be better carried out if the bill is amended in the following manner:

1. By deleting the phrase "one person designated as the nominee, for chairman or as a member, for each vacancy." Appearing in Section 2 of the bill at lines 3 and 4 on Page 2 of the bill and inserting in its place the phrase "three persons for each vacancy which occurs."
2. By deleting the phrase "the same as that of judges of the circuit courts." Appearing in Section 4 at lines 23 on Page 5 of the bill and inserting in its place "\$25,244 per year."
3. By deleting the word "ninety-five" which appears in Section 5 at line 1 on Page 6 and inserting in its place the word "ninety."
4. By deleting the phrase "judges of the circuit courts." Appearing in Section 4 at line 2 on Page 6 and inserting in its place "the chairman."

The bill requires an estimated total of \$140,000.00 for the purpose of paying the salaries and travel and incidental expenses proposed for the board members for 3/4 of the biennium that is likely to remain by the time the board is fully constituted as well as administrative and clerical support. Of this total sum, \$106,017.30 is estimated for salaries for the three members for 18 months and the balance for travel and incidental expenses for the same period and administrative and clerical support.

Your Committee recommends a further amendment for the purpose of appropriating funds necessary to carry out the purposes of this Act by inserting in the blank space appearing on line 2 at page 8 of the bill the figure \$140,000.00.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 107, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

Representatives Kondo and Fong did not concur.

SCRep. 68 Judiciary on H.B. No. 113

The purpose of this bill is to raise the wages payable to prisoners and is further intended to lessen the burden on an inmate's family and dependents.

Testimony received on H.B. No. 113 established the intent of the bill was to assist prisoners in meeting their immediate daily monetary needs, provide a source of income which could be the basis for some savings to assist them in launching a successful return to the community and to help them provide some support to their families. It is also intended that the increased wages payable would create a condition that would instill a degree of dignity and a sense of achievement and purpose for both the prisoner and his family.

Testimony indicated that \$229,342 would be sufficient to fund this program (at the higher wage) for the 1975-77 biennium.

It was determined from the testimony that the intent of the bill could be best carried out by deleting sections 2 and 3 of the bill because they were superfluous and amending section 1 by inserting a colon on line 7 at Page 1 after the word "than" and deleting the phrase appearing on that same line which reads "as provided by section 387-2." And inserting in its place the following:

For a prisoner performing duties that are classified as a grade I - \$.63 per hour.

For a prisoner performing duties that are classified as grade II - \$.50 per hour.

For a prisoner performing duties that are classified as grade III - \$.38 per hour.

For a prisoner performing duties that are classified as grade IV - \$.25 per hour.

Your Committee recommends a further amendment for the purpose of appropriating funds necessary to carry out the purposes of this Act. Such further amendment would be as follows:

Section 2. There is appropriated out of the general fund \$229,342 or so much thereof as may be necessary for the purposes of this Act.

For purposes of consistency, your Committee on Judiciary also recommends that this Act should be further amended as follows:

Sections 4 and 5 be changed to sections 3 and 4 respectively.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 113, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 113, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 69 Judiciary on H.B. No. 277

The purpose of this bill is to increase the uniform maintenance allowance for Hawaii National Guard enlisted personnel from \$.70 to \$1.50 per day. It would also increase the periods when eligible for such an allowance from annual or year-round training to include any period when ordered to State active duty.

Your Committee, upon hearing testimony on H.B. No. 277, determined that the present uniform maintenance allowance, unchanged for 15 years, has not kept pace with the increased cost of living during that period. The present bill would permit National Guard personnel to keep their uniforms in good condition without personal expense to themselves, as is presently the case. The additional maintenance allowance will also provide further inducement in recruiting new personnel and retaining existing personnel.

This bill also provides for an extension of the uniform cleaning allowance to periods when the guard is ordered to State active duty under the situations contained in the Hawaii Revised Statutes 121-30, like the situation that some members of the National Guard are presently finding themselves in at the Hawaii State Prison.

Testimony indicates that the total cost for the biennium, if this bill is enacted, would not exceed \$192,000.00. Your Committee believes that this sum is a worthwhile investment in the Hawaii National Guard program and the extension of allowance circumstances to be proper.

The bill should be amended to carry out its purpose by inserting the sum of \$192,000.00 in the blank space on line six of page two of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 277, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 70 Judiciary on H.B. No. 280

The purpose of this bill is to appropriate \$4,000 for backboards, baskets, and the painting of lines for basketball at the Wahiawa National Guard Armory.

Testimony relating to H.B. No. 280 established a need for recreational facilities in the Wahiawa area both for the use of the Hawaii National Guard and the general public. Recreational facilities will assist the National Guard recruitment program and to retain existing members. Further, these recreational facilities will have the bonus effect in that they will provide recreational facilities to citizens of the State as well.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 280 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. 71 Judiciary on H.B. No. 315

The purpose of this bill is to provide tuition assistance to qualified National Guard enlisted personnel in furthering their formal education.

There was testimony presented to your Committee on H.B. No. 315 noting a need to encourage enlistment of new personnel and retention of existing personnel in the Hawaii National Guard. The testimony supported the position that by providing tuition assistance to qualified enlisted personnel, permitting them to pursue their formal education, this would enhance the caliber of recruits and raise the quality of the personnel in the Hawaii National Guard program. Testimony indicated that the program would need funding of as much as \$200,000 for the 1975-77 biennium.

Your Committee is in agreement with the intent of H.B. No. 315 and recommends that the bill be amended by adding a new paragraph to provide for an appropriation of up to \$200,000. In order to carry out the purposes of this Act, such amendment would read as follows:

- (a) Section 3. There is appropriated out of the general fund \$200,000 or so much thereof as may be necessary for the purposes of this Act.

For the purposes of consistency, your Committee also recommends that this Act should be further amended as follows:

- (a) Sections 3 and 4 be changed to sections 4 and 5 respectively.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 315, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 315, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 72 Judiciary on H.B. No. 481

The purpose of this bill is to increase the sum allotted to the Hawaii Civil Air Patrol from \$56,000 to \$75,000 annually for operations and expenses, provided that not less than \$3,000 shall be allocated to each Civil Air Patrol unit outside the city and county of Honolulu.

Testimony received established the need to encourage the Civil Air Patrol programs particularly on the outside islands and to ensure a wider distribution of funds to the outside islands. From the testimony received, it appears that most of the funds presently are being expended in the city and county of Honolulu with little consideration being given to the Kauai, Maui, and Hawaii County units. This bill will assist in the promotion of Civil Air Patrol programs on a statewide basis and ensure a more equitable distribution of funds to the various State units.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 481 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. 73 Judiciary on H.B. No. 111

The purpose of this bill is to improve the quality of Adult Corrections Officers with respect to recruitment, training, compensation and career development.

Your Committee on Judiciary having heard the testimony of Mr. Don Botelho, of the Department of Personnel Services and others relating to the pay scale between

guards and other State and County personnel who have similar tasks and the problems of recruiting and retaining qualified people to take these positions is of the opinion that in order to encourage the recruitment program for qualified Adult Corrections Officers and their subsequent retention, a provision ought to be made to permit consideration for the extra hazards and responsibilities related to their task. Presently, many applicants decide against taking positions as Adult Corrections Officers after weighing the risks involved in employment for the present pay offered. It is felt that a hazard pay differential will assist the Department of Personnel in its Adult Corrections Officers staffing problems.

Therefore, it is the opinion of this Committee that H.B. No. 111 should be amended by deleting the phrase "to conform this Act." Appearing in Section 2 at line 10 on Page 1 of the bill and inserting in its place the clause, "by adding a new paragraph to section 77-11 which shall read as follows:

'Other provisions of this section notwithstanding, pay differentials in the case of Adult Corrections Officers, shall not exceed twenty-five percent of the monthly salary of the said Adult Corrections Officer in question and shall continue without termination so long as such employee is employed as an Adult Corrections Officer.'

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 111, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 74 Consumer Protection and Commerce on H.B. No. 360

The purpose of this bill is to make clear that the Office of Consumer Protection may bring civil actions and proceedings to enforce laws promulgated for the purpose of consumer protection and to enlarge the powers of the Office of Consumer Protection by authorizing that office to obtain restitution for consumers and conduct arbitration hearings in disputes affecting the interests of consumers.

Under the present law setting forth the functions, powers and duties of the Office of Consumer Protection, that office is charged with enforcing laws enacted, and rules and regulations promulgated for the purpose of consumer protection but no specific mention is made as to its authority to enforce such laws, rules and regulations by court action. This bill makes it clear that the Office of Consumer Protection has such authority.

Upon consideration of this measure, your Committee has amended the bill by deleting the provisions which would authorize the Office of Consumer Protection to obtain restitution for consumers and to conduct arbitration hearings. Other technical amendments relating to form have been made which have no substantive effect.

By recommending favorable consideration of this bill in amended form, your Committee does not intend to enlarge the authority of the Office of Consumer Protection to bring court actions but only to make clear the authority of that office to take court action to collect civil penalties for unfair or deceptive business practices or to enjoin such practices.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 360, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 75 Consumer Protection and Commerce and Judiciary on H.B. No. 426

The purpose of this bill is to conform the penalty provision for violation of the provisions of Chapter 269, Hawaii Revised Statutes, or any order of the Public Utilities Commission with the penalty provisions of the federal Natural Gas Pipeline Act.

Your Committees heard testimony from the Department of Regulatory Agencies to

the effect that under the federal Natural Gas Pipeline Safety Act enacted in 1968, the United States Department of Transportation has the overall responsibility for the safety regulation of intrastate gas systems covered by the Act. The gas system in Hawaii is subject to the Act and under an agreement with the United States Department of Transportation entered into in 1971, the State Public Utilities Commission is presently assisting in the enforcement of the federal safety standards. However, under the agreement, the Public Utilities Commission can only obtain voluntary compliance and must report violations or probable violations to the Office of Pipeline Safety for federal enforcement. Under the provisions of the federal Natural Gas Pipeline Safety Act, a state can be certified to assume full responsibility for a gas pipeline safety program based on state standards with respect to intrastate gas facilities over which it has jurisdiction under state law. In order to receive certification, the state standards may be the same as the minimum federal standards or may impose additional or more stringent requirements not inconsistent with federal standards. Hawaii has been unable to receive certification because the penalty provisions of the State's statutes do not conform to those of the federal Natural Gas Pipeline Safety Act of 1968. This bill would amend the penalty provisions to conform with the federal Act.

Under present law, a public utility failing to comply with Chapter 269 or any order of the Public Utilities Commission is subject to a penalty of \$1,000 for each violation. This bill would amend the penalty to provide for a civil penalty of \$1,000 for each violation for each day of the violation up to a maximum penalty of \$200,000. However, the Public Utilities Commission may remit or mitigate the penalty.

Upon consideration of this measure, your Committees have concluded that gas pipeline safety would be enhanced and duplication of effort reduced if the Public Utilities Commission were to become certified by the federal authorities and assume full responsibility for gas pipeline safety in the State.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 426 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 76 Consumer Protection and Commerce on H.B. No. 427

The purpose of this bill is to provide for regulation by the Public Utilities Commission of the issuance of securities and other evidences of indebtedness by water carriers covered by the Hawaii Water Carrier Act.

The Hawaii Water Carrier Act which was enacted in 1974 does not contain any provision regarding the issuance of securities and evidences of indebtedness by water carriers. As the regulatory body charged with protecting the public interest with regard to water transportation, the Public Utilities Commission, among other things, is concerned with the reasonableness of rates. The manner and terms by which a water carrier obtains moneys for capital expenditures materially affects rates to the consuming public as such rates are developed through the cost of service and a fair rate of return on invested capital. This bill requires water carriers to secure the prior approval of the Public Utilities Commission before issuing securities and other evidences of indebtedness for capital expenditures. By requiring such approval, the Commission can insure that water carriers are issuing such securities and other evidences of indebtedness in a prudent and reasonable manner which will not have an unduly adverse effect on rates to the consuming public.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 427 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 Carroll.

SCRep. 77 Finance on H.B. No. 442

The purpose of this bill is to conform certain provisions in the Hawaii Franchise Tax Law on banks and other financial institutions, chapter 241, Hawaii Revised Statutes, to the Internal Revenue Code by incorporating certain amendments made to the Code by Public Law 91-172.

Section 433 of Public Law 91-172 provides that as to financial institutions the "sale or exchange of a bond, debenture, note, or certificate or other evidence of indebtedness shall not be considered a sale or exchange or a capital asset." Thus, in determining net income the net gain from such sale or exchange will be treated as ordinary income rather than as capital gains.

This bill is an Administration measure (Q-13). An intent of this measure is to bring Hawaii's law in compliance with federal law. All testimony submitted to your Committee was in support of this measure.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 442 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 78 Finance on H.B. No. 439

The purpose of this bill is to provide for more uniformity in charging interest on delinquent taxes by conforming the real property tax provision to that of other taxes. Section 246-49, Hawaii Revised Statutes, is to be amended to conform to section 231-39(b).

Presently, interest on delinquent real property taxes is charged starting 15 days after the tax becomes delinquent. Thus, in some cases, it may begin in the middle of the month. On the other hand, interest on other taxes begin with the first month after the tax is due; the provisions do not state any specific number of days before interest is charged. Therefore, interest begins on the first day of the month. Under this bill, interest on delinquent real property taxes will be imposed beginning with the first calendar month following the date designated for payment.

Also, the present law which provides 15 days before interest is imposed on delinquent real property taxes has been a source of confusion to taxpayers. Some of them have interpreted this to mean that they have a 15-day grace period for the payment of taxes. This bill will eliminate this source of confusion.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 439 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 79 Legislative Management

Informing the House that House Bill Nos. 1104 to 1156, House Resolution Nos. 409 to 421, House Concurrent Resolution Nos. 61 and 62, and Standing Committee Report Nos. 80 to 88 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 80 Finance on H.B. No. 435

The purpose of this bill is to permit the State Department of Taxation to adopt a number system to be used for identifying taxpayers. This is an Administration measure (Q-6) which proposes to authorize the Director of Taxation to require the identification of tax returns by the use of the social security number of persons making the returns.

Your Committee supports this statutory authorization to the Director of Taxation as an appropriate means for regularizing operations in processing returns by taxpayers.

Under this bill as introduced, the wilful failure to furnish social security numbers shall be deemed a misdemeanor. After review of this provision, your Committee recommends that the penalty for the offense be reduced to a violation. Your Committee has amended this bill to change the penalty provision to read: "Any person refusing to furnish a social security number as may be required by this section shall be guilty of a violation."

Unnecessary brackets and bracketed material have also been deleted.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 435, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 435, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 81 Water, Land Use, Development, and Hawaiian Homes on H.B. No. 95

The original purpose of this bill was to appropriate funds for research into the feasibility and development of means for capturing stream runoff, storing and treating it in reservoirs, and making it available for agricultural use in the West Loch area of Pearl Harbor, Oahu.

Your Committee has amended the purpose of this Act by adopting the recommendation of the Board of Water Supply of the City and County of Honolulu to clearly emphasize that such water resources are to be developed as an alternative for using higher quality basal water for irrigation.

Your Committee also felt that the inclusion of waters to be supplied from the proposed Honouliuli Sewage Treatment Facility should be considered as another possible source of water for agricultural purposes. It is expected that the plant would be in operation by 1979.

Although the project is to be located at West Loch, the water is to benefit agriculture in the Central Oahu area.

Retaining and conserving water normally lost to the sea is a vital concern to all future users on Oahu. According to studies conducted by the Board of Water Supply, the fresh water sources on Oahu may be sufficient to meet needs up to the next 20 or 25 years. Firm and imaginative planning is necessary to assure adequate supplies for future generations.

By damming the mouth of the harbor, West Loch may be converted into a natural coastline reservoir for surface runoff and sewage treatment effluent. Such a scheme would serve a three-fold purpose of (1) helping to eliminate silting problems in the Loch, (2) creating a man-made lake for recreation, (3) developing a supply of fresh water which may be used for irrigational purposes, for potable use after treatment.

This method of damming a harbor to store fresh water has been successfully developed in Singapore and Hong Kong. Research as to the feasibility of this type of storage should be developed under local conditions in order to determine its effectiveness for use in the future.

Your Committee further finds that, based on the assumption of state ownership of certain water rights under the recent Supreme Court opinion in McBryde Sugar Co. vs. Robinson, the study proposed under this Act should also include exploring the possibility of the State attaching a covenant on the use of the water to further agricultural development.

Your Committee recommends that H.B. 95 be amended as follows:

(1) By amending Section 1, the purpose clause, to read as follows:

Section 1. Findings and purpose. The legislature finds that the maintenance of a vital agricultural sector requires the provision of sufficient water otherwise wasted and that developing multiple uses of water otherwise wasted promises to safeguard environmental standards and increase availability of higher quality groundwater for domestic uses. This Act appropriates funds for research into the feasibility and development of means of utilizing sewage treatment plant effluent and stored stream runoff for agriculture in exchange for equivalent quantities of higher quality basal water presently being used for irrigation in the Central Oahu area. (Underscored lines indicate amendment.)

(2) By amending Section 2, the appropriations provision, to include as part of the study, an exploration into the attaching of covenants on the uses of the water which would further the development of agriculture. In addition,

your Committee has provided a \$50,000 appropriation for the purposes of the Act.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 95, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 95, H.D. 1.

Signed by all members of the Committee.

SCRep. 82 Public Assistance and Human Services on H.B. No. 35

The purpose of this bill is to establish maximum grant schedules for basic needs and shelter for recipients of general assistance, aid to families with dependent children, and supplementary security income. H.B. No. 35 prior to amendments provided for annual increases in the maximum grant schedules by a percentage equal to eighty per cent of the annual percentage change in the average weekly wage for workers eligible for unemployment compensation in Hawaii. The Director of the Department of Social Services and Housing is authorized in H.B. No. 35 to provide additional assistance under these programs if he determines that unusual and pressing circumstances require additional aid.

AFDC, aid to families with dependent children, is 50% federally funded. It provides support to needy families in which one or both parents are absent, disabled, or dead. AFDC-UP, AFDC-Unemployed Parent, is a form of AFDC for families headed by two able-bodied adults. AFDC-UP is limited to families in which the father is employed less than 100 hours/month. AFDC-Non Needy Caretaker is a form of AFDC for children who live with adults to whom they are related that do not receive AFDC.

SSI, Supplemental Security Income, is mostly federally funded. The State must pay \$3.5 million, regardless of the number of SSI recipients, as long as the average single SSI recipient gets less than \$201/month and the average SSI couple gets less than \$312/month. Should the State choose to do so, it can pay the full cost of giving single SSI recipients a supplement over \$201/month or couples a supplement over \$312/month. (This would be in addition to the \$3.5 million.) SSI provides support to (a) the aged, (b) the blind, and (c) people who have been or will be, unable to work for at least twelve months due to physical or mental disability.

GA, general assistance, is 100% State funded. Needy individuals and families who cannot qualify for AFDC or SSI can receive GA.

There are "overlaps" between these programs. For example, a disabled member of an AFDC Family is now allowed to choose whether to receive AFDC or SSI. An individual who is disabled for less than a year is given GA if he cannot qualify for SSI. A needy family headed by two able-bodied adults can qualify for AFDC-UP if the father is unemployed and the mother works full time. Yet, if the father works instead of the mother, even though that family might still have the same income, then that family would qualify for GA and not for AFDC-UP. When an AFDC mother remarries, her husband is not legally obligated to support her children unless he adopts them. Hence, while she may be ineligible for AFDC, her children would be eligible for AFDC-Non Needy Caretaker.

AFDC, AFDC-UP, and GA recipients are eligible for the same welfare benefits including money payments, free medical assistance, and food stamps. Money payments to these recipients now consist of a basic needs allowance based on family size plus rent and utilities as paid with no maximum. "Old" SSI recipients, who received aid to the aged, blind and disabled prior to January 1, 1974, continue to get "grandfathered" benefits. "New" single SSI recipients, who applied after January 1, 1974, now get a flat grant of \$173/month for one person.

Prior to the Department's establishment of flat granting payments for basic needs, needs were individually determined. This system of categorical grants had severe problems. Not only did it have high administrative costs, many recipients were denied benefits because they were not aware that they were eligible. The present system of shelter allowance as paid also has problems. Recipients whose allowance for rent and utilities exceeds present State "standards" are required to report periodically to the Department to "prove" that they are unable to find some cheaper housing. Some recipients are forced to relocate by the Housing Relocation Unit when cheaper

housing is found. Recipients have no incentive to control the cost of their housing. Landlords know they can raise rents without recipients protesting. The system makes it possible for poor working families to move to expensive housing and qualify for welfare. Abuses can occur and some non-working recipients could enjoy a better standard of living than the working public.

Your Committee has considered these problems and considered five alternative approaches: (1) Do nothing. (2) Pass a "modified flat grant" bill directing the Department to pay for AFDC, GA, and SSI recipients' actual housing costs up to a maximum established in the bill. (3) Pass a bill directing the Department (a) to pay for AFDC and GA recipients' actual housing costs up to a maximum established in the bill and (b) to give the full maximum housing payment to all SSI recipients renting private housing. (4) Pass a bill directing the Department (a) to give AFDC and SSI recipients who rent private housing a flat housing payment - regardless of their housing costs - and (b) to pay GA recipients for their actual housing costs up to a maximum pegged at the flat grant level for AFDC recipients. (5) Pass a "pure flat grant" bill directing the Department to give all recipients who rent private housing a flat grant - regardless of what their housing costs. To retain the present system of a consolidated basic needs allowance, it would also be necessary to specify in law the maximum allowance that could be given for all usual, recurring living expenses excluding shelter and utilities.

After consideration of these five alternatives, your Committee has decided that the third option was the most feasible and the most equitable. While your Committee agrees in principle with the concept that all recipients should be guaranteed an income which they can spend any way they like, the cost of such a system at this time would be prohibitive. However, your Committee decided to grant an income to SSI recipients renting private housing. Because the State itself would be forced to administer supplemental payments to SSI recipients if the State only granted them a shelter allowance as paid, the costs of establishing a bureaucracy for this purpose would reduce much of the savings in shelter payments. Your Committee felt that it is worth the added cost to free SSI recipients from having to apply for additional State aid.

Your Committee believes that it is the responsibility of the Legislature to set the payment levels that are to be paid to recipients. Your Committee believes that the basic needs allowance and the maximum shelter allowance proposed in H.B. No. 35 as amended provide recipients with sufficient income to permit them to maintain a minimum standard of living. The Department and the Legislative Coalition have endorsed the proposed basic needs allowance. The Legislative Coalition would like a larger basic needs allowance, but appreciates the State's fiscal constraints. The Department considers the proposed maximum shelter allowance too liberal and the Legislative Coalition considers it too conservative. Your Committee is convinced that it is reasonable to expect all recipients to be able to pay for housing and utilities at prices within the range now paid by almost 95% of current recipients.

What follows is a table indicating the maximum income available to recipients if their shelter costs should reach the maximum allowed in the bill as amended. It should be noted that all recipients will not receive the maximum benefits.

MAXIMUM AFDC FAMILY INCOME UNDER H.B. NO. 35 AS AMENDED

<u>Family Size</u>	<u>Basic Needs Allowance</u>		<u>Maximum Shelter Allowance</u>		<u>Maximum Money Allowance</u>		<u>Food Stamp Bonus</u>		<u>Maximum Monthly Income</u>
1	\$100	+	\$190	=	\$290	+	\$21	=	\$311
2	144	+	225	=	369	+	40	=	409
3	188	+	250	=	438	+	68	=	506
4	232	+	275	=	507	+	94	=	601
5	276	+	300	=	576	+	113	=	689
6	320	+	330	=	650	+	119	=	769
7	364	+	360	=	724	+	134	=	858

One standard of comparison is the Bureau of Labor Statistics Lower Budget for a four-person family on Oahu in Autumn 1973. After taxes and the value of free car insurance available to welfare recipients is subtracted, the BLS budget is \$7,243 annually as compared with a maximum of \$7,212 under H.B. No. 35, as amended.

BUREAU OF LABOR STATISTICS LOWER BUDGET
FOUR-PERSON FAMILY ON OAHU: AUTUMN 1973

Food at home	\$2,516
Food away from home	310
Renter Costs	1,871
Home Furnishings and Operations	427
Transportation for Auto. Owners	879
Clothing	721
Personal Care	227
Other Family Consumption	412
<u>(Free Car Insurance)</u>	<u>(120)</u>
 Annual Budget - Car Insurance =	 \$7,243

Another standard of comparison is the disposable income available to public employees. A married public employee with three dependents would have to earn approximately \$900/month to have as much disposable income as the maximum possible under H.B. No. 35, as amended. A single public employee would have to earn approximately \$500/month to have as much disposable income as the maximum possible under H.B. No. 35, as amended.

MARRIED PUBLIC EMPLOYEE WITH 3 DEPENDENTS

	<u>\$2.40/hour</u>	<u>\$5.35/hour</u>
Gross Monthly Salary	\$400.00	\$900.00
(FICA)	(23.4)	(52.6)
(Federal Income Tax)	(7.2)	(84.2)
(State Income Tax)	(2.85)	(29.2)
<u>(State Retirement Tax)</u>	<u>(31.2)</u>	<u>(70.2)</u>
Take Home Pay	\$335.35	\$663.80
(Kaiser Premiums)	(37.5)	(37.5)
<u>(Work Expenses Including Car Insurance and Union Dues)</u>	<u>(33)</u>	<u>(33)</u>
Disposable Income	\$264.85	\$593.30
Maximum Disposable Income under H.B. No. 35 as amended = \$601.00		

SINGLE PUBLIC EMPLOYEE WITH NO DEPENDENTS

	<u>\$2.40/hour</u>	<u>\$3.00/hour</u>
Gross Monthly Salary	\$400.00	\$500.00
(FICA)	(23.4)	(29.2)
(Federal Income Tax)	(38.9)	(58.9)
(State Income Tax)	(15.6)	(22.3)
<u>State Retirement Tax</u>	<u>(31.2)</u>	<u>(39.0)</u>
Take Home Pay	\$290.90	\$350.60
(Work Expenses Including <u>Car Insurance and Union Dues</u>)	<u>(33)</u>	<u>(33)</u>
Disposable Income	\$257.90	\$317.60
Maximum Disposable Income Under H.B. No. 35 as amended = \$311.00		

Your Committee recognizes that if maximum welfare benefits are set too high, then some segments of the public are given an incentive to quit work. However, your Committee wishes to point out that rather than substantially raising welfare benefits to able-bodied recipients, H.B. No. 35 as amended instead places a limit on benefits. Your Committee feels that the next task confronting the State will be to ensure that wage earners have more disposable income than welfare recipients. Your Committee does not believe that welfare recipients as provided for in H.B. No. 35 as amended will be receiving more than they need.

Your Committee has substantially amended H.B. No. 35. The major changes are as follows:

1. Public assistance has been redefined to permit the amended bill to be implemented. A basic needs allowance is defined as an allowance for all usual recurring living expenses excluding shelter. A shelter allowance is defined as an allowance for all usual recurring shelter expenses including rent or mortgage payments and utilities. Money payments and medical assistance are defined as the two component parts of public assistance.

2. The Department is authorized to refer SSI applicants to the Federal Supplementary Security Income Program. The Department is also authorized to grant public assistance to inmates of public institutions only if federal funds are available to subsidize State payments. Your Committee intends that the Department maximize the State's use of federal funds by granting federally subsidized medical assistance to all possible beneficiaries. The Governor's Ad Hoc Commission on Operations, Revenues, and Expenditures (CORE) has pointed out the potential gains to the State in pursuing this policy. The amended bill specifies the liquid assets that the Department must permit applicants and recipients to retain. Federal food stamp regulations do not permit able bodied applicants to retain more than \$1,500 in assets. Federal Supplementary Security Income Program regulations do not permit SSI applicants to retain more than \$1,500 for an individual and \$2,250 for a couple. Federal regulations permit the State to allow AFDC applicants up to \$2,000 for each family member, provided that larger families are allowed to retain more assets. Current State law requires that the Department allow AFDC applicants to retain the maximum amount of assets that federal regulations permit. The Department actually permits applicants for money payments and medical assistance to retain \$300 for 1 person, \$400 for 2 persons, \$500 for 3 or more persons. H.B. No. 35 as amended requires the Department to disregard only \$800 in assets for an individual plus at least \$25 for each additional family member included in an application for money payments. Your Committee feels that welfare recipients should have money in the bank in case their payments are not on time. Your Committee also feels that it is undesirable to permit applicants for money payments to retain so much in assets that they will be ineligible for food stamps. The amended bill raises the asset requirements for medical assistance so

that SSI recipients can automatically qualify. This was jointly proposed by the Legislative Coalition and the Department. Your Committee also feels that there is considerable merit in providing medical assistance to families before they are so impoverished by their medical bills that they require money payments and become wards of the State.

3. The Department is exempted from the requirement of having to administer money payments for all usual recurring living and shelter expenses of persons eligible for SSI. SSI recipients are not precluded from receiving additional State assistance.

4. Persons meeting the requirements established by the Federal Supplementary Security Income Program are made eligible for public assistance.

5. (a) The Department is authorized to give AFDC payments to eligible relatives (including parents and siblings) who are essential to the well being of children eligible for AFDC. The Department is authorized to include the needs of eligible family members and dependents in determining the grant to eligible GA applicants, including hanai family members. The Department is authorized to grant AFDC to some family members without a reduction in payments because other family members have an income from SSI. While this is not an exhaustive list of the kinds of problems that the Department will have to deal with, your Committee feels that the Department will not have enough flexibility if the enabling statute attempts to specify such particular applications.

(b) H.B. No. 35 as amended initially sets the basic needs allowance at \$100 for 1 person plus \$44 for each additional person. The original H.B. No. 35 initially set the basic needs allowance at \$88 for 1 person plus \$42 for each additional person. Your Committee feels that the amended bill not only takes into account the increase in the cost of living, but also allows recipients to decide whether to budget money for a telephone or instead spend it on themselves. H.B. No. 35 as amended provides for an annual increase in the basic needs allowance by a percentage equal to the annual percentage change in the average weekly wage for workers eligible for unemployment compensation in Hawaii. Your Committee recognizes that the purchasing power of food stamps is adjusted so as to remain constant, despite inflation. However, your Committee notes that salaries do not rise so as to automatically reflect the cost of living. It is your Committee's philosophy that everyone who for reasons beyond his control is unable to work should be given an income which he must budget as if he were a member of the working public. Since H.B. No. 35, as amended, grants AFDC and GA recipients their actual shelter expenses up to the maximum, your Committee feels that is unnecessary to provide for annual increases in the shelter allowance.

(c) The Department is directed to treat children receiving AFDC-Non Needy Caretaker as AFDC recipients in free shelter. In practical terms, this will change payments from the current \$57/month to \$100/month for a single AFDC child living with his mother and a husband who has not adopted the child. The amended bill is deliberately written so that no reference is made to payments for AFDC Foster Care. Your Committee intends that DSSH set the level for payments for foster care.

(d) Your Committee also feels that it is inappropriate to set the level of payments for domiciliary care in statute. If such payments are set too low, then the State will be faced with the cost of providing Skilled Nursing Facility and Intermediate Care Facility care for persons who were denied placement in a boarding home. The amended bill does establish a maximum shelter allowance for all other recipients. It is an increase over the maximum allowance recommended by CORE and DSSH.

(e) The Department is directed to pay the actual rent and utility costs of AFDC and GA recipients up to the maximum shelter allowance specified. Your Committee does not intend for the Department to relocate any recipient into cheaper housing as long as his housing costs are under the maximum.

(f) The Department is directed to supplement federal payments to SSI recipients according to a complex set of rules. Currently, the federal government pays single SSI recipients a check combining \$146 in federal money plus a State supplement. Under the "Hold Harmless" provision of federal law, no matter how case loads increase, the State will be reimbursed by the federal government for all annual costs exceeding \$3.5 million for supplementary payments included in monthly grants of less than \$201 to single recipients and \$312 to couples. All monthly payments administered by the federal government in excess of \$201 for an individual and \$312 for a couple will be State funded. Because these precise dollar figures might be negotiable, and because federal regulations might change, your Committee deliberately has not referred

to them in statute. Your Committee feels that since it will never cost the State more than \$3.5 million annually to ensure that all single SSI recipients get a monthly grant of \$201 and couples get \$312, State policy should be to give SSI recipients all possible payments at the expense of the federal government. Your Committee also intends that SSI recipients renting private housing or purchasing the home they live in, so long as they are not living with a related AFDC recipient receiving a shelter allowance from the Department, shall receive a check from the federal government (combining State and federal funds) which equals the combined basic needs and maximum shelter allowance which can be granted to them, if they were on GA or AFDC. In effect, this is an income which would not be reduced if they lived in less expensive, private rental housing. Your Committee has made a special provision in H.B. No. 35 as amended for SSI recipients who could qualify for AFDC as part of a family receiving a shelter allowance. Your Committee intends for such SSI recipients to be treated as if they were in free shelter. Since under the amended bill, total State payments to an AFDC family increase by less than \$80/month for each additional family member, your Committee feels that it is sufficient for an SSI recipient living with an AFDC family to receive a maximum grant of \$201/month.

(g) The Department is directed to pay rental and utility deposits for any recipient who meets the liquid asset requirements established under the amended bill. In effect, a single SSI recipient would be ineligible for State payment of his rental and utility deposits unless he reduced his liquid assets to \$800.

(h) The Director may adjust the maximum basic needs allowance or the maximum shelter allowance. Unless there are unforeseen developments such as an increase in food stamp prices, your Committee still intends that only the Legislature should be responsible to determine the level of payments for all usual recurring living and shelter expenses.

(i) The bill as amended provides that any recipient may petition the Department for additional assistance because of unusual and pressing needs due to physical disability or emergencies beyond the recipient's control. The Department may grant an advance to a petitioner receiving AFDC or GA and recover it by withholding a sum not to exceed ten per cent of the recipient's assistance grants. The Department also has the option to grant additional assistance without requiring repayment. Such additional assistance can only be provided to a petitioner who meets the liquid asset requirements established in the amended bill. Total grants for additional assistance cannot exceed one per cent of total money payments from State funds in the previous fiscal year. Your Committee intends that the Department have flexibility to loan money at no cost to recipients whose household or personal belongings are damaged or stolen. Your Committee also intends that the Department have flexibility to provide assistance for the unusual needs of recipients who are sick, blind, or otherwise disabled. When it is possible to liberalize the State's medical assistance plan and subsidize the cost of meeting such needs with federal funds, your Committee would prefer that the Department provide for the unusual needs of recipients with medical assistance rather than money payments.

6. The Director of the Department is directed to report to the Legislature prior to the beginning of budget sessions concerning the adequacy of the basic needs and shelter allowances which are in effect. Your Committee feels that the Legislature should consider the report submitted along with other public testimony and if necessary modify the basic needs and shelter allowances. When considering the adequacy of welfare grants, the Director should use all possible measures including those developed by the Bureau of Labor Statistics, the Office of Economic Opportunity, and any other random sample survey of housing costs and disposable income in Hawaii.

7. A section in the Hawaii Revised Statutes providing for public assistance for aged persons was repealed because of the new Federal Supplementary Security Income Program.

8. A section in the Hawaii Revised Statutes providing for public assistance for blind persons was repealed because of the new Federal Supplementary Security Income Program.

9. A section in the Hawaii Revised Statutes providing for public assistance for disabled persons was repealed because of the new Federal Supplementary Security Income Program.

10. A section in the Hawaii Revised Statutes providing for determination of the

amount of assistance for AFDC recipients was repealed because of the new provisions established in H.B. No. 35, as amended.

11. A section in the Hawaii Revised Statutes providing for examination of the blind was repealed because of the new Federal Supplementary Security Income Program.

12. A section in the Hawaii Revised Statutes providing for the category of assistance granted to AABD recipients was repealed because of the new Federal Supplementary Security Income Program.

13. The loan program for SSI applicants was modified to make it possible for the Department to loan money to persons eligible for AFDC who were applying for SSI. Your Committee intends that the Department should transfer as many AFDC recipients as possible to the SSI program. The cost to the State would be reduced and former AFDC recipients would receive larger grants if they transferred to the Federal Supplementary Security Income Program.

14. A section in the Hawaii Revised Statutes providing for determination of the amount of assistance for GA recipients was repealed because of the new provisions established in H.B. No. 35, as amended.

15. Recipients of money payments were made ineligible for the State Rent Supplement Program. Persons eligible for SSI were also made ineligible for rent supplement payments. Your Committee intends for the Hawaii Housing Authority to refer persons eligible for SSI to all appropriate agencies. Federal regulations require that the rent supplement paid by the Hawaii Housing Authority be treated as unearned income for AFDC and SSI recipients. The effect of paying rent supplements to such recipients is to give them State money and reduce their federally subsidized money payments by the same amount.

16. The Director of the Department of Social Services and Housing is given the power to adopt rules which would for one year modify the strict provisions of the amended bill, but only for the purpose of qualifying for federal funds. The Legislature must amend the law to permit such rule making to remain in effect longer than one year.

17. Current recipients whose shelter allowance would exceed the maximum shelter allowance established in the amended bill are given a six month "grace" period before suffering a reduction in payments. The Director is directed to adopt rules to determine whether to grant extensions to the "grace" period to any recipient. No recipient shall be granted more than a total of six months extension.

18. The effective date of the amended bill is July 1, 1975.

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

Signed by all members of the Committee.

SCRep. 83 Public Assistance and Human Services on H.R. No. 132

The purpose of this resolution is to request the House Standing Committee on Public Assistance and Human Services to review the Progressive Neighborhoods Program, examining its intent, relevance, and effectiveness, and to determine what changes, if any, are needed to improve the program. The resolution requests the Committee on Public Assistance and Human Services to report what steps should be taken by the House of Representatives to implement these changes prior to adjournment of this Regular Session.

Chapter 362 of the Hawaii Revised Statutes, the Progressive Neighborhoods Program, mandated the establishment of Community Service Centers, Quick Kokua, and Model Schools as "demonstration" projects to develop innovative approaches to the needs of multi-problem neighborhoods. These projects have been in existence since 1970. Other short-term "demonstration" projects have been funded under PNP since 1967.

In September, 1974, ten projects from the Model Cities program were adopted by

the Seventh Legislature to be funded and administered through the Progressive Neighborhoods Program.

Because of a lack of data and evaluation, it is difficult to assess the projects' effectiveness or if the objectives of the Progressive Neighborhoods Program are accomplished. There also seems to be little planning for the ultimate disposition of the individual "demonstration" projects.

Your Committee on Public Assistance and Human Services concurs with the intent and purpose of H.R. 132 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 84 Judiciary on H.B. No. 612

The purpose of this bill is to effectuate changes to Chapter 351, Hawaii Revised Statutes in the following respects:

- (1) permit the Criminal Injuries Compensation Commission to hold official hearings and meetings in the absence of the chairman so long as two members are present; and
- (2) list specifically by title the crimes for which criminal injuries compensation is to be awarded.

Your Committee notes the deletions of criminal attempts, threats and coercions from the category of compensable situations. This accords with the general intent of the Criminal Injuries Compensation Law to compensate victims for actual damages they have suffered.

Your Committee has amended the original form of H.B. No. 612 to delete therefrom the language previously intended to be included in subsection (g) of Section 351-31, Hawaii Revised Statutes, requiring the Criminal Injuries Compensation Commission to deny every application where a police report is not availed within three years. It is your Committee's view that such language would work injustice to applicants where police reports are not availed because of negligence or failure on the part of the police department or the commission's own staff.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 612, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 612, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 85 Finance on H.B. No. 373

The purpose of this bill is to continue the temporary increase in the interest ceiling for general obligation bonds from 6 per cent to 8 per cent for a period of twelve months, until March 31, 1976.

Act 2, Session Laws of Hawaii 1974, raised the interest ceiling on general obligation bonds of the State from 6 per cent to 8 per cent for a period of 12 months. Unless renewed, the interest ceiling will revert to 6 per cent on April 1, 1975.

During fiscal year 1973-1974, expenditure for capital improvement projects financed by general obligation bonds totaled \$142 million and contractual encumbrances on June 30, 1974 totaled \$94 million. Expenditure for capital improvement projects is expected to remain high in view of the amount of bonds authorized but unissued and bonds must be sold to provide the necessary financing.

As measured by The Bond Buyers' 20-Bond Index, the condition of the municipal bond market has not been good. The index has remained above the 6 per cent level since May 18, 1974 and on December 12, 1974 it reached the historical high of 7.15 per cent.

Your Committee was informed by the Department of Budget and Finance that some

improvement to the municipal bond market can be expected during the next six months. However, this is to be followed immediately by a return to a period of high interest rates due largely to the increasing need of the U.S. Treasury for funds, which will place a heavy demand upon the money market.

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. 373 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 86 Finance on H.B. No. 376

The purpose of this bill is to increase per diem allowances of State officials while traveling out of State on official State business from the present \$30 per day to \$40 per day.

Your Committee was informed that the present \$30 rate has been in effect since July 1969. In view of the increase in cost of living since that time, the current \$30 per diem allowance is inadequate to cover the per diem expenses of out-of-State travel by State officials. An upward adjustment of the rate is considered necessary. The City and County of Honolulu has had the \$40 per diem rate for out-of-State travel since 1969.

The proposed \$40 a day rate will more closely equate the actual expenses incurred by a State official or representative in the performance of his public duties.

Your Committee was further informed that the amendment proposed by this bill could be interpreted to apply to inter-island travel also. The intent of the proposal was to apply the increase to travel to out-of-State only. Your Committee therefore has amended this bill so that its intent is not misinterpreted.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 376, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 376, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 87 Water, Land Use, Development, and Hawaiian Homes on H.B. No. 282

The purpose of this bill is to require the additional procedure of the Department of Land and Natural Resources to submit to the legislature a resolution regarding land exchanges prior to the start of any regular or special session.

Your Committee finds that there is a need to receive prior notice of land exchanges in order to effectively review all exchanges of public land for private land and to follow up on the actions taken by the Board of Land and Natural Resources.

Your Committee recommends deleting the word "appropriate" and inserting the words "review of" in line 9.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 282, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 88 Water, Land Use, Development, and Hawaiian Homes on H.B. No. 283

The purpose of this bill is to maintain a current inventory of all leases concerning

public lands.

Your Committee finds that there are insufficient records and inventory relating to leases of public lands. In order to keep the legislature, their constituents and the public informed of the use of public lands, it is necessary to require the Department of Land and Natural Resources to maintain a current inventory with all necessary information regarding public land leases.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 283 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 89 Legislative Management

Informing the House that House Bill Nos. 1157 to 1239, House Concurrent Resolution Nos. 63 to 70, House Resolution Nos. 422 to 435, Standing Committee Report Nos. 90 to 93, and Special Committee Report No. 6 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 90 Consumer Protection and Commerce and Judiciary on H.B. No. 140

The purpose of this bill is to increase the jurisdictional limit of the small claims divisions of the district courts from \$300 to \$1,000 in order that a larger number of consumers may utilize the inexpensive procedures provided by the small claims courts instead of initiating costlier legal proceedings in higher state courts.

During the hearing on this measure, your Committees heard testimony from the Office of Consumer Protection that there are a large number of consumer complaints involving sums ranging from \$300 to \$1,000. If the Office of Consumer Protection is unable to mediate such disputes, the consumer's only recourse is to take legal action. However, because of the relatively small sums involved and the necessity of incurring attorneys' fees and court costs if a district court action is filed, this is not a realistic alternative for most consumers. This bill would provide an inexpensive method for such consumers to obtain adjudication of their disputes.

Your Committees are informed that if the jurisdictional limit of the small claims division is raised to \$1,000, there will be need for some additional district court staff to process the anticipated increased filing of small claim actions. This is because under the small claims procedure, the clerk of the court is required to prepare the papers required for filing an action upon request of an individual who desires to file an action. Your Committees, therefore, have amended this bill to provide for the hiring of additional court personnel needed to process the additional claims anticipated to be filed with the raising of the jurisdictional limit.

Your Committees on Consumer Protection and Commerce and Judiciary are in accord with the intent and purpose of H.B. No. 140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 140, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 91 Finance on H.B. No. 450

The purposes of this bill is to provide that funds derived from the sale of abandoned vessels be deposited into the boating special fund instead of the general fund and to delete the one-year limitation on the State's deficiency claim for fees and expenses incurred by the department in taking the vessel into custody. Section 267A-7, Hawaii Revised Statutes, is accordingly amended by this bill.

Under Chapter 266, Hawaii Revised Statutes, the revenues from the boating program are deposited into the boating special fund. The disposition of abandoned vessels and the activities of the boating program being related, it would appear that procedures under both should conform to each other. In the deposit of funds, your Committee

agrees that there should be this conformity.

Your Committee agrees that the Department of Transportation should have a claim for deficiency due on abandoned vessels disposed by the Department. Your Committee has amended this bill (page 2, lines 19 to 23) to clarify the language as to costs and as to the owner or person subject to a deficiency claim.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 450, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 450, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 92 Finance on H.B. No. 605

The purpose of this bill is to repeal section 40-59, Hawaii Revised Statutes, which requires the State Comptroller to keep certain price lists.

Your Committee was informed that the keeping of current wholesale and retail price lists is difficult and not practical and that these lists have not been maintained for many years. This requirement was imposed when the statute was enacted in 1898. With the growth of government since then, and especially with each department of the state government having its own fiscal operation, the detailed checking of all prices by a central office is not feasible or necessary.

Your Committee agrees that the maintenance of current wholesale and retail price list may not be necessary. However, the section also requires reference listing of "permanent settlements, specific salaries, payrolls, subsidies, rents, contracts, and all bids for materials and supplies". There may still be a need to refer to a list of these other matters and your Committee recommends that the deletion be limited to "current wholesale and retail prices", instead of deleting the entire section.

As amended by your Committee, the present provisions are retained, but for the words and punctuation", and current wholesale and retail prices of same" are deleted. Also amended is the phrase "strike out or surcharge" and the word "disallow" is substituted therefor as more in keeping with present day terminology.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 605, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 93 Health on H.R. No. 129

The purpose of this resolution is to request a study by the Department of Health on the feasibility of establishing an immigrant health services program to initially detect and treat health problems among immigrants.

Your Committee finds that with the influx of immigrants into the State of Hawaii, the increased communicable diseases has been most apparent. During 1973, of the reported 303 cases of tuberculosis 67.7% were from the immigrant population and of the 38 reported cases of leprosy 84% were from immigrant population. Therefore, the resident population of the State is vulnerable to such communicable diseases by unknowingly being exposed to persons infected with diseases.

The Legislature recognizes the need to explore the possibility of establishing an immigrant health service program. By providing health services to immigrants, both the immigrant and resident population will enjoy a higher degree of protection from diseases.

Your Committee on Health concurs with the intent and purpose of H.R. 129 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 94 Legislative Management

Informing the House that House Bill Nos. 1240 to 1293, House Resolution Nos. 436 to 452, and House Concurrent Resolution Nos. 71 to 73 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 95 Legislative Management

Informing the House that House Bill Nos. 1294 to 1381, House Resolution Nos. 453 to 469, House Concurrent Resolution Nos. 74 to 77, and Standing Committee Report Nos. 96 to 104 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 96 Judiciary on H.B. No. 325

The purpose of this bill is to provide for compensation of the Campaign Spending Commission members. Presently, the members serve without compensation but are reimbursed for travel and other reasonable expenses.

Testimony received on this bill indicated that the bill would amend Hawaii Revised Statutes Sec. 11-192 by providing that each member of the Campaign Spending Commission receive \$50 per meeting in addition to reimbursement for reasonable expenses, including travel and lodging, incurred in the discharge of their duties.

The bill also provides that the members of this Commission are exempt from Chapters 76 and 77 of the Hawaii Revised Statutes, the Civil Service and Compensation Laws, respectively.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 325 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. 97 Judiciary on H.B. No. 372

The purpose of this bill is to increase the minimum amount allowed in the deposits of legal tender which must accompany a bid without requiring a surety bond from \$20,000 to \$40,000. A bid deposit over that amount would require legal tender or a surety bond as required by Hawaii Revised Statutes Section 103-31.

Testimony received revealed that the 1973 Legislature amended Section 103-28, Hawaii Revised Statutes, to permit a contracting officer to accept bid deposits in the form of certificates of deposit, cashier's checks and certified checks drawn on banks insured by the Federal Deposit Insurance Corporation, regardless of location. The maximum amount was set at \$20,000 in keeping with the limit of FDIC coverage. Federal legislation (P.L. 931495), effective November 27, 1974, increased FDIC limit to \$40,000. This bill brings the Hawaii Revised Statutes into conformity with related Federal legislation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 372 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. 98 Judiciary on H.B. No. 647

The purpose of this bill is to enable the Family Courts to develop and disseminate helpful information to persons undergoing a divorce or separation.

Other jurisdictions on the mainland have begun to facilitate domestic litigation proceedings by providing informational material to the public through various media. The object of such activity is to educate the public about the sometimes complex but necessary

procedures and rules that are involved. Ready availability of such material will be of immense aid to persons who find themselves initially emersed in domestic proceedings.

Your Committee has amended the original form of House Bill No. 647 in the following respects:

First, your Committee finds that the body best suited to handle such responsibility is the Board of Family Court Judges established by Section 571-5, Hawaii Revised Statutes. Such Board operates under the regulatory supervision of the chief justice and functions, among other things, "to achieve agreement upon general policies for the conduct of the family courts and forms for use in such courts" and to "achieve ... uniformity ... to the ... end that knowledge of treatment, methods and therapeutic practices be shared among such (family) courts."

Secondly, your Committee finds that this bill in its original form is unduly restrictive in limiting the covered functions to divorce and separation. It is your Committee's view that the Board of Family Court Judges should be given more flexibility, with authority to function similarly in all other areas of domestic problems.

Thirdly, the original form of this bill left blank the amount to be appropriated. Your Committee finds that \$20,000 should be appropriated at this time.

Accordingly, your Committee has amended the original form of House Bill No. 647 and its title to conform to the foregoing findings. Additionally, a style change has been made of Section 571-5, Hawaii Revised Statutes, moving certain language presently contained in the second paragraph to the first.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 647, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 647, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 99 Judiciary on H.B. No. 750

The purpose of this bill is to provide for the continued operation of the Hawaii Legal Services Project of the Legal Aid Society of Hawaii through June 30, 1976.

The thrust of the testimony received concerned the Hawaii Legal Services Project's attempt to increase and expand its services. The President of the Board of Directors of the Legal Aid Society presented statistics indicating there are 152,442 eligible low-income residents in the State of which it is estimated 22,866 needed legal advice or representation during the fiscal year. It is the goal of the Project to increase its services to eligible individuals in need of legal aid, from 30% at the present time, to 43% for the 1975-76 fiscal year, with a goal of 80% in 1978-79.

It was pointed out that despite a decrease in funds of \$63,000 from the previous year, the case load will have increased from 4,000 to an expected 8,800 by the end of this fiscal year. This has been due in part to improved efficiency and secondly, an increase in staffing. Six Vista attorneys have been assigned to the Legal Services Project and four have been hired at small monthly stipends.

The Director of the Project indicated that much of the \$161,000 asked for in the bill would be used to increase staffing of the outer islands which have suffered from a lack of personnel. This situation has been due in part to the commitment of Model Cities funds to areas located only on Oahu.

The question was raised as to the type of cases being stressed by the Legal Services Project, that is, class actions or individual suits. The Director estimated that 3% or approximately 200 cases would be class actions for 1974-75. He went on to explain that, at times, it may be more efficient to have a class action rather than numerous individual actions. It was also stressed that because the populus being served is the poor, the Project has a higher duty of service to the client than in the case of an attorney in private practice.

When queried as to why the Project is not requesting more funds, the response was they are asking for the amount they feel they can receive.

Your Committee was impressed by the goals which were formulated at the first annual planning session of the Legal Aid Society and the subsequent action taken by the Project in response to them. Prior to the planning session, there was a series of 33 meetings held in poverty areas throughout the State, with over 6,000 eligible clients. The planning session, which included staff, board members of the Legal Aid Society, and members of the community, developed a list of priorities as to what type of legal services should be stressed. For example, the first three are welfare, housing, and health.

The result was to have the Project establish units which specialize in the priority areas and thus provide more efficient handling of cases rather than having each attorney be a generalist.

Due to the various sources of funds that support the Hawaii Legal Services Project, your Committee recommends an amendment for the purpose of clarifying the appropriation sources of this bill and from what source, if any, reimbursement will be made to the State of Hawaii. Section 2 would be amended to read as follows:

- (a) Section 2. Appropriation. There is appropriated out of the general revenues of the State of Hawaii the sum of \$161,000 for the continuation of the Hawaii Legal Services Project of the Legal Aid Society of Hawaii through June 30, 1976. It is further provided that the sum of \$330,000 is appropriated out of the general revenues of the State of Hawaii for the continuation of the Hawaii Legal Services Project of the Legal Aid Society of Hawaii through June 30, 1976, provided, that upon receipt by the Hawaii Legal Services Project of any funds for the continuation of its operations during this period, from the City and County of Honolulu under the federal Community Development Act of 1974, then the Hawaii Legal Services Project shall reimburse to the State of Hawaii the like sum received under the Community Development Act up to, but not to exceed, the sum of \$330,000.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 750, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 750, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 100 Higher Education on H.R. No. 79

The purpose of this resolution is to direct the University of Hawaii to prepare, submit, and have approved by the Environmental Quality Commission in accordance with Chapter 343, Hawaii Revised Statutes, environmental impact statements for all actions involving the acquisition of, or construction on, lands by the University of Hawaii.

Presently, in accordance with the Executive Order of August 23, 1971, the University of Hawaii complies with all laws and regulations concerning the submission of impact statements for construction on University lands. The effect of this resolution is to also have impact statements prepared for acquisitions of land by the University.

Your Committee believes that the University of Hawaii campuses have the capacity for expansion and also have a tendency towards stimulating growth in surrounding areas. Land acquisition by the University is often a key step to development that has significant long-term social and environmental effects. In the interest of community residents, the University of Hawaii, and sensible growth in the State, your Committee agrees that an Environmental Impact Statement focused on pertinent University land-development plans should precede each University land acquisition.

Your Committee concurs with the intent and purpose of H.R. No. 79 and recommends it be referred to the Committee on Environmental Protection.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 101 Consumer Protection and Commerce on H.B. No. 482

The purpose of this bill is to exempt from the use tax, any aircraft or aircraft related

equipment required by law, which is imported into the State for use as a public utility.

Under present law, airlines operating between the islands are subject to the use tax on aircraft purchased and imported into the State for use in their business. However, a person who imports aircraft into the State for the purpose of leasing or renting the aircraft to airlines which use the aircraft as a public utility is exempt from the use tax. This bill repeals the exemption for aircraft to be leased or rented and provides for a blanket exemption for aircraft imported into the State for use as a public utility, whether purchased by an airline for use in its business, or purchased for leasing or renting to a public utility.

In 1974, oceangoing vehicles operated by a public utility for the transportation of persons and goods within the State were exempted from the use tax by Act 144, Session Laws of Hawaii 1974. This bill would provide equal treatment for airlines operating within the State.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 482 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. 102 Consumer Protection and Commerce on H.B. No. 399

The purpose of this bill is to make the members of the Public Utilities Commission full-time employees of the State.

Your Committee has determined that since statehood was achieved in 1959, the responsibilities of the Public Utilities Commission in regulating public utilities such as gas, electric, telephone, sewage, and transportation companies have increased at a tremendous rate. The Commission's responsibilities include the full spectrum of regulatory matters including accounting practices, safety, rate making, financing, certification, and adequacy of services provided. Moreover, the matters which come before the Commission, especially in rate making proceedings, are often extremely complex and involve questions dealing with various fields of knowledge such as accounting, engineering, financing, and law. In addition, because of the nature of its responsibilities, the decisions made by the Commission can have a significant impact on the community. For example, a rate increase for a public utility may mean millions of dollars in additional revenue for the utility and a corresponding increase in cost to consumers.

Under present law, the public utility commissioners serve on a part-time basis and are compensated \$50 per day for each day while engaged in Commission business. Testimony by the Department of Regulatory Agencies indicated that the work load of the Commission is such that the part-time commissioners, who must depend on other employment for a livelihood, find it increasingly difficult to fulfill their full obligations as commissioners.

Upon consideration of the factors mentioned above, your Committee concludes that the time has come to establish a full-time Public Utilities Commission.

Under the bill as originally drafted, the Public Utilities Commission would consist of five full-time members to be appointed by the Governor for terms of four years, with two of the members to be from the county of Honolulu and one each from the counties of Hawaii, Kauai, and Maui. The commissioners would be paid salaries consistent with the salaries of department heads in the executive department and would be exempt from Section 26-34, Hawaii Revised Statutes, limiting members of boards and commissions to two terms or a maximum of eight years. Moreover, the Commission would employ its own staff rather than receive staff support from the Department of Regulatory Agencies.

Upon consideration of this measure, your Committee has amended the bill as follows:

1. Instead of a five-member Commission, the number of commissioners is set at three with no requirement that any commissioner be from a particular county.
2. Instead of authorizing the Commission to employ its own staff, the present system of having the Department of Regulatory Agencies provide staff support is retained.

3. Instead of salaries consistent with department heads, the salary of the chairman is set at ninety per cent of the salary of a circuit court judge with the salaries of the other two commissioners being set at ninety-five per cent of the chairman's salary.

4. General qualifications are set for the commissioners in that the Governor is directed to appoint persons with experience in any of the fields of accounting, engineering, finance, law, or business.

5. In order to achieve staggering of terms, the terms of the first full-time commissioners have been set at five, four, and three years.

6. In order to provide for an orderly transition from the present Commission to the full-time Commission, provision is made for the handling of matters pending before the Commission on the effective date of the bill by appointment of one or more of the present commissioners as hearing officers to prepare proposed decisions for such pending matters for presentation to the full-time Commission.

Your Committee is informed by the Department of Regulatory Agencies that a three-member Commission to be paid at a rate of ninety-five percent of the salary of a circuit court judge for the chairman and ninety percent of the chairman for each of the other two commissioners would require an appropriation of \$101,271. This would provide for an attorney on a fee basis as needed, a chief clerk, a secretary to the Commission, a steno, operating expenses, and equipment. Based on the change in the salaries of the commissioners as provided in this bill, as amended, your Committee recommends an appropriation of \$99,759.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 399, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 103 Health and Labor and Public Employment on H.B. No. 383

The purpose of this bill is to enable selected vital statistics personnel engaged in registration of vital events, such as births, marriages and deaths, to administer oaths to applicants as to the truth of the information given in the forms submitted, statements made to support registration of a vital event or to correct items previously given in certificate form.

Your Committees find that at the present time, applicants appearing physically at the Research and Statistics Office are sent to private notaries to have statements and documents to be submitted to this office duly notarized. Therefore, the Director of Health may authorize selected vital statistics personnel to administer oaths similar to the authority granted to marriage license agents of the Health Department. This in turn would save applicants an extra trip to a notary and expedite delayed registration of vital events and corrections of items on vital statistics certificates.

Your Committees on Health and Labor and Public Employment are in accord with the intent and purpose of H.B. No. 383 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 104 Finance on S.C.R. No. 47

The purpose of this concurrent resolution is to request the Congress of the United States to enact legislation to establish capital gains or charitable organization tax status to large landowners in the sale of residential properties to their lessees under 516, Hawaii Revised Statutes.

In 1967, the Legislature enacted Act 307, known as the "Land Reform Act" (and also referred to as the Maryland Land Law), which has been incorporated into the Hawaii Revised Statutes as Chapter 516. The intent of the law was to enable residential lessees on Oahu to acquire the fee simple title to the lands they occupy. It was the

determination of the legislature that the dispersion of ownership in fee of residential property from a few large landowners to as many people as possible would promote the economy of the State and relieve the critical residential land problem. However, the implementation of Chapter 516 has not occurred in the seven years since its enactment. One reason among many is the fear of large landowners that they would be deemed by the federal government to be dealing in real estate and become subject to prohibitive taxation.

This concurrent resolution seeks to correct this problem by requesting Congress to enact legislation giving the large landowners capital gain or charitable organization status with respect to sales under chapter 516. It is hoped that this will help promote the voluntary sale of residential lands to lessees and thus bring about the goal of land reform.

Your Committee on Finance concurs with the intent and purpose of S.C.R. No. 47 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 105 Legislative Management

Informing the House that House Bill Nos. 1382 to 1497, House Resolution Nos. 470 to 482, House Concurrent Resolution Nos. 78 to 80, and Standing Committee Report Nos. 106 to 115 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 106 Consumer Protection and Commerce on H.B. No. 429

The purpose of this bill is to clarify the prerequisites for taking the real estate broker examination administered by the Real Estate Commission.

According to testimony received by the Real Estate Commission, Section 467-9.5, Hawaii Revised Statutes, as presently worded, does not reflect the intent of the Commission when it proposed legislation in 1973 relating to the requirements for taking the real estate broker examination. The intent of the legislation, which was enacted as Act 131, Session Laws of Hawaii 1973, was to require that all applicants for the broker examination (1) be previously licensed as a Hawaii real estate salesman, and (2) have two years previous experience in selling real estate on a full-time basis as a Hawaii real estate salesman or have other experience or education equivalent to two years experience.

However, the statute as presently worded may be interpreted to only require that applicants be either previously licensed as a Hawaii real estate salesman on a full-time basis for two years or have experience or education equivalent to two years experience in the real estate business. Thus, a person who has never been licensed as a Hawaii real estate salesman would be eligible for the broker examination upon establishing that he has the equivalent of two years experience in the real estate business. This bill makes clear that all applicants for real estate broker examination must have been previously licensed as a Hawaii real estate salesman and that it is only the requirement for two years experience in the real estate business that can be waived by the Commission upon proof of equivalent experience or education.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 429 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 Carroll.

SCRep. 107 Labor and Public Employment on H.B. No. 162

The purpose of this bill is to establish an office of public employment relations within the office of the governor to serve the governor in discharging the duties set forth in the Collective Bargaining Act.

Your Committee has converted this short form bill into long form. The title has been amended to: "A BILL FOR AN ACT RELATING TO THE OFFICE OF PUBLIC EMPLOYMENT RELATIONS."

Under this bill, the position of chief negotiator for the State is established to head the office. He would assist the governor in formulating management's philosophy for public employee relations and assist in planning bargaining strategies. The sum of \$120,000 would be appropriated to fund this office.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 162, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 108 Labor and Public Employment on H.B. No. 268

The purpose of this bill is to allow a member of the Employees' Retirement System to purchase for membership service military service rendered at any time by the member, even if prior to his membership in the System.

This bill would permit a member to purchase two years of military service for membership service only if the member has at least fifteen years of credited service at the time of purchase; three years if he has twenty years of credited service; and four years if he has at least twenty-five years of credited service.

A study made in 1967 showed that there were 4,479 employees with military service rendered prior to their membership in the System. Cost of providing the service involved was estimated at that time to be about \$185,000.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 268 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 109 Labor and Public Employment on H.B. No. 475

The purpose of this bill is to provide a benefit for ordinary disability retirement consisting of 1-3/4% of average final compensation multiplied by the years of service, provided that the benefit would not be less than 30%. Hence, a person with twenty years of service would receive a benefit of 35% of average final compensation (1.75% x 20 years), as against 30% under present law.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 475 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 110 Labor and Public Employment on H.B. No. 688

The purpose of this bill is to provide the chief clerk and the sergeant at arms of both houses of the Legislature the same retirement benefits as that for judges and elected officers which would be 3.5 per cent of average final compensation for each year of credited service as an officer of the Legislature.

Existing law provides that officers of the Legislature are general employees and are entitled to retirement benefits under the regular formula of 2 per cent of average final compensation. Because their appointment and tenure are subject to the approval of either house, your Committee believes that their retirement benefits should be the same as elected officers.

Your Committee has amended this bill to include Section 88-76 which was inadvertent-

ly omitted.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 688, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 688, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Fong.

SCRep. 111 Labor and Public Employment on H.B. No. 673

The purpose of this bill is to eliminate the 30-day filing period and make effective immediately upon filing of the application for service retirement, the effective date of retirement in cases where terminal illness is involved and death occurs during the 30-day filing period. Proof of a licensed attending physician must be furnished that the member had a terminal illness, was not advised of his illness more than 30 days prior to death and that the reason for withholding such information from the member was because of the member's mental or physical wellbeing.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 673 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 112 Housing on H.B. No. 54

The purpose of this bill is to remove any implication that the State's power to provide housing is limited to persons of "low income".

In recent years, the need for "gap group" housing for persons who are not in the low income group but who cannot qualify for private financing has arisen. The issuance of general obligation bonds by the State to finance "gap group" housing programs has not been approved by bond counsel because of an allegation that Article VIII, Sec. 4, as presently written, may limit the State to the provision of housing for persons of "low income" only. The intent of the amendment is to preclude such an allegation so that bond counsel approval may be obtained.

Your Committee has amended the bill by adding the words "as prescribed by law" in Sec. 2 of the bill. This makes clear that power to provide housing is flexible and shall be exercised according to the laws that may be enacted in response to whatever housing needs may arise from time to time.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 54, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 54, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 113 Culture and the Arts on H.R. No. 365

The purpose of this resolution is to designate March as the Hawaii Youth Art Month in order to encourage meaningful art activities among school children.

Your Committee is in agreement with testimony provided by Karen Fee, President of the Hawaii Art Education Association, "Not only does art provide the mechanism for exploration and discovery, but for growth in self responsibility and self discipline . . . no other discipline teaches so profoundly man's individual differences and respect for those differences while at the same time stressing the underlying similarities between art of all cultures and all time." The designation of March as Hawaii Youth Art Month would help educational endeavors in directions such as these.

Your Committee on Culture and Arts concurs with the intent and purpose of H.R. 365 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 114 Energy and Transportation on H.R. No. 167

The purpose of this Resolution is to request each member of Hawaii's Congressional Delegation to seek the free private use of Dillingham Field.

Your Committee finds that the Department of Transportation, with the assistance of the Pacific-Asia Region of the Federal Aviation Administration, has been in contact with the U. S. Army Corps of Engineers to ascertain the status of Dillingham Field. The property has been declared surplus by the U. S. Air Force and the Army has requested a transfer to their jurisdiction for use as a helicopter assault area.

Although the Department of Transportation has not yet been informed of the transfer, the Army has verbally indicated its willingness to grant a revocable permit similar to that presently held by the Department from the Air Force.

The Federal Aviation Administration recommends the Department negotiate with the Army to obtain a Joint-Use Agreement similar to the one in force at Honolulu International Airport. This would make it easier to obtain federal-aid to assist the State in constructing needed improvements.

The Resolution has been amended as follows:

1. The title has been amended to conform to the intent of the resolution and shall read as follows: "HOUSE RESOLUTION REQUESTING OUR CONGRESSIONAL DELEGATION TO SEEK THE FREE JOINT-USE OF DILLINGHAM FIELD".
2. The words "now, therefore," in the last WHEREAS of the Resolution be deleted and the following added in lieu of the remainder of the Resolution:
3. "WHEREAS, Dillingham Air Force Base is presently used by permission of the Air Force by the general aviation community and is an excellent facility for recreation, training and the development of aeronautics; and
4. "WHEREAS, the U.S. Air Force has declared Dillingham AFB surplus and the U.S. Army has requested the transfer of this airport to their jurisdiction as a training base; and
5. "WHEREAS, a Joint-Use Agreement between the State and the U.S. Army would permit the general aviation activity to continue and permit the State and the Federal Aviation Administration to finance construction of needed improvements; now, therefore,
6. "BE IT RESOLVED by the House of Representatives of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, that our Congressional representatives are requested to seek from the U.S. Department of Defense a Joint-Use Agreement setting aside a portion of Dillingham Air Force Base for the State to build a permanent general aviation apron, terminal facilities and other improvements and establishing joint-use of the airfield by the State and the U.S. Army; and
7. "BE IT FURTHER RESOLVED that a certified copy of this Resolution be transmitted to each member of Hawaii's Congressional Delegation."

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.R. No. 167, and recommends its adoption as amended herein in the form attached hereto as H.R. No. 167, H.D. 1.

Signed by all members of the Committee.

SCRep. 115 Water, Land Use, Development, and Hawaiian Homes on H.B. No. 85

The purpose of this bill is to provide for legislative approval of all amendments to district boundaries or special permits.

Your Committee has expressed concern pertaining to the accountability of decisions made by the Land Use Commission. The decisions rendered by the Commission are significant, especially in Hawaii where land is at a premium, and your Committee believes those decisions must be accounted for to the people of Hawaii.

Your Committee recommends amending the first paragraph of the bill, line 6 by adding "of all districts" after the word "boundaries" and also line 7, by using the word "for" instead of "in" after the phrase "special permits".

Further, your Committee recommends that the last sentence in the first paragraph of this bill, beginning on line 8 through line 11, be amended to read as follows:

"All amendments to district boundaries of all districts and all special permits for agricultural or rural districts shall be subject to disapproval by majority vote of both houses of the legislature in the next regular session following the Commission's approval of such boundary amendments and special permits."

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 85, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 85, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 116 Legislative Management

Informing the House that House Bill Nos. 1498 to 1990, House Resolution Nos. 483 to 485, House Concurrent Resolution No. 81, and Standing Committee Report Nos. 117 to 124 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 117 Labor and Public Employment on H.B. No. 155 (Majority)

The purpose of this bill is to permit retirement at an age below 55 without reduction provided that the member has a minimum of 30 years of credited service. The intent is to encourage early retirement by providing unreduced benefits.

As of March 31, 1973, there were about 190 members with 30 or more years of service who were below age 55; however, there were about 585 members who were over 55 with 30 or more years of service.

The State Retirement System has estimated that to provide this change in benefits, the employer contribution requirements would increase beginning two years hence by \$2,244,000 per year. The State's share would be \$1,683,000 and the counties' share would be \$561,000.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 155 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

Representatives Fong, Larsen and Sutton did not concur.

SCRep. 118 Labor and Public Employment on H.B. No. 471

The purpose of this bill is to provide that any public employee's unused sick leave would be converted to service credit upon retirement. Conversion would be at the rate of one month's service for each twenty days of unused sick leave, provided that the member has at least sixty days of sick leave accumulated at retirement.

Your Committee has amended this bill to restrict the accumulated sick leave credit to a maximum of one year service credit.

According to the State Retirement, the accumulated sick leave credit, if restricted to a maximum of one year service credit, would cost the employer approximately \$2.6 million per year, of which the State's share would be \$1.95 million and the counties' share would be \$650 thousand.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 471, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 471, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 119 Labor and Public Employment on H.B. No. 161

The purpose of this bill is to establish a State government commission to develop a plan of organization to improve efficiency and effectiveness of State government in Hawaii.

Your Committee has amended this bill to fill in the particulars. The State government commission would be composed of twelve members, four of whom would be appointed by the president of the senate, four by the speaker of the house of representatives and four by the governor. The sum of \$130,000 would be appropriated to the State government commission. The report of the commission would be due in 1977.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 161, H.D. 1, that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 120 Judiciary on H.B. No. 845

The purpose of this bill is to appropriate sufficient funds to honor claims made against the State by certain persons. The Department of Budget and Finance recommended additional claims be included. The Department of Taxation asked that certain claims be disallowed. Because of time constraint, your Committee was unable to decide the questions raised by the two State agencies' inconsistent testimony but felt that the Finance Committee could properly evaluate these positions later.

Your Committee recommend that, upon receipt, the Committee on Finance reviews and reacts to the positions of the Department of Taxation of Budget and Finance.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 845 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 121 Consumer Protection and Commerce on H.B. No. 621

The purpose of this bill is to eliminate the requirement that insurance solicitors pay the general excise tax amounting to two per cent of commissions on insurance premiums.

Presently, insurance solicitors are assessed a two per cent general excise tax on their commissions from the sale of insurance. It is common knowledge that the excise taxes levied under Chapter 237 are "passed on" to consumers. However, insurance solicitors are unable to pass on the tax because under the State insurance laws, the Insurance Commissioner approves rates for various types of insurance coverages and upon approval, the insurance must be sold at the approved rates without any added charges.

Your Committee agrees that because of their unique situation, insurance solicitors should be relieved of the general excise tax. In making such a determination, your

Committee has considered the fact that the State receives revenues on insurance premiums under the gross premium tax on insurance.

Upon consideration of this measure, your Committee has made the following amendments:

- (1) Deleted as unnecessary, Section 1 of the bill which recited the purpose of the bill.
- (2) Added a new Section 2 amending Section 237-18(f), dealing with splitting of commissions, to delete references to insurance solicitors. The amendment will conform that section to the provisions of this bill.
- (3) Redesignated Section 2 as Section 3 and set forth the entire subsection being amended to comply with the Ramseyer format.
- (4) Other amendments relating to form or correcting typographical errors which have no substantive effect on the measure.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 621, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 621, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 122 Education on H.B. No. 74

The purpose of this bill to appropriate monies for the support and upgrading of sports programs for girls.

Female students, who wish to participate in sports programs in our public educational system have been severely discriminated against, according to comprehensive data compiled by the Hawaii Task force on Sex Bias in Education in its report titled Sex Bias in the Public Schools of Hawaii. As part of this report, the Task Force completed a study of interscholastic athletics and documents the incredible disproportion in current funding practices and opportunities for girls sports programs.

In 1972, the total cost of the statewide school athletic program was over \$600,000. Excluding administrative costs of \$90,000, \$468,000 or more than 91% was spent on boys' sports and \$42,000 or less than 9% was spent on girls' sports. \$331,000 was spent on football and basketball alone, the only sports which are presumed to be self-supporting. However, even for non-income-producing sports alone, out of total expenditures of \$178,000, \$137,000 was spent on boys' sports and \$42,000 on girls' sports.

The Department of Education has its legal responsibility to distribute existing funds equitably by providing equal athletic opportunities for girls with the financial resources currently available for athletics. Girls are entitled to an equal share of existing funds both as students and as equal contributors to the School Athletic Fund through their purchase of Student Activity Books, which account for 21% of total revenues; while the parents of female students, as taxpayers, are entitled to an equal return on their educational tax dollar.

The proposed guidelines for Title IX of the Education Amendments of 1972 require that an institution "which operates or sponsors athletics shall make affirmative efforts to provide athletic opportunities in such sports and through such teams as will most effectively equalize such opportunities for members of both sexes. . . ." The Task Force Report documents the existing inequality in the number of sports, number of teams, number of coaching personnel, use of game and support facilities, scheduled practice time and playing equipment for girls' and boys' sports.

Your Committee wishes to bridge this inequity and secure the rights of female students to equal opportunity in all educational programs in our public school system.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 74 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 123 Education on H.B. No. 72

The purpose of this bill is to appropriate \$530,000.00 or so much thereof as may be necessary for the operation of Olomana School, Oahu, as a pilot project to demonstrate the effectiveness and suitability of alternative schools within the educational system.

While the comprehensive public high school provides the greatest number of alternatives to the large majority of students, there remains a significant number of students whose needs are not being met in the large structured formalized setting. In September 1973, the National Association of Secondary School Principals Journal reported over 100,000 students attending alternative school programs of various types in mainland states.

Olomana School has the potential to become an effective alternative not traditionally available in our educational system. Five basic programs are being administered under Olomana School at the Hawaii Youth Correctional Facility, Detention Home, Habilitat, State Hospital Adolescent Unit and the Olomana Youth Center on the grounds of the State Hospital.

The Olomana Youth Center is a component which deals directly with alienated youths who for one reason or another have not been able to adjust in the regular school setting, the majority of whom have dropped out. It opened on an informal and trial basis in September 1973. One hundred seventy six (176) young people enrolled during that school year. By January of the first year of operation, a waiting list had been established and since that time the waiting list has continued to list the names of 25-50 students.

The goals of Olomana School are to provide a total individualized learning experience for each student which will result in the growth in 3 areas: (1) improvement in basic skills, (2) preparation for societal roles, and (3) career guidance and vocational exploration and training.

Your Committee agrees that many of the students at Olomana qualify by definition as exceptional children as stated in Hawaii Revised Statutes 301-21. Olomana School is thus carrying out the mandate as stated in the Statutes 301-22 of providing these students with instruction and special facilities for education to enable them to grow to enjoy normal competitive lives. The funding provided by this bill would make possible full implementation of the program.

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

Signed by all members of the Committee.

SCRep. 124 Judiciary on H.B. No. 122 (Majority)

The purpose of this bill is to increase judicial salaries. It has been nearly five years since members of the judiciary have received an increase in salary. The increase in the cost of living in Hawaii requires that the members of the judiciary be adequately compensated for their tenure of service in order that the judiciary can attract the necessary calibre of attorneys who are willing to serve.

This bill increases the salaries of judges in the court system to a level commensurate with their responsibilities. Testimony indicated that the amounts which your Committee has recommended represents an average amount earned by practicing attorneys of comparable length of practice in Hawaii. Testimony also indicates a need to give the Chief Justice more flexibility in determining the salary of his administrative director. So your Committee recommends addition of a new provision to the bill to reflect this requirement.

The bill should be amended as follows:

1. Page 1:

- (a) Line 13. Insert the figure 49,260 in the blank.
- (b) Line 15. Insert the figure 43,990 in the blank.

2. Page 2:

- (a) Insert a new section 3 to the bill to read as follows:

Section 3. The first paragraph of Sec. 601-3, Administrative director, Hawaii Revised Statutes, is amended to read as follows:

"Sec. 601-3 Administrative Director. The chief justice with the approval of the supreme court, shall appoint an administrative director of the courts to assist him in directing the administration of the judiciary department. The administrative director shall be a resident of the State for a continuous period of three years prior to his appointment, and shall be appointed without regard to chapters 76 and 77 and shall serve at the pleasure of the chief justice. He shall hold no other office or employment. (Effective July 1, 1970, he shall receive a salary of not more than \$22,670 a year.) The salary of the administrative director shall be determined by the chief justice and shall not be more than the salaries for department heads and executive officers as provided by section 26-52, Hawaii Revised Statutes, as amended. He shall subject to the direction of the chief justice, perform the following functions:

- (1) Examine the administrative methods of the courts and make recommendations to the chief justice for their improvements;
- (2) Examine the State of the dockets of the courts, secure information as to their needs for assistance, if any, prepare statistical data and reports of the business of the courts and advise the chief justice to the end that proper action may be taken;
- (3) Examine the estimates of the courts for appropriations and present to the chief justice his recommendations concerning them;
- (4) Examine the statistical systems of the courts and make recommendations to the chief justice for a uniform system of judicial statistics;
- (5) Collect, analyze, and report to the chief justice statistical and other data concerning the business of the courts;
- (6) Attend to such other matters as may be assigned by the chief justice."

- (b) sections 3, 4, 5, 6, 7 be changed to section 4, 5, 6, 7, 8 respectively.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 122, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

Representative Sutton did not concur.

SCRep. 125 Legislative Management

Informing the House that House Resolution Nos. 486 to 509, House Concurrent Resolution Nos. 82 to 88, and Standing Committee Report Nos. 126 to 139 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 126 Judiciary

The purpose of this bill is to bring the existing laws relating to garnishment into

conformity with current federal laws and Supreme Court rulings as to proper prejudgment practices and procedures.

At the present time, a void in the law exists with regard to prejudgment procedures in the wake of court rulings. This bill establishes such procedures.

Subsection (a) requires a creditor to first apply to a court for garnishee process, said application to be accompanied by a statement of facts showing probable validity of the creditor's claim. An order for hearing and summons will then issue.

Subsection (b) requires the clerk, if there is no request for a temporary restraining order, or the court, if there is such a request, to give at least four days notice of a hearing on the application.

After service of process, subsection (d) permits the debtor to appear at the hearing to present his reply. The hearing shall be limited to the issue of probable validity of the creditor's claim. If the court believes that such validity exists, the garnishee process shall be granted according to the court's order.

Subsection (e) allows for garnishment process to issue without a hearing if it appears by verified affidavit that the debtor has no contact with the State, or may depart from the State within six months from the date of the creditor's application, or is making an attempt to either hide himself or his property by removing it from the State or fraudulently disposing of it. However, subsection (f) permits the debtor to file a motion to dissolve or modify the garnishment by showing at a hearing requested by him that there is no validity to the creditor's claim. Such hearing is to be heard "expeditiously" by the court.

Subsection (g) limits the effect of the court's determinations under this section to only those issues relevant to proceedings under this section and prohibits its use as evidence in any trial of any other action arising out of the same claim.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 121 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 127 Judiciary on H.B. No. 260 (Majority)

The purpose of this bill is to provide for the adoption of adults upon written consent of the adult to be adopted and the adult's spouse, if married.

While there may be questions raised in the areas of immigration law, income and inheritance taxation, and family relations, your Committee believes that the overriding social need for this law requires its passage in the form presented.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 260 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Representative Carroll did not concur.

SCRep. 128 Judiciary on H.B. No. 944

The purpose of this bill is to permit persons, upon marriage, to be free to retain their own name, assume the surname of their spouse or add the surname of their spouse before or after their persons own surname.

Your Committee found that H.B. No. 944 in its present form was restrictive in its application and chose to amend it so as to expand its coverage to meet most usual situations, taking into account cultural and ethnic customs such as the ancient Hawaii concept of "inoa", the Japanese custom of "yo' shi" and the Portuguese and Filipino usage of hyphenated names.

Your Committee recommends that H.B. No. 944 be amended as follows:

1. Line 6. Insert a new sentence to read as follows:

"The surname chosen may be the person's own, that of the person's spouse alone or that of the person's spouse placed before or after the person's own surname and separated by a hyphen."
2. Lines 6 and 7. Delete the sentence that reads "The surname must not be a name other than one used by the male or female spouse prior to the marriage".

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 944, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 944, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 129 Consumer Protection and Commerce on H.B. No. 425

The purpose of this bill is to limit the time for filing an application for reconsideration or rehearing of a decision or order made by the Public Utilities Commission regarding motor carriers to within ten days after the order or decision has been served upon all parties and to repeal the present statutory provisions which automatically suspends the order or denies the application, depending on when the application is filed, if the Commission does not act within a certain number of days.

Presently, Section 271-32(c), Hawaii Revised Statutes, provides that an application for reconsideration or rehearing of an order made ten days or more prior to the effective date of the order as to which reconsideration or a rehearing is sought must be either granted or denied before the effective date, or the order is automatically suspended until the application is granted or denied. An application for reconsideration or rehearing made within less than ten days before the effective date of the order, and which is not granted within twenty days, is automatically denied unless the effective date of the order is extended by the Commission during the pendency of the application.

The provisions of this bill allow the Commission to determine whether the application for reconsideration or rehearing shall be granted or denied without automatic suspension of the order or automatic denial of the application if the Commission does not act within a specified time. The Commission's rules on reconsideration or rehearing for public utilities such as gas, electric, and telephone companies are consistent with the amendments to the law proposed by this bill.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 425 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 130 Finance on H.B. No. 8

The purpose of this bill is to appropriate moneys out of the general revenues of the State in the total sum of \$168,353.33 to compensate certain persons pursuant to Chapter 351, Hawaii Revised Statutes, Criminal Injuries Compensation Act.

The \$168,353.33 appropriated represents the total of awards payable to 116 victims, 3 parents, 14 doctors, 9 hospitals, and 23 attorneys. The appropriated amount is to be deposited into the criminal injuries compensation fund to be applied to making payments as authorized by the Criminal Injuries Compensation Commission.

Your Committee has amended this bill to correct typographical errors made in the redraft of H.B. No. 8.

1. Correction of case number at line 17, page 1.

AQUINO, Ambrocio
Case No. 73-111

\$4,062.31

2. Correction of spelling at line 2, page 7.

Mac ISAAC, HUGH	\$275.00
Case No. 74-27	
3. Insertion of claim omitted on line 5, page 7.

MAEHARA, Dennis	\$516.40
Case No. 74-90 (Medical Services)	
4. Correction of case number at line 20, page 8.

PAAUHAU, Thomas K.	\$738.79
Case No. 72-8 <u>1</u>	
5. Correction of spelling at line 14, page 11.

WEST, Robert H. Sr.	\$ 50.00
Case No. 73-57	
6. Insertion of words at line 20, page 11.

YEE, Lester	\$ 87.36
Case No. 73-145 (Medical Services)	

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 8, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 8, H.D. 2.

Signed by all members of the Committee.

SCRep. 131 Education on H.R. No. 43

The purpose of this Resolution is to request the Board of Education to review the extracurricular activities of students to see if they fit into a systematic design for education and submit a report of its findings to the House Committee on Education prior to August 1, 1975.

It is the belief of the Committee that all school activities should be evaluated in terms of how they help students achieve the educational objectives set forth by the State. Along this line, the Committee also feels that extracurricular activities should be reviewed to determine their place in the education of our children, to determine whether they are formulated in response to the interests of students, and to determine how they should be implemented.

At this point in time, the Department of Education does not have any definitive guidelines where extracurricular activities are concerned. This lack of guidelines has, in some cases, lead to inconsistencies.

Your Committee recommends two amendments. The first changes the reviewing body from the House Education Committee to the Board of Education. The second amendment is in the form of an addition; it sets a date by which the Board is to submit a report of its findings to the House Committee on Education.

Your Committee on Education concurs with the intent and purpose of H.R. No. 43, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 43, H.D.1.

Signed by all members of the Committee.

SCRep. 132 Labor and Public Employment on H.B. No. 473 (Majority)

The purpose of this bill is to reduce the mandatory age of retirement for public employees from seventy to sixty-five years.

The general employees of the State and counties are the only group in the Retirement

System where the mandatory age of retirement remains at seventy. The department of Education and the University of Hawaii already have mandatory age of retirement set at age sixty-five.

Your Committee recommends technical amendments to H.B. No. 473. On line 6 after the word "time" add a bracket (1); on line 5 between the words "contract" and "except," delete the comma (,); on line 11 after the word "citizens," delete a bracket (1), add a period (.) and the words "Provided, further."

Your Committee has further amended this bill to exempt employees between the age of sixty to seventy from the provision of this Act. In other words, employees between the age of sixty to seventy may be hired without regard to the sixty-five age limitation of this Act.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 473, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 473, H.D. 1 and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

Representative Yuen did not concur.

SCRep. 133 Labor and Public Employment on H.B. No. 162

The purpose of this bill is to establish an office of employee relations within the office of the governor to serve the governor in discharging the duties set forth in the Collective Bargaining Act.

Under this bill, the position of chief negotiator is established to head the office of employee relations. He would assist the governor in formulating management's philosophy for employee relations and assist in planning bargaining strategies. The sum of \$120,000 would be appropriated to fund this office. Your Committee has made a non-substantive change for purposes of clarity.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 162, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 162, H.D. 2, and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 134 Higher Education on H.B. No. 1188

The purpose of this Act is to appropriate out of the general obligation bond funds of the State the sum of \$3,084,000 to be expended by the Department of Accounting and General Services, for the construction of Hamilton Library, Phase II, at the University of Hawaii Manoa Campus. The sum of \$3,084,000 is needed to supplement \$8,474,000 available funds to meet the project's total cost of \$11,558,000.

The Project

The Hamilton Library, Phase II, project calls for the construction of a six-story building addition to the present library which would add 143,300 assignable square feet (173,500 gross square feet) of space to the library system on the Manoa campus. The space provided by the project would include space for readers, general collections, reference collections, special collections, technical services and administrative offices.

Available Funds

The available funds for the project are from the following sources:

<u>Source of Funds</u>	<u>Appropriation</u>	<u>Works of Art</u>	<u>Sitework (Completed)</u>	<u>Phase II</u>
Act 155/69, Item E-27	\$ 216,000	\$ 2,000	\$	\$ 214,000
Act 187/70, Item E-42	413,000	4,000	84,000	325,000
Act 176/72, Item ID-2	200,000	2,000		198,000
Act 218/74, Item G-122	<u>7,815,000</u>	<u>78,000</u>	<u> </u>	<u>7,737,000</u>
TOTALS	\$8,644,000	\$86,000	\$ 84,000	\$ 8,474,000

Need for Additional Funds

Bids for the project were opened on December 19, 1974, and the low bid of \$10,880,000, plus design, contingency, and inspection costs, was \$3,084,000 higher than available funds.

Bids:

<u>Contractor</u>	<u>Lump Sum Bid</u>
Hawaiian Dredging & Construction Co.	\$10,880,000
Allied Construction, Inc.	13,059,997

The low bid, submitted by Hawaiian Dredging & Construction Co., was firm, containing no escalating cost clause. It exceeded the available funds as follows:

<u>Item</u>	<u>Available Funds</u>	<u>Required Funds</u>	<u>Deficit</u>
Design	\$ 348,500	\$ 348,500	\$ -0-
Construction	7,796,000	10,880,000	3,084,000
Contingency	220,000	220,000	-0-
Inspection	<u>109,500</u>	<u>109,500</u>	<u>-0-</u>
TOTALS	\$8,474,000	\$11,558,000	\$ 3,084,000

Explaining the need for immediate additional funding, the Director of Physical Planning and Construction of the University testified at a public hearing that :

"The low bid exceeded the available funds by \$3,084,000 largely due to delays in implementing the project in a period of unprecedented increases in costs of construction because of runaway inflation. Both the Consultant, Hogan, Chapman, Cobeen & Associates, Inc., and the State Department of Accounting and General Services agree that calling for new bids later in this inflationary market would result in even higher costs."

Need for Immediate Action on Measure

The bids for the project were scheduled to expire on February 15, 1975, however, Hawaiian Dredging & Construction Co., Inc., and its subcontractors agreed to hold the bid price effective until March 15, 1975. The construction contract must be awarded by that date.

In terms of educational needs: The existing library facilities on the Manoa Campus (Sinclair Library and Hamilton Library, Phase I) are already operating at full capacity and inadequate temporary facilities are presently being utilized to accommodate the overflow of books and periodicals. A delay in the start of construction will, therefore, not only result in increased costs of construction but will also severely limit the scope

of the present library operations and may result in much damage to the books and periodicals from water leaks, insect infestation, high humidity and possible fires.

Recommendations

To meet the March 15, 1975 deadline for awarding the construction contract, your Committee feels that legislative action on H.B. No. 1188 should be taken immediately.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1188 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 135 Consumer Protection and Commerce on H.B. No. 424

The purpose of this bill is to broaden the coverage of credit disability insurance by deleting the exclusion of disabilities resulting from foreign residence as a permissible exclusion from coverage under such policies and limiting the exclusion from coverage of pre-existing illness, disease, or physical condition.

Presently, the law setting forth the allowable premium charges for credit disability insurance allows such policies to exclude disabilities resulting from foreign residence from coverage. This bill eliminates the foreign residence exclusion.

The present law also provides that a pre-existing illness, disease, or physical condition for which the insured received or was professionally advised to obtain medical treatment or advice during the six-month period preceeding the effective date of coverage may be excluded from coverage. This bill limits this exclusion to a six-month period following the effective date of coverage. In effect, any pre-existing condition which results in disability more than six months after the effective date of coverage would be covered by a credit disability policy.

Testimony offered by the Department of Regulatory Agencies indicated that both the exclusions covered by this bill have been the source of many complaints and that the amendments to the law made by this bill have been recommended by the National Association of Insurance Commissioners and have been adopted by many states.

The other amendments to the statute contained in this bill relate to form. The word "charge" in Section 435-7, subsection (c), is amended to "charged" and the word "or" in subsection (h) is amended to "on". Further, the brackets around the dates in subsection (j) are deleted.

Your Committee has amended this bill to correct typographical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 424, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 136 Judiciary on H.B. No. 115

The purpose of this bill is to enact the Uniform Parentage Act, with appropriate amendments, additions, and deletions to meet particular needs in Hawaii, especially in the areas of procedures, adoption proceedings, and vital statistics.

The Uniform Parentage Act, promulgated and adopted by the National Conference of Commissioners on Uniform State Laws in 1973 and approved by the House of Delegates of the American Bar Association in 1974, is intended to provide substantive legal equality for all children regardless of the marital status of their parents. The Uniform Act is designed to meet the constitutional equality standards enunciated by the United States Supreme Court in two lines of decisions, one beginning with Levy v. Louisiana, 391 U.S. 68 (1968), dealing with the substantive rights of the child born out of wedlock; and the other beginning with Stanley v. Illinois, 405 U.S. 645 (1972), dealing with

the rights of the father of a child born out of wedlock.

Your Committee heard testimony on this bill from representatives of, among others, the Family Court, the City and County of Honolulu Corporation Counsel, Child and Family Service, and the Hawaii Commissioners on Uniform State Laws. On the basis of informed advice from these sources, your Committee on Judiciary recommends the following amendments to H.B. No. 115:

1. Delete all of Sec. -5.
2. Sec. -6(a) is amended to provide a time schedule within which an action may be brought to declare the existence or nonexistence of the father and child relationship. The schedule is designed so as not to impede unnecessary adoption proceedings and to accord appropriate rights of bringing such an action by the child's natural father or by other designated parties.
3. Sec. -6 is amended by the addition of a new subsection (b) which incorporates provisions from existing law under sections 579-2 and 579-4, HRS, providing for the issuance of warrants, placing of bonds as security, forfeiture of such bonds, and like procedural matters deemed necessary in a port jurisdiction with a mobile population, in order to deal with situations where the natural father is likely to leave the jurisdiction.
4. Sec. -8(c) is amended to extend the jurisdiction and venue for actions under the Act to include authority to bring an action in a county where the mother resides or where the child was born, as well as a county where the child or the alleged father resides or is found.
5. Sec. -9 is amended to provide that the appointment of a guardian for the child as a party to the action is within the discretion of the court; to require the court to give notice to the parents of a minor who is an alleged or presumed father in such proceedings; and to designate the county attorney or corporation counsel to represent the child's mother.
6. Sec. -14(a) is amended to refer to the Hawaii Family Court Rules which are expected to be promulgated and adopted soon; and to provide that neither the mother nor the alleged father, both of whom may be compelled to testify, shall be subject to criminal prosecution other than for perjury because of matters testified to.
7. Sec. -15(c) is amended to incorporate provisions from existing law under section 579-5, HRS, covering security for and enforcement of judgment, including sequestration of the father's property.
8. Sec. -19 is amended to provide that the appointment of counsel for a party who is financially unable to obtain counsel and the furnishing of a transcript for purposes of appeal by a party financially unable to pay the cost, is within the discretion of the court.
9. Sec. -24 is amended to provide that when the child becomes the subject of an adoption proceeding, the court will determine whether the natural father exercised parental duties, obligations, and concern for the child; and if the court is satisfied that he has done so, he shall be given notice of the adoption proceeding. If the court is satisfied that the natural father has failed to exercise parental duties, obligations, and concern for the child, the court shall terminate his parental rights with reference to the child.
10. A new section 2 is added to the bill, amended sections 388-1, 338-12, 338-17.7, and 338-21, HRS, to conform the law relating to public health statistics and birth certificates with the provisions of the Uniform Parentage Act, as amended.
11. A new section 3 is added to the bill, amended section 574-2, HRS, to conform the law relating to children's names with other provisions of this bill.
12. The effective date of the bill is amended to make it effective January 1, 1976, thereby facilitating preparation for the new law by the bench, the bar, and other affected public and private agencies.
13. Other amendments include matters of detailed procedure, style, and renumbering.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 115 as amended herein and recommends that it pass on Second Reading in the form attached hereto as H.B. No. 115, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 137 Judiciary on H.B. No. 743

The purpose of this bill is to increase the amount exempt from inheritance taxation and to increase the tax base in each bracket.

Testimony received indicated that beneficiaries are taxed at the fair market value of the property received. The effect of this bill would be to assist families with small estates whose primary asset is the family home. In times of rising real property values, such an exemption would be of special benefit to the surviving spouse. Tax revenues would be reduced by less than 25% according to the Department of Taxation.

Your Committee is aware of the great burden that is placed on a husband or wife upon the death of a spouse. Taxing property left to the spouse is an added burden. An alternative would be to exempt the spouse from that tax and place the impact on children and other beneficiaries upon the death of the second spouse. While the amount of the decrease in tax revenue is not known, it was determined that such a change would be beneficial to the individual closest to the deceased spouse.

Your Committee recommends that the bill be amended by deleting the section on Page 1, line 3, beginning with, "When the beneficial and ending on Page 1, line 18 with 750,000."

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 743, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 743, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 138 Public Assistance and Human Services on H.B. No. 321

The purpose of the bill is to require the Department of Social Services and Housing to administer a random sample survey to recipients of general assistance. The survey would measure whether recipients are eligible for payments and whether payments have been properly determined.

The federal government requires this kind of quality control monitoring of recipients of Food Stamps and Aid to Families with Dependent Children. The State currently has no way of measuring whether recipients of general assistance have correctly reported their family size, income, assets, or housing costs. The State also has no way of measuring whether general assistance payments have been properly computed by payment workers.

Your Committee feels that a quality control survey of general assistance payments will indicate administrative reforms which will save the State money. The quality control survey of payments to recipients of Aid to Families with Dependent Children has more than paid its own way.

The Department of Social Services and Housing supports the bill. The Department estimates that the cost of administering a quality control survey for the general assistance program would be \$112,532 over the next biennium. Your Committee feels that this is a small price to pay to ensure that proper payments are made in a public assistance program that costs the State almost \$19 million each year.

Your Committee has amended the bill by adding an appropriation of \$113,000.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 321 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 321, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 139 Consumer Protection and Commerce (Majority)

The purpose of this bill is to provide for restitution to consumers who have incurred losses as a result of unfair or deceptive business practices.

Under present law, the Office of Consumer Protection is not specifically authorized to take legal action seeking restitution for consumers who have been damaged by unfair or deceptive business practices. Such consumers are often the witnesses for the State in actions filed by the Office of Consumer Protection to collect civil penalties for violation of consumer protection laws or to enjoin unfair or deceptive business practices. However, upon successful prosecution of the case by the Office of Consumer Protection, the consumers who have experienced losses are left to file their own actions in order to recover their damages. Your Committee believes that such consumers should be able to receive restitution without the necessity of filing a separate action.

This bill authorizes the courts to order restitution to consumers in cases filed by the Office of Consumer Protection to collect civil penalties or enjoin unfair or deceptive business practices. Restitution is limited to those consumers who have complained to the Office of Consumer Protection prior to the initiation of the action by that office. Further, consumers in whose favor restitution is ordered may refuse restitution and file their own actions but acceptance and full performance of restitution bars recovery of further damages by consumers who accept restitution from the person making restitution.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1209 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

Representative Carroll did not concur.

SCRep. 140 Legislative Management

Informing the House that House Resolution Nos. 510 to 519, House Concurrent Resolution Nos. 89 and 90, and Standing Committee Report Nos. 141 to 146 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 141 Public Assistance and Human Services and Labor and Public Employment on H.C.R. No. 3

The purpose of this concurrent resolution is to request the Congress of the United States to develop and fund a national income maintenance policy and program to replace current state and federal income maintenance programs.

Testimony submitted to your Committees was unanimously in support of this concurrent resolution. The present system of multiple, overlapping state and federal welfare programs has resulted in an uneven patchwork of benefits. Some states can shift the cost of public assistance to other states by setting unrealistically low levels of payments. The effect of program overlaps has been to provide only minimal economic incentives to welfare recipients who might be able to work. For example, if a recipient of Aid to Families with Dependent Children chooses to work, the recipient will pay taxes on earnings, receive a smaller public assistance grant, and pay a larger price for food stamps. In Hawaii, such a recipient may in effect be better off by only 60 cents per hour when employed at a job paying \$2.40 per hour. Your Committee feels that massive restructuring of welfare programs and income taxes at the federal level will be necessary if welfare recipients are to be given a genuine economic incentive to work.

Your Committee on Public Assistance and Human Services and your Committee on Labor and Public Employment are in accord with the intent and purpose of H.C.R. No. 3 and recommend its adoption.

Signed by all members of the Committee.

SCRep. 142 Education and Higher Education on H.R. No. 38

The purpose of this Resolution is to request the Department of Education to establish a proper data base and methodology for forecasting several years in advance the specific kinds and number of teachers the public school system will need each year. The Department of Education is requested to formally communicate its forecasts to the College of Education so adjustments can be made in its teacher education programs. This is to assure that teachers are trained in response to the educational needs of the State, and in specialties which there is a reasonable chance for employment.

During the Regular Session 1973 interim period, a Joint Committee designated as the Department of Education - College of Education Working Relationship (hereinafter referred to as DECEWR) was appointed. The findings of the DECEWR were reported in Special Committee Report No. 5 on March 18, 1974. The report stated that in general, principles of cooperation and coordination are fully recognized and accepted by the two institutions.

"The desire and intent to work harmoniously and effectively together for the benefit of children and youth in our schools appear genuine." The report found specific problems related to jurisdictional issues, lack of continuity between stages in the entire process of change and a lack of meaningful evidence "that would demonstrate an effective coordination between the state's training institution and new curriculum directions for schools."

In summation, the Special Committee Report stated that "the overall picture is positive; good progress is being made toward mutually satisfactory relationships that will facilitate and enhance the process of educational change and improvement in the schools of Hawaii. However, because effective coordination between these two state agencies is of crucial importance to education, it is the recommendation of your Committee that the situation be periodically reviewed and the two agencies encouraged to bring persisting problems to the attention of the Legislature."

Your Committees on Education and Higher Education are in accord with the suggestion of the Joint Committee that the situation be periodically reviewed and this Resolution is a part of that continuing effort.

Your Committees recommend an amendment which moves the due date of the requested report from August 1, 1975 to April 1, 1975. This amendment resulted from the offer of Dean Hubert Everly to submit a large portion of the information requested to the Committees during the public hearing.

Your Committees on Education and Higher Education concur with the intent and purpose of H.R. No. 38, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 38, H.D. 1.

Signed by all members of the Committee.

SCRep. 143 Public Assistance and Human Services and Labor and Public Employment on H.B. No. 33

The purpose of this bill is to give first priority to recipients of public assistance in manpower development and training programs administered by the Department of Labor and Industrial Relations.

Your Committees feel that welfare recipients who want to work their way off welfare should be given priority over other persons who want job training. While the Department of Labor and Industrial Relations objects to the lower priority which will be given to poor people who do not receive welfare, the Department concedes that the bill will not excessively restrict administrative flexibility. The State Advisory Commission on Manpower and Full Employment endorses the bill without reservations.

Your Committee on Public Assistance and Human Services and your Committee on Labor and Public Employment are in accord with the intent and purpose of H.B. No. 33 and recommend that it pass Second Reading and be placed on the calendar for

Third Reading.

Signed by all members of the Committee.

SCRep. 144 Consumer Protection and Commerce on H.B. No. 142

The purpose of this bill is to require any merchant who accepts the return of goods or agrees to refund payment for any services to refund the full amount paid for such goods or services in cash.

Under the bill as originally drafted, the mandatory cash refund is applicable when the purchaser has paid for the goods or services in cash, by check, or by use of a credit card other than a credit card which is part of the merchant's own credit system.

According to testimony received by your Committee, some merchants accept return of goods but instead of a refund, give a credit which requires that another purchase be made to which the price of the returned goods will be credited. In such situations, a consumer may be forced to make an unwanted purchase, and your Committee is of the opinion that the practice should be discouraged.

Upon consideration of this measure, your Committee has amended the bill in the following respects:

- (1) Refunds for services are deleted from the bill as services cannot be returned.
- (2) Only persons who sell goods at retail have been made subject to the provisions of the bill. As originally introduced, it would apply to wholesale as well as retail businesses.
- (3) As originally introduced, the bill did not apply to purchases paid for by charging the purchase price to the merchant's own credit system. Such purchases have been included within the scope of the bill.
- (4) In order to protect merchants from persons who may purchase goods with bad checks or stolen credit cards and attempt to obtain cash refunds, the bill has been amended to allow delay of refunds for purchases made by check until the check clears the bank on which it is drawn and to allow refunds for credit card purchases to be made by credit to the purchaser's credit card account.
- (5) Because the bill does not require any merchant to accept the return of goods and the merchant's policy in this regard may affect a consumer's decision to make a purchase, the bill has been amended to require merchants who do not make refunds to post signs notifying the public of its no refund policy.
- (6) In order to protect merchants who make refunds from unreasonable demands, the bill has been amended to exclude goods which are damaged after sale, goods which are unsuitable for resale after any use, and goods which have been retained by the purchaser in excess of sixty days. Further, merchants may require proof of purchase of goods at their business prior to accepting the return of goods and making refunds.
- (7) Your Committee believes that the provisions of this bill more appropriately belongs in Chapter 481B rather than Chapter 481A as originally provided, and the bill has been amended accordingly. In addition, violations of the provisions of the bill are declared to be unfair methods of competition and unfair or deceptive acts or practices under Section 480-2 to allow the Office of Consumer Protection to enforce the law.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 142, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 142, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 145 Housing on H.B. No. 278

The purpose of this Act is to reduce the acreage limitation of a "development tract" as defined in Chapter 516-1, Hawaii Revised Statutes from 5 acres to 1 acre. This amendment is desirable to facilitate the acquisition of "development tracts" by the residents of the State.

Under the present law the definition of "development tract" in Chapter 516-1, HRS provides an acreage requirement of 5 acres before designation for acquisition by the Hawaii Housing Authority may take place. The requirement of 5 acres is accompanied with a percentage requirement of lessees consenting to acquire the tract.

Your Committee finds that the acreage requirement is unduly restrictive to the establishment of development tracts. In reducing the acreage requirement, however, your Committee recommends that a provision setting the number of residential houselots, to be situated on the development tract, and an increase in percentage of lessees desiring to own their leased lots in fee simple are needed to insure the intent of the provision set forth in Chapter 516, Hawaii Revised Statutes is followed.

Your Committee recommends the following amendments for the purposes set forth above:

- (a) Section 1 and 2 of the bill have been amended for purposes of clarity and intent.
- (b) Section 3 of the bill has been amended to provide that not less than four residential houselots are situated on the development tract.
- (c) A new Section 4 has been added to the bill to increase the percentage of lessees desirous of owning the leased fee interest of their lots from fifty to seventh five percent.

For purposes of consistency, your Committee also recommends that this Act should be further amended as follows:

- (a) Sections 4 and 5 be changed to Sections 5 and 6 respectively.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 278, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 146 Housing on H.R. No. 158

The purpose of this Resolution is to request the Executive Branch of the State of Hawaii to move immediately for a complete judicial resolution of all constitutional questions regarding the Hawaii Land Reform Act (Session Laws of 1967, Act 307; Chapter 516, Hawaii Revised Statutes) and its implementation.

This Resolution also requests the Hawaii Housing Authority take necessary action under Chapter 516, Hawaii Revised Statutes and related legislation, for the implementation and funding of all provisions in this chapter.

Your Committee finds that the conditions which necessitated the initiation and subsequent passage of the Hawaii Land Reform Act such as: the fact that less than 35 per cent of the families of this State own their own homes in fee simple, and that Hawaii has the lowest percentage of families owning their own homes in fee simple in all of the states in the Union, still exists today.

The Hawaii Land Reform Act (Session Laws of 1967, Act 307; Chapter 516, Hawaii Revised States) has not been implemented to the extent the Legislature had intended, mainly due to the adverse opinion the State's Bond Counsel has rendered regarding the sale of bonds to be used in the acquisition of residential leasehold land.

The Bond Counsel has raised two questions involving the sale of bonds for the purposes of Chapter 516, Hawaii Revised Statutes.

The first question is whether by requiring the reimbursement to the general fund from the fee simple residential revolving fund, the debt can be excluded when calculating the total indebtedness of the State pursuant to Article VI, Section 3(e) of the State Constitution. The counsel believes that this section, referring to a "public undertaking, improvement of system", contemplates only revenue producing physical structures, plants or properties to be owned or operated by the State on a long term basis, and does not allow the exclusion, when computing the total indebtedness of the State, of bonds issued to establish or maintain a revolving fund created with respect to non-physical structures, plants or properties which are to be owned by parties other than the State.

The second question is whether providing funds for residential leasehold acquisition falls within the meaning of the term, "public purpose" as provided in the Hawaii State Constitution. The Bond Counsel's opinion is that the provision of funds for the acquisition of residential leasehold property is in conflict with Article VI, Section 2 which states that:

"No tax shall be levied or appropriation of public money or property made, nor shall the public credit be used, directly or indirectly, except for a public purpose. No grant shall be made in violation of Section 3 of Article I of this Constitution."

The Bond Counsel has concluded that serious constitutional questions are raised as to whether or not the purpose of providing funds for residential leasehold acquisition is a public purpose under Article VI, Section 2 of the Hawaii State Constitution.

The Attorney General of the State of Hawaii has subsequently filed action for a declaratory judgment on January 2, 1975, against the Director of Budget and Finance with the First Circuit Court of the State of Hawaii requesting the appropriation act (Act 215, Session Laws of 1971) and Chapter 516, Part III, Hawaii Revised Statutes be adjudged unconstitutional and invalid.

He has also requested that the general obligation bonds authorized by Act 215 be excluded in any State debt or supplemental statement and that it be deleted from any such statement.

In addition, the Attorney General has asked the Court to declare the advancement of any public funds issued and authorized by Act 215 to the Hawaii Housing Authority be adjudged unlawful.

The seriousness of the Bond Counsel's adverse opinion, and the subsequent action filed by the Attorney General of the State of Hawaii, impeding the full implementation of the Hawaii Land Reform Act (Session Laws of 1967, Act 307; Chapter 516, Hawaii Revised Statutes) requires the timely judicial resolution of the constitutional questions arising from this Act.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 158 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 147 Legislative Management

Informing the House that House Resolution Nos. 520 to 532, House Concurrent Resolution Nos. 91 to 96, and Standing Committee Report Nos. 148 to 161 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 148 Consumer Protection and Commerce on H.B. No. 239

The purpose of this bill is to establish an income tax credit for household renters with an annual adjusted gross income of \$15,000 or less.

Act 180, Session Laws of Hawaii 1970, provided for a system of income tax credits for household renters with an annual adjusted gross income of \$15,000 or less. The purpose of the tax credit was to reduce the higher tax burden of such renters as

compared to homeowners due to the fact that renters receive no home exemption under the real property tax and the four per cent general excise tax on rentals are normally passed on to renters by landlords.

In 1974, the Legislature repealed the renter's tax credit along with all other income tax credits and replaced them with a single excise tax credit. The purpose of this action was to simplify the tax credit system to eliminate confusion on the part of taxpayers and to ease administration of the tax credit system. However, the repeal of the renter's tax credit and the enactment of a single general excise tax credit did not ease the relative burden of renters as compared to homeowners as the general excise tax credit does not distinguish between renters and homeowners.

Your Committee believes that the rental tax credit for persons earning \$15,000 or less should be reinstated to equalize the tax burden of such renters as compared to homeowners.

Your Committee recommends that the tax credits allowed by the bill should be as follows:

Four per cent of the rent paid for persons with adjusted gross incomes under \$10,000; three per cent of the rent paid for persons with adjusted gross incomes over \$10,000 and under \$12,500; two per cent of the rent paid for persons with adjusted gross incomes over \$12,500 and under \$15,000. The bill has been amended by inserting the recommendations of your Committee in the appropriate blank spaces in the bill as originally introduced.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 239, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 149 Consumer Protection and Commerce on H.B. No. 831

The purpose of this bill is to establish a system of registering and certifying motor vehicle repair dealers, mechanics, and apprentices.

As originally introduced, this bill provided for every motor vehicle repair dealer, mechanic, and apprentice to register with the Department of Regulatory Agencies. The bill also provided for a certification program to be initiated and administered by the State Director of Vocational Education of the University of Hawaii. Mechanics and apprentices would be required to be tested and certified, and such certification would be a condition precedent to registration.

Further, the Director of the Office of Consumer Protection was given enforcement powers and could impose a fine or suspend or revoke registration for violations of the provisions of the bill regulating the conduct of those in the industry. The Director of the Office of Consumer Protection could encourage self-regulation by encouraging repair dealers and mechanics to form boards of motor vehicle repair dealers and mechanics on the islands of Oahu, Maui, Kauai, and Hawaii.

Upon consideration of this measure, your Committee has made numerous amendments. Under the bill as amended, the motor vehicle repair industry would be regulated as follows:

(1) A motor vehicle repair industry board is established consisting of seven members appointed by the Governor. Three members of the board are to be persons in the industry and four members are to be public members. All persons engaged in the motor vehicle repair industry as automobile repair dealers, mechanics, and apprentices would be licensed by the Board. Further, the Board is empowered to take disciplinary action against persons violating the provisions of this bill.

(2) A certification program is to be established and administered by the Director of Vocational Education of the University of Hawaii, and certification would be a condition precedent to licensing as a mechanic or apprentice. Mechanics or apprentices who have been engaged as such in the motor vehicle repair industry for a period of three

consecutive years prior to January 1, 1976, would be exempt from the requirement of certification prior to obtaining a license.

(3) The repair of passenger cars, trucks, truck tractors, motorcycles, and motor scooters, as those terms are defined in Section 286-2, Hawaii Revised Statutes, would be covered by the provisions of this bill.

(4) Certain requirements in dealing with customers are set forth in the bill. They are: (1) supplying a customer with an invoice listing all work done and parts supplied; (2) returning all replaced parts to the customer or showing the replaced parts to the customer; (3) giving a written estimate for the job to be done and not charging more than ten per cent over the estimated price if the estimated price is over \$100 and not more than fifteen per cent over the estimated price if the estimated price is less than \$100, without the written or oral consent of the customer.

(5) Provision has been made for appropriations to carry out the purposes of the bill. Your Committee feels that further testimony is needed regarding the amount of appropriations needed and has, therefore, left the amount to be decided upon by the Committee on Finance.

Your Committee finds that persons who lack the proper training and experience are incapable of providing quality motor vehicle repair services and that substandard repair services present a danger to the public. This bill as amended, will insure the availability of the highest quality of repair work and benefit both the public and the many honest, competent persons engaged in the motor vehicle repair industry.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 831, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 150 Labor and Public Employment on H.B. No. 942

The purpose of this bill is to provide an increase of 8% to the regular bonus and to the special cost-of-living bonus for those who retired prior to July 1, 1965 only.

Cost to the State to provide this increase to the bonus would be \$819,000 for the biennium 1975-77; cost to the counties would be \$178,500.

The pensioners bonus is a benefit to offset the rising cost of living and consist of two types: a regular bonus and a cost-of-living bonus.

The regular bonus is payable basically to those who have ten or more years of service, who retired prior to 1965 and who are not eligible for Social Security benefits. This bonus has been increased through the years each time active employees receive salary increases.

The special cost-of-living bonus was first paid in 1965 to those who retired prior to July 1, 1965, when the present liberal 2% benefit retirement formula was adopted. This bonus has been increased through the years each time active employees receive salary increases.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 942 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 151 Labor and Public Employment on H.B. No. 608

The purpose of this bill is to provide a lawful means whereby the government may withhold sums of money from certain individuals in service to the government when such individuals become indebted to one of the various agencies of the State and counties.

The constitutionality of the present statute was questioned in a recent lawsuit because no provision is made in the statute for a hearing before such sums are withheld. This bill would provide such indebted persons with an opportunity to have the issue of indebtedness resolved by a formal administrative hearing. Your Committee believes that such hearing would accord the person alleged to be indebted his constitutionally guaranteed right of due process.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 608 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 152 Labor and Public Employment on H.B. No. 814

The purpose of this bill is to specify the salary scale of the manager and deputy manager of the stadium. The manager's salary would be the same as for department heads of the State and the deputy manager's salary would be not more than eighty-five per cent of the manager's salary.

Existing law provides that the manager would be exempt from civil service and from the position classification plan and would receive such salary as the Authority may provide. The deputy manager would be exempt from civil service but would be subject to the position classification plan.

Since the deputy manager's pay must be part of the position classification plan, even though his appointment is made by the Authority on an exempt basis, this creates a wide gap between the pay levels of the manager and the deputy manager, and a small gap between the deputy manager and his immediate subordinates who have been classified near the top of the pay scale. This situation can be corrected by establishing the deputy manager's salary according to the same formula that applies to the salary of department deputies.

Your Committee a Labor and Public Employment is in accord with the intent and purpose of H.B. No. 814 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 153 Labor and Public Employment on H.B. No. 374

The purposes of this bill are: 1) to assess the several counties their pro-rata share of the cost of administering the Public Employees Health Fund; 2) to increase the monthly dental plan contribution from \$2.04 to \$2.24; and 3) to clarify the language of prior amendments to Section 87-4, Hawaii Revised Statutes.

Features of this bill include:

1. The assessment of each county's pro-rata share of Health Fund Administrative costs to be based on the proportion of aggregate annual State and county employer contributions for fringe benefit programs;
2. An October 31st cut-off date to provide adequate time for the Health Fund to compute and integrate the estimated amounts recoverable from the several counties into the State's Multi-Year Program and Financial Plan as well as to notify the several counties of their respective liabilities; and
3. To expedite financial recordkeeping, counties are required to annually reimburse the State of their pro-rata share of the Health Fund administrative costs no later than December 30 of each fiscal year.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 374 and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 154 Higher Education on H.B. No. 311

The purpose of this Act is to provide \$80,000 to carry out educational programs for volunteer leaders in the University Extension Homemakers Program. Under this bill, twenty paraprofessional positions would be established to teach the present 2,000 adult volunteers in the University Extension Homemakers Program.

Your Committee is cognizant of the need to improve the quality of living in Hawaii. Inflationary trends, advanced technology and the lack of dependence on the family for information have increased the need for education on how to make decisions on the utilization of personal resources.

Your Committee believes that the training of 2,000 volunteers would increase educational opportunities to various urban and rural communities for homemaking services.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 311 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 155 Higher Education on H.B. No. 178

The purpose of this Act is to mandate a complete review of labor and labor-related programs at the University of Hawaii, a review of labor-related University programs across the nation, and an inventory of labor education materials and activities at the University of Hawaii and the community.

Your Committee has held a public hearing on this bill, received testimony from the Center for Labor-Management Education at the University of Hawaii, the Carpenters' Union Local 745, AFL-CIO, the Hawaii State Federation of Labor, AFL-CIO, the ILWU Local 142, and students, and finds as follows:

(1) Since the early 1900's, organized labor has played a pivotal role in the growth of Hawaii. The story of labor in Hawaii is rich with lessons in patterns of economic and political development, interactions between differing cultures and classes, and, especially, responses to human conditions. Presently, labor organizations are exerting increasing influence on life in Hawaii. With the maturing of public collective bargaining and the development of increasingly complex economic and legal relationships, understanding the functions and future directions of the "labor animal" is essential.

(2) To date, the University of Hawaii has not adequately applied its resources to teaching and research in the field of labor studies. Two educational consequences of this are aptly expressed in testimony by the ILWU Local 142:

(a) with regard to the University providing impetus towards understanding patterns and trends in Hawaii's history:

"...the University has shown little interest in researching, recording, or understanding the social, ethnic, and labor history of our people. One result is that irretrievable information has been lost as older generations have died off without being given a chance to pass on their knowledge of past events which shaped our society."

(b) with regard to the University providing skill training for personal and community decision-making:

"The University can also improve the quality of community decision-making. . . Unions are an increasing part of the intra-structure of democracy and thousands of union leaders--officers, stewards, and committeemen and women--are responsible for daily decisions and recommendations of the widest variety--ranging all the way from contract and grievance settlements or counseling a worker on a family problem or his best retirement option, to deciding a union's policy on matters affecting the State's economy, environment or educational system. What improves the quality of such decisions benefits everyone who lives here."

Given the historical, existing and future impact of labor on life in Hawaii, your Committee believes that the people of Hawaii could benefit substantially from a comprehensive program of labor studies at the University of Hawaii. Therefore, as a basic step towards establishing a solid, economically feasible program of labor studies that serves the University of Hawaii and the community at large, your Committee believes it essential that the Center for Labor-Management Education conduct a thorough review of all labor-related programs in the State and provide certain services related to labor education.

In addition, your Committee deems it imperative that a Labor Advisory Council be established within the Center for Labor-Management Education whose purpose shall be to insure coordination and consultation between organized labor and the Center in the furtherance of the review. The Council shall consist of official designates of those unions desiring to participate in the review.

Your Committee has amended H.B. No. 178 to include:

- (1) a Findings and Purpose section;
- (2) specifications of certain services and responsibilities of the Center for Labor-Management Education;
- (3) appropriations to carry out the purposes of the Act.

Your Committee has also amended the bill for clarity and consistency in statutory style.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 178, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 178, H.D. 1.

Signed by all members of the Committee.

SCRep. 156 Labor and Public Employment on H.B. No. 416

The purpose of this bill is to amend the Workmen's Compensation Law by deleting therefrom the term "workmen's compensation" wherever it appears and substituting the term "workers' compensation".

The Workmen's Compensation Law was enacted in 1915 when the work force was composed predominantly of male workers. The word "workmen", however, does not accurately reflect the present composition of the work force. Your Committee agrees the Workmen's Compensation Law is a Workers' Compensation Law and that vestiges of past discrimination in employment based upon sex should be removed from the law.

This bill was proposed by the Director of Labor and Industrial Relations. He has, however, recommended that the bill be amended by expanding its scope to delete the term "workmen's compensation" from the Hawaii Revised Statutes rather than from only chapter 386 as the term appears in other laws like the Temporary Disability Insurance Law, chapter 392.

Your Committee has accepted the foregoing recommendation of the director and amended the bill by making the provisions of section 1 of the bill apply to the Hawaii Revised Statutes. The intent of the bill as amended is to delete the term "workmen's compensation" from the Hawaii Revised Statutes wherever it appears and to substitute a term which now more aptly describes the law.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 416, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 416, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 157 Health on H.B. No. 990

The purpose of the bill is to establish a division within the Department of Health to be responsible for the development, coordination and implementation of a statewide system for substance abuse programs. Such programs would include drug, alcohol and organic solvents.

Your Committee finds that the present organizational structure is not conducive to the development of a coordinated and effective system for substance abuse services and programs. In its review, the Committee found that there exists two problem areas: (1) jurisdiction and responsibility; and (2) personnel.

Jurisdiction and responsibility. Under the present organizational structure, there are two agencies responsible for substance abuse programs--the Department of Health and the Substance Abuse Agency in the Governor's Office.

Department of Health. The Mental Health Division of the Department of Health is responsible for drug abuse and alcohol abuse programs. As detailed in the recently approved reorganization plan for the Division, the alcohol and drug abuse section is to be responsible for:

- (1) Assisting in the development and updating of the State's comprehensive alcohol drug abuse plans in close collaboration with the Substance Abuse Agency in the Governor's Office.
- (2) Providing consultation on substance abuse problems to the staff of community mental health branches (reorganizational unit) and to other public and private agencies;
- (3) Providing technical consultation in the planning and developing of programs and services in substance abuse to both public and private agencies;
- (4) Initiating or providing direct assistance to community mental health centers in community education on substance abuse, coordinating these activities with other appropriate agencies and groups;
- (5) Providing in-service training in areas related to alcohol and drug abuse to staff of both public and private agencies to upgrade the quality of services delivered to consumers; and
- (6) Maintaining records on individuals and groups served, preparing reports and handling correspondence.

Substance Abuse Agency. Established under Executive Order 74-2, the Substance Abuse Agency within the Governor's Office has been designated as the sole agency responsible for alcohol and drug abuse programs as required under Public Law 92-255 and 91-616. In addition, the Executive Order detailed other responsibilities for the Agency including:

- (1) Coordinating of all alcohol and drug abuse prevention functions in Hawaii such as rehabilitation, treatment, education, research and prevention activities;
- (2) Preparing and administering of State plans for alcohol and drug abuse prevention and treatment under federal acts.
- (3) Identifying of all funds, programs and resources available in Hawaii in both the public and private sector which can be used to support substance abuse prevention functions;
- (4) Coordinating the involvement of public and private agencies in assessing substance abuse problems, needs, available resources and in systematic planning;
- (5) Coordinating the delivery of available funding to State and local levels of planning or program implementation;

- (6) Establishing mechanisms for receiving and evaluating program proposals.

Review of the two agencies' responsibilities and jurisdiction showed that there exist overlapping responsibilities, particularly in the area of State assistance to agencies, both monetary and technical. In addition, your Committee found that the relationship between the alcohol and drug abuse section in the Department of Health and the Substance Abuse Agency in the Office of the Governor was not fully defined, causing confusion as to whether the Substance Abuse Agency in the Governor's Office can direct the Mental Health Division in the Department of Health to carry out certain programs assigned under the State Plan to State public health agencies.

Personnel. Part of the problem for the ineffective development of drug abuse programs has been the vacancies in personnel, particularly in the Substance Abuse Agency. Your Committee found that the Agency has received approval for seven positions which have not yet been filled in addition to the presently filled three positions.

The drug abuse section of the Department has five positions including the section head.

Your Committee feels that neither agency has adequate staffing to fully support the development of a comprehensive substance abuse program.

Your Committee has concluded that the two agencies, the Substance Abuse Agency and the alcohol and drug abuse section of the Department of Health, should be combined into one agency to avoid duplication of responsibilities. In addition, your Committee feels that the combining of personnel of both offices would provide an adequate manpower nucleus to begin effective administration of substance abuse programs.

It should be further noted that present personnel vacancies within the Substance Abuse Agency should be filled only after the transfer is accomplished. This would provide the new agency with the flexibility to determine its own personnel needs.

Your Committee subscribes to the philosophy that substance abuse problems generally require immediate medical attention followed by other forms of rehabilitative services depending on individual needs. Because of this philosophical approach, your Committee feels that a Substance Abuse Agency should be placed within the Department of Health, but that this placement within the Department should not preclude the development of alternative approaches and services to drug abuse treatment. Therefore, your Committee would like to emphasize that present public and private agency services should be supported in their efforts to diversify the types of available services based on an assessment of community needs rather than the development of Department of Health programs.

Therefore, your Committee has amended H. B. No. 990 in the following manner:

- (1) Chapter 321, Hawaii Revised Statutes, is amended by adding a new part which would establish a Division of Substance Abuse within the Department of Health. The Division would be responsible for the administration of substance abuse programs in the State.

The duties of the Division would include:

- (a) Coordinating all substance abuse programs in the State;
- (b) Preparing and administering the State Plan for substance abuse;
- (c) Identifying funding and service resources to meet the needs of the area;
- (d) Acting as the receiving agency for all federal funds;
- (e) Evaluating program effectiveness and reviewing the State Plan annually.

To advise the Division on substance abuse matters, the new part provides for an advisory committee on substance abuse which shall be composed of the same membership as the Commission on Drug Abuse and Controlled Substances in Section 329-2, Hawaii Revised Statutes.

The Department of Health is required to submit an annual report to the legislature on the implementation progress of the State Plan for substance abuse.

Personnel hiring under this new part would be in accordance with civil service law.

- (2) The functions of the present Substance Abuse Agency pursuant to Executive Order 74-2 are transferred to the newly created Division of Substance Abuse.
- (3) Personnel whose functions are transferred by the Act are also transferred without loss of employee benefit under civil service laws of the State.
- (4) All funds appropriated under previous appropriations acts are transferred to the new Division.
- (5) All records, equipment and other articles used by the Substance Abuse Agency in connection with the functions transferred are transferred to the newly created Division.
- (6) A provision for modification of the provisions of the Act by the Governor so as not to jeopardize federal funds is provided.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 990, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 990, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 158 Health on H.B. No. 384

The purpose of this Act is to secure the registration of a certificate of death upon the occurrence of a fetal death.

Your Committee finds that, at the present time, there are cases whereby the reporting of a fetal death is not adequately completed. By having the person who is in charge of disposition of the body file with the Department of Health a death certificate within three days after occurrence and up to one month on intentional terminations, this would simplify the basic reporting procedure and, hence, should reduce the number of unreported cases.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 384 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 159 Youth and Elderly Affairs on H.B. No. 66

The purpose of this Act is to maintain and expand the multiphasic health screening program to cover senior citizens throughout the State.

Testimony submitted by the State Commission on Aging, the Department of Health, the Honolulu Office of Human Resources, the Honolulu Committee on Aging, the Kokua Council for Senior Citizens, and the American Association of Retired Persons and National Retired Teachers Association unanimously expressed support for this measure.

In examining the current fiscal status of the screening program, your Committee learned that the current program conducted by Hawaii Senior Services, Inc. is operated by federal funds which are scheduled to expire on June 30, 1975.

In recognition of this fact, your Committee amended Section 2 of this bill to provide for the maintenance of the program as well as its expansion.

Section 2 of this bill has been further amended to supply a specific amount to be appropriated. Your Committee has determined that an appropriation of \$120,465 is

necessary to accomplish the purpose of this bill, with an allocation of \$92,665 to Oahu and \$27,800 to Kauai, Maui and Hawaii. This figure is based on requests submitted by the Hawaii State Commission on Aging in cooperation with representatives from Hawaii Senior Services, Inc., which currently provides screening services for Oahu locations, and with representatives from Maui, Kauai and Hawaii.

Your Committee has adopted the recommendation of the Department of Health and the Commission on Aging, among others, to substitute the Commission on Aging for the Department of Health as the agency to coordinate and administer this program; the reasons for this are twofold: 1) the Department of Health has heretofore been less involved in elderly health screening programs than have the various City and State agencies dealing with the aged; and 2) administration by the Commission on Aging is consistent with the State's avowed goal of centralizing the delivery of services to the elderly.

Consistent with the above recommendation, your Committee has amended Section 2 of this bill so as to substitute the Department of Budget and Finance for the Department of Health as the expending agency, and has added a new Section 4 which states that all funds appropriated under this Act shall be administered by the Hawaii State Commission on Aging.

For the purposes of consistency, your Committee also recommends that this bill be further amended so as to change Section 4 to Section 5.

Your Committee further recommends other technical amendments made relating to clarity of expression.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 66 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 66, H.D. 1.

Signed by all members of the Committee.

SCRep. 160 Youth and Elderly Affairs on H.R. No. 176

The purpose of this Resolution is to request a review of the existing transportation services available to the elderly, to encourage the elderly to make full use of these services, and to request a study of the feasibility of a dial-a-ride program for providing mini-bus services to the elderly in public housing projects.

After consideration of the length of time and the degree of expertise that would be required to make a sufficiently thorough study of existing services and to adequately consider all relevant factors pertaining to the adoption of a dial-a-ride program, your Committee has amended this resolution to provide that these studies shall be conducted by the Hawaii State Department of Transportation, in cooperation with the Hawaii State Commission on Aging, rather than by your Committee on Youth and Elderly Affairs as originally provided.

Consistent with the above amendment, your Committee has further amended H.R. No. 176 as follows:

- (a) by providing that the task of encouraging the elderly to make full use of existing transportation facilities also shall be undertaken by the Department of Transportation in cooperation with the Commission on Aging; and
- (b) by adding an additional "BE IT RESOLVED" clause to provide that the Department of Transportation, in cooperation with the Commission on Aging, is requested to submit to the 1976 Regular Session of the Legislature a report of their findings and recommendations regarding the existing transportation services for the elderly and the creation of a dial-a-ride program; and to submit a report of the results obtained by the effort to encourage the elderly to make full use of existing facilities; and
- (c) by directing that in addition to being sent to the Speaker of the House of Representatives, certified copies of this Resolution be transmitted to the Directors of the Department of Transportation and the Commission

on Aging instead of to the Chairman of the House Committee on Youth and Elderly Affairs, as originally provided.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of H.R. No. 176, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 176, H.D. 1.

Signed by all members of the Committee.

SCRep. 161 Health on H.R. No. 120

The purpose of this resolution is to request a report by the Department of Health on the progress and extent of its implementation of the Audit of the County/State Hospital Program.

Your Committee finds that deficiencies such as, under staff facilities, poorly allocated funds in program areas, and the failure of management to utilize, review and report on the hospital system, from the existing data, did exist in the hospital systems. A report on the Audit of the County/State Hospital Program was completed by the Office of the Legislative Auditor, whereby a number of recommendations were made to significantly improve the hospital system. Recommendations included, establishing a policy committee, planning, inpatient and out patient programs, proper utilization of hospital information, implementation of programs with additional personnel and improving management's control of establishing and reporting on the hospital programs. This in turn would increase the quality and quantity of health care that is being served by the hospitals.

Your Committee recognizes the need for an improvement of the Hospital System which in turn will improve the level of Health Care relating to the needs of the residents of the State.

Your Committee on Health concurs with the intent and purpose of H.R. No. 120 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 162 Legislative Management

Informing the House that House Resolution Nos. 533 to 539, House Concurrent Resolution Nos. 97 to 99, and Standing Committee Report Nos. 163 to 184 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 163 Culture and the Arts and Water, Land Use, Development, and
Hawaiian Homes on H.B. No. 289

The purpose of this Bill is to conduct research in the area of archeology and to establish a wilderness park in the Kalalau Valley, Kauai.

Kalalau Valley is renowned for its scenic beauty as well as its archeological remains of an ancient Hawaiian community. Twelve point five percent (12.5%) of the known archeological sites on the island of Kauai is located in the valley, which contains the remnants of a typical Hawaiian and agricultural complex. Among the 24 known archeological sites includes a heiau, numerous house sites, and stone structures, grass shelters, and an extensive network of taro beds and terraces. Because of the heavy vegetation in the area, archeologists feel that many archeological remnants are still undiscovered, and a comprehensive archeological resource survey is crucial and necessary. The area's resources are rapidly deteriorating because of the recent occupation of humans into the Napali Coast. With the recommendation of the Hawaii Register of Historic Places archeological staff, your Committees recommend that \$75,000 be appropriated for the purposes of this Bill.

Your Committees on Culture and the Arts and Water, Land Use Development and Hawaiian Homes are in accord with the intent and purpose of H.B. No. 289 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll and Kamalii.

SCRep. 164 Higher Education on H.B. No. 313

The purpose of this Act is to appropriate funds for the continuation of the Comprehensive Training Program (also known as the University Without Walls and Central Michigan University Program). The intent of this bill is to enable present Comprehensive Training Program students to complete their degrees within the program.

Your Committee has held a public hearing on this bill, received testimony from the Dean of Continuing Education and Community Service at the University and many staff and students of the Comprehensive Training Program, and finds as follows: (1) The Comprehensive Training Program is serving community members who find it difficult to enroll in regular campus-based higher education programs. Working people, people who live in non-Honolulu areas, and people who need personalized help are benefitting from the educational offerings and structural flexibility of the program. Presently, the program is supported by a private grant. (2) Given the objectives, program structure, and target group of the Hawaii Open Program, students in the Comprehensive Training Program could be transferred into the Open program without loss of credits or opportunities. Thus, having both programs would be a duplication of effort and a waste of State funds. In the interest of equal educational access and options, the State has made a substantial commitment to the development of the Hawaii Open Program. Presently, under the auspices of the College of Continuing Education and Community Service, program development is in its final stage. The last preparatory step is establishing an accreditation process for life-work experience that does not result in cheapening the University of Hawaii degree. Once the program is set, the Open Program will be ready for establishment throughout the State.

Therefore, your Committee supports the temporary continuation of the Comprehensive Training Program with the following provisions:

- (1) the CTP shall not enroll new students
- (2) the University of Hawaii shall accelerate its study on incorporating life-work experience credits into the structure of the Hawaii Open Program and report back its findings 20 days prior to the opening of the next Regular Session of the Legislature.

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

Signed by all members of the Committee.

SCRep. 165 Water, Land Use, Development, and Hawaiian Homes on H.B. No. 290

The purpose of this bill is to provide for the initial development planning and coordination for a demonstration park and trail system.

The Ala Kahakai Project will 1) supply a wide range of recreational needs for various user groups such as fishermen, hikers, campers, explorers, photographers, and environmentalists; 2) provide a showcase for the unique natural and cultural treasures of this area for all users; and 3) help to develop the economic potential of the region by a method compatible with maintenance of natural and cultural resource values.

Your Committee recommends an amendment for the purpose of appropriating funds necessary to carry out the purposes of this Act. Such amendment would be as follows:

Line 13: The sum of \$150,000 is inserted.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 290, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 166 Water, Land Use, Development, and Hawaiian Homes on
H.B. No. 1072

The purpose of this bill is to appropriate funds for nine recreational projects on Oahu.

Updated recreational facilities are in constant demand due to a growing interest in outdoor recreational activities. Many facilities now in existence are in need of repair or expansion to accomodate the ever growing number of users.

Your Committee recommends an amendment for the purpose of carrying out this bill. Such amendment would be as follows:

Section 2, page 2: "The sums appropriated in Section 1, projects 1 (Kaiaka Point, Haleiwa, Oahu) and 3 (Fresh Water Park, Wahiawa, Oahu) shall be expended by the department of land and natural resources. The sums appropriated for projects 2, 4, 5, 6, 7, 8, and 9 shall be expended by the city and county of Honolulu."

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1072, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1072, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 167 Water, Land Use, Development, and Hawaiian Homes on
H.B. No. 970

The purpose of this bill is for plans and construction of a playground.

Newer recreational facilities are in constant demand due to a growing interest in recreational activities. The facilities now in existence are either outdated, in need of repair, or in need of expansion to handle the ever growing number of people.

Many areas lack proper facilities such as playgrounds, thereby forcing the children to improvise. This forces many of them to play in unsafe areas such as roadways.

Your Committee recommends an amendment to clarify the purposes of this Act. Such amendment would be as follows:

Line 5: "outdoor courts" to read "outdoor basketball and tennis courts".

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H. B. No. 970, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 970, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 168 Water, Land Use, Development, and Hawaiian Homes on
H.B. No. 609

The purpose of this Act is threefold: 1) to update Section 183-41 by also establishing forest and watershed reserves within conservation districts; 2) removes from the Department of Land and Natural Resources the review and redefinition prerogatives and transfers policy-making decisions to the Board of Land and Natural Resources; and 3) establishes a more efficient enforcement procedure to control land use violations within the Conservation District.

Your Committee recognizes the need for the conservation of our natural resources, which include but are not limited to open space, scenic areas, recreation areas, forest and watershed reserves. Moreover, your Committee has recognized that there are, additionally areas within our State which must be protected and restricted in use for the health and safety of the populace. These are the forest and watershed areas which provide a large portion of municipal water supply.

Your Committee suggests the following amendments, to read as follows:

- a. Page 8, line 8: "or subdivision" is deleted.
- b. Page 9, line 16: "section 201-27(7)" is changed to read "section 201-27(7)" is changed to read "section 201-21(7)."
- c. Page 10, line 4: "may" is deleted and "shall" is substituted.
- d. Page 10, lines 12-13: "To hold public hearings whenever the board deems it necessary, provided that" is deleted.
- e. Page 10, lines 15-17: "for commercial purposes at which hearing interested persons shall be afforded a reasonable opportunity to be heard" is deleted.
- f. Page 11, line 18: "Such notice shall be mailed to their last known address." is deleted.
- g. Page 12, line 5: "appointed by the board" is deleted.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 609, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 609, H.D. 1, and be referred to the Committee on Environmental Protection.

Signed by all members of the Committee.

SCRep. 169 Education on H.B. No. 684

The purpose of this bill is to appropriate a sum of money for the acquisition and equipping of a "storefront classroom" and to establish a work study program at the "storefront classroom." There is a further appropriation for the acquisition of two counselors - one to serve in Wahiawa and one in Waialua-Haleiwa.

The Storefront Classroom is a project which has been going on for about five years. The project was originally funded through the Neighborhood Youth Corps federal program. When the federal funds were dropped, this project was presented to the Community Association in Wahiawa and was accepted and supported as a valuable part of the community. Now that the project has proven itself as a valuable one, it has come to ask for a permanent place in Waialua-Haleiwa from which to work and two counselors to work full time.

Your Committee recommends three amendments to the bill. The first concerns the amount of money for establishing the work study program in Section 1. Your Committee recommends the amount to be increased from \$5,000.00 to \$20,000.00 which would allow services for 30 students for the biennium 1975 - 1977. The second amendment increases the sum allotted in Section 2 from \$18,000.00 to \$36,000.00 for the acquisition of two counselors for the biennium. The last amendment changes the word "slot" in Section 1 to the word "program."

Your Committee notes that in the title and body of this Bill, the word Waialua is incorrectly spelled, leaving out the letter "a" after the letter "i."

Your Committee on Education is in accord with the intent and purpose of H.B. No. 684 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. NO. 684, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 170 Youth and Elderly Affairs on H.B. No. 62

The purpose of this Act is to create an Executive Office on Aging in the Office of the Governor.

Your Committee finds that such an Office is necessary to eliminate the present fragmentation of service delivery functions at both the state and local levels by assigning a clear responsibility to independent agencies at both levels.

Your Committee has made amendments as follows:

- (1) A new Section 1 has been added, entitled "Findings and declaration of purpose";
- (2) Section 1, which amended the Hawaii Revised Statutes by adding a new chapter to be appropriately designated by the Revisor, has been amended for improved format to include Section 4, repealing Chapter 349 of the Hawaii Revised Statutes; and to add a new Chapter 349.
- (3) For the purpose of consistency:
 - (a) Section 4 has been deleted;
 - (b) The chapter number, 349, has been added to each section;
- (4) Throughout the bill, the name of the office created has been changed from the "Office of Elderly Affairs" to the "Executive Office on Aging";
- (5) The requirement in section -1 that the director be at least sixty years of age has been stricken; in its place has been inserted the requirement of "extensive direct experience in programs and services related to the elderly". Your Committee finds that training and experience in the field of aging and related fields should be the sole qualifying factors for the position of director, in view of the fact that provision has been made elsewhere in this bill to ensure adequate elderly participation;
- (6) A new provision has been added to deal with the director's remuneration, providing that the director's salary shall be set by the Governor, that it shall be no less than the salary of the first deputies or first assistants to department heads as prescribed by section 26-53, and that the director shall be included in any benefit program generally applicable to the officers and employees of the State;
- (7) Section -2, entitled "General functions, duties, and powers of the director" has been amended by being rewritten for greater clarity and precision;
- (8) The division of labor at the State level has been further refined and developed by the following amendments:
 - (a) A new section 349-3 has been added to provide for the position of deputy director, to set out the terms of his appointment, tenure and compensation, and to enumerate his principal functions and duties;
 - (b) A new section 349-4 has been added which creates in the executive office two principal organizational divisions: the first division is the "planning and administrative services division"; the second is the "community assistance and program management division". The activities of each are then enumerated;
- (9) In section -3, page 3, describing the function of the State level advisory board, the words "in carrying out this Chapter" have been deleted from lines 18 and 19 and replaced with "in his policy deliberations", so that the sentence now reads, "There shall be an advisory board on elderly affairs, appointed by the governor under section 26-34, to assist the director in his policy deliberations." This wording is more consistent with the advisory capacity of the board;
- (10) Section -3, renumbered section 349-5, concerning the state advisory board has been amended as follows:
 - (a) The number of board members has been increased from fifteen to twenty-one in order to guarantee a quorum;
 - (b) The age requirement has been changed from "over sixty years of age" to "sixty years of age or older" to allow those senior citizens aged sixty to be eligible for board membership.

- (c) The board's membership has been changed from at least one resident of each county plus seven ex-officio members and four members selected from the public-at-large, to at least two representatives from each county plus seven ex-officio members and six members from the public-at-large. Your Committee finds that this composition will serve to maximize neighbor island input and increase the effectiveness of senior citizen participation;
 - (d) A provision has been added stating that ex-officio members or their designated representatives shall attend all policy meetings;
 - (e) The section has been amended to provide that ex-officio advisory board members will not vote, in order to ensure that decisions of the board reflect the wishes of senior citizens;
 - (f) The description of the functioning of the advisory board has been refined by providing for staggered four-year membership terms; payment of members' necessary expenses in attending meetings and carrying out their duties; annual election of the chairman by voting board members; voting by the chairman only in the event of a tie; and a minimum of twelve board meetings, all to be held in the City and County of Honolulu;
 - (g) Your Committee has adopted the recommendation of the Commission on Aging to include among the departments to be considered for representation on the board, the University of Hawaii and, by invitation, the U.S. Department of Health, Education and Welfare;
- (11) Sections -4 and -5 have been consolidated within one section for improved format, and renumbered 349-6; this section entitled "County level agencies and organizations for the elderly", has been amended as follows:
- (a) The requirement that a majority of the governing board members be over sixty years of age has been amended to state "sixty years of age or over";
 - (b) A provision has been added creating staggered four-year membership terms for county governing board members and providing that such members shall serve without compensation, shall be paid their necessary expenses in attending meetings and carrying out the responsibilities of the board;
 - (c) A provision has been added to section -4 to clarify the role of these local bodies in the State's attack on the problems of Hawaii's elderly; this role is "To balance the organizational changes at the State level and to ensure maximum home rule powers to the counties";
 - (d) The description of the powers and functions of the county offices has been amended to explicitly provide that such office shall have executive or cabinet status; although this was the intent of the original bill, your Committee felt that additional clarification was desirable;
 - (e) The manner in which county offices are to "assist" the State office has been explained by enumerating some of the duties, as follows: "by providing effective liaison to assure maximum coordination of State and county programs and policies pertinent to elderly matters. Provide advice and recommendations for implementation of new programs or changes to existing programs";
 - (f) A provision has been added for the manner of selection of members of the governing boards: they are to be appointed by the Mayor with consent of the county council;
 - (g) The relationship of the county governing boards to the county office directors has been clarified by amending the proviso stating that the directors of the county offices shall be advised by county governing boards on elderly affairs to provide that "The actions of

concerning transfer of functions, programs and personnel;

- (17) Section 6, H.D. 1 provides that the sum appropriated shall be expended by the Office of the Governor;
- (18) Section 7 is a standard severability clause which has been added to ensure that should any part of this Act be held invalid the remainder shall stand;
- (19) The bill has been renumbered throughout to conform to the amendments, enumerated above;
- (20) Your Committee recommends other technical amendments made for the purpose of grammar and clarity of expression.

Your Committee on Youth and Elderly Affairs is in accordance with the intent and purpose of H.B. No. 62, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 62, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 171 Youth and Elderly Affairs on H.C.R. No. 79

The purpose of this concurrent resolution is to request each of the University of Hawaii's several campuses to review its procedures for enrollment under the Senior Citizens Tuition Exemption Program created by Act 189, Session Laws of Hawaii 1974, and to make all adjustments necessary to enable participants in the program to begin classes from the time the semester commences.

Your Committee finds that in the past, some campuses have compelled senior citizens in the tuition exemption program to delay their registration until as late as two weeks after classes begin, in order to allow younger students to change their schedules. While your Committee understands the need to provide for such changes, it is believed that this end would be better accomplished by methods which pose less inconvenience for elderly students, for whom class attendance often involves the conquering of obstacles not encountered by sturdier and more mobile younger students.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of H.C.R. No. 79 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 172 Judiciary on H.B. No. 1614

The purpose of this bill is to make the appropriation necessary to fund the Capital Improvement Projects and the operating budget for the Judiciary for the 1975-77 biennium.

Your Committee, after numerous hearings and detailed examination of the budget presented by the Judiciary, amend the bill pursuant to its review of the sums presented, the testimony received and its independent examination. Your Committee has incorporated its comments on the worksheets presented to the Finance Committee.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1614, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1614, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 173 Environmental Protection on H.B. No. 37

The purpose of this Act is to appropriate funds for the production and local distribution of thirty to sixty second radio and television spots, relating to environmental concerns, to be aired on commercial television as public service announcements.

the directors may be approved or disapproved by county governing boards on elderly affairs in accordance with the provisions of this section." This language conforms to the policy-making function of the board;

- (h) The allocation of powers and functions between county office directors and county governing boards has also been amended to spell out more clearly your Committee's intent that the governing boards have policy-making authority vis-a-vis the county offices. Your Committee finds that an effective overall State program depends on the quality of county level programs for the elderly and the responsiveness of the counties to the needs and demands of their senior citizens. Your Committee therefore finds that an allocation of powers and functions which assures quality and responsiveness is a matter of statewide concern to be provided for in State law.

It is not, however, your Committee's intent to encroach upon the powers of the mayors of the county councils. Section -5 of H.B. No. 62 has therefore been amended so as to include two provisos:

- (a) That when the governing board exercises its power to disapprove the actions of the county offices, the matter shall be finally determined by the mayor; and
- (b) That nothing in this section shall be deemed or be construed to delegate or detract from the powers, functions or duties of the mayor or county council;
- (12) An additional section, 349-6(3) has been added to provide that the mayors of each county may encourage the formation of elder service corporations. Your Committee heard conflicting testimony from representatives of senior citizen groups in several counties regarding the desirability of the establishment of elder service corporations. Your Committee is of the opinion that each county should be free to choose, based on local conditions, whether to form such a structure. Your Committee has therefore provided guidelines for the establishment and functioning of the corporations but made their formation optional;
- (13) Section -7 entitled "State master plan for the elderly", has been amended so as to include an additional section, Section C in H.D. 1, which specifically provides for review by the Executive Office on Aging of the "Comprehensive Master Plan for the Elderly" dated December 15, 1974. Under this section, the Office is mandated to report its findings and recommendations regarding the implementation of the plan to the legislature prior to the 1976 Regular Session. This section has been added to ensure that those recommendations of the Master Plan which are feasible are implemented as quickly as possible;
- (14) Section 3 regarding the transfer of powers from the Commission on Aging to the Executive Office on Aging has been amended to increase specificity by adding a new paragraph which reads as follows:
- "All State officers, employees, and the present State Commission on Aging shall serve until the appointment of the director of the Office of Elderly Affairs and a majority of the members of the State advisory board. All officers, employees and the county committees on aging shall serve until the establishment of the county offices and county governing boards."
- (15) A new Section 5 has been added, appropriating out of the general fund the sum of \$278,808 for the biennium, or so much thereof as may be necessary for carrying out the purpose of this Act. This section was inadvertently omitted from the original bill;
- (16) Section 5 of the original bill has been renumbered Section 8 for the purposes of consistency. Form dictated the deletion of the lines "provided that the Commission on Aging shall serve until appointment of the director of elderly affairs and a majority of the members of the advisory board on elderly affairs" and the inclusion of this concept in Section 3 of the draft,

Your Committee finds that the Hawaii Public Broadcasting Authority is able to produce these public service spots but has not been budgeted to do so. In this respect, your Committee has appropriated \$15,000 to be expended by the Hawaii Public Broadcasting Authority.

Your Committee recommends that the Office of Environmental Quality Control assume the responsibility for authorizing and/or preparing the script for the announcements with professional input from the Environmental Quality Commission, the Department of Health, the Department of Lands and Natural Resources and other public agencies with environmental concerns.

Your Committee on Environmental Protection is in accord with the intent and purpose of H.B. No. 37, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 37, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Kamalii.

SCRep. 174 Judiciary on H.B. No. 11

The purpose of this bill is to consolidate the operations of the Office of the Revisor of Statutes and the Office of the Legislative Reference Bureau. It is the belief of your Committee that this consolidation will streamline the function and the complimentary operations of the two offices.

Your Committee on Judiciary is in accord with the intent and the purpose of H.B. No. 11 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 175 Agriculture on H.B. No. 83

The purpose of this bill is to improve the coordination and development of the State agriculture programs by creating the position of Assistant to the Governor for Agriculture in the Office of the Governor.

Your Committee notes that agriculture is the third largest industry in the State. In 1973, the agriculture industry employed over 27,000 people and provided a tax base of over \$432 million. This amount is expected to more than double in 1974. The income realized through employment revenue makes it imperative that a strong agricultural program be maintained.

Your Committee finds that the future of agriculture in Hawaii depends heavily upon programs of the Department of Agriculture, Department of Planning and Economic Development, Department of Land and Natural Resources, Department of Transportation, College of Tropical Agriculture of the University of Hawaii, Department of Hawaiian Home Lands, Department of Labor and Industrial Relations and the Department of Health, which provide the necessary resources and support to assist private industry in the maintenance and development of agriculture. The reliance of agriculture in Hawaii on government agencies requires that governmental resources be coordinated. This need was recognized by the Fourth State Legislature in its Budget Session of 1968 when it mandated the State plan for agriculture to establish a framework for governmental policy formulation which included support to the private sector. The agricultural development plan prepared by the Agriculture Coordinating Committee specified that existing arrangements for carrying out coordinated agricultural programs needed to be improved. It identified three options to achieve coordination:

1. Maintain the present organizational makeup of the governor's agriculture coordinating committee which is chaired by the governor's administrative director, but staff it adequately to perform its function. The primary responsibility of the committee is to evaluate and review statewide agricultural problems and coordinate State programs to solve these problems.
2. Designate the state Department of Agriculture or another state agency as a "lead" agency for agricultural matters and assign to it the responsibility for coordinating agricultural programs and activities of the State.

3. Strengthen the governor's agriculture coordinating committee by having the governor appoint a full-time chairman with a de facto rank of "assistant to the governor for agriculture" to coordinate and implement State agricultural programs.

The governor decided on the third option and appointed a full-time chairman as assistant to the governor for agriculture.

Your Committee agreed with this organizational arrangement to facilitate the coordination and implementation of State agricultural programs. However, your Committee finds that the authority and responsibilities of this office have never been clearly defined. As a result, there continues to exist program fragmentation, lack of clear program direction, overlapping programs, lack of clearly defined responsibilities, failure to provide authority with responsibility, and the failure to establish and implement program priorities. Your Committee was dismayed regarding this lack of coordination among agriculture programs in State agencies. The inter-relationship and inter-dependence of agriculture with regard to availability of land, human resources, credit, transportation, storage, processing capability, market research, and product promotion are well known; yet the coordination required to ensure the success of these programs and projects is not in evidence.

The need for more effective coordination has become evident as the planning, programming, and budgeting (PPB) system has been implemented to promote the achievement of government objectives. The PPB system is important because of its ability to compare and relate programs to each other and to establish program priorities. The State organizational structure should reflect the system and provide for program review cutting across agency lines to compare and relate programs. Despite the implementation of the PPB system in State government, the present organizational structure does not encourage program review and coordination of agriculture and agriculture-related programs of State agencies.

Consequently, your Committee has amended the bill as follows:

- (a) By establishing a Governor's Agriculture Coordinating Committee whose membership shall be composed of the chairpersons of the Boards of Agriculture, Land and Natural Resources and Hawaiian Homes Commission, the Directors of Transportation and Planning and Economic Development, and the Dean of the College of Tropical Agriculture of the University of Hawaii and whose sole responsibility shall be the development of State agriculture policies after consultation with governmental and private agencies, for submittal to the Governor. The chairperson of the Coordinating Committee shall be the Administrative Director to the Governor. In addition, the Coordinating Committee shall insure that agriculture-related programs shall be carried out in compliance with the policies recommended by the Coordinating Committee with the approval of the Governor.
- (b) By designating the Administrative Director to the Governor as the chairperson of the Coordinating Committee, this would provide objective leadership for the Committee since the designated chairperson does not represent any particular agency's interests. In addition, by virtue of his position, as Administrative Director to the Governor, the Governor could be kept constantly aware of the Coordinating Committee's activities in developing agriculture policies.
- (c) By emphasizing the coordinating aspects of the Coordinating Committee. Your Committee feels that cooperation among departments with agriculture-related programs is required to accomplish statewide, cross-agency coordination of State agriculture programs.

Because the members of the Coordinating Committee serve as heads of State agencies with agriculture related programs and are responsible for their agencies' program development and fiscal operations, that the designated makeup of the Committee will provide for statewide coordination in agriculture planning and development at a high level. Your Committee is aware of the confusion existing among State agencies regarding responsibility for specific areas of agriculture, agriculture development, marketing, research, land and water use, etc., and believes this can be remedied by the submittal of each individual agency's proposed area of concern, as part of a general plan, to the Agriculture Coordinating Committee as a whole.

Your Committee believes that a staff of proven high competency should be selected

to assist the Coordinating Committee in carrying out its duties and responsibilities. As designated in the bill, the staff would consist of one Economist VIII (SR-31), one Economist IV (SR-21), one Research Statistician (SR-21), one clerk steno (SR-11), and one secretary (SR-18). Your Committee strongly feels that persons appointed to these positions should exhibit competency approximately equal to those enjoying equivalent civil service designations. An appropriation of \$147,000 for the biennium 1975-77 would provide the means for badly needed coordination of the State's agricultural efforts.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 83, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 83, H.D. 1 and its referral to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 176 Judiciary on H.B. No. 327

The purpose of this bill is to clarify the present language and format, correct deficiencies and expedite operating procedures, particularly those relating to campaign contributions and expenditures.

Your Committee, after lengthy and detailed hearings on the bill, which included a detailed examination of each and every line of said bill with the assistance of Mr. Robert Klein, Executive Director of the Campaign Spending Commission and members of the Campaign Spending Commission, recommends numerous amendments to the bill. The testimony presented by Mr. Klein and members of the Campaign Spending Commission contained many inequities and uncertainties. The following recommended changes will correct these deficient areas of the existing law and expedite its enforcement.

It is the opinion of your Committee that the changes inserted in H.D. 1 of H.B. No. 327, will carry out the intent and purpose stated. Because of the length of the bill, the major changes will be noted in each of the sections whenever they appear. Pages on which there are no changes or minor housekeeping changes will be noted only where the intent of the provision needs explanation or clarification. The amendments are as follows:

1. Section 11-191(1) New Section Definitions Section

The present law does not define the word "advertisement" although it is used in section 11-210 which deals with media advertisements. The intent of this addition is to define "advertisement" to include obviously political advertisements as well as advertisements which are ostensibly innocent, yet are actually intended to achieve name recognition for one seeking office whether only the name appears (e.g. John Hawaii) or the person is identified as part of a business advertisement or other enterprise (e.g. clothing store ad, finance company ad). As amended, the provision would clarify the circumstances under which an ad would be considered a political expenditure chargeable against a candidate's spending limit.

2. Section 11-191(3)(B) Definitions Section

The initial intent of the framers of this Act was that a person's candidacy would not begin sooner than January 1 of any election year. The changes suggested attempt to clarify the Committee's intent to require the filing of an organizational report no earlier than January 1 of any election year if a person has either received contributions aggregating more than \$100. The intent of exempting certain donations to community based groups is to permit a person to carry on his normal practices of supporting and participating in community functions without making that person a candidate. Your Committee feared that causing a person to inadvertently or unintentionally become a candidate would be unfair and, further, could cause the equal time provisions required by Title 47, section 47.102(a) and section 315(a) of the United States Code to be brought into effect prematurely. The recommended amendment would correct these problems.

3. Section 11-191(6)(c) Definitions Section

The understanding in adopting this section in the form presented is that the language in subpart C means that persons attending a stop work or a management meeting held on a noncompulsary basis are volunteers for purposes of the section. In the case of services rendered, if any are performed during nonworking hours for no charge, the persons rendering the service shall also be considered volunteers for the purpose of subpart C. Your Committee does not intend to have subpart C apply to a candidate who makes an honest mistake and after using due diligence to determine that the meeting is voluntarily attended and subsequently finds out that those in attendance were paid.

4. Section 11-191(9) New Section Definitions Section

Your Committee recognizes that corporations, trade associations and labor organizations have the right to communicate freely with their respective memberships or stockholders as the case may be beyond the strictures of the Campaign Spending Law. A new section has been added to define the type of intra-organization communication which will be allowed an exemption from the law. The exemption is created in new section 11-206.1. In adopting this section, your Committee understands that while the word "primarily" on line 15 means general distribution to persons to whom the publications are normally directed, distributions to libraries, schools and to persons making special requests for the publication will not remove the publication from an exempt status.

Your Committee further understands that the word "regular" on line 14 means bulletins communicated or published according to a regular publication schedule. Special publications are intended to be and should be excluded from this exemption.

5. Section 11-192 Campaign Spending Commission

This section has been modified to provide a method for filling vacancies which may exist from time to time on the Campaign Spending Commission. The amendment was adopted with the understanding that the word "member" on line 17 means persons officially registered with a qualified party. Your Committee's intent in not elaborating on the definition of a party member is to permit the various political parties to determine who their members are.

6. Section 11-193 Challenges, investigation and notice

This section has been expanded and moved to just prior to the sections concerning penalties and prosecution.

7. Section 11-194 Duties of the Chief Election Officer, Commission

- (a) This section details the responsibilities and duties of the Chief Election Officer and the Campaign Spending Commission with regard to the Campaign Spending Law. Although the Chief Election Officer may delegate responsibilities for State elections to any persons he specifies pursuant to Hawaii Revised Statutes, Section 11-2, your Committee wishes to emphasize the accountability of the Chief Election Officer for election functions. Thus, your Committee has preserved the separation of certain duties between the Chief Election Officer and the Commission.
- (b) Your Committee has clarified the duty of the Commission to ascertain that complete reports have been timely filed. The section as modified would require the Commission to notify a person who has failed to file or has filed a deficient report and to allow the person notified a period of time not to exceed 10 days to respond to the notification before the person may be listed publicly as delinquent. Avoidance of the notification constitutes a default in violation of the law.

- (c) Your Committee has amended this section to require the Commission to prescribe simplified accounting methods for persons subject to the law and has recognized that the Commission must have adequate staffing to effectuate the administration of the law.
- (d) Your Committee intends that the staff of the Campaign Spending Commission be used to its fullest capacity, particularly during non-election years, when their volume of work is lower.

8. Section 11-195 Filing of Report, generally

Your Committee recognizes that the disclosure of campaign information must be accessible to a candidate's constituency. Therefore, information filed in neighbor island contests will be first available at the county clerk's office on due dates. Upon receipt of the reports, the county clerk's office will mail the original and one copy to the Campaign Spending Commission.

9. Section 11-197.1 New Section Designated Central Committee

Your Committee recommends adopting this section which would require candidates who are supported by more than one committee to designate a central committee to coordinate recordkeeping and file a composite report.

10. Section 11-199 Campaign Contributions, generally

Your Committee has modified this section to stress its view that contributions in amounts less than \$10 need not be recorded. This change will preclude unnecessary and burdensome recordkeeping. Also, your Committee recognizes that cash contributions present different recordkeeping problems to a candidate, committee or party than do checks. In this regard, your Committee has modified this section to restrict the size of petty cash accounts to a workable \$250, to limit cash contributions from any one person to \$250, and to require parties and committees to acknowledge the original source and ultimate recipient of all earmarked contributions. These changes are intended to promote a more workable recordkeeping system and to promote accountability of the sources of campaign contributions.

11. Section 11-200 Campaign Contributions, Restrictions against Transfer

This section, as originally conceived, was intended to prevent the use of contributions for purposes not directly related to a candidate's own campaign. This intent is preserved with the provision that candidates, campaign treasurers, or committees may use contributed funds to purchase two tickets for each fund raiser held by another candidate, committee, or party. Under the present law, no such tickets can be purchased from contributed funds although the candidate may purchase them using personal funds.

Your Committee has further modified this section to allow the Campaign Spending Commission to review and to determine the reasonableness of allocations of expenditures by a party between candidates or between candidates running a joint campaign.

12. Section 11-202.1 New Section False Name

This section is recommended to augment section 11-202 which forbids anonymous contributions which aggregate less than \$250. New section 11-202.1 will prevent contributions given by one person to be attributed to another.

13. Section 11-203 Testimonial Affairs; Social Affairs; Coffee Hours

Your Committee has completely revised this section by changing the definition of "testimonial affairs" to allow a candidate more discretion in deciding what price to charge for admission. The amendment places a lower

limit of \$5.01 and an upper limit of \$100 on ticket prices for a testimonial affair. A fund raising event which costs \$5 or less to attend (e.g. \$2 stew and rice) will be defined as a "social affair" in the recommended amendment. The amendment recognizes and defines "coffee hours" as political functions for which there is no charge for attending.

Your Committee believes that there should be a limit on the number of "testimonial affairs" and "social hours", and that candidates who seek state-wide office should be allowed one "testimonial affair" and two "social hours" per island, per election. All other candidates will be allowed one "testimonial affair" and one "social hour" per election in their districts. Your Committee does not intend to allow candidates to take advantage of the additional fund raising opportunities allowed bona fide candidates for state-wide office and file later for a district or county office.

Your Committee has expanded the list of exempt cost items which are reasonably related to fund raisers and has limited the exemption for coffee hours to \$25.

The limitation of \$100 for "testimonial affairs" does not prohibit a party from sponsoring an affair or function for its own general benefit and not for the purpose of evading the restrictions on testimonial affairs imposed by the section.

Finally, your Committee wishes to emphasize its intent to hold down the number of fund raisers in order to prevent the accumulation of unduly large campaign accounts. Your Committee believes that candidates should attempt to raise only enough money to cover their respective expenditure limits.

14. Section 11-203.1 New Section Cost of Fund Raising

Your Committee recognizes that some candidates may choose to raise campaign funds by engaging in sweet bread sales, huli huli chicken sale, etc. rather than by holding "testimonial affairs" or "social hours". In this regard, your Committee recommends adopting this new section which will exempt the reasonable cost of the item sold from the candidate's spending limit. Thus, candidates who choose this method of fund raising will be placed on a par with those who raise money by means of a "testimonial affair" or social hour".

15. Section 11-205 Campaign Expenditures, Restriction as to Items

Your Committee recommends the repeal of this section, because it does not take into account all valid, campaign related expenditures which pertain to a candidate, committee or party. For instance, the list does not allow a campaign treasurer to authorize an expenditure to pay a candidate's party assessment. Your Committee intends to allow this type of campaign related expenditure to be made from collected funds. As further guidance regarding allowable uses of contributed funds, the candidate, committee or party should consider Section 11-200 which forbids the use of contributed funds in certain instances.

16. Section 11-206 Campaign Expenditures: Limits as to Amounts

Your Committee recognizes that the spending limitation in districts with a small number of registered voters may unduly restrict a candidate's campaign effort. For this reason, your Committee recommends an amendment which places a lower limit of \$2000 per election period on expenditures. Your Committee also believes that a realistic limit for the School Board race and for issue-related committees must be written into the law. In this regard, your Committee has established a 12.5 cent per election limit on candidates for School Board and has set a 25 cent overall limit on issue-oriented committees.

Your Committee recommends the repeal of the present section governing media limitation, because it believes that, given the overall limitation, a candidate, committee, or party should be allowed to decide how to spend his funds.

In addition, your Committee recognizes that to preserve the integrity of the established limits and to make them meaningful, expenditures made for items or services to be used during the election period (January 1 - November 5) should be charged against a candidate's limitation. The provision found in 11-206(d) expresses its concern.

Finally, the Commission is required to check the Consumer Price Index and increase the limits accordingly when indicated.

17. Section 11-207 Preliminary Reports

Your Committee recognizes that certain candidates and committees do not have the financial resources to conduct a complicated campaign. The modification suggested in section 11-207(b) would allow a candidate or committee making expenditures of \$500 or less per election to file a short-form report on forms provided by the Commission.

18. Section 11-208 Final and Supplemental Reports

The major change recommended by your Committee is to clarify the timing of report filing. The amendment requires both successful and unsuccessful candidates, authorized party agents, and campaign treasurers to file a final primary report twenty days after the primary election. This provision allows a candidate to close his books for the primary within a reasonable time after the primary and allows the public and the Commission an opportunity to evaluate complete reports for the primary, before the general election.

19. Section 11-211 New Section Investigation by the Commission:

Your Committee has transferred an expanded version of old section 11-193 to a new section numbered 11-211. The intent of your Committee is to provide effective investigation and enforcement of the subpart while at the same time stressing due process safeguards and fairness to parties complained of. In these regards, old section 11-193 was nonspecific and open to much interpretation.

Your Committee recommends adoption of the new section which provides for confidential treatment of complaints and closed hearings at the option of the person alleged to be in violation of the law. The Commission's function will be to decide upon the merits of the complaint and then to either request the appropriate State agency to initiate prosecution in the case of a willful violation or order civil sanctions of a confidential basis in the case of an unintentional violation. Witnesses and parties participating in Commission proceedings pursuant to this section may be placed under the same constraints as jurors who are deliberating cases in court. Thus, the Commission may admonish participants to maintain the confidentiality of the proceedings.

20. Section 11-212 Penalties; Relief

The penalties which may be given a person convicted of knowingly violating this subpart have been increased in the case of a natural person from a petty misdemeanor (30 day jail term) to a misdemeanor carrying a potential one-year incarceration. Any other person (committee, corporation) would be fined \$5000 instead of the present \$1000.

21. Section 11-213 Prosecution

Your Committee recommends clarifying the statutes of limitations to determine when the one year period begins to run. The amendment recommended by your Committee would toll the statute until the report covering the violation is filed with the Commission.

22. Section 2

The changes recommended in section 2 will conform other statutory sections to the revisions embodied in the preceding amendments.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 327, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 177 Labor and Public Employment on H.B. No. 158

The purpose of this bill as introduced was to amend the Workmen's Compensation Law by eliminating the two-day waiting period before benefits become payable to an injured worker who is temporarily totally disabled as a result of a work injury.

Section 386-31(b) presently makes weekly income benefits amounting to 66-2/3% of an injured worker's average weekly wages payable to him during the period he is temporarily totally disabled. The subsection, however, provides that no benefits are payable during the first two days of disability, unless the disability period exceeds seven days. Thus, if an injured worker is disabled for longer than seven days, he is paid for the first two days of his disability. If his temporary total disability does not extend beyond seven days, he does not receive income benefits for the first two days.

The bill proposed the deletion of those provisions in Section 386-31(b) covering the two-day waiting period and thereby make benefits for temporary total disability payable during the entire period of disability.

During the public hearing conducted on the bill, employer and insurance company representatives opposed the bill on the basis of the additional costs which would be imposed upon employers. Varying cost estimates have been given your Committee, ranging from a high of 5% premium increase to a low of approximately \$100,000. Because of this uncertainty on the actual costs involved, your Committee has amended the bill to retain the two-day waiting period but shorten the disability period after which benefits for the first two days become payable. The bill as amended will now make temporary total disability compensation benefits payable from the first day of disability if the disability period exceeds five days.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 158, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 178 Labor and Public Employment on H.B. No. 950

The purpose of this bill is to add a new section to Chapter 388, Hawaii Revised Statutes, covering payment of wages and other compensation, to make it unlawful for an employer to wilfully, or with intent to defraud, fail to make payments to employee benefit plans such as health, welfare, pension, or vacation plans after he has agreed to make such payments. The language of the proposal is taken verbatim from a California law covering the subject.

Fringe benefit payments have assumed great importance in the wage structure of workers and a large proportion of such benefits are made payable from funds into which employers make regular contributions through agreement with their employees. This bill is intended to discourage the wilful or fraudulent evasion of such payments.

Your Committee agrees that a wilful or fraudulent failure to make required fringe benefit contributions should be made unlawful. The wilful failure to pay wages is already a misdemeanor under Section 388-10.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 950 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 Kamalii.

SCRep. 179 Judiciary on H.B. No. 116

The purpose of this Act is to set aside certain minimal property so that a debtor and his family can exist and he is able to continue to earn a living and avoid being a burden on the State.

The provisions of this Act are necessary as Hawaii's statute like others is antiquated with terminology and provisions relating to the turn of the century. It contains ambiguities and lacks procedures to give effect to substantive provisions. Your Committee agrees that amendment is long overdue. Many changes contained in this bill were stimulated by a recent thorough overhaul of the California exemption laws. Bankruptcy laws by reference in the federal law also make extensive use of these exemptions.

Your Committee has made the following amendments to the Act:

1. The definition of "head of a family" has been clarified to indicate that each individual whether men or women may qualify. Real property has been substituted for premises for consistency with the definitions and remaining provisions of the bill.
2. In the first section and throughout the bill for consistency, your Committee has substituted real property for land, property, and other words meaning real property.
3. A further subparagraph has been added to the definition of "head of a family" to insure that an individual who is divorced or deceased who has individuals dependent on, and living with, him or her, receive the exemption allowed such head of a family.
4. The definitions of "property" and "real property" have been combined for greater clarity.
5. The real property exemption section has been amended by increasing the exempted portion from \$20,000 and \$10,000 to \$30,000 and \$20,000 respectively and adding a phrase that the exemption shall in no case exceed \$30,000 on any individual parcel of real property. This amendment was inserted to insure no higher exemption would be obtainable over and above all liens and encumbrances. The amounts used (\$30,000 and \$20,000) in the real property exemption section are arbitrary and could be raised or lowered. Your Committee feels that the figures are fair and testimony supports this belief.
6. In the section on the effect of divorce or separation on the exemption, your Committee has substituted vacation for cancellation in referring to a decree of separate maintenance to conform to existing law. Interlocutory decree is included in this section to provide for the 300 or so couples who presently are under the old interlocutory decree method of divorce. These provisions afford them the rights of a married couple, should they be reconciled.
7. The section on page 5 establishing priority of payments gives the debtor a six-month period during which he may apply the exempt proceeds toward another home without fear of another creditor impounding the funds. Your Committee has inserted therein a provision requiring the satisfaction of the judgment as the fourth priority and made the payment of the balance to the exemption claimant a fifth priority to correct an apparent error in the bill.
8. Section 2 of the bill provides for personal property exemptions. The paragraph exempting household furnishings and the like has been amended to provide that they may be used by the debtor or his family instead of requiring them to be used by the debtor and his family as provided by the bill. This paragraph on household belongings, etc., does not cover heirlooms, etc., which exceed \$1,000, as such provisions, while commendable, would turn the balance of equity against just creditors.
9. The motor vehicle exemptions contained in paragraph (2) acknowledges the fact that new cars are usually financed to a degree that little, if any, equity exists for a creditor to levy upon. It is the \$300 "clunker" that is usually paid up. This exemption clarifies present law and in the interest of the fairness, protects the "clunker" up to \$1,000.
10. The third personal exemption provided in paragraph (3) refers to business tools, etc. Your Committee has deleted the words "reasonably necessary to and actually

used in a commercial activity" and deleted "commercial" as it modified motor vehicle. These two changes are in recognition of the fact that a widow, who uses her car to drive to and from the office, take the children to school, and do her grocery shopping, while not using her car only for a commercial activity, needs her car to pursue her living just as much as an insurance salesman driving a \$5,000 car was exempted under existing law.

11. The last paragraph providing a personal exemption for wages, clarifies existing law to provide that the exemption will cover the pay check for services rendered during the 31 days before the creditor starts his proceeding. Under existing law, the creditor has been obtaining these wages, but the equity dictates that the debtor should have some wages to live on after the creditor obtains all his other funds. Your Committee has amended the paragraph to clarify that it applies to all proceedings of this type, instead of possibly being read as applying only to execution.

12. Provisions are made for the priority of payments from the execution and sale of personal property. The same amendment was made to this section as was made under item 7 herein.

13. Your Committee has made other minor substantive, technical, and style changes to the bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 116, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 180 Health and Labor and Public Employment on H.B. No. 420

The purpose of this bill is to amend Hawaii's Prepaid Health Care Act to give employees covered under the Act the right to choose the type of prepaid health care plan -- reimbursement type or provision of service type -- that suits their needs. The bill would preserve the employer's option of selecting the specific health care contractor. This measure also is designed to preserve for employees the basic right of free choice of physician.

Your Committees considered testimony from the Department of Labor and Industrial Relations, from representatives of health care contractors in arriving at our recommendations.

Your Committees on Health and on Labor and Public Employment are in accord with the intent and purpose of H. B. No. 420 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 181 Labor and Public Employment on H.B. No. 606

The purpose of this bill is to clarify Section 78-5, Hawaii Revised Statutes, which authorizes the appointment of public officers and employees to boards and commissions.

At present, the appointment of a State employee to a State board or commission or the appointment of a county employee to a county board or commission is questionable under Section 78-5. This section merely authorizes the appointment of a State employee to a county board or commission or the appointment of a county employee to a State board or commission.

This bill makes it clear that, except where service on a board or commission would be inconsistent or incompatible with his regular duties, a public officer or employee may serve on any board or commission other than the Civil Service Commission.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 606 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 Kamalii.

SCRep. 182 Labor and Public Employment on H.B. No. 152

The purpose of this bill is to amend the Workmen's Compensation Law to cover domestic workers.

The definition of "employee" in chapter 386 presently does not include an individual whose "employment is solely for the personal, family or household purposes". This serves to exclude domestic workers such as gardeners, maids, chauffers, and valets from coverage under the law. Thus a sizeable number of workers has been left without protection against injury and wage loss from work-related causes.

This bill proposes to amend the definition of "employee" so that an individual employed "solely for personal, family, or household purposes" would be included within the meaning of the term and would be afforded coverage and protection under the Workmen's Compensation Law.

Your Committee agrees that domestic workers should be covered under the law as they are exposed to the risk of injury and wage loss from work-related causes like all other workers.

The proposal was supported by the director of labor and industrial relations in his testimony before your Committee. However, his recommendation was that workmen's compensation coverage be extended only to those domestic workers who receive remuneration in cash amounting to at least \$50 in a calendar quarter. This would tend to exclude casual employment and facilitate enforcement of the law as it will apply to domestic workers. Your Committee has adopted the foregoing recommendation of the director of labor and industrial relations and amended the bill to limit the law's coverage of domestic workers only to those who are paid \$50 or more in cash during a calendar quarter.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 152, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 183 Labor and Public Employment on H.B. No. 157

The purpose of this bill is to amend the Workmen's Compensation Law by increasing permanent partial disability compensation payable under the schedule of benefits in Section 386-32 by approximately 25%.

Section 386-32 contains a schedule of indemnity benefits payable under the law to an injured worker for the loss or loss of use of different members of the body. For example, under the schedule a worker who loses a thumb is paid compensation at the rate of 66-2/3% of his average weekly wages for a period of 75 weeks, a worker who loses a hand is paid compensation for 244 weeks, and a worker who loses a leg is paid compensation for 288 weeks. The benefits enumerated therein are intended to indemnify an injured worker for partial disability resulting from the permanent loss or loss of use, in full or in part, of different members of the body and become payable after the injury becomes stabilized and its permanent effects are appraised. The schedule was last amended in 1957 to provide higher loss values for different parts of the body.

Your Committee agrees that the schedule of benefits in Section 386-32 should be amended to provide higher benefits for permanent partial disability because of the long period of time which has elapsed since that portion of the law was last amended to provide improved benefits.

Your Committee is aware of the additional costs involved in an improvement of the benefit schedule. In view of the fact that the Workmen's Compensation Law was amended last year to provide higher maximum weekly benefit amounts, it is of the opinion that the schedule of benefits payable for permanent partial disability should be increased by 10% rather than the 25% proposed. It has amended the bill to provide 10% increases in the loss value delineated in Section 386-32.

Your Committee on Labor and Public Employment is in accord with the intent and

purpose of H.B. No. 157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 157, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 184 Labor and Public Employment on H.B. No. 418

The purpose of this bill is to amend the Hawaii Occupational Safety and Health Law in several respects, primarily to keep it in conformity with federal standards.

Public Law 91-596, the Federal Occupational Safety and Health Act, prescribes standards on occupational safety and health which are applicable on a nation-wide basis. However, a state is permitted to administer and enforce occupational safety and health standards under its own law if the state law is "as effective" as the federal law. Act 57, Session Laws of 1972, was enacted so the state could retain the authority to administer its own law. The law has recently been reviewed and the federal government has recommended several amendments designed to strengthen the law and keep it "as effective" as the federal law. The recommendations are embodied in Sections 1 to 7 of the bill and the Director of Labor and Industrial Relations urges their adoption.

The specific proposals for amendment of the Hawaii Occupational Safety and Health Law are:

1. Section 1 of the bill proposes a change in the definition section of the law which would clarify the State's jurisdiction to include every place of employment other than a place where the exclusive safety jurisdiction is vested in a federal agency.
2. Section 2 proposes to add new language which would permit the Department of Labor and Industrial Relations to prosecute, defend, and maintain actions to enforce the law.
3. Section 3 proposes criminal sanctions against persons who unlawfully use or possess explosives.
4. Sections 4, 5, and 6 propose clarifications in the administrative appeals procedures and in the provisions for judicial review of decisions of the Labor and Industrial Relations Appeals Boards.
5. Section 7 proposes to authorize the Appeals Board to issue orders to protect the confidentiality of trade secrets.

Your Committee agrees that the Hawaii Occupational Safety and Health Law should be amended to improve its effectiveness and to keep it in compliance with federal standards.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 418 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 Kamalii.

SCRep. 185 Legislative Management

Informing the House that House Resolution Nos. 540 to 545, House Concurrent Resolution Nos. 100 to 102, and Standing Committee Report Nos. 186 to 201 have been printed and distributed.

Signed by all members of the Committee.

SCRep. 186 Energy and Transportation on H.B. No. 446

The purpose of this Bill is to amend Chapter 291C, Hawaii Revised Statutes, the Statewide Traffic Code, by:

- (A) requiring an emblem of standard shape and color characteristics to be displayed

on the rear of slow moving vehicles;

- (B) (1) changing Section 291C-95 of the Hawaii Revised Statutes, to allow the counties to designate certain locations where school bus flashing warning lamps shall be used;
- (2) requiring that school bus visual signals conform to the Manual on the Uniform Traffic Control Devices (MUTCD).
- (C) making a clarification of the language in 291C-38.

Your Committee finds that very slowly moving vehicles, especially on rural highways where traffic speeds are higher and highways are older in design, are unexpected hazards for other drivers. It is often difficult to tell whether a vehicle is moving at an average traveling speed or not. A driver approaching at an average speed will often assume that a slowly moving vehicle is maintaining a faster speed than it is.

The use of a slow moving vehicle emblem by a vehicle which cannot attain a speed over 25 miles per hour is extremely helpful in identifying the vehicle. Public education must also be instituted to teach motorists the meaning of the emblem.

The present Subsection 291C-95(b), Hawaii Revised Statutes, prohibits a school bus driver from using the flashing warning lights on a school bus except outside a business or residential district. The inflexibility of this provision has been found to prevent the use of these warning lamps within business or residential districts where special circumstances may make it desirable to use the warning lamps.

Drivers of other vehicles are required to stop for a school bus exhibiting flashing warning lamps only outside of a business or residential district. The definition of a business and residential district is considered to be sufficiently ambiguous as to provide little means of recognition to the ordinary vehicle driver.

The Manual on Uniform Traffic Control Devices (MUTCD) presents traffic control device standards for all streets and highways in the United States. Uniformity of traffic control devices simplifies the task of the road user because it aids in recognition and understanding. The State of Hawaii has adopted the MUTCD as its manual by Rules and Regulations. The bill adopts the MUTCD requirements relating to visual signals.

Your Committee has also found that the burden of exercising traffic safety responsibilities should be placed on the driver rather than school children. Because of their young age children are more likely to inadvertently ignore or disregard traffic safety signals and procedures.

Your Committee has amended the bill by deleting the phrase "or when the highway on which the vehicle is operating is one on which pedestrian crossings are prohibited" from the end of proposed Section 291C-95(b) of the bill so that the section now reads as follows:

- 1. "(b) Subsection (a) shall not apply to a vehicle when the school bus and the vehicle are on different roadways."

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 446, and recommends that it be referred to the Committee on Judiciary as amended herein, in the form attached hereto as H.B. No. 446, H.D. 1.

Signed by all members of the Committee except Representatives
Carroll and Clarke.

SCRep. 187 Consumer Protection and Commerce on H.B. No. 1549

The purpose of this bill is to appropriate necessary sums to maintain and operate television translator facilities throughout the State for the purpose of improving educational and recreational television reception in areas of the State with inadequate reception.

Your Committee has left the amount of appropriation to be determined by the Committee on Finance.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1549 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 188 Energy and Transportation on H.B. No. 1004; H.B. No. 1074; and H.B. No. 1077

1. H.B. No. 1004, entitled: "HOUSE BILL RELATING TO IMPROVEMENTS TO KAPIOLANI BLVD., KAMOKU STREET TO HARDING AVENUE, OAHU".

The purpose and intent of this bill is to construct site improvements.

2. H.B. No. 1074, entitled: "HOUSE BILL RELATING TO APPROPRIATIONS FOR TRANSPORTATION IMPROVEMENTS IN THE 22ND REPRESENTATIVE DISTRICT, OAHU".

The purpose and intent of this bill is to make site improvements.

3. H.B. No. 1077, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR HIGHWAY IMPROVEMENT PROJECTS IN THE 22ND REPRESENTATIVE DISTRICT, OAHU".

The purpose and intent of this bill is to make highway improvements.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.B. Nos. 1004, 1074 and 1077 and recommends that these bills pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 189 Higher Education on H.B. No. 996

The purpose of this Act, as amended, is to appropriate funds for the hiring of 177 Facilities Management staff at the University of Hawaii at Manoa (122 custodial positions and 55 grounds repair personnel positions). The intent of this bill is to meet existing and projected facilities management needs at the Manoa campus, relieve the work overload of present staff, and furnish job opportunities.

Your Committee has held a public hearing on this bill, received testimony from the Vice Chancellor for Administration of the University of Hawaii, the Associated Students of the University of Hawaii, the University of Hawaii Professional Assembly, the Labor-Community Alliance, Facilities Management workers, and numerous students, and finds as follows:

Facilities Management at the University of Hawaii is significantly understaffed. As a result, the deterioration of facilities has affected educational quality as well as the morale of faculty, students, and workers. To meet the 1975-77 needs--projected on the basis of University workload standards and upkeep requirements-- a substantial increase in the number of positions is necessary. As an example, the University workload standard for custodians is 12,500 gross square feet (GSF) of floor space per worker. Your Committee has heard testimony that by July 1976 custodians will have to maintain an average of 20,270 GSF of floor space. Ninety-two additional positions would be needed to meet University standards. These computations assume that the 30 positions included in the University's budget request will be released for 1975-77. If funds are not appropriated and released, the average GSF per worker and the number of additional positions will be higher.

Your Committee has amended the position number and appropriation sum to read as follows:

Custodial positions	122
Ground repair personnel positions	<u>55</u>
Total	177
Sum Appropriated	\$2,000,000

Your Committee believes that this amendment more accurately reflects the personnel needs of Facilities Management at the Manoa Campus. The 30 custodial and 10 landscaping positions that were inadvertently left out of the original request, are accounted for in the amendment.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 996, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 996, H.D. 1.

Signed by all members of the Committee.

SCRep. 190 Judiciary on H.B. No. 115

The purpose of this bill is to enact the Uniform Parentage Act, with appropriate amendments, additions, and deletions to meet particular needs in Hawaii, especially in the areas of procedures, adoption proceedings, and vital statistics.

The Uniform Parentage Act, promulgated and adopted by the National Conference of Commissioners on Uniform State Laws in 1973 and approved by the House of Delegates of the American Bar Association in 1974, is intended to provide substantive legal equality for all children regardless of the marital status of their parents. The Uniform Act is designed to meet the constitutional equality standards enunciated by the United States Supreme Court in two lines of decisions, one beginning with Levy v. Louisiana, 391 U.S. 68 (1968), dealing with the substantive rights of the child born out of wedlock; and the other beginning with Stanley v. Illinois, 405 U.S. 645 (1972), dealing with the rights of the father of a child born out of wedlock.

Your Committee heard testimony on this bill from representatives of, among others, the Family Court, the City and County of Honolulu Corporation Counsel, Child and Family Service, and the Hawaii Commissioners on Uniform State Laws. On the basis of informed advice from these sources, your Committee on Judiciary recommends the following amendments to H.B. No. 115:

1. Delete all of Sec. -5.
2. Sec. -6(a) is amended to provide a time schedule within which an action may be brought to declare the existence or nonexistence of the father and child relationship. The schedule is designed so as not to impede unnecessary adoption proceedings and to accord appropriate rights of bringing such an action by the child's natural father or by other designated parties.
3. Sec. -6 is amended by the addition of a new subsection (b) which incorporates provisions from existing law under sections 579-2 and 579-4, HRS, providing for the issuance of warrants, placing of bonds as security, forfeiture of such bonds, and like procedural matters deemed necessary in a port jurisdiction with a mobile population, in order to deal with situations where the natural father is likely to leave the jurisdiction.
4. Sec. -8(c) is amended to extend the jurisdiction and venue for actions under the Act to include authority to bring an action in a county where the mother resides or where the child was born, as well as a county where the child or the alleged father resides or is found.
5. Sec. -9 is amended to provide that the appointment of a guardian for the child as a party to the action is within the discretion of the court; to require the court to give notice to the parents of a minor who is an alleged or presumed father in such proceedings; and to designate the county attorney or corporation counsel to represent the child's mother.
6. Sec. -14(a) is amended to refer to the Hawaii Family Court Rules which are expected to be promulgated and adopted soon; and to provide that neither the mother nor the alleged father, both of whom may be compelled to testify, shall be subject to criminal prosecution other than for perjury because of matters testified to.
7. Sec. -15(c) is amended to incorporate provisions from existing law under section 579-5, HRS, covering security for and enforcement of judgment, including

sequestration of the father's property.

8. Sec. -19 is amended to provide that the appointment of counsel for a party who is financially unable to obtain counsel and the furnishing of a transcript for purposes of appeal by a party financially unable to pay the cost, is within the discretion of the court.

9. Sec. -24 is amended to provide that when the child becomes the subject of an adoption proceeding, the court will determine whether the natural father exercised parental duties, obligations, and concern for the child; and if the court is satisfied that he has done so, he shall be given notice of the adoption proceeding. If the court is satisfied that the natural father has failed to exercise parental duties, obligations, and concern for the child, the court shall terminate his parental rights with reference to the child.

10. A new section 2 is added to the bill, amended sections 388-1, 338-12, 338-17.7, and 338-21, HRS, to conform the law relating to public health statistics and birth certificates with the provisions of the Uniform Parentage Act, as amended.

11. A new section 3 is added to the bill, amended section 574-2, HRS, to conform the law relating to children's names with other provisions of this bill.

12. The effective date of the bill is amended to make it effective January 1, 1976, thereby facilitating preparation for the new law by the bench, the bar, and other affected public and private agencies.

13. Other amendments include matters of detailed procedure, style, and renumbering.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 115, 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 except Representative Carroll.

SCRep. 191 Education on H.B. No. 714

The purpose of this bill is to mandate the Department of Education to establish Learning Centers in the public high schools of the State using the Kailua High School Learning Center as a model. The Department of Education shall further report to the legislature, prior to the convening of the 1976 regular session, on its progress in implementing the purpose of this bill.

The Kailua Learning Center program was first implemented in 1969 to provide an educational alternative for underachieving and failing students. Presently, the program method consists of (1) diagnostic-prescriptive techniques; (2) individualized self-instructional programs for academic skill development with particular emphasis on programming for success; (3) individual, group and crisis counseling; (4) vocational exploration and/or placement; (5) cooperation with community agencies such as Family Court, Liliuokalani Trust, Department of Social Services and; (6) home visits.

An evaluation of the program conducted in March 1973 for the 1972-1973 school year produced the following exemplary results:

1. 92% of the students stayed in school and graduated with their class.
2. 85% of the students made academic gains pro-rated according to the number of months they were in the Center. For example, one month gain for one month in the Center.
3. 80% of the students increased their attendance by 300%.

The Learning Center attempts to design and operate a learning center that provides appropriate cues and prompts for the desired student responses. They take students who are vivid examples of failure and move them step by step into the realities of success. This program has given evidence that these students do perform when meaningful incentives are offered to them and that they can establish positive habits and attitudes about learning as they learn.

Your Committee believes there is a dire need for alternatives within the regular high school setting for those students who wish to take advantage of the array of course offerings but who still need the individualized attention offered by the Learning Center.

Your Committee has made the following amendments:

1. Because no one alternative system of education will meet the needs of all students who need these special services, the bill now states that the Department of Education may and not shall, establish equivalent learning centers in the public high schools.
2. An appropriation of \$170,000 has been inserted.
3. The appropriation shall be for the 1975-76 and 1976-77 school years.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 714, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 192 Education on H.B. No. 659

The purpose of this bill is to appropriate funds for the continuation of the Statewide School Security Patrol Program established by Act 186, Session Laws of Hawaii 1974, and expand it to include the neighbor islands.

Act 186 provides that "officers of the patrol shall be assigned to designated campuses and shall be directed to report to the appropriate police agency any circumstances requiring police action or attention" for the purpose of preventing "on-campus vandalism, hi-jacking, drug sales and use, and other activities inimical to academic pursuits."

Through testimony given to your Committee, it was shown that this program is one which is desired by both students and administration. On trips to the neighbor islands, your Committee heard testimony requesting such a program in their schools also.

Your Committee realizes that the School Security Patrol Program is not a panacea, but admits that it is a temporary expedient for the immediate problems occurring on the school campuses.

The monies appropriated through Act 186 are sufficient to maintain the Program until June 1975. The evaluation for this Program by the Office of Planning and Budget is scheduled for completion in June 1975, but by that time the Legislature will have adjourned until the following year. This presents a problem as concerns timing for continued funding for the following school year (1975-1976). If the Legislature were to move favorably, it would not be able to do so until January, which would be half way through the school year.

Your Committee offers three amendments to the Bill. The first amendment is contained in Section 1. The wording of this paragraph is changed from including "hi-jacking, drug sales and use, and other activities inimical to academic pursuits," to "burglary, and the creation of a more secure campus environment." The amended version is felt to be a more positive approach to a negative subject.

The second amendment is contained in Section 2. In the original form, the bill does not specify exactly when the monies appropriated are to be used. The amended form specifies that the monies are to be used during the 1975-76 school year.

The last amendment is contained in Section 4. The original form of the bill sets the date for submission of the evaluation in June, after the Legislature will have adjourned. The amended form sets the date for submission of the evaluation report at twenty days prior to the convening of the 1976 legislative session. Your Committee realizes that this will be during the first semester of school, but it is felt that the report should be sufficient because it will cover the second semester of the 1974-75 school year and the first semester of the 1975-76 school year.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 659, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 659, H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 193 Housing on H.B. No. 56

The purpose of this bill is to curb that growing speculative element in the housing market which tends to inflate housing prices.

Your Committee has found that one of the speculative elements in housing to be the numerous purchasers of individual houses who have no intention of living at these residences but purchase such houses for quick sales. These houses then become investments rather than dwelling which the purchasers live in. The very nature of this transaction, multiplied by the numerous investors throughout the State leads to the spiraling of housing prices.

To accomplish the purpose of discouraging speculation, your Committee recommends: (1) that the present holding period for favorable long term capital gain treatment on sales or exchanges of real property be increased from more than six months, as presently provided in the law, to more than one year. and (2) that the present holding period for short-term capital gain treatment on sales or exchanges of real property be increased from not more than six months to not more than one year.

Your Committee on Housing upon consideration of this bill recommends that the present provisions of Section 2 of the bill be deleted and that the following amendments be substituted:

1. Section 2 of this bill be amended by defining short-term capital gain" to mean the gain from the sale or exchange of real property held for not more than one year, if and to the extent such gain is taken into account in computing gross income.
2. Section 2 of this bill be further amended by defining "short-term capital loss" when computing such loss in taxable income.
3. Section 2 of this bill be further amended by defining "long-term capital gain" to mean the gain from the sale or exchange of real property held for more than one year if and to the extent such gain is taken into account in computing such loss in taxable income.
4. Section 2 of this bill be further amended by defining "long-term capital loss" when computing such loss in taxable income.
5. Section 2 of this bill be further amended specifying the applicability to the amendments set forth above to only real property.
6. Section 2 of this bill be amended to define "sale or exchange of real property" for purposes of clarity.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 56, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 56, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 194 Labor and Public Employment on H.B. No. 858

The purpose of this bill is to appropriate the sum of \$25,000 for a grant-in-aid to the Leeward Immigrant Center, to be expended by the State Commission on Manpower and Full Employment.

The Leeward Immigrant Center has been operated by the YWCA of Oahu since 1971 and provides services which assist immigrants in the Leeward Oahu area to meet adjustment problems. The area has many immigrants and the continued need for the type of services provided by the Leeward Immigrant Center has been demonstrated.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 858 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 195 Education and Health on H.B. No. 165

The purpose of the bill is to provide a comprehensive school health services program for grades kindergarten through twelve in the public schools of the State.

BACKGROUND

Act 130, Session Laws of Hawaii 1970, established a school health services pilot project to "examine the effectiveness and feasibility of utilizing public health nurses assigned to certain high schools and working with health aides to provide school health services for grades kindergarten through twelve in the public schools." Pursuant to this legislative mandate, eleven school complexes which included approximately eighty-one individual schools and some 48,000 students, were involved in the pilot project. To monitor and evaluate the project's program effectiveness, a Governor's Advisory Committee for the School Health Services Pilot Project was also established by Act 130.

The Act also outlined the program's objectives:

- (1) Development and maintenance of minimum standards for health rooms;
- (2) Provision of qualified personnel to carry out health appraisal activities;
- (3) Provision of personnel to give first aid and emergency care in the school complexes; and
- (4) Provision of personnel to render preventive health care.

The pilot project is administered by the School Health Services branch of the Department of Health.

PROGRAM ACTIVITIES

Reports are annually submitted by the Governor's Advisory Committee for the School Health Services pilot project reveal that the pilot project has provided a maximum of care for a minimum of cost. In its 1973-74 evaluation report, the Committee noted the following progress in achieving the program's objectives for public school student health care:

- (1) Minimum standards for health rooms. At the present time, the Department of Education and the School Health Services Branch Chief are jointly developing plans and specifications for school health rooms. Since the implementation of Act 130, space for school health room activities has increased in pilot project schools and necessary supplies and equipment are readily available for treatment of students.
- (2) Qualified personnel for health appraisal activities. The program has provided health aides who are specifically trained to perform or provide assistance to the school nurse or other professionals in vision, hearing, height and weight screening programs. In addition, health services follow-up activity is provided in each of the pilot schools where the school nurse confers with students and parents about health problems requiring further care. The activity also includes assistance to families in developing better attitudes toward health care. In 1973-74, it was reported that school nurses received 1,552 referrals, made 203 home visits, and some 3,000 contacts with students, parents, school officials, and private doctors as part of the follow-up program.
- (3) First Aid and Emergency Care. Data provided from logs kept by school health aides showed that for the year 1973-74, activities included:

Total visits	169,445	
Injuries	71,890	(43%)
Illnesses	57,819	(34%)

The number of students receiving care for injuries and illnesses is indicative of the level of activity of the program.

- (4) **Preventive Care.** School health aides review student health records to check on deficiencies in immunization. Where deficiencies are found, health aides have work with parents and students to correct such deficiencies. In addition, school health aides make monthly inspections of their schools to identify school hazards and sanitation problems.

RECOMMENDATIONS

(1) Testimony presented before your Committee indicated support for the school health services program. In addition, the Governor's Advisory Committee on School Health Services Pilot Project, the Department of Health, and the Department of Education have recommended expansion of the program to all school complexes in the State. Your Committees are also aware of a forthcoming evaluation report on the School Health Services Program as requested under Conference Committee Report No. 8 on S.B. No. 1295-73 (Act 218, Session Laws of Hawaii 1973).

Your Committees recognize the need for adequate school health services to assure quality health care for all public school students. However, your Committees further recognize that the expansion of the school health services pilot project to all school complexes in the State warrants careful consideration to ensure effective implementation. Therefore, your Committees feel that the permanent establishment of the program should be deferred pending the Legislative Auditor's report which will provide guidelines concerning the implementation of a statewide program including staffing patterns, equipment needs, and other operational factors. Subsequently, your Committees have deleted section 3 of H.B. 165 since an amendment to chapter 321, Hawaii Revised Statutes is not necessary at this time.

(2) Because evaluation reports submitted by the Governor's Advisory Committee on School Health Services Pilot Project indicate that the program has been effective in accomplishing its goals under Act 130, Session Laws of Hawaii 1970, your Committees have provided an appropriation of \$2,887,622 for the School Health Services Program for the biennium 1975-1977 which includes the expansion of the program to the remaining twenty-two complexes.

Your Committees recommend that as a minimum staffing level, each complex be served by one public health nurse, one part-time clerk, one school health aide substitute, and that each school be served by one school health aide. Your Committees further recommend that in providing one school health aide per school, the Department of Health may modify the staffing pattern to accommodate other factors such as geographic distance between schools.

(3) Your Committees have designated the Department of Health as the expending agency.

Your Joint Committees on Education and Health are in accord with the intent and purpose of H.B. No. 165, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 165, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 196 Health on H.B. No. 30

The purpose of this bill is to provide a comprehensive drug abuse program for the State and to provide for its implementation.

Testimony presented before your Committee revealed that the drug abuse problem has been increasing in recent years. Statistics for 1973 show that there are some 600-800 heroin addicts or users in the State. A proportionately larger percentage of these heroin addicts are located on Oahu. In addition, barbiturate addiction or abuse is

estimated to affect some 2,500 persons on Oahu. Statewide estimates of the problem would increase the number affected to approximately 5,000. Aside from the single drug usage, there exists polydrug use. Polydrug use involves a mixture of heroin, barbiturates, uppers, downers, cocaine, and alcohol. Drug service providers estimate that 23,500 persons fall into this category of drug usage and the numbers are expected to increase.

At the outset of the emerging drug abuse problem, response was generally a local effort focusing on community needs. However, in 1973, a State Plan for drug abuse prevention was developed which provided a comprehensive plan for drug abuse prevention and treatment. The overall State goal is "the reduction of social costs related to drug abuse." To obtain this goal, the plan identified as one of its objectives the "reduction of social costs through drug abuse treatment and rehabilitation programs through development of drug abuse prevention plan."

Your Committee recognizes the complexity of the drug abuse problem in terms of the motivational factors which contribute to drug usage. As a result, your Committee believes that the development of a comprehensive plan should take into consideration as many alternative approaches to drug prevention, treatment, and rehabilitation services.

In addition, your Committee believes that support should be given to implementing the State Plan for drug abuse prevention.

In determining the appropriation for drug programs contained in this bill, your Committee used the following criteria:

- (1) Inclusion of program in the State Plan. Higher priority was given to programs which have been incorporated in the State Plan as part of an integrated network of services. In addition, where agencies would be providing services in identified gaps in services, your Committee felt it was important that funds be provided.
- (2) Federal grants. To take full advantage of federal funds under Public Law 92-255 and other substance abuse funding, your Committee felt that funds should be provided first to meet matching fund requirements. In using available federal funds, the State would benefit from an increase in services with a minimum of monetary input.
- (3) Direct Aid. Your Committee placed a priority on programs which did not qualify for federal matching funds and who do not have any other source of income, but are included in the State Plan.

As a result of its deliberation, your Committee has provided funds for the following programs:

- (1) Island-wide Detached Counselor Program. The program provides an alternative to traditional counseling and rehabilitation services through an outreach method. Program personnel work with clients in their own territory and on their own terms. The target group is neighborhood individuals who are involved in drug abuse. Services include intensive therapeutic group and individual counseling supplemented by medical, educational and vocational rehabilitation services. The decentralized program operates on an island-wide basis from the area YMCA.
- (2) Drug Addiction Services of Hawaii. The main focus of the program is to provide initial diagnostic screening and twenty-four hour, seven days a week inpatient detoxification for heroin and barbiturate addicts on a statewide basis. Services include medical care, supportive personal counseling during detoxification and follow-up rehabilitation counseling and referral services. The target group is approximately 200 addicts. The program is administered by the Waikiki Drug Clinic and is located at St. Francis Hospital.
- (3) In-Community Treatment Center. The program provides a variety of rehabilitation services to habituated drug abusers, age thirteen to seventeen, in a day center program. Its three basic components include: (1) Group therapy; (2) Learning center to assess and develop learning skills; (3) Job sampling experience for short periods. The target group is sixty persons. It is the intent of the program to eliminate drug abuse and facilitate socially acceptable behavior and development of the target population. The program is operated by Palama Settlement.

- (4) Habilitat. The program provides a residential program for 121 persons in the re-entry and treatment phase of drug rehabilitation. The purpose of the program is to help individuals relearn the values, morals, and principles which will let them achieve positive and productive goals in the larger community.
- (5) Hale o'ulu (proposed). This program will provide a day treatment center which focuses upon vocational training with remedial education in the context of the Hawaiian concept of "ohana." The counseling services are provided to the youngster and his family. Recreational and social activities are provided several evenings a week for the youngster and his family.
- (6) Teen Challenge. This program focuses on problems of drug abuse through education, preventive outreach and rehabilitation. Its two main approaches are outpatient counseling and residential rehabilitation center programs. The goal of the residential program is the development of a totally responsible individual, including complete abstinence from all chemical props to assist in adjusting to reality. In its residential treatment center program, the program serves approximately 45 youths over the age of fifteen. Through its drop in centers work, it serves approximately 200 persons per year.

To fund the above described programs, your Committee has established the following funding levels:

AGENCY	FEDERAL FUNDS		STATE FUNDS		TOTAL STATE FUNDS FOR BIENNIUM 1975-77
	1975-76	1976-77	1975-76	1976-77	
<u>Public Law 92-255</u>					
YMCA (Island-wide Detached Counselor Program)	\$244,307	\$232,092	\$ 75,295	\$ 87,510	\$ 162,805
DASH/CTF (Drug Addiction Services of Hawaii)	77,132	73,275	40,286	44,143	84,429
Palama Settlement (In-Community Treatment Center)	36,680	34,846	18,699	20,533	39,232
<u>Titles IVA and VI, Social Security Act</u>					
DASH (Drug Addiction Services of Hawaii)	235,875	276,903	84,625	92,301	176,926
Habilitat	337,068	361,776	112,356	120,592	232,948
Hale o'ulu	174,684	58,228	31,463	37,287	68,750
<u>Direct Aid</u>					
Teen Challenge	--	--	\$ 38,255	\$ 45,720	\$ 83,975
				Total	<u>\$ 849,065</u>

The drug treatment and rehabilitation agencies for whom funds are being provided under this bill are part of an integrated system developed for the City and County of Honolulu. Your Committee feels that it is imperative that services be expanded to the other counties of the State and that a statewide comprehensive drug program be developed by the appropriate agency.

Your Committee has amended H.B. No. 30 in the following manner:

- (1) SECTION 2 has been amended to include the following appropriations for specific agencies with provisos on such appropriations:

Program	Program ID	Appropriations	
		FY 75-76	FY 76-77
YMCA--Island-wide Detached Counselor Program	GOV 866	\$ 75,295	\$ 87,510
Drug Addiction Service of Hawaii	GOV 866	40,286	44,143
Palama Settlement--In-Community Treatment Center	GOV 866	18,699	20,533

Provided that all money appropriated in the items listed above shall be matched with federal funds under Public Law 92-255.

Drug Addiction Service of Hawaii	GOV 866	84,625	92,301
Habilitat	GOV 866	112,356	120,592
Hale o'ulu	GOV 866	31,463	37,287

Provided any money appropriated for the above listed items shall be matched with federal funds under Title IVA and VI of the Social Security Act, as amended.

Teen Challenge	GOV 866	38,255	45,720
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- (2) A new section has been added, SECTION 3, which designates the expending agency as the Substance Abuse Agency in the Office of the Governor.

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

Signed by all members of the Committee.

SCRep. 197 Youth and Elderly Affairs on H.B. No. 395

The purpose of this Act is to provide an excise tax exemption to all persons aged sixty-five and over, and to certain persons aged sixty to sixty-four.

The "Comprehensive Master Plan for the Elderly" prepared for the Hawaii State Commission on Aging states that in 1969 17% of Hawaii's elderly had incomes which placed them below the official U.S. poverty level.

The diminished purchasing power of the dollar in Hawaii as compared to other U.S. jurisdictions, coupled with the effect of inflation on those living on fixed incomes such as social security, suggests that the number of elderly in this State who are in fact unable to maintain a decent and healthful standard of living is significantly higher than 17%.

Your Committee is concerned about the plight of these senior citizens, the majority of whom have throughout long years of employment paid their taxes and made their economic contribution to Hawaii. Your Committee therefore desires to eliminate the excise tax on food and drugs for these senior citizens, thereby making adequate nutrition and health care more accessible to them.

The Master Plan for the Elderly states that in 1969, Hawaii's elderly families and unrelated individuals had an average deficit below the poverty level of \$1,028 and \$780, respectively. However, the Plan also notes that there is a great discrepancy in the situation of senior citizens aged 60-64, who are often still employed and at the peak of their pre-retirement earning power, and those elderly persons aged 65 and over, for whom retirement often means a significant drop in income.

Your Committee finds that these factors indicate the need to distinguish between these two groups of senior citizens. The relatively large proportion of persons aged 65 and over who are in need of income assistance would render administration of an income-eligibility based exemption costly and cumbersome; your Committee has accordingly adopted an amendment exempting all persons of that age group from payment of excise taxes on food and drugs; whereas, for the reasons cited, only certain persons aged 60-64 have been so exempted. The income eligibility criterion is stated in a new subsection, 237- (e), which specifies that eligibility of persons 60-64 shall be identical to the income eligibility requirements of the food stamp program administered by the Department of Social Services and Housing.

Under this section, the Department of Social Services and Housing is made responsible for determining eligibility and for issuing eligibility certificates to those who qualify. Your Committee recommends this eligibility standard and method of processing for its administrative simplicity; the Department of Social Services and Housing already possesses all necessary forms and knowledge to implement this plan. Furthermore, senior citizens who qualify for either program will automatically receive the benefits of the other, with consequent increased outreach efficiency.

The paralleling of the food stamp program is continued by amending paragraph (4) so as to delete the list of substances used to define "food products". In place of this definition is substituted the following:

"Food products" include those products purchasable under the food stamp program administered by the Department of Social Services and Housing.

This amendment allows retailers to continue segregating items as they are accustomed to do for customers using food stamps.

Paragraph (5) in section 237, excluding certain substances from the definition of "food products" has been deleted because the preceding amendment renders it unnecessary.

In order to avoid abuse of the exemption whereby elderly persons purchase food and drugs for those who are too young or well-to-do to qualify, your Committee has amended H.B. No. 395 to include the use of coupons.

Under this system, described in Chapter 237, subsections (e), (f) and (g) of H.B. No. 395, H.D. 1, the eligible elderly--all persons aged 65 and over, and income-eligible persons aged 60-64--are provided with coupons to be used in place of currency to pay the amount of food and drug costs attributable to excise tax--i.e., four per cent. Retailers may then diminish the amount of excise tax they pay on their gross receipts by the stated dollar value of coupons in their possession; thus the exemption granted to elderly consumers does not increase the tax burden of the retailer.

The value of the coupons is to be their face value, and each qualified senior citizen is to receive an amount equal to 8% of the maximum amount for which a single person is eligible under the requirements of the food stamp program: four per cent of the allowance for food, doubled to allow for payment of tax on drugs.

Your Committee has amended Chapter 237, subsection (d) by specifying 60 or over to be the required age; and by providing that retailers shall allow the exemption granted under this section only to those persons who present coupons as provided under subsection (e), as well as the certificate of identification originally required by H.B. No. 395.

Your Committee has further amended H.B. No. 395 so as to delete Section 7, part 1, which provides:

a. That identification certificates shall be valid for one year only. Yearly renewal presents an unnecessary inconvenience to the senior citizen, since once someone is 60 or over he will remain so; and

b. The provision limiting issuance of an identification certificate to those presenting a certificate of adjusted gross income from the Department of Taxation certifying that they earned less than a certain amount. This provision has been deleted for purposes of consistency.

In addition to the provision for the issuance by the Department of the Attorney General of an identification certificate with a photograph, your Committee has amended this bill to provide, in Chapter 237, subsection (e), for use of Honolulu bus passes, on which a photograph of the bearer appears, for use as identification. Provision has also been made for neighbor island residents to use bus passes as identification should such a program be instituted on the neighbor islands, provided that such passes include a photograph.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 395, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 395, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 198 Water, Land Use, Development, and Hawaiian Homes on H.B. No. 677

The purpose of this Act is to provide planning coordination to be within the Department of Planning and Economic Development who shall also prepare a State planning policy with the aid of the counties through their policies, general plans and public hearings, which will serve as a future guide for county and State agencies in their land use planning.

Your committee finds that a comprehensive state planning policy taking in consideration all facets of life in the State is imperative in Hawaii where land is a finite matter and its intelligent use assures our people preservation of the Hawaiian way of life.

Your committee amends H.B. No. 677 in its entirety and H.D. 1 provides the general planning functions to be in the department of planning and economic development who shall adopt a state planning policy by relating to the social, economic and environmental factors and consider county policies, plans, agencies and the public through a hearing in each county in accordance with Section 91-3 of the Administrative Procedures Act. The Department shall also conduct studies, evaluations, and monitor conflicts in the implementation of these planning policies as well as advise the legislative and executive branches of government.

The Department shall submit these planning policies to the governor for approval first and then to the legislature for approval in the 1976 regular session. A review by the Department will be made every four years thereafter, and the same county public hearing requirement, governor and legislative review and approval applies. All State agencies and counties must comply with these policies. The counties must adopt such State policies and amendments within three years of the effective date of such policies and amendments. The State matching funds shall be contingent upon the counties' conformity to the provisions in this bill.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. 677, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 677, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives
Abercrombie, Lunasco, Yap, Fong and Ikeda.

SCRep. 199 Water, Land Use, Development, and Hawaiian Homes on H.B. No.
1870

The purpose of this bill is to reform the procedures by which the Land Use Commission makes its decisions in order to: (1) more effectively achieve the purposes of Hawaii's Land Use Law; and (2) provide for more effective participation in the land use decision-making process. This bill is intended to insure the effective application of established land use policies through an adversary process in which all interests will have the opportunity to compete in an open and orderly manner. The Commission is reconstituted as a judicial body and mandated to make impartial decisions based on proven

facts and established policies.

The key element of this bill is the reconstitution of the Land Use Commission as an agency making quasi-judicial decisions in accordance with the Hawaii Administrative Procedures Act, hereinafter referred to as "HAPA". The advantages of making the proceedings quasi-judicial is that the parties have the right to confront and cross-examine witnesses and no ex-parte communications will be permitted unless notice is given to all parties to participate. Under section 5 of the bill which amends Section 205-4, Hawaii Revised Statutes, the existing quasi-legislative provisions are repealed and the commission is mandated to conduct proceedings pursuant to the contested case provisions of the HAPA.

A significant problem in conducting quasi-judicial proceedings involving land use decisions is the determination of who has standing to participate in such proceedings. In this regard your committee feels that standing requirements should be as broad as possible consistent with the necessity of an orderly and manageable hearing. Section 5 of the bill provides that the petitioner, a newly created Land Use Division within the Department of Planning and Economic Development and the County Planning Commission shall in every case appear as parties. Other governmental agencies are authorized to intervene. Persons who have some property interest in the land, who reside on the land, or who can otherwise demonstrate that their interest in the outcome of the proceeding is clearly distinguishable from that of the general public are required to be admitted upon timely application for intervention. All other persons may apply to intervene and such applications shall be freely granted provided that applications may be denied when the position of the applicant is substantially the same as the position of an existing party and the admission of additional parties will render the proceedings inefficient and unmanageable.

Section 2 of the bill removes the ex-officio members of the Land Use Commission, the Director of the Department of Planning and Economic Development and the Chairman of the Board of Land and Natural Resources, from the Commission. These agencies will participate in Commission proceedings as parties and it is inconsistent for their heads to serve as members.

Section 4 of this bill repeals the old language of Section 205-3 Hawaii Revised Statutes providing for the original establishment of land use district boundaries in 1964. This section adds language providing that district boundaries existing on the effective date of the act shall continue, provided that your committee does not however, intend to ratify past committee actions which are under review by the courts.

Your committee has made several amendments to this bill.

First, it has included a requirement that the notice of hearing be published in the county in which the land is sought to be redistricted as well as in a newspaper of general circulation in the State.

Your committee has also amended the bill to provide that filing fees may only be authorized as to petitioners and not as to intervenors.

Your committee has deleted a section of the bill relating to the development of State land use guidance policies to govern the Commission in its decisions. Your committee recognizes that such policies are essential and should be developed and the Commission should be required to take only such action as is consistent with them. Your committee feels, however, that House Bill No. 677, H.D. 1, is a more appropriate vehicle in which to impose this requirement. Such policies and criteria are to be developed by the Department of Planning and Economic Development, approved by the Governor, and submitted to the 1976 Regular Session of this Legislature for legislative review and approval. Your committee feels that such policies and criteria should not be developed by the Land Use Commission and notes that the Commission has supported this change. This bill accordingly repeals provisions in section 205-2, Hawaii Revised Statutes, which provide that the Commission shall set standards for determining the boundaries of land use districts.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of House Bill No. 1870, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1870, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives
Abercrombie, Lunasco, Yap, Fong and Ikeda.

SCRep. 200 Judiciary on H.R. No. 320

The purpose of this Resolution is to indicate the State House of Representative's support of the Hawaiian Native Claims Settlement bill to the Indian Affair Sub-committee of the Interior Committee of the United States House of Representatives.

The Resolution sets forth a brief historical statement that speaks for itself.

Your Committee on Judiciary is in accord with the intent and purpose of H.R. No. 320, and recommends that it be adopted.

Signed by all members of the Committee.

SCRep. 201 Judiciary on H.C.R. No. 100

The purpose of this Resolution is to show the Indian Affair Sub-committee of the Interior Committee of the United States House of Representatives the support of the Hawaii State Legislature for the Hawaiian Native Claims Settlement bill on behalf of the people of Hawaii.

The Resolution sets forth a brief historical statement that speaks for itself.

Your Committee on Judiciary is in accord with the intent and purpose of H.C.R. No. 100, and recommends that it be adopted.

Signed by all members of the Committee.

SCRep. 202 Judiciary on H.B. No. 1248

The purpose of this bill is to provide for greater flexibility in the development, planning, and operation of conditional release centers by eliminating the numerical restriction as to the resident population permitted at each center.

The present corrections law prohibits a conditional release center from having more than 15 residents at any given time. This does not permit flexibility in situations where a particular program might be better implemented by having more than 15 residents.

The bill would remove the statutory maximum and permit the Director of Social Services and Housing to set the resident limits to fit the various individualized programs that he may wish to implement at the conditional release centers.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1248 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 203 Public Assistance and Human Services on H.B. No. 613

The purpose of this bill is to permit the Department of Social Services and Housing to authorize severely handicapped persons to maintain and operate vending machines and concessions in public buildings. First priority is given to blind or visually handicapped persons in the assignment of machines and concessions.

The present statute only permits the Department to authorize blind persons to operate vending machines and concessions. The Department submitted the bill in order to expand the opportunities for other handicapped persons to engage in gainful employment.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 613 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 Kamalii.

SCRep. 204 Consumer Protection and Commerce on H.B. No. 852

The purpose of this bill is to amend Chapter 482 to require certification, rather than notarization, of applications for the registration of trademarks, prints, labels, and trade names.

Section 482-2, Hawaii Revised Statutes, presently provides that an applicant for registration of a trademark, print, label, or trade name must file an application verified on oath setting forth information required by the section. The notarization requirement is burdensome on the public and has created an excessive workload in the Department of Regulatory Agencies. This bill eliminates the notarization requirement and substitutes a requirement that applications be certified. An appropriate penalty for any person falsely certifying an application is set forth.

Your Committee has amended the bill to correct typographical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 852, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 852, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 205 Consumer Protection and Commerce on H.B. No. 851

The purpose of this bill is to amend the provisions of the Collection Agency Law, Section 443-9, Hawaii Revised Statutes, to require that the surety on bonds executed by an applicant or licensee be insurers authorized by the State Insurance Commissioner to engage in the insurance business.

Under existing law, the surety need not be authorized to engage in the insurance business if a certified financial statement is filed with the bond. The Collection Agency Board testified before your Committee that the rights of clients of collection agencies will be better protected if they are bonded only by an authorized surety bonding company.

Your Committee has amended the bill to correct typographical errors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 851, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 851, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 206 Energy and Transportation and Environmental Protection on H.B. No. 48

The purpose of this bill is to amend the State's Environmental Impact Statement Act (Chapter 343, Hawaii Revised Statutes) to include explicit consideration of the effects of proposed actions on energy resources in the State Environmental Impact Statement System.

The bill proposes to (1) amend the definition of "significant effect" by adding the phrase "adversely affect energy resources"; and (2) amend section 343-4(2) by adding "(F) all actions affecting current and future supplies of energy resources by increasing depletion of such resources".

Your Committee finds that energy resources are natural resources, and that concern for their conservation is a proper part of any concern with environment.

The amendment to Section 343-4, Hawaii Revised Statutes, in Section 1 of H.B. 48 makes environmental impact statements mandatory for any State or County agency and any individual, including private partnerships, firms, corporations, and other legal entities, initiating a project or program defined as "action" in the law that would adversely affect current and future supplies of energy resources. More specifically, any project or program that would deplete the supply of energy resources requires an environmental impact statement.

Your Committee has amended the bill as follows:

1. The amendment to Section 343-1 has been amended to delete the words "current and future supplies of" for clarification.
2. The amendment to Section 343-4 has been amended to read as follows: "(F) All action adversely affecting current and future supplies of energy resources which would result in the depletion of such resources," for clarification.

Your Committees on Energy and Transportation and Environmental Protection are in accord with the intent and purposes of H.B. No. 48, as amended herein, and recommends that it pass Second Reading and be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 48, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Clarke and Kamalii.

SCRep. 207 Labor and Public Employment and Health on H.B. No. 419

The purpose of this bill is to amend the Hawaii Prepaid Health Care Act by designating the principal employer, who is responsible for providing health care coverage, as the employer who pays the most wages to a regular employee when there are two or more employers.

Under the present law, Section 393-6, Hawaii Revised Statutes, a regular employee who works for two or more employers has the right to choose which employer shall provide the health care coverage as required by law.

Your Committees received testimony at a public hearing regarding possible abuses under Section 393-13, Hawaii Revised Statutes, of the Hawaii Prepaid Health Care Act. Section 393-13, Hawaii Revised Statutes, requires an employer to pay at least one-half the premium cost for coverage with the employee contributing the balance, as long as the employee does not pay more than 1.5 per cent of his wages. Under these provisions, an employee may find it to his advantage to select that employer as the principal employer whose share premium cost would result in greater savings in premium payments to the employer. This situation would force certain employers to bear a greater portion of the premium cost than they would otherwise.

Your Committees further learned that the continual shifting on principal employers in job situations, such as in the retail industry, creates a lack of continuity in an employee's health plan coverage. Your Committees recommend an amendment that would bind the principal employer at the time of his designation as a principal employer as the provider for health care coverage for one year or until change of employment, whichever is earlier.

Your Committees on Labor and Public Employment and Health are in accord with the intent and purpose of H.B. No. 419, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 419, H.D. 1, and it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 208 Labor and Public Employment on H.B. No. 156

The purpose of this bill is to amend the Temporary Disability Insurance Law to:

1. Require a negotiated sick leave plan to provide benefits "at least as favorable" as the disability benefits provided under the law before the Director of Labor and Industrial Relations may approve it as satisfying an employer's obligation to provide temporary disability benefits for his employees; and
2. Require any negotiated or voluntary sick leave plan to provide at least 13 weeks of benefits or 8 weeks of full wage continuation before it can be deemed to provide benefits "at least as favorable" as the disability benefits provided under the law.

The Temporary Disability Insurance Law obligates employers to provide temporary disability benefits for their employees. An employer normally meets the foregoing obligation through the purchase of an insurance policy providing all benefits enumerated in the law. The law also provides alternative methods of satisfying this legal obligation and employers who had voluntary or negotiated sick leave plans in existence on the effective date of the law, January 1, 1970, are deemed to have satisfied their obligations to employees under the law as long as the plans remain in effect. The Director of Labor and Industrial Relations was compelled to accept negotiated sick leave plans as having met employers' legal obligations without reviewing their benefit provisions. However, he was authorized to accept voluntary plans for the same purpose only if they provided benefits "as favorable as" the benefits under the law from an actuarial cost basis. Employers with negotiated plans were also permitted to extend the plans without meeting the "as favorable as" requirement. Substantial numbers of employees covered by negotiated sick leave plans have therefore been receiving less in disability benefits than the law actually provides.

This bill proposes to amend Section 392-41 to require that any negotiated sick leave plan or agreement which was in effect on January 1, 1970 may be extended only if the benefits provided by the plan or agreement, as extended or modified, are found by the Director of Labor and Industrial Relations to be at least as favorable as the benefits provided by the law. It will require the modification of all negotiated sick leave plans or agreements with substandard benefits to provide benefits approximating those specified in the law before they can be approved as meeting employers' obligations under the law.

The bill further proposes to set minimum benefit standards which must be met by all voluntary or negotiated sick leave plans. The minimum benefits proposed are the payment of 13 weeks of sick leave benefits or 8 weeks of full wage continuation. Without these standards plans providing only a few weeks of benefits may be deemed to provide benefits at least as favorable as those provided under the law from an actuarial standpoint. This would be contrary to the law's purpose to protect workers against wage loss from disabilities extending beyond one or two work weeks.

Your Committee agrees that employers should not be relieved of obligations to provide temporary disability benefits through sick leave plans with benefits inferior to those enumerated in the law. Plans with substandard benefits should be upgraded to provide benefits at least as favorable as those enumerated in the law before they are further amended. Your Committee also agrees that minimum benefit standards should be enacted to further the primary policy of the law to protect workers against wage loss occasioned through disabilities lasting beyond a week or two.

Your Committee is of the opinion, however, that the alternative minimum benefit standard of eight weeks of full wage continuation should be shortened to six weeks and has amended the bill accordingly.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 156, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 209 Education on H.B. No. 76

The purpose of this bill is to incorporate flexibility into the educational system through means of examinations for course credit in the public schools.

During the public hearing, your Committee was informed by the Department of Education that there exists in the Rules and Regulations (No. 4530) a policy on credits which allows for credit by examination "where appropriate measures are available." Yet, it was further learned that this option is rarely available.

Your Committee believes that the consistent presence of this option will enhance the educational system. The system of credit by examination will allow some of the special talents and interests of some students to be fulfilled and will allow students to learn at their own pace.

Your Committee offers an amendment to Section 2 of this Bill. The Bill originally stated that the examination would be developed by instructors and the department

would prescribe the manner and places in which the examinations would be offered. The amendment directs that the district curriculum specialist responsible for the subject area to be examined will develop the examination. It also directs that the examination will be developed with the consultation of the teachers in the district and the State program specialist.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 76, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 76, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 210 Energy and Transportation on H.B. No. 1064

The purpose of this bill is to appropriate _____ out of the general revenues of the State of Hawaii for small boat launching facilities in Leeward Oahu at the following locations:

1. Aiea Bay, Pearl Harbor, Oahu
2. Waipio Peninsula, Pearl Harbor, Oahu
3. West Loch, Pearl Harbor, Oahu
4. Barbers Point, Ewa, Oahu
5. Nanakuli, Oahu

Your Committee finds that the need for boat launching facilities in Leeward Oahu is recognized, however, the Department of Transportation recommends only one such facility be considered and that it be located in the Barbers Point area.

At this time, the Department of Transportation does not recommend funding to provide boat landing facilities at Aiea Bay, Waipio Peninsula, and West Loch, all located in Pearl Harbor until a more definite and comprehensive plan to take advantage of the recreational potential of Pearl Harbor is established. The major concerns are jurisdictional responsibility and security matters that are currently being studied by the State and the Navy. The Nanakuli area needs should be satisfied by the realization of the proposed Waianae Boat Harbor project which envisions six to seven boat launching lanes.

Your Committee adopted the recommendations of the Department of Transportation by amending Section 1 of the bill to read as follows: "There is appropriated out of the general revenues of the State of Hawaii, the sum of \$200,000, or so much thereof as may be necessary, for small boat launching facilities in Leeward Oahu at Barbers Point, Ewa, Oahu".

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 1064, as herein amended, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1064, H.D. 1, and that it be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Clarke.

SCRep. 211 Water, Land Use, Development, and Hawaiian Homes on H.B. No. 549

The purpose of this Act is to provide that private property taken in excess of the requirement for the purpose taken may be sold at public auction if it is of a size or configuration suitable for use as a separate property in conformity with applicable zoning regulations.

Also provided for is the subdivision of a remnant not meeting zoning requirements so that its abutting portion could be sold to each of the abutting owners if there are more than one.

The present provision restricts the sale of excess property resulting from condemnation for public purpose, regardless of the lot size, configuration or topography, to the owner or owners of abutting land. Because of this restriction, the sale price obtainable for such excess property may be far less than what could be obtainable if disposal were to be by sale at public auction for standard size parcels.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord

with the intent and purpose of H.B. No. 549 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 212 Water, Land Use, Development, and Hawaiian Homes and Agriculture on H.B. No. 353

The purpose of this Act is to simplify applications for a lease in relation to agricultural parks.

This Act will eliminate the requirement that persons applying for an agricultural-park lease who have not previously held farm or homesteading land, and who did not own other land in the state which, when combined together with the leasehold land being applied for, did not exceed 80 acres.

Also provided for in this Act is that ownership of lands of comparable use will not disqualify an individual from applying for a lease within an agricultural park.

People who own more than 80 acres of land in the state will be encouraged to apply for an agricultural park lease. It would also enable those people who had previously held farm or homesteading land to apply for an agricultural park lease.

Your Committee recommends an amendment, to read as follows:

Line 5: To read "for in section 171-68 (a) and (c)". The drafter of this bill inadvertently eliminated "(c)".

Your Committees on Water, Land Use, Development, and Hawaiian Homes and Agriculture, are in accord with the intent and purpose of H.B. No. 353, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 353, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Yap, Clarke, Amaral, Ikeda and Oda.

SCRep. 213 Culture and the Arts and Education on H.B. No. 1710

The purpose of this bill is to appropriate funds to defray operational expenses of the Nanaikapono Community-School Museum.

The Nanaikapono Community-School Museum serves as a resource center to develop and disseminate information on the cultures of the Pacific through printed material, display of artifacts, and demonstration of skills and processes of polynesian life. The museum is unique. It provides a variety of resources in which users can not only see the material; but touch, smell, listen, and reconstruct some facsimiles of Hawaiian artifacts. The museum's activities are an integral part of the educational curriculum of the Nanaikapono Elementary School, and has been particularly effective in relating to alienated students. The museum has a highly successful community outreach program.

Funds to establish the museum came from model cities and from the State through Act 299, the Progressive Neighborhood Act. However, these funds will expire on August 31, 1975.

Your Committees recommend an amendment stipulating that the sum of \$60,000 be expended for the purpose of this bill.

Your Committees on Culture and the Arts and Education are in accord with the intent and purpose of H.B. No. 1710, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1710, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 214 Culture and the Arts on H.B. No. 1681

The purpose of this bill is to appropriate the sum of \$100,000 to conduct archeological research at Kealakekua Bay, Hawaii, and prepare interpretive and implementation plans for State park facilities at Kealakekua Bay.

Kealakekua Bay was the site of a thriving Hawaiian community before the advent of European influence in the islands. It is also the site where H.M.S. Challenger and H.M.S. Endeavor under the command of Captain James Cook first docked off the island of Hawaii and where the Captain lost his life in 1779. Although rich in archeological artifacts and resources, there has been no extensive archeological survey undertaken in the area. The Bay is also rich in historical significance, but beside for a monument erected in memory, there are no interpretive structures and aids in the area. Because of the lush, beautiful scenery and the possibilities of water recreational activities, Kealakekua Bay will lend itself readily to becoming a State Park.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1681 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 215 Culture and the Arts on H.B. No. 1714

The purpose of this bill is to provide funds for the purchase of the plantation manager's home in Ewa, Oahu, as a historical site.

The Ewa Plantation was incorporated in 1890, making Ewa one of the first sugar mill towns in the State. It is highly representative of a typical sugar plantation, which formed the economic backbone of the islands and set patterns for social group interactions which continued for decades.

Rooms in the home could be restored as they were in the days of Ewa Plantation's first manager, W. J. Lowrie in 1890. Visitors to the facility can thereby see the types of furnishings used in this period, types of clothing worn by the manager's family, and general living standards of the manager's family. The home can also be utilized as a heritage house with galleries containing artifacts from this era, and a library room to store documents relating to Ewa's community history and development.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1714 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 216 Culture and the Arts on H.B. No. 1912

The purpose of this bill is to encourage cooperative activities among the theatre and other performing arts organizations of Hawaii.

The Hawaii Theatre Festival will offer free performances of three Shakespearean plays to be presented in Thomas Square on an outdoor stage constructed to resemble an original Shakespearean stage house. These performances will be offered Thursday through Sunday evenings beginning in June, running for a total of seven weeks. The actors and directors involved in these productions will also form a children's company, which would tour playgrounds on Oahu and perform for youths participating in the city's free summer fun program. An anticipated 50,000 people will be reached.

The project will be a joint effort of the State of Hawaii, the City and County of Honolulu, and a major community based on theatre organizations in Honolulu. By the periodic gathering of the concerned groups during the summer, it is hoped that efforts toward organizing a professional theatre company for Hawaii be encouraged and renewed.

The City and County of Honolulu has submitted to the National Endowment of the Arts a request for funds under the City Spirit Program. The City and County of Honolulu will provide additional funding above the original request to the National Endowment of the Arts. Fifty thousand dollars (\$50,000) is requested out of the general revenue

for matching funds to be used in this program.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1912 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 217 Culture and the Arts on H.B. No. 1715

The purpose of this bill is to appropriate \$270,000 to fulfill the statutory requirements of Section 103-B, Hawaii Revised Statutes, regarding prior appropriations made for Halawa Stadium.

Section 103-B, Hawaii Revised Statutes, requires that appropriations for original construction of any State building include one percent for acquisition of artistic objects. Last year, State Comptroller KeNam Kim did not withhold one percent of the appropriation for the stadium construction for the acquisition of works of art. The \$270,000 was not withheld because of differing interpretations of what constitutes a building. The Kalihi-Palama Culture and Arts, Inc. in June 1974 filed suit against the State to obtain a ruling from the circuit court.

In January of this year, Circuit Judge Norito Kawakami ruled in favor of the Kalihi-Palama group by granting a summary judgment stating that the State must set aside \$270,000 for art works and artistic exhibits. However, no money has been set aside. Your Committee feels that it is proper for the legislature to set aside \$270,000 to fulfill provisions of Section 103-B, Hawaii Revised Statutes.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1715 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 218 Culture and the Arts on H.B. No. 1117

The purpose of this bill is to enable the commissioning of an artist based on design completion, for the creation of a sculpture of Queen Liliuokalani entitled "The Spirit of Liliuokalani."

Queen Liliuokalani, last of the Hawaiian monarchs, took the throne in January 1891, upon the death of her brother, David Kalakaua. Her two-year reign was one of confrontation and bravery. She attempted to proclaim a new constitution to restore some of the power lost by the monarchy, and attempted to protect the rights of the native Hawaiians.

On January 17, 1893, Liliuokalani abdicated her throne after troops from the U.S.S. Boston surrounded Iolani Palace on request of U.S. Minister John L. Stevens.

The deposed Queen made several attempts to the United States appealing to President Grover Cleveland to investigate the cause and legitimacy of the revolution. Liliuokalani later returned to writing and music. The Queen died in 1917 at the age of 79, a symbol of liberty and freedom for Hawaiians.

Your Committee feels that a sculpture of Liliuokalani placed in permanent display in the rotunda of the State Capitol would complement the aesthetics of the Capitol and keep Hawaii's citizens aware of the richness of society, the people, and the heritage of Hawaii preceding its annexation to the United States.

Your Committee recommends an amendment stipulating that \$50,000 be appropriated for the purposes of this bill.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.B. No. 1117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1117, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 219 Culture and the Arts and Higher Education on H.B. No. 1256

The purpose of the bill is to transfer the multicultural program presently under the Hawaii Foundation for History and the Humanities to the University of Hawaii's Ethnic Studies Program.

Your Committee conducted an extensive review of the Hawaii Foundation for History and the Humanities with particular interest in its multicultural programs established under Section 6-16.5, Hawaii Revised Statutes. In its review, the Committee examined the authorizing statute, the effects of the provisions of the statute, and the effectiveness of the multicultural program within the Foundation. The findings of your Committee are as follows:

HAWAII FOUNDATION FOR HISTORY AND THE HUMANITIES

Chapter 6, Hawaii Revised Statutes, provides for the establishment of a Hawaii Foundation for History and the Humanities whose purpose is to promote historic preservation, research, restoration, presentation, museum activities and support programs to help insure the preservation functions under its three major programs as follows:

- (1) General functions. These functions include conducting research studies and investigations in the field of ethnohistory and humanities; establishing a centralized repository and historic information center and clearinghouse for public and private organizations; developing a continuing and comprehensive museum and museum related activities support program; and creating a State trust for historic preservation.
- (2) Review board functions. These functions include overseeing the Department of Land and Natural Resources in its selection of historic sites; ordering and entering properties in the Hawaii Register of Historic Places; evaluating and nominating sites to the National Register of Historic Places; approving and evaluating all designations of historic sites as places of historic interest; reviewing the State survey of historic properties; reviewing the content of the State historic preservation plan; and maintaining the Hawaii Register of Historic Places.
- (3) Multicultural programs. These functions include recording Hawaii's social and cultural history through collections and preservation of oral or written communications; encouraging the ethno-historical and multi-cultural activities of all ethnic groups in the State; and creating a centralized repository for ethno-historical and multi-cultural information.

MULTI-CULTURAL PROGRAMS

The multi-cultural program was statutorily established under Act 251, Session Laws of Hawaii 1974. However, prior to the enactment of the statute, the Hawaii Foundation for History and the Humanities had already undertaken the coordination and direction of the activities of a multi-cultural center in the field of ethno-history, research and study. The reason for the statutory enactment was to make explicit the programmatic responsibility of the Hawaii Foundation for History and the Humanities with respect to the informally established multi-cultural center.

This informal establishment of a center was the result of Act 163, Session Laws of Hawaii 1971 which provided for an ethnic studies program within the Office of the Governor to record Hawaii's social and cultural history through oral or written communications; encouraging ethno-historical and multi-cultural activities of all ethnic groups; and creating a repository to house multi-cultural studies materials. The Act further provided for the governor to contract for services with the Hawaii Foundation for History and the Humanities, the University of Hawaii or any private or public organization for the purposes of the Act. The contract went to the Hawaii Foundation for History and the Humanities.

As a result, a Board of Directors was established and approved by the Board of Trustees for the Hawaii Foundation for History and the Humanities to facilitate the administration of the contract under Act 163, Session Laws of Hawaii 1971. Essentially, the Board's duties included the administration and operation of the center, community relations, and project development. In addition, the Board of Directors was responsible for the selection of the center director.

Presently, the center's activities consist of four program areas:

- (1) Oral history. All of the activities and projects of the center are related in some way to oral history. Focus on the activities are on two areas: social conditions of sugar workers and the early days of the plantation and ethnic organizations' histories.
- (2) Publications. A monthly newsletter column is published containing information on the center's programs and activities, an ethnic events column, a history and activities description of an organization or group engaged in ethno-historical and cultural activities, research papers of interest and community news.
- (3) Media activities. Media activities consist of the development of slide and sound presentations relating to the ethnic traditions and practices of the various groups.
- (4) Photograph and artifact collection. The center maintains a collection of photographs, letters, diaries, and other resource material for research and educational purposes.

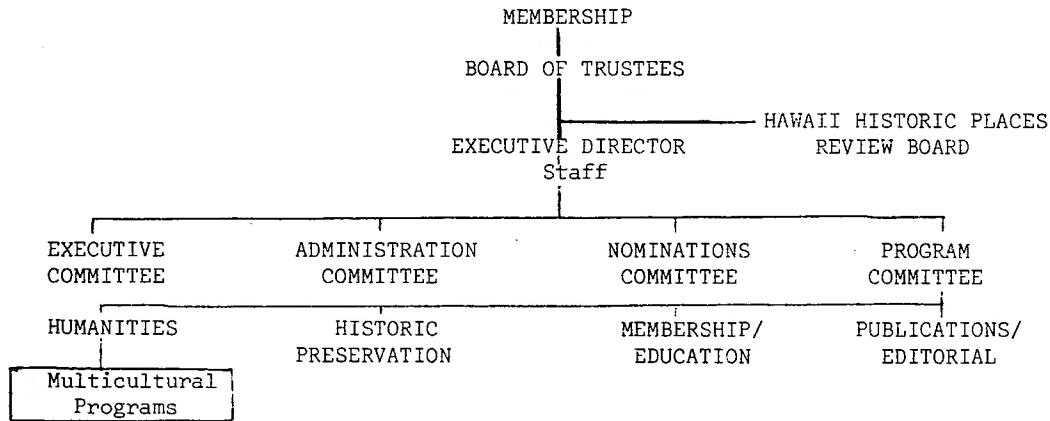
MULTI-CULTURAL PROGRAM ISSUES

Your Committee found that the multi-cultural program under the Hawaii Foundation for History and the Humanities has not been developed to the full intent of the statute. This limited development is a result of a number of factors:

- (1) Philosophical difference concerning multi-cultural programs. Testimony presented before your Committee revealed the existence of a basic philosophical difference between the Board of Trustees of the Foundation for History and the Humanities and the Board of Directors of the Multi-cultural Center regarding an approach to history. This philosophical difference is part of a changing attitude toward the nature of history. Within recent years, ethnic history, that is, history told from the point of view of a particular ethnic group, has emerged to provide new perceptions and insights into the development of a community or society. What this new approach to history provides is an expansion of previous historical information. For Hawaii, this is of particular importance since it would provide a fuller understanding of the inter-relationships and contributions of the various cultural groups in the development of our unique society.
- (2) Program emphasis of the Foundation. Your Committee found that the general program emphasis of the Hawaii Foundation for History and the Humanities is in the area of historic preservation and related recreational activities. As a result, your Committee found that not enough emphasis was being placed on developing oral history programs as intended under the statute. Further, this lack of emphasis has contributed to limited program development. Thus far, programs in the area of an information center, a clearinghouse, and museum and museum related activities have not been established.
- (3) Structure. Your Committee found that procedural confusion existed as a result of both the past and present organizational structure. Previously, the multi-cultural program within the Foundation was accountable to two Boards--the Multi-cultural Center Board and the Board of Trustees of the Hawaii Foundation for History and the Humanities. This dual accountability required that decisions for certain expenditures of the Multi-cultural Center Board be approved by the Board of Trustees of the Hawaii Foundation for History and the Humanities. Any expenditure of funds over \$5,000 by the Center for Multi-cultural Programs required trustee approval. However, expenditures under \$5,000 did not. The Board of Directors of the Multi-culture Center, therefore, had the power to administer and govern operations but did not have full funding control.

To aggravate the situation, Act 251, Session Laws of Hawaii 1974, required the Hawaii Foundation on History and the Humanities to reorganize as an educational, nonprofit public corporation. Under its reorganization, the Foundation further submerged the multi-cultural program. The organizational chart below implies that the multi-cultural programs must go through three

layers of organizational structure to reach the full Board of Trustees of the Foundation.



Organizational Structure of the Hawaii Foundation for History and the Humanities--1975

However, your Committee notes that the actual procedures for the organization have not been established. The situation is further compounded by the fact that the directors of the Multi-cultural Center Board have resigned and in their place the Humanities Subcommittee of the Program Subcommittee of the Board of Trustees of the Foundation is acting as the governing board of the Multi-cultural Center.

The interplay of the abovementioned factors has caused hiatus in projects within the multi-cultural program. Of particular interest to your Committee is the oral history project which is to record the experiences, perceptions, and culture of the immigrants who represent the roots of our culture. Your Committee feels that it is imperative that this project be developed in an expeditious manner. Further delays could only mean irretrievable loss of firsthand information sources because of the advanced ages of many of these people. Since much of the information has never been written down, oral recollection of immigrants is the only method by which pieces of Hawaii's past may be compiled.

In view of the philosophical and organizational problems encountered by the multi-cultural program within the Hawaii Foundation for History and the Humanities, your Committee recommends that the program be transferred to the Ethnic Studies Program of the University of Hawaii. Your Committee believes that, under an academic atmosphere, the multi-cultural program and, in particular, the development of an ethnic history of the cultures of Hawaii, the integrity of the program can be maintained as intended by statute. Your Committee further believes that the transfer of the program will provide self-determination for the multi-cultural program and extract it from its present difficulties. At the same time, it would allow the Hawaii Foundation for History and the Humanities to concentrate its efforts on its program priorities.

Consequently, your Committee has amended H.B. No. 1256 as follows:

- (1) Section 2 of the bill has been amended by amending Chapter 304, Hawaii Revised Statutes, to include a new subpart relating to multi-cultural programs within the University of Hawaii's Ethnic Studies Program. The original bill would have established the program by general law. However, your Committee feels that the importance of the program warrants a statutory base.
- (2) Section 3 of the bill repeals Section 6-16.6, Hawaii Revised Statutes, which established the multi-cultural program under the Hawaii Foundation for History and the Humanities.
- (3) Section 4 of the bill provides for an appropriation of \$80,000 for the fiscal biennium 1975-77 for multi-cultural programs. The money is to be expended by the Ethnic Studies Program of the University of Hawaii.

- (4) Section 5 of the bill transfers all real and personal property of the multi-cultural center under the Hawaii Foundation for History and the Humanities to the Ethnic Studies Program of the University of Hawaii.
- (5) Section 6 of the bill for all funds appropriated to the multi-cultural program under the University of Hawaii to be transferred with the functions transferred.
- (6) Section 7 of the bill provides for the Ethnic Studies Program of the University of Hawaii to succeed to all the rights and powers and duties and obligations incurred by the multi-cultural center in the exercise of the functions transferred.
- (7) Section 8 of the bill makes reference to House Bill 91 and provides for the provisions of House Bill 91 relating to multi-cultural programs under the Hawaii Foundation for History and the Humanities to be amended in accordance with H.B. 1256 upon its enactment.

Your Committees on Culture and the Arts and Higher Education are in accord with the intent and purpose of H.B. No. 1256, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1256, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 220 Tourism on H.B. No. 100

The purpose of this bill is to provide the mechanism by which the State can attain the optimum development of tourism while maintaining the quality of life for the people of this State.

Testimony received by your Committee indicated the desirability of establishing a tourist coordinator. In light of the testimony received, your Committee recommends the following amendments:

1. Establish an Office of Tourism within the Department of Planning and Economic Development for administrative purposes only. The Governor is authorized to appoint a director of tourism in accordance with section 26-34 of the Hawaii Revised Statutes. The director will be responsible for coordinating and directing tourist related activities and resources in both the public and private sectors, developing a ten-year controlled growth plan for tourism with the advice of a visitor industry advisory council, recommending to government agencies programs and projects to achieve the goals and objectives of the policy plan, recommending to the legislature necessary legislation to implement the ten-year controlled growth policy plan including control and regulation of the tourist industry, and to adopt the necessary rules to carry out the purposes of this Act.

2. Establish a visitor industry council composed of nine members appointed by the Governor, in addition, the planning directors of the counties, the directors of Planning and Economic Development, Transportation, and Labor and Industrial Relations, the Chairman of the Board of Land and Natural Resources, the Director of the Office of Environmental Quality Control, and the Director of the Office of Tourism shall serve ex officio and without vote. The members appointed by the Governor shall represent the public, the tourist industry, and organized labor. The council functions shall include: advisory responsibilities to the Director of Tourism in the development of the policy plan and the annual evaluation; act as a forum for discussion and coordination with the public and private sectors in the areas relating to tourism; promote industry cooperation in obtaining necessary data for research and planning; encourage cooperation between the industry and educational institutions for the development of tourist related educational programs; and perform other functions as may be designated by the Director of Tourism.

3. Requires the development of a ten-year controlled growth policy plan for tourism. A preliminary report of the plan is required before the convening of the regular session of 1976 and a final report of the plan for legislative adoption shall be submitted before the convening of the regular session of 1977. Components of the plan include the employment forecasts, tax revenue projections, geographic dispersion of tourist development, the load-bearing factor on public services which tourist development

would cause, and the growth of tourism within the context of the total development of the State.

4. Require public hearings to be held on the policy plan before submission to the legislature for adoption and require an annual evaluation of the policy and of the program implementation under the policy by the Office of Tourism and the Visitor Industry Council.

5. Provides the Director of Tourism with the authority to contract for services with the Hawaii Visitors Bureau and other tourist related organizations for the promotion of tourism. Requires the director to evaluate such public expenditures and submit a report to the legislature with recommendations.

6. Establish the director's salary at not less than the minimum salary for a department head and allows the director to hire personnel without regard to civil service law.

7. Amends section 201-27 of the Hawaii Revised Statutes relating to the Department of Planning and Economic Development's activities concerning the promotion, development and coordination of tourist related activities and requires that the Department of Planning and Economic Development's recommendations for coordination of tourist facilities and State recreation areas be made to the Director of Tourism.

8. Repeals chapter 203, Hawaii Revised Statutes, which gave the Department of Planning and Economic Development the authority to contract with the Hawaii Visitors Bureau and also authorized it to establish advisory committees on tourism in the counties.

9. Appropriates \$100,000 for the Office of Tourism and allows the Director of Tourism to expend the funds.

Your Committee has made other non-substantive and technical changes for the purposes of clarity and consistency.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 100, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 221 Health on H.B. Nos. 265, 344, 1028, 1030, 1065, 1080, 1191, 1212, 1259, 1276, 1398 and 1405

The purpose of these bills are to provide appropriations, out of the general revenues, for the establishment and improvement of hospital and health facilities.

Your Committee finds that there is a constant need to establish and improve hospital and other health facilities in order to provide efficient and modern health services to the State. Therefore, with the influx of progressive medical technology, the establishing and improving of health facilities will not only serve present patients, but also others that are not currently being served due to the lack of proper facilities and coordination. As a result, by upgrading hospital and health facilities, new ways to resolve recurrent and long term problems could now be attainable.

Your Committee on Health is in accord with the intent and purpose of the following: H.B. No. 265, H.B. No. 344, H.B. No. 1028, H.B. No. 1030, H.B. No. 1065, H.B. No. 1080, H.B. No. 1191, H.B. No. 1212, H.B. No. 1259, H.B. No. 1276, H.B. No. 1398, H.B. No. 1405, and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 222 Health on H.B. No. 1378

The purpose of this bill is to make an appropriation in an unstated amount for the development and implementation of a continuing education program for nurses. The appropriated sum is to be expended for the stated purposes by the State Board of Nursing with the advice, counsel, and cooperation of the professional association

of nurses.

At the hearing conducted on the bill by your Committee, the urgent need for a continuing education program for registered and licensed practical nurses was recognized by representatives of the Hawaii Nursing Association, Kapiolani Community College, the University of Hawaii School of Nursing, and the State Board of Nursing and the bill received their full and whole-hearted support.

Your Committee, upon consideration of the bill, has amended Section 2 of the bill to make a specific appropriation of \$70,000 for purposes of developing and implementing a continuing education program for nurses. It has also followed a suggestion made at the hearing to also require the State Board of Nursing to seek the advice, counsel, and cooperation of the Hawaii Licensed Practical Nurses Association, as well as the Hawaii Nurses Association, in the development and implementation of the program. Section 3 of the bill has been amended in accordance with the foregoing suggestion.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1378, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1378, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 223 Energy and Transportation on H.B. Nos. 961 and 1319

1. H.B. No. 961, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID FOR VARIOUS PROJECTS IN THE 24TH REPRESENTATIVE DISTRICT".

The purpose of this bill is to appropriate funds for grant-in-aid for projects relating to road improvements and bikeways in the 24th Representative District.

2. H.B. No. 1319, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID FOR PLANS AND CONSTRUCTION FOR A BIKEWAY IN KANEOHE, OAHU".

The purpose of this bill is to appropriate funds for grant-in-aid for the construction of a bikeway in Kaneohe, Oahu.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 961 and H.B. No. 1319 and recommends that they pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Clarke.

SCRep. 224 Energy and Transportation on H.B. No. 1605

The purpose of this bill is to provide funds for applications and demonstrations, research and energy institution programs directed toward the development and utilization of alternate energy sources.

Your Committee heard testimonies from the Department of Planning and Economic Development, the State Committee on Alternate Energy Sources for Hawaii, Hawaiian Electric Co., and others in support of H.B. No. 1605.

Your Committee finds that in view of the continuing global energy shortage and Hawaii's near-total dependence on seaborne petroleum, the State should move rapidly to develop its indigenous natural resources to help meet the future energy needs of Hawaii.

Your Committee finds that the program for alternate energy sources has merit, however, there is question as to the amounts appropriated for projects requiring State general funds. Therefore, your Committee has made the following amendments:

1. Delete the figures "882,000" in Section 1, and leave the space blank.
2. Delete both figures of "150" in Section 1(B) Research and Development for OTEC and leave both spaces blank.

3. Delete the figures "40" in Section 1(B) Research and Development for Bioconversion and leave space blank.
4. Delete the figures "218" in Section 1(C) Institutional Support for Hawaii Natural Energy Institute and leave the space blank.
5. Delete the figures "324" in Section 1(C) Institutional Support for Hawaii Natural Energy Institute and leave the space blank.
6. Delete the figures "368" in Section 1 under "Funding" for "75-76" and leave the space blank.
7. Delete the figures "514" in Section 1 under "Funding" for "76-77" and leave the space blank.
8. Delete the figures "863" in Section 1 "TOTALS" under "Funding" for "75-76" and leave the space blank.
9. Delete the figures "924" in Section 1 "TOTALS" under "Funding" for "76-77" and leave the space blank.
10. Delete the figures "882" in Section 1 under Source of Funding (Biennium) and leave the space blank.
11. Delete the figures "1,787" in Section 1 "TOTALS" and leave the space blank.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 1605, as amended herein, and recommends that it pass Second Reading and that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1605, H.D. 1.

Signed by all members of the Committee except Representative Clarke.

SCRep. 225 Energy and Transportation on H.B. No. 1557

The purpose of this act is to appropriate funds out of the State general revenues for the purchase, installation, and implementation of a solar energy conversion system at Pearl City High School cafetorium, Pearl City, Oahu.

Your Committee finds that the solar energy conversion project has merit in view of the continuing energy shortage and search for alternate energy resources.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 1557 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Clarke.

SCRep. 226 Energy and Transportation on H.B. No. 734

The purpose of this bill is to make an appropriation of \$40,000 for plans and construction of a chain link retaining fence along a one eighth section of Komo Mai Drive, Pacific Palisades, Oahu.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 734 and recommends that this bill pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Clarke.

SCRep. 227 Energy and Transportation on H.B. Nos. 183, 184, 189, 224, 226, 309, 314, 496, 692, 708, 936, 958, 974, 1096, 1327, 1403, 1625, 1629, 1675, 1738 and 1812 (Majority)

1. H.B. No. 183, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR THE WIDENING OF KUHIO AVENUE, WAIKIKI, OAHU".

The purpose of this bill is to appropriate a sum for the widening of Kuhio Avenue, Waikiki, Oahu.

2. H.B. No. 184, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR CLEANING UP OF THE ALA WAI CANAL, OAHU".

The purpose of this bill is to appropriate a sum to clean up debris and pollution in the Ala Wai Canal, Oahu.

3. H.B. No. 189, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR A FOOT-BIKE PATH ACROSS THE ALA WAI CANAL, OAHU".

The purpose of this bill is to appropriate a sum for the planning and construction of a combination footpath and bikeway across the Ala Wai Canal at the foot of University Avenue, Oahu.

4. H.B. No. 224, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR THE MAKAWAO AVENUE BRIDGE, MAUI".

The purpose of this bill is to appropriate the sum of \$125,000 for planning and construction of a new bridge on Makawao Avenue, between Makawao and Kokomo, Maui.

5. H.B. No. 226, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR IMPROVEMENT OF KULA HIGHWAY, MAUI".

The purpose of this bill is to appropriate \$50,000 for plans and construction for the widening and resurfacing of approximately 2.8 miles of Kula Highway from Kaipoiioi Bridge to Keokea, Maui.

6. H.B. No. 309, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR BIKEWAY/PEDESTRIAN WALKWAY FACILITIES ON OAHU".

The purpose of this bill is to appropriate a sum for land acquisition, plans, and construction of a combination bikeway/pedestrian walkway and a connecting bikeway, Oahu.

7. H.B. No. 314, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR THE PLANNING AND INSTALLATION OF TRAFFIC SIGNALS AT THE INTERSECTION OF FARRINGTON HIGHWAY AND LEOKANE STREET, WAIPAHU, OAHU".

The purpose of this bill is to appropriate the sum of \$70,000 for the planning and installation of traffic signals at the intersection of Farrington Highway and Leokane Street, Waipahu, Oahu.

8. H.B. No. 496, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR THE PLANNING AND CONSTRUCTION OF A ROADWAY IN PAKOLEA, OAHU".

The purpose of this bill is to appropriate a sum to provide for the planning and construction of a roadway, approximately 4,600 feet in length and 24 feet wide, running along the Waikiki boundary of the residential lots abutting Tantalus Drive on its Waikiki side, connecting Tantalus Drive with the Iaukea Street extension in Papakolea, City and County of Honolulu.

9. H.B. No. 692, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR THE INSTALLATION OF TRAFFIC LIGHTS FOR THE INTERSECTION OF DAIRY ROAD AND PUUNENE JUNCTION, MAUI".

The purpose of this bill is to appropriate a sum for the planning and installation of traffic lights at the intersection of Dairy Road and Puunene Junction, Maui.

10. H.B. No. 708, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR PLANS AND CONSTRUCTION OF A BIKE PATH BETWEEN MAUNAWILI ROAD AND ULUHALA STREET, KAILUA, OAHU".

The purpose of this bill is to appropriate a sum to establish a way along Kalaniana'ole Highway between Maunawili and Olomana in Kailua to enable school children to ride their bicycles to school safely.

11. H.B. No. 936, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR THE INSTALLATION OF TRAFFIC LIGHTS FOR THE INTERSECTION OF KAMEHAMEHA AVENUE AND PUUNENE AVENUE, MAUI".

The purpose of this bill is to appropriate a sum for the planning and installation of traffic lights at the intersection of Kamehameha Avenue and Puunene Avenue, Maui.

12. H.B. No. 958, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR CAPITAL IMPROVEMENT PROJECTS FOR ADDITIONAL TRANSPORTATION NEEDS OF THE 7TH REPRESENTATIVE DISTRICT. (AINA HAINA TO HAWAII KAI)".

The purpose of this bill is to appropriate sums for the following capital improvement projects:

a.	Kalaniana'ole Highway Corridor	\$2,500,000
b.	Freeway Reserve Area	\$ 100,000
c.	Marine Bus Terminal in Hawaii Kai	\$1,000,000
d.	Interim Kalaniana'ole Highway Improvements	\$ 500,000

13. H.B. No. 974, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR ESTABLISHING AND MAINTAINING THE DRAINAGE SYSTEM ALONG KAM HIGHWAY FROM HAUULA TO KAAAWA, OAHU".

The purpose of this bill is to appropriate the sum of \$150,000 for establishing and maintaining the drainage system along Kam Highway from Hauula to Kaaawa, Oahu.

14. H.B. No. 1096, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR RESURFACING OF ROADS IN KAHALUU, OAHU".

The purpose of this bill is to appropriate funds for resurfacing and rehabilitation of roads in Kahaluu, Oahu.

15. H.B. No. 1327, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR HIGHWAY IMPROVEMENTS FOR KAMEHAMEHA HIGHWAY, OAHU".

The purpose of this bill is to appropriate funds for highway improvements on Kamehameha Highway from Kakela Park to the City and County of Honolulu corporation yard near Kahuku, Oahu.

16. H.B. No. 1403, entitled: "HOUSE BILL RELATING TO APPROPRIATIONS FOR TRANSPORTATION FACILITIES IN HAWAII COUNTY".

The purpose of this bill is to appropriate funds for transportation facilities in Hawaii County.

17. H.B. No. 1625, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR RESIDENTIAL LOT IMPROVEMENTS IN NANAKULI, OAHU".

The purpose of this bill is to appropriate funds for plans and construction of road improvements in Nanakuli, Oahu.

18. H.B. No. 1629, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR HIGHWAY AND ROAD IMPROVEMENTS IN THE TWENTY-FIRST REPRESENTATIVE DISTRICT, OAHU".

The purpose of this bill is to appropriate funds for highway and road improvements in the Twenty-First Representative District.

19. H.B. No. 1675, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR CIP PROJECTS IN THE 18TH REPRESENTATIVE DISTRICT, HONOLULU, HAWAII".

The purpose of this bill is to appropriate funds for capital improvement projects in the 18th Representative District.

20. H.B. No. 1738, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR TRANSPORTATION IMPROVEMENTS FOR THE COUNTY OF HAWAII".

The purpose of this bill is to appropriate \$240,000 for transportation improvements for Hawaii County.

21. H.B. No. 1812, entitled: "HOUSE BILL MAKING AN APPROPRIATION FOR A SOLAR ENERGY PILOT PROJECT AT STATE OFFICE BUILDING NUMBER 1, HONOLULU, OAHU".

The purpose of this bill is to appropriate funds for purchasing, installing and implementing a solar energy conversion system at State Office Building Number 1.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. Nos. 183, 184, 189, 224, 226, 309, 314, 496, 692, 708, 936, 958, 974, 1096, 1327, 1403, 1625, 1629, 1675, 1738 and 1812 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Clarke.

Representative Cobb did not concur.

- SCRep. 228 Public Assistance and Human Services and Labor and Public Employment on H.B. No. 1884

The purpose of this bill is to authorize an additional civil service exempt Deputy Director in the Department of Social Services and Housing. The new Deputy Director is in charge of welfare or such other functions as may be assigned by the Director of Social Services and Housing.

Considering the magnitude of the State's public assistance expenditures, the necessity for coordinating services by the Department of Health and the Department of Labor and Industrial Relations which affect welfare recipients, and the need to continuously reassess the use of federal matching funds for social services, your Committees feel that the Department should be granted the additional position as requested.

Your Committee on Public Assistance and Human Services and your Committee on Labor and Public Employment are in accord with the intent and purpose of H.B. No. 1884 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

- SCRep. 229 Public Assistance and Human Services on H.B. No. 430

The purpose of this bill is to make it possible for the Department of Social Services and Housing to prosecute, maintain any support action, or execute any administrative remedy existing under the laws of the State to recover AFDC payments from natural or adoptive parents if they were not included in such payments.

The Department of Social Services and Housing has testified that in order to avoid penalties for non-compliance with P.L. 93-647, the Department must be given legal authority to collect child support in behalf of AFDC children. P.L. 93-647 also requires that each state by July 1, 1975 must have a child support plan approved by the United States Department of Health, Education and Welfare. Each state must have a single child support agency to provide child support and paternity services to all families in the state. Each state will be given federal matching funds for the cost of child support services and will be assisted by the Internal Revenue Service in locating absent parents and collecting child support payments.

The State of Washington has been very successful in its operation of a child support unit similar to that which this bill would permit. Unlike Washington, present statute in Hawaii does not allow the Department of Social Services and Housing to initiate child support action against deserting parents without the consent of their spouses.

Your Committee has amended House Bill No. 430 pursuant to the advice of the Corporation Counsel of the City and County of Honolulu as assisted by the Office of the Attorney

General. Authority to pursue all child support claims is delegated from the Department of Social Services and Housing (which will officially be the parent agency for the single State Child Support Unit) to the county attorneys of Maui and Kauai and the corporation counsels of Honolulu and Hawaii. Your Committee feels that the Department of Social Services and Housing should not itself engage in support actions. Such responsibility already partially resides with the respective county attorneys and corporation counsels and your Committee feels it best to expand such responsibility.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 430, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 430, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 230 Public Assistance and Human Services on H.B. No. 431

The purpose of this bill is to provide that if a recipient of public assistance dies leaving an estate and does not have a surviving spouse or a minor child, then the Department of Social Services and Housing may file a claim against the estate for the amount of public assistance granted.

The Department of Social Services and Housing presently allows recipients of public assistance to own the home they live in. Your Committee feels that it is reasonable for the Department to recover public assistance payments from the estate of recipients if it will not cause hardship to their immediate family.

Your Committee has amended the bill to provide that if a recipient dies leaving an estate and does not have a surviving spouse, child, father, mother, grandfather, grandmother, grandchild, stepfather, stepmother, or any designated heir, then the Department of Social Services and Housing may file a claim against the estate for the amount of public assistance granted. Your Committee feels that recipients of public assistance should be able to give their estate to any designated heir because poor extended families may be able to break the cycle of poverty if they are allowed to retain all of their assets within the family.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of H.B. No. 431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 431, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 231 Energy and Transportation on H.B. No. 1508

The purpose of House Bill No. 1508 is to provide additional revenues to the state highway fund by instituting a state vehicle tax. The proposed state vehicle tax will be levied against the owner of a vehicle and is in addition to the county vehicular tax currently being imposed by the several counties. It will be assessed by weight classes at progressively higher rates.

Your Committee finds that additional revenues to the state highway fund are required to pay for the increasing costs of upkeep and maintaining the State Highway system and to pay for the cost of constructing highways incorporated in the system.

The Department of Transportation testified that the present system and rate of providing revenues for the funds do not meet required expenditures of the land transportation facilities and services program. Despite tautly administered austerity, the estimated operating deficit in the state highway fund will be approximately \$9.9 million in Fiscal Year 1976 and \$10.5 million in Fiscal Year 1977.

The operation and maintenance of the state's land transportation facilities, including debt service on bonds, are financed primarily by the state tax of 5 cents per gallon on motor fuel. Other sources of financing amounting to approximately \$150,000 per year include income from permit fees, rentals and proceeds from the disposal of unrequired remnants of land acquired for highway rights-of-way. Revenues to the State Highway Fund are estimated at approximately \$15.3 million for Fiscal Year 1980-81. About one-half of the total expenditures is debt service on reimbursable general

obligation bonds issued for highway construction projects. This requirement alone for the six-year period will require 92 percent of estimated revenues.

A prime factor in bringing the state highway fund to its current situation is that costs of the program are all subject to inflation, whereas, fuel tax revenues are based on gallons consumed and not subject to price variations. Expenditures have increased approximately sixtysix percent.

Your Committee feels that the state highway fund faces a deficit and requires additional revenues or the necessary construction and maintenance of highway facilities will be adversely affected and the State debt ceiling will be exceeded. The fuel tax, which is the primary source of revenues to the state highway fund, is grossly insufficient and the proposed seventy percent increase in the fuel tax rates would be especially unfair and injurious to many who cannot afford these increases and who, because of our state's uniquely limited land area and land use patterns, do substantially less discretionary and recreational driving than their mainland counterparts and as a result have comparatively little opportunity to reduce their fuel consumption.

Continued complete reliance on the fuel tax to provide funds for highways and highway related activities not only unfairly penalizes those with low incomes who, for a variety of justified reasons, must drive long distances, but fails to come to grips with the very real problems of an impending increase in the federal fuel tax, the possibility of another oil embargo and the obvious conflict with our state's energy conservation policy, all or any of which would seriously affect the revenue producing capability of the state fuel tax by promoting or compelling a reduction in fuel consumption which in turn would result in reduced revenues for the state highway fund.

Rather than viewing the impending highway fund deficit as simply a revenue problem the Legislature finds that a more comprehensive and long term solution must include the consideration of fuel conservation both as a goal and as it affect fuel tax revenues, tax equity, and the relationship between the members and sizes of vehicles and our capacity to accomodate these vehicles in terms of our limited land area, highway capacity and funding abilitiy.

Your Committee recommends the following amendments for purposes of consistency. Such amendments would be as follows:

- (a) Section 1. (-5) be changed to (-4) Annual Tax and (-5) Original registration tax.
- (b) The rates for the original registration tax shall be as follows:

<u>Vehicle Weight Class</u>	<u>Rate</u>
2,999 pounds and under	1/2¢ per pound
3,000 to 3,999 pounds	1¢ per pound
4,000 to 4,999 pounds	2¢ per pound
5,000 pounds and over	3¢ per pound

- (c) SECTION 2. Notwithstanding the authority of the counties to impose an annual vehicle weight tax under section 249-2, no county shall effect any change in the annual vehicle weight tax under section 249-2 until July 1, 1976.
- (d) SECTION 3. This Act, upon its approval, shall take effect on July 1, 1975, except that sec. -4 of the Hawaii State Vehicle Tax Act in Section 1 of this Act, relating to the imposition of the annual tax on vehicles and motor vehicles and the annual tax rates, shall take effect on July 1, 1976.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 1508, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 1508, H.D. 1.

Signed by all members of the Committee except Representative Evans.

SCRep. 232 Agriculture on H.B. No. 262

The purpose of this bill is to appropriate \$40,000 out of the general revenues of the State of Hawaii, or so much thereof as may be necessary, for the construction of a chain link fence, loading ramp, and other minor improvements to the vacuum cooling plant at Omaopio, Maui.

The chain link fence around the vacuum cooling plant not only protects the State's \$400,000 investment in building and equipment from vandalism but also to safeguard against possible injury to any unauthorized person who otherwise might wander into the facility during off hours. The Maui vacuum cooling facility is used for rapid cooling of leafy vegetables, such as lettuce, celery and chinese cabbage, immediately after harvest to enhance storage and shelf life.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 262 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 233 Youth and Elderly Affairs on H.B. No. 58

The purpose of this Act as received by your Committee was to provide tax relief for day care centers in this State.

Your Committee finds that both group day care and family home care units licensed by the Department of Social Services and Housing are marginal financial operations. Your Committee further finds that because of the great demand for day care services, together with their small margin of profits, the State of Hawaii is warranted in granting tax relief to foster the development of such programs; and that such a measure is both desirable and necessary.

Your Committee has amended the purpose of this Act to explicitly include family day care homes, defined elsewhere in this Act to include only such homes as are licensed by the Department of Social Services and Housing.

Section 2 has been amended to provide that section 237-13, Hawaii Revised Statutes, is amended to include a new paragraph (10), providing that day care centers shall pay 1/2 of one per cent excise tax on their gross income, instead of the usual 4% excise tax.

This paragraph incorporates by reference the definition of "day care center" specified in 346-18, Hawaii Revised Statutes, and defines "family day care home" as "a home in which two but not more than five children are provided regular care apart from their parents or guardian for a fee during any part of a twenty-four hour day and where the relationship of a child and family day care parents is not by blood or marriage." This definition also coincides with that used by the Department of Social Services and Housing.

Lastly, this paragraph states that the tax relief afforded under this Act is to be extended only to those facilities licensed under rules and regulations promulgated by the Department of Social Services and Housing.

Section 2 of this Act provides for the purpose of consistency, that paragraph (10) of section 237, Hawaii Revised Statutes be renumbered paragraph (11).

Your Committee has added a new Section 3 providing for ramseyering and specifying the usual instructions to the revisor.

For purposes of consistency Section 3 has been renumbered Section 4.

Your Committee is in accord with the intent and purpose of H.B. No. 58, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 58, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 234 Youth and Elderly Affairs on H.B. No. 1345

The purpose of this Act is to ensure that certain existing child care centers may continue to operate at their present level.

Mr. Wayne Omuro, representing the Department of Social Services and Housing, urged the passage of this measure. Mr. Omuro's testimony indicated that the Department has existing purchase of service agreements with the centers enumerated in this bill, and that the Department had erroneously and unintentionally omitted these centers from its budget request to the Governor for the 1975-1977 biennium.

The Department's testimony further stated that without direct state financial assistance, most of these service providers will not be able to secure the required 25% local matching funds to continue to provide child care services.

Your Committee finds that, should lack of funds compel these centers to cease providing services, 895 out of a total 1,150 purchase-of-service child care slots will be eliminated. Testimony submitted as a joint effort by the affected child care projects included a cost analysis which revealed that a minimum of \$1,428,480 is saved by the Department of Social Services and Housing in welfare benefits due to the existence of these centers, due to the fact that an estimated 300 head-of-household parents whose children attend these centers would otherwise have to remain at home to care for their children, dependent on welfare for their subsistence; and 84 staff members, formerly low-income persons, who were hired and trained by the centers, would become jobless.

Your Committee has adopted the Department's recommendation to amend this bill so as to provide for an appropriation of \$596,066, rather than \$550,000 as originally provided. This amendment will correct a technical error by the Department in computing the projects' requirements.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1345, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1345, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 235 Youth and Elderly Affairs on H.B. No. 597

The purpose of this bill is to appropriate funds to the Legislative Reference Bureau to conduct a study to determine the feasibility of the proposed Hawaii income assurance system as a means of providing greater income security to the elderly in the State.

Pursuant to Act 225, Session Laws of Hawaii 1974, the Comprehensive Master Plan for the Elderly was developed with a proposal for an income assurance system. It was also recommended that this proposal should be subjected to a definitive feasibility study prior to legislative enactment.

Testimony received by your Committee indicate general support for the study. However, your Committee recommends that the Legislative Reference Bureau use its present staff to conduct the major portion of the study and expend funds appropriated for consultative services such as actuarial costs. Your Committee also encourages the Legislative Reference Bureau to solicit the assistance of other state agencies in the preparation of the study before expending the funds for private consultative services.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 597 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 236 Youth and Elderly Affairs on H.B. No. 561

The purpose of this Act is to maintain the current level of services--including outreach, referral, escort service and congregate dining--which this program provides to the 6,300 senior citizens who reside in the Kalihi-Palama-Chinatown area.

Your Committee has amended the appropriation from the original amount of \$405,000 to \$221,628 based on testimony from the Hawaii State Commission on Aging and the City and County of Honolulu Office of Human Resources indicating that the amount of federal funds expected was \$109,932 higher than originally calculated; and that \$73,440 included in the amount requested had already been provided for in the Commission's biennial budget request for fiscal 1975-76.

Your Committee has further amended this bill so as to include a proviso that funds are to be matched by the City and County of Honolulu on a 50-50, cash rather than in-kind, basis. Your Committee feels it is a county responsibility to provide services such as those specified in this Act, and adopts this measure to ensure that the City and County of Honolulu has sufficient incentive to assume this responsibility.

Your Committee has further amended this Act to provide that the sum appropriated shall be expended by the Department of Budget and Finance, in order to ensure coordination of the program with other programs affecting the elderly by the Hawaii State Commission on Aging.

Sections 3 and 4 have been renumbered 4 and 5, respectively, for purposes of consistency.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 561, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 561, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 237 Youth and Elderly Affairs on H.B. No. 565

The purpose of this Act as received by your Committee was to expand the Areawide Program of Aging Services in the City and County of Honolulu to provide congregate dining services to 3,000 persons, 60 years of age and older, on the basis of one meal per day, five days per week for 52 weeks.

Your Committee has amended the purpose of this Act to provide such services to an additional 250 persons for a total of 3,250.

The appropriation has been increased accordingly, from \$800,600 to \$900,600.

The effect of the amendment is to incorporate two bills into one. H.B. No. 563 provides for an appropriation of \$100,000 to expand the Areawide Horizons project to establish a congregate dining service to service residents of Haleiwa, Kahuku and Waiialua.

A proviso has been added to ensure the funds are allotted in accordance with the intent of the original bills.

Your Committee has further amended this bill so as to include a proviso that funds are to be matched by the City and County of Honolulu on a 50-50, cash rather than in-kind, basis. Your Committee feels it is a county responsibility to provide services such as those specified in this Act, and adopts this measure to ensure that the City and County of Honolulu has sufficient incentive to assume this responsibility.

Your Committee has further amended this Act to provide that the sum appropriated shall be expended by the Department of Budget and Finance, in order to ensure coordination of the program with other programs affecting the elderly by the Hawaii State Commission on Aging.

Sections 3 and 4 have been renumbered 4 and 5, respectively, for purposes of consistency.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 565, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 565, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 238 Youth and Elderly Affairs on H.B. No. 67

The purpose of this Act is to increase statewide outreach services for the elderly.

The necessity of providing such services was attested to by a number of governmental agencies and senior citizens' groups, including the Hawaii State Commission on Aging, the Honolulu Committee on Aging, the Honolulu Office of Human Resources, the Honolulu Community Action Program, the Kokua Council and the American Association of Retired Persons and National Retired Teachers Association. Testimony submitted by the Department of Social Services and Housing in support of H.B. No. 67 cited statistics from the State Master Plan indicating that only 27% of the elderly eligible for food stamp benefits actually receive such benefits, and only 61% of the eligible elderly receive Supplementary Security Income benefits.

The amount appropriated under this bill is to be apportioned as follows: \$79,501 for expanded outer island outreach programs which, your Committee has been informed by the State Commission on Aging, will finance services to an estimated 4,600 outer island senior citizens; and \$94,946 to outreach programs implemented by the Honolulu Area Agency on Aging of the City and County of Honolulu, with review and approval of the State Commission on Aging. The latter amount will enable the Honolulu Area Agency on Aging to utilize \$229,000 made available to it by the City and County of Honolulu for personnel costs.

Accordingly, your Committee has amended this bill to include a total appropriation of \$174,447.

In order to maximize coordination of delivery of services to the elderly, your Committee recommends the following additional amendments to H.B. No. 67:

1. Amend Section 3 to substitute the Department of Budget and Finance for the Department of Social Services and Housing as the expending agency.
2. Add a new section, SECTION 4, to read, "All funds expended under this Act shall be administered by the Hawaii State Commission on Aging."

For the purposes of consistency, your Committee also recommends that this bill be further amended so as to change Section 4 to Section 5.

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

Signed by all members of the Committee except Representative Ikeda.

SCRep. 239 Youth and Elderly Affairs on H.B. No. 1388

The purpose of this Act is to appropriate \$116,060, or so much thereof as may be necessary, for the expansion of the existing child protective services programs.

Your Committee heard testimony from the Department of Social Services and Housing indicating that in West Hawaii, Kauai and Maui, social workers assigned to protective services have additional assignments as well, and are therefore unable to provide adequate protective services for early identification and prevention of child abuse.

The Department of Social Services and Housing further testified that it has received a grant for \$2,514 to be used to develop a formal community education program to encourage the community to report suspected incidence of child abuse and neglect, offering opportunities for more children to receive protective services.

Based on the existing need for additional staff on the neighbor islands, and the anticipated increased need both on the neighbor islands and Oahu which is expected to result from increased reporting produced by the education program, a request has been submitted for \$116,060 in state funds, to be added to an expected \$153,846 in federal funds. These funds would be used to provide 19 additional social work positions and two clerical positions, and for additional equipment costs.

Your Committee finds that child abuse and neglect is a serious and widespread problem requiring increased attention in our State. Your Committee recognizes that

many such cases are caused by frustration and anger which can, given early identification and proper supportive services, be stemmed or channeled, thus averting often irreparable damage to the children who are often the objects of these feelings.

Your Committee feels that an appropriation of \$116,060 is warranted, given the success of existing programs and the demonstrated need therefore.

Your Committee has amended Section 1 to include the County of Oahu which was inadvertently omitted in drafting H.B. No. 1388.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1388, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1388, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 240 Agriculture on H.B. No. 642

The purpose of this bill is to amend Chapter 246, Hawaii Revised Statutes, by adding a new section to provide incentives for agricultural improvements through a fifty per cent exemption from Real Property Taxation on improvements.

The intent of this bill is to provide stated exemptions for commercial agricultural ventures, only. This would disqualify such structures as private stables for recreational purposes.

In promulgating rules and regulations pursuant to Chapter 91, the Director of the Department of Taxation after consultation with the Director of the Department of Agriculture, shall provide a listing of businesses and activities that do not qualify for exemptions under this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 642 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yap.

SCRep. 241 Agriculture on H.B. No. 801

The purpose of this bill is to encourage the survival and continuation of the Kona Coffee industry by providing a subsidy through the Department of Agriculture during periods when operations incur a deficit due to uncontrollable circumstances.

The sum of \$25,000 was appropriated by the 1974 Legislature for the foregoing stated purpose. However, since the Kona Coffee industry did not require assistance for the 1973-1974 crop, so the funds were not allotted.

The 1974-1975 crop, however, was an abnormally poor crop due to adverse weather during flowering, resulting in overall low yields. The cost of maintaining the crop, harvesting and processing did not differ much from the previous season. The anticipated deficit for the 1974-1975 season is approximately \$25,000.

Your Committee recommends that the \$25,000 appropriated by the 1974 Legislature be extended one year beyond the lapse date of June 30, 1975 for the purpose of this bill.

In addition, your Committee believes that the release of funds need not be contingent upon a merger of the two coffee cooperatives in Kona.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 801 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yap.

SCRep. 242 Energy and Transportation on H.B. No. 703

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of _____ or so much thereof as may be necessary, for a study on the duplication of service between the State and County governments concerning highway and park maintenance. They shall be conducted by the Department of Transportation which shall submit a report of its finding and recommendations before the convening of the regular session of 1976.

The Department of Transportation agrees with the intent of H.B. No. 703 and estimates that it will cost \$100,000 and take at least two years to complete the study.

The bill has been amended as follows:

1. "The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii the sum of \$100,000, or so much thereof as may be necessary."
2. Section 1. "The study shall be conducted by the Department of Transportation which shall submit a report of its findings and recommendations before the convening of the regular session of 1977."

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 703, as herein amended, and recommends that it be referred to the Committee on Water, Land Use, Development, and Hawaiian Homes in the form attached hereto as H.B. No. 703, H.D. 1.

Signed by all members of the Committee.

SCRep. 243 Youth and Elderly Affairs on H.B. No. 562

The purpose of this Act is to maintain the current level of services of the Areawide Horizons Program in the City and County of Honolulu including outreach, information and referral, consumer protective services, homemaker services, leisure time activities, transportation and other such services as may be deemed necessary. The project area includes approximately 1,400 elderly citizens in the Haleiwa-Kahuku-Waiialua area.

This appropriation is made necessary by the reduced level of federal funding to the program now that it is no longer under the Special Areawide Model Project.

Your Committee has amended the amount to be appropriated from \$87,000 to \$16,800 because testimony submitted by the Hawaii State Commission on Aging revealed that \$70,200 of the originally requested amount has been provided for in the Commission's biennial budget request.

Your Committee has included a proviso that funds are to be released only if matched with cash by the City and County of Honolulu on a 50-50 basis. Your Committee feels it is a county responsibility to provide services such as those specified in this Act and adopts this measure to ensure that the City and County of Honolulu has sufficient incentive to assume this responsibility.

Your Committee has further amended this Act by adding a new section stating that the expending agency shall be the Department of Budget and Finance. This is to ensure coordination of all programs affecting the elderly by the Hawaii State Commission on Aging.

For purposes of consistency, sections 3 and 4 have been renumbered 4 and 5, respectively.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 562, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 244 Water, Land Use, Development, and Hawaiian Homes on H.B. No. 610

The purpose of this Act is to provide for the administering of oaths.

At present, the officer who issues a summons or citation must subscribe to it under oath administered by a prosecuting officer. This Act will permit the officer who issued the summons or citation to subscribe to it under oath administered by another official of the Department of Land and Natural Resources whose name had been submitted to the prosecuting officer and who had been designated by the Chairman of the Board of Land and Natural Resources to administer the same.

This Act will speed up the processing of summons or citations.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 610 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 245 Water, Land Use, Development, and Hawaiian Homes on H.B. No. 97

The purpose of this Act is to establish a solid waste management demonstration project.

Solid waste disposal has become a critical problem. Existing disposal practices and solid waste management plans providing for long term solution to the problem have become obsolete.

Landfills are rapidly filling up and new landfill sites are becoming scarce due to increasing developments and the environmental problems associated with them. Furthermore, operating and maintenance costs of incinerators are costly, thus making resource recovery and recycling of solid waste materials a viable alternative.

Your Committee has determined to include the recovery of usable materials and energy from gaseous and liquid wastes, and amended to include the pyrolysis system of disposing of solid waste, the recovery of gaseous and liquid waste materials, and financial assistance for private waste recovery companies in the following amendments:

On page 1, line 9, after the phrase "generation of electricity from combustible materials," insert "production of fuel gas and oil by pyrolysis and recovery of usable materials or energy from gaseous and liquid wastes". Line 9 -11 are deleted starting from the word "more" on line 9.

Sections 2, 3, 4 are amended to read as follows:

"Section 2. Exemption from taxation. All revenues and receipts derived from the operation of the waste disposal system shall be exempt from all State, County, and Municipal taxation."

"Section 3. Issuance of Revenue Bonds. The State Department of Budget and Finance shall issue revenue bonds for both the State's portion of financial participation in the project and for the private company, provided that the revenue bonds shall be issued before 1980."

"Section 4. Any decision by the State to participate in a waste management demonstration project would require the agreement of the Director of the Department of Planning and Economic Development, the Director of Budget and Finance, the Director of Taxation, and the Public Works Director of the County in which the facility will be operated."

Sections 5, 6 are added and to be read as follows:

"Section 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2 million, or so much thereof as may be necessary to establish waste management demonstration projects, to experiment with the agricultural and energy potential of processing waste materials. No one project shall be allocated more than \$1 million.

"Section 6. The sum appropriated shall be expended by the Department of Planning

and Economic Development for the purposes of this Act. "

The existing Section 4 is renumbered to "Section 7. "

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 97, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 97, H.D. 1, and be referred to the Committee on Environmental Protection.

Signed by all members of the Committee except Representatives Kihano, Morioka, Yap and Ikeda.

SCRep. 246 Water, Land Use, Development, and Hawaiian Homes on H.B. No. 281

The purpose of this bill is for the planning and construction of a multi-purpose building.

Updated recreational facilities are in constant demand due to a growing interest in indoor recreational activities. Many facilities now in existence are in need of repair or expansion to accomodate the ever growing number of users.

Your Committee recommends amendments for the purpose of carrying out this bill. Such amendments would be as follows:

Line 2: "\$100,000" is deleted and \$250,000 inserted.

SECTION 2 is amended to read: "The sum od \$150,000 shall be transferred from Section 72A, Item IV, B, 3, of Act 218, Session Laws of Hawaii, 1974, and \$100,000 shall be appropriated out of the general revenues of the State of Hawaii and shall be expended by the city and county of Honolulu for the purposes of this Act."

The purpose of these amendments to the bill is because that specific project was appropriated \$250,000 in 1974 and only \$100,000 was actually needed.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 281, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 281, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 247 Water, Land Use, Development, and Hawaiian Homes on
H.B. No. 735

The purpose of this bill is for the planning and construction of tennis courts.

There has been a typographical error in the title of the bill and your Committee recommends that "MOANUALUA" be corrected to read "MOANALUA."

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 735 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 735, H.D. 1 and be referred to the Committee on Finance.

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

SCRep. 248 Water, Land Use, Development, and Hawaiian Homes on
H.B. No. 943

The purpose of this bill is for the planning and construction of a Little League Stadium.

Newer and updated recreational facilities are in constant demand due to a growing interest in outdoor recreational activities. Many facilities now in existence are in need of repair or expansion to accomodate the ever growing number of users.

Your Committee recommends an amendment for the purpose of carrying out this bill. Such amendment would be as follows:

To be added to Section 1: "The maintenance and operation of such stadium shall be performed by the city and county of Honolulu."

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 943, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 943, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 249 Water, Land Use, Development, and Hawaiian Homes on
H.B. No. 452

The purpose of this Act is to repeal statutory provisions providing for the Land Study Bureau and the Economic Research Center.

This is an administrative sponsored bill for housekeeping purposes. The University of Hawaii has phased out the two units involved.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 452 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

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

SCRep. 250 Water, Land Use, Development, and Hawaiian Homes on
H.B. No. 215

The purpose of this Act is to add a new section relating to the dedication of land for residential use in hotel-apartment zones lands.

Presently, certain land parcels may be dedicated for residential use if the land is situated where the land use zoning has changed to a higher than residential use. The term owner is restricted to a person sixty years of age or older who is a fee simple owner or who is a lessee of real property where the lease term is 10 years or more. The dedication is limited to a parcel of land not more than 10,000 square feet in area.

This Act will extend the residential dedication to any fee simple owner, regardless of size, where the land is zoned as hotel-apartment use.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 215, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 251 Water, Land Use, Development, and Hawaiian Homes on H.B. Nos.
732, 861, 939, 940, 968, 992, 1078, 1122, 1123, 1124, 1125, 1126,
1226 and 1255

H.B. No. 732 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR GRANT-IN-AID TO THE DEPARTMENT OF WATER SUPPLY, MAUI COUNTY".

The purpose of this Act is to appropriate funds for a grant in aid for six water projects.

H.B. No. 861 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A FEASIBILITY STUDY ON THE IMPOUNDMENT OF SURFACE WATER".

The purpose of this Act is to appropriate funds for a feasibility study.

H.B. No. 939 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CAPITAL IMPROVEMENT PROJECTS IN THE PEARL CITY-WAIMALU AREA, OAHU".

The purpose of this Act is to appropriate funds as grants in aid for ten capital improvement projects.

H.B. No. 940 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR WAIMANO STREAM FLOOD CONTROL CAPITAL IMPROVEMENTS".

The purpose of this Act is to appropriate funds for a flood control project.

H.B. No. 968 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE PUUOWAA STREET DRAINAGE PROJECT".

The purpose of this Act is to change items N. 41 and N. 42, of Act 187, Section 1, to read as "Puuowaa Street drainage project."

H.B. No. 992 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR FLOOD CONTROL".

The purpose of this Act is to appropriate funds for a flood control project.

H.B. No. 1078 entitled: "A BILL FOR AN ACT RELATING TO APPROPRIATIONS FOR FLOOD CONTROL ON OAHU".

The purpose of this Act is to appropriate funds for a flood control project.

H.B. No. 1122 entitled: "A BILL FOR AN ACT RELATING TO GENERAL PUBLIC IMPROVEMENTS AND THE FINANCING THEREOF, MAKING APPROPRIATIONS FOR PUBLIC IMPROVEMENTS AND PLANS RELATED THERETO OUT OF GENERAL REVENUES, GENERAL OBLIGATION BOND FUNDS AND GRANTS; AND PROVIDING FOR THE ISSUANCE OF BONDS".

The purpose of this Act is to appropriate funds for the City and County of Honolulu.

H.B. No. 1123 entitled: "A BILL FOR AN ACT RELATING TO GENERAL PUBLIC IMPROVEMENTS AND THE FINANCING THEREOF, MAKING APPROPRIATIONS FOR PUBLIC IMPROVEMENTS AND PLANS RELATED THERETO OUT OF GENERAL REVENUES, GENERAL OBLIGATION BOND FUNDS AND GRANTS; AND PROVIDING FOR THE ISSUANCE OF BONDS".

The purpose of this Act is to appropriate funds to the County of Hawaii.

H.B. No. 1124 entitled: "A BILL FOR AN ACT RELATING TO GENERAL PUBLIC IMPROVEMENTS AND THE FINANCING THEREOF, MAKING APPROPRIATIONS FOR PUBLIC IMPROVEMENTS AND PLANS RELATED THERETO OUT OF GENERAL REVENUES, GENERAL OBLIGATION BOND FUNDS AND GRANTS; AND PROVIDING FOR THE ISSUANCE OF BONDS".

The purpose of this Act is to appropriate funds to the County of Maui.

H.B. No. 1125 entitled: "A BILL FOR AN ACT RELATING TO GENERAL PUBLIC IMPROVEMENTS AND THE FINANCING THEREOF, MAKING APPROPRIATIONS FOR PUBLIC IMPROVEMENTS AND PLANS RELATED THERETO OUT OF GENERAL REVENUES, GENERAL OBLIGATION BOND FUNDS AND GRANTS; AND PROVIDING FOR THE ISSUANCE OF BONDS".

The purpose of this Act is to appropriate funds to the County of Kauai.

H.B. No. 1126 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE INSTALLATION OF A WATER MAIN IN KUNIA-WAIPAHAU, OAHU".

The purpose of this Act is to appropriate funds for the installation of a water main and appurtenances.

H.B. No. 1226 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE INSTALLATION OF A WATER SUPPLY LINE AND APPURTENANTS THERETO IN KALIHI, OAHU".

The purpose of this Act is to appropriate funds for a grant in aid for the installation of a water main and appurtenants.

H.B. No. 1255 entitled: "A BILL FOR AN ACT RELATING TO PROJECTED APPROPRIATIONS FOR VARIOUS CAPITAL IMPROVEMENT PROJECTS ON THE COUNTY OF KAUAI".

The purpose of this Act is to appropriate funds to the County of Kauai for capital improvement projects.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. Nos. 732, 861, 939, 940, 968, 992, 1078, 1122, 1123, 1124, 1125, 1126, 1226 and 1255, and recommends that these bills pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 252 Water, Land Use, Development, and Hawaiian Homes on
H.B. Nos. 1385, 1504, 1555, 1610, 1611, 1621, 1628, 1630, 1638,
1645, 1657, 1735, 1739, 1806, 1811, 1833, 1888 and 1981

H.B. No. 1385 entitled: "A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENT PROJECTS IN THE TWENTIETH REPRESENTATIVE DISTRICT".

The purpose of this Act is to amend one capital improvement project.

H.B. No. 1504 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION RELATING TO THE SECOND DISTRICT'S CAPITAL IMPROVEMENT PROJECTS".

The purpose of this Act is to appropriate funds as grants in aid for capital improvement projects.

H.B. No. 1555 entitled: "A BILL FOR AN ACT RELATING TO RECREATIONAL FACILITIES PLANNING".

The purpose of this Act is to provide for a study to develop a recreational facilities and demand plan for the Pearl Harbor area.

H.B. No. 1610 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR WAHIAWA BOTANIC GARDEN, OAHU".

The purpose of this Act is to appropriate funds for site improvements.

H.B. No. 1611 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PARK ACQUISITION".

The purpose of this Act is to provide matching funds for land acquisition for the expansion of two parks.

H.B. No. 1621 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID FOR LAND ACQUISITION PLANS, AND DEVELOPMENT OF THE WAIPAHU GARDEN PARK, OAHU".

The purpose of this Act is to appropriate funds for a grant in aid for Waipahu Garden Park.

H.B. No. 1628 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PARKS IN THE TWENTY-FIRST DISTRICT, OAHU".

The purpose of this Act is to appropriate funds for 21 park projects.

H.B. No. 1630 entitled: "A BILL FOR AN ACT AMENDING ITEM K-54, SECTION I, ACT 176, SESSION LAWS OF HAWAII 1972".

The purpose of this Act is to amend a park development project.

H.B. No. 1638 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE WILLIAM ELLIS TRAIL".

The purpose of this Act is to appropriate funds for the plans and construction of the William Ellis Trail.

H.B. No. 1645 entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CAPITAL IMPROVEMENTS PROJECTS IN THE FIRST REPRESENTATIVE DISTRICT OF HAWAII".

The purpose of this Act is to appropriate funds for 44 capital improvement projects.

H.B. No. 1657 entitled: "A BILL FOR AN ACT RELATING TO APPROPRIATIONS FOR RECREATIONAL FACILITIES AT KILAUEA FIELD, OAHU".

The purpose of this Act is to supplement and continue funding for a swimming pool.

H.B. No. 1735 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE PLANNING AND CONSTRUCTION OF A STATE PARK AT THE OLD KONA AIRPORT, HAWAII".

The purpose of this Act is to appropriate funds for the planning and construction of a State park.

H.B. No. 1739 entitled: "A BILL FOR AN ACT RELATING TO APPROPRIATIONS FOR IMPROVEMENTS FOR SOUTH HILO, HAWAII".

The purpose of this Act is to appropriate funds for three park projects.

H.B. No. 1806 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE PLANNING AND CONSTRUCTION OF ARTIFICIAL SURFING REEFS".

The purpose of this Act is to appropriate funds for an artificial surfing reef.

H.B. No. 1811 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE CONSTRUCTION OF A COMMUNITY SWIMMING POOL IN PACIFIC PALISADES, OAHU".

The purpose of this Act is to appropriate funds for a swimming pool.

H.B. No. 1833 entitled: "A BILL FOR AN ACT RELATING TO THE MOANALUA GARDENS PLAYGROUND, AMENDING ITEM K-31, ACT 176, SESSION LAWS OF HAWAII 1972, AND AMENDING ITEM J-5, ACT 218, SESSION LAWS OF HAWAII 1974".

The purpose of this Act is to amend two recreational projects.

H.B. No. 1888 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR HORSEBACK RIDING TRAILS, OAHU".

The purpose of this Act is to appropriate funds for horseback riding trails.

H.B. No. 1981 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR DEVELOPMENT FOR KUALOA REGIONAL PARK, KAAAWA, OAHU".

The purpose of this Act is to appropriate funds for the development of a park.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. Nos. 1385, 1504, 1555, 1610, 1611, 1621, 1628, 1630, 1638, 1645, 1657, 1735, 1739, 1806, 1811, 1833, 1888 and 1981 and recommends that these bills pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ho, Inaba, Kihano, Lunasco, Yap, Clarke, Ikeda and Larsen.

SCRep. 253 Labor and Public Employment on H.B. No. 1741

The purpose of this bill as amended is to make an appropriation to create State programs which would alleviate Hawaii's unemployment problems.

Your Committee has amended this bill to achieve the above stated purpose.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1741, as amended herein, and recommends that it pass Second

Reading in the form attached hereto as H.B. No. 1741, H.D. 1 and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 254 Labor and Public Employment on H.B. No. 1203

The purpose of this bill is to change the ordinary disability benefit so that, at age 50 with 25 years of service, the member would receive a service retirement allowance if he is determined to be disabled.

Service retirement with 25 years of service below the normal age of retirement is permitted under the law, but the benefit is reduced in accordance with factors or actuarial equivalence: 5% for each year of age below 55.

As presently written, this bill would reduce the benefit to the extent that, at age 50 with 25 years of service, the benefit would only be 37.5% of average final compensation as compared with 35% without the proposed amendment. Your Committee has amended this bill to correct this situation.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1203, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1203, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 255 Labor and Public Employment on H.B. No. 1740

The purpose of this bill is to make an appropriation for the expenses of the interim committee to reduce unemployment.

Your Committee has made the following amendments to H.B. No. 1740:

1. Increased the appropriation from \$5,000 to \$10,000.
2. Clarified this bill to provide that this Committee to Reduce Unemployment is the committee established by H.C.R. No. 81, Regular Session of 1975, and that the appropriation herein is also to be used to defray the Committee's expenses in the coming Statewide Conference on Employment Opportunities.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1740, H.D. 1 and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 256 Labor and Public Employment on H.B. No. 1742

The purpose of this bill is to create a new chapter in the Hawaii Revised Statutes to provide for State-funded training subsidies for certain employers. This bill will assist private employers who agree to participate in an employment program similar to the federal CETA program by training and permanently hiring the disadvantaged, the ex-offenders, Vietnam veterans, unemployed and underemployed heads of households, and needy youth.

Your Committee heard testimony from the Department of Labor and Industrial Relations and representatives of labor, business, and the public.

Your Committee believes that this bill will serve a useful purpose in that it will expand the training and hiring program now established under the federal Comprehensive Employment and Training Act (CETA). It is your Committee's understanding that this bill will create further jobs for the unemployed.

Your Committee has amended the bill by changing the limitations in Section -3.

A subsidy shall be \$1,500 for each permanent job position, and the maximum subsidy for any one employer shall be \$25,000 or 25% of his work force, whichever is less. The training subsidy cannot exceed 20 weeks.

Your Committee has also inverted language to make it clear that the subsidies are to be used for enrollees who are not covered by the federal CETA subsidy program. Further, the appropriation amount has been reduced to \$400,000.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1742, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1742, H.D. 1, and be referred to your Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 257 Labor and Public Employment on H.B. No. 1775

The purpose of this bill is to provide that contributions to the Public Employees Health Fund shall be on a 50-50 basis between the State and the counties and the employee-beneficiaries. The health benefits plan selected for which the matching funds are provided is the HMSA plan, the least expensive regular plan.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1775 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 258 Labor and Public Employment on H.B. No. 1778

The purpose of this bill is to appropriate the sum of \$5,000 to the Department of Labor and Industrial Relations to conduct a workshop to educate employees and union representatives of the provisions of the Occupational Safety and Health Act and their rights thereunder.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1778 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 259 Labor and Public Employment on H.B. No. 1779

The purpose of this bill is to change the definition of "regular interest" in the Employees' Retirement System law from 4 1/2 per cent to mean 5 per cent.

The effect of this bill would be:

1. That members contributions to their individual accounts in the annuity savings fund will be credited with interest at 5% compounded annually and,
2. That the Actuary in determining the annual contribution requirements of the employer governments will assume that the yield in the System's earnings will be 5%.

Your Committee has amended this bill to provide that employee's retirement system shall be authorized to use the increased interest rate of five per cent a year to finance any increase in retirement system benefits provided by any acts passed in the 1975 legislature. Further, it is the Committee's intent that said increase be used solely to finance the increased benefits provided by the retirement system.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1779, H.D. 1 and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 260 Labor and Public Employment on H.B. No. 1831

The purpose of this bill is to establish an office of public employment relations within the Office of the Governor to serve the Governor in discharging the duties set forth in the Collective Bargaining Act.

The position of chief negotiator would be established to head the office of public employment relations. He would assist the Governor in formulating management's philosophy for public employee relations as well as planning bargaining strategies.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1831 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Kamalii.

SCRep. 261 Labor and Public Employment on H.B. No. 1204

The purpose of this bill is to establish a mainland employment opportunities program which would place professional employment agents on the mainland to seek out employment opportunities for Hawaii's citizens.

Your Committee recommends the following amendments to H.B. No. 1204:

1. Delete the residency requirement (section-1.)
2. Provide a salary to an employment agent as determined by the director (section-2.)
3. Delete the requirement that the job applicant pay an employment fee to the employment agent (section-2.)
4. Delete the requirement that employment agents be limited to certain cities. (section-1.)

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1204, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1204, H.D. 1 and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 262 Labor and Public Employment on H.B. No. 163

The purpose of this bill is to amend the collective bargaining law in order to assure effective and orderly operation of government and to protect the overall interests of the State.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 163 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 263 Labor and Public Employment on H.B. No. 469

The purpose of this bill is to allow a salaried and full time member of a board or commission to participate in the health benefits plan and the group life insurance plan of the Public Employees Health Fund and to exclude a non-salaried and non-full time member of a board or commission and a person whose employment is less than three months from participating in the health benefits plan and group life insurance plan of the Public Employees Health Fund.

Your Committee has amended this bill by also excluding part-time employees and those whose unemployment is less than twenty hours a week from such participation.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 469, H.D. 1 and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Kamalii.

SCRep. 264 Labor and Public Employment on H.B. No. 1201

The purpose of this bill is to provide a funeral benefit, not to exceed \$300, in the event of the death of a pensioner or retiree covered by Chapter 88, Hawaii Revised Statutes.

Your Committee has amended this bill to require the State or the Counties to appropriate the funds necessary to pay for funeral expenses.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1201, as amended herein, and that it pass Second Reading in the form attached hereto as H.B. No. 1201, H.D. 1 and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 265 Labor and Public Employment on H.B. No. 1205

The purpose of this bill as amended is to make an appropriation to fund the State's depressed area program.

Your Committee finds that there is no need to amend Section 208-3, Hawaii Revised Statutes relating to designation of depressed areas and, therefore, has deleted Section 1 of this bill in its entirety. Section 2 of this bill has been amended by providing a \$1,000,000 appropriation to fund the depressed areas program.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1205, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1205, H.D. 1 and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 266 Labor and Public Employment on H.B. No. 1435

The purpose of this bill is to provide a cost of living allowance to any retiree consisting of an amount equivalent to eight and one-half per cent of the total retirement allowance, including original pension and any subsequent post retirement benefits.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1435 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 267 Labor and Public Employment on H.B. No. 1436

The purpose of this bill is to eliminate the requirement that a policeman or fireman be required to attain the age of fifty-five years before retiring without penalty from the police department or the fire department of the various counties.

Testimony in this matter was given by Mr. Mike Joy, President of SHOPO, Mr. Sid Abrams, Actuary of Benefit Plan Consultants, Mr. James Naylor of the Honolulu Police Department, Mr. Kim Tet Lee of the Retirement System, and Mr. Polo Simeona, Oahu Chairman of the Firefighters Union.

The testimony indicates that the deletion of the requirement that a person be fifty-

five years of age before he can retire as a policeman or fireman is in the best interest of the county and of the individual policeman or fireman. For instance, statistics indicate that one out of every three police officers on the road in Honolulu have been assaulted during the year and that physical agility and strength is a necessary ingredient in the enforcement of the laws of the community. The same arguments have been made by the firemen in respect to the stresses and strains related to their activities as firemen.

A matter of concern to the committee was the cost of eliminating this fifty-five year requirement. The Retirement System's position is that the annual cost for both policeman and fireman is \$5.5 million. However, in oral testimony they agree that this is probably too high and probably \$3 million is a better estimate. The estimated cost for policemen only is \$2 million. Mr. Abrams, using actuarial figures presented by the Retirement System in 1973, estimated the cost for policemen only of a low of \$331,000 to a high of \$900,000 annually. He also stated that for the total cost of the deletion of the age requirement the cost for firemen could be computed mathematically as the firemen's cost is approximately forty per cent of the total cost of firemen and policemen.

Your Committee wishes to bring to your attention that this large discrepancy in cost is of some concern to it and suggests that this discrepancy be discussed and resolved by the parties prior to a hearing of the Finance Committee.

With that caveat, your Committee adopted H.B. No. 1436 which amends Section 88-74 of the Hawaii Revised Statutes by amending subparagraph 1 as follows:

"; provided that the reduction shall not apply to any policeman or fireman who has at least twenty-five years of credited service as a policeman or fireman",

and by inserting a new paragraph, subparagraph 2, as follows:

"(2) If the member is a policeman or fireman and has attained the age of fifty-five, a retirement allowance of one-fiftieth of the average final compensation of the member multiplied by the total number of years of his credited service; provided that after June 30, 1968, if the member has at least twenty-five years of credited service, irrespective of his age, of which the last five or more years prior to retirement is credited service as a policeman or fireman, then for each year of credited service, whether as a policeman or fireman or not, the retirement allowance shall be two and one-half per cent of his average final compensation; provided further that the maximum retirement allowance shall not exceed eighty per cent of his average final compensation; provided further, that no reduction in accordance with factors of actuarial equivalence shall be made."

Further, the former subparagraph 2 is renumbered 3 and the words "and 2" are added after the words "provided in 1", and subparagraph 3 is renumbered subparagraph 4, and section B thereunder is amended by adding the words "and 3" after "1 and 2".

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1436, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1436, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Peters and Kamalii.

SCRep. 268 Water, Land Use, Development, and Hawaiian Homes on
H.B. No. 1399

The purpose of this Act is to give the Board of Land and Natural Resources the authority to grant perpetual easements to private parties.

At the present time, the term of easements that are granted to private parties is limited to a maximum of sixty-five years. Easements in perpetuity may be granted only to government bodies and public utilities.

Upon termination or abandonment of the specific purpose for which the easement was granted, a reverter clause to the State is incorporated.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1399 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Yap, Ajifu and Ikeda.

SCRep. 269 Labor and Public Employment on H.B. No. 1746

The purpose of this bill is to facilitate the employment of unemployed heads of households by requiring employers doing business with the State or counties to list their job openings with the State Employment Service.

Your Committee believes that this bill will serve a useful purpose in that it will make information relating to job openings in contractors dealing with the State or counties known. Your Committee has heard testimony from the State Department of Labor and Industrial Relations and representatives of labor, business, and the public. General support for the bill has been expressed.

This bill is similar to federal law, which requires federal contractors to list their job openings with the federal government.

Your Committee has amended the bill as follows:

1. Revision of Section 2., line 1, to read: "Every contract and subcontract..."
2. Revision of Section 2., line 3, to read: "materials, supplies, service, or construction..." , to broaden its coverage to include such business entities as financial institutions, management and fiscal consultants, security agencies and custodial firms.
3. Revision of Section 2., paragraph (3), line 3, to read: "of new hires and of that number, the number..." , to distinguish new hires from hires from recall or rehire lists so that valid measurements of effectiveness can be developed.
4. Revision of Section 3., paragraph (3), line 2, to read: "\$18,000" instead of "\$15,000", to be consistent with prevailing wages for executive, administrative and professional positions.
5. Addition to Section 3., paragraph (5) "Are to be filled pursuant to a customary and traditional employer-union hiring arrangement", to preserve the integrity of the collective bargaining process.
6. Provide for sanction of up to \$500 fine against employers subject to the Act who fail to comply with the provisions of the Act.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. 1746, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1746, H.D. 1, and be referred to your Committee on Finance.

Signed by all members of the Committee except Representative Kamalii.

SCRep. 270 Agriculture on H.B. No. 678

The purpose of this bill is to amend Chapter 269 by adding a new section to lower electricity rates when used for agricultural purposes.

Your Committee on Agriculture finds that there are no separate lower electricity rates, particularly for small farmers. This bill proposes to aid farmers in reducing production costs by lowering the rates for electricity when used for agricultural purposes.

Present reduced rates for heating and cooling are of little benefit to the small farmer, in that the investments he makes for the required separate wiring and metering far outweigh the payoffs he realizes. Therefore, a separate reduced agricultural rate would be of considerable benefit to the future development of Hawaii's farming community.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 678 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Yap.

SCRep. 271 Tourism on H.B. No. 99

The purpose of this bill is to provide for the dedication of property to hotel use, if that property is being used for hotel and permitted accessory uses and if improvements on the land or building do not exceed certain height requirements.

Your Committee concurs with the intent of this bill and recommends the following amendments:

1. Chapter 246, Hawaii Revised Statutes, is amended by adding a new section to provide for dedication to hotel use of property which is being used for hotel and permitted accessory uses if:

- a. Actual use of the land does not exceed the density permitted under the applicable zoning regulation;
- b. Improvements on such land or buildings thereon do not exceed fifty feet in height;
- c. Property is owned and operated by a domestic corporation or entity not less than eighty percent of the stockholders or owners of such corporation or entity are citizens of the United States; and
- d. Improvements on the land were constructed prior to August 1959.

2. Dedication shall be for ten years and exempt the property from real property taxation; provided that the owner and Director of Taxation may cancel the dedication after five years. Failure of the land to remain in hotel use and to meet the requirements of the new section shall cancel the tax exemption retroactive to the date of the petition for dedication and result in assessment of all taxes unpaid plus penalty; provided that such failure occurs over a period of more than one calendar year.

3. Chapter 237, Hawaii Revised Statutes, is amended by adding a new section to provide that the proceeds from any improvements or business on property dedicated under the new section of Chapter 246, Hawaii Revised Statutes, shall be exempt from the four percent and other taxation under the general excise tax chapter and provides for a penalty similar to the real property penalty.

Your Committee on Tourism is in accord with the intent and purpose of H.B. 99, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 99, H.D. 1 and be referred to the Committee on Finance.

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

SCRep. 272 Health on H.B. No. 1337

The purpose of this Act is to provide for the maintenance of day activity programs for the developmentally disabled while a statewide master plan of programs and services is developed.

Your Committee agreed with testimony presented by the State Planning and Advisory Council on Developmental Disabilities that the availability of adequate services and activities is instrumental in preventing the mentally retarded from entering Waimano home. In September, 1975, the Governor appointed a committee to develop a plan of decentralization in order to raise standards of care and development of the residents of Waimano Home. Once these residents are relocated, it is most important that they have access to services and activities appropriate to their disabilities and developmental potential. Further testimony by the Hawaii Association for Retarded Children stated that the most difficult area of funding has been to continue and expand services for the adult retarded as there is no clear-cut responsibility in the State for supporting such programs. Your Committee agrees that daily community programs which keep

the adult retarded out of Waimano, where the cost per person is much higher, justifies appropriating \$399,802 for the fiscal biennium 1975-77.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1337 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 273 Health on H.B. No. 837

The purpose of this bill is to continue and expand infant stimulation services offered by the Department of Health. Such services include early identification, evaluation and treatment of child development problems for children from ages birth to three years.

Your Committee found early identification and intervention maximizes the developmental capabilities of the child while minimizing the deficiencies. Through early intervention and treatment of handicapped children, secondary defects may be prevented, social skills and language skills may be maximized, and the less likelihood of institutional care will result.

In terms of the families of handicapped children, early intervention and treatment will help them understand the problems of raising a handicapped child and provide them with the necessary skills to meet the needs of the child in the formative years of his life.

Your Committee further found that many of the rural areas of the State do not have public programs to serve the handicapped except through contractual arrangements with private agencies.

Your Committee, therefore, feels that continued support of these private agencies is necessary to providing adequate health services to rural areas.

Your Committee has amended H.B. No. 837 as follows:

- (1) By expanding the purpose clause to include services to children from birth to age 3.
- (2) By providing an appropriation of \$95,871 for the year 1975-76 and \$96,831 for 1976-77 for infant stimulation services which is to be matched with Title VI of the Social Security Act.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 837, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 274 Health on H.B. No. 1375

The purpose of this bill is to make an appropriation for the implementation of the breast cancer detection demonstration project of the American Cancer Society.

Your Committee finds that cancer of the breast is the leading cause of cancer incidence and death among women today. It is the leading cause of cancer deaths of women in the 40-44 years age bracket, and the second leading cause of death for other age groups. Early detection is vital in increasing the survival rate of those who are victims of breast cancer. Survival is 85%-90% when detected early.

The Breast Cancer Detection/Demonstration Project of Hawaii is an early detection program utilizing the newer diagnostic techniques of early detection. In less than one year of operation (during which 5,000 women were screened), 19 women have had early breast cancer diagnosed as a result of their participation in the program. The Project is funded jointly by the National Cancer Institute and the American Cancer Society but additional funding is required to keep the Project going.

Your Committee upon consideration of the bill has amended H.B. No. 1375 as follows:

- (a) \$150,000 is appropriated for the fiscal biennium 1975 to 1977, and
- (b) the amount appropriated shall be expended by the Department of Health in increments of \$75,000 a year.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1375, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1375, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 275 Housing on H.B. No. 962

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii, the total sum of \$10,000 to the Koolau Village, Oahu. This amount will be used to continue the tenant operated program at the village, including the hiring of necessary staff.

Your Committee recommends technical amendments in Section 1 to more clearly define the location and type of program to be funded.

Your Committee further recommends that this sum be appropriated to the Hawaii Housing Authority to carry out the purpose of this Act.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 962, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 962, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 276 Housing on H.B. No. 935

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii, the total sum of \$12,150 to insure the continued operation of the Inter-Agency Council. This amount will be matched by federal funds from the Department of Housing and Urban Development and the Department of Health, Education and Welfare.

Your Committee recommends technical amendments in Section 1 to more clearly define the location and type of program to be funded.

Your Committee recommends that this amount be appropriated to the Hawaii Housing Authority to carry out the purposes of this Act.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 935, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 935, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 277 Housing on H.B. No. 827

The purpose of this bill is to fund out of the general revenues of the State of Hawaii, the total sum of \$100,000 for exterior painting of the Palolo Housing Complex, Honolulu, Oahu, Hawaii, a public housing project administered by the Hawaii Housing Authority.

Your Committee recommends technical amendments in Section 1 to more clearly define the type of program to be funded.

Your Committee recommends that this amount be appropriated to the Hawaii Housing Authority to carry out the purpose of this Act.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 827, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 827, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 278 Housing on H.B. No. 813

The purpose of this bill is to fund out of the general revenues of the State of Hawaii, the total sum of \$310,000 for the following improvements at Palolo Housing, Palolo, Honolulu, a public housing project administered by the Hawaii Housing Authority:

- | | |
|---------------------------------------------------------------|-----------|
| 1) Supplemental renovation of kitchen and bathroom facilities | \$210,000 |
| 2) General improvement and renovation of office building | \$100,000 |

Your Committee recommends technical amendments in Section 1 to more clearly define the type of program to be funded.

Your Committee further recommends that this amount be appropriated to the Hawaii Housing Authority to carry out the purpose of this Act.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 813, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 813, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 279 Education on H.B. No. 1061

The purpose of this bill is to make an appropriation for the establishment of an alternative school in the Maui school district.

"As society's needs have come to change so rapidly, there has also come the need for a much wider variety of alternatives for securing the required education, and many of these alternatives will need to be pursued in ways other than those by which most schools presently operate." This statement, excerpted from the National Education Association Task Force on Compulsory Education report, succinctly indicates the need for insuring formal education for those students whom the regular school program has not been able to provide successfully.

Your Committee found the incidence of school age youth discontinuing their education in established high schools on Maui has continued despite counteracting efforts made by the schools and various community agencies. Programs such as the Neighborhood Youth Corps In-School and Out-School Program, the State and County Work-Study Programs have made some impact in the effort to encourage continued school attendance. However, there are many students for whom these efforts have not been successful primarily because of their identification and involvement with the regular schools.

The Maui school district at the Department of Education has developed a program in a setting apart from the established high schools. The program focuses on the improvement of student self-concept through a guidance-oriented program, the utilization of individualized instructional strategies, a work component for students who desire related experiences in the job world, and cultural and recreational opportunities consisting of such activities as arts and crafts, music and dance, and physical and recreational activities.

Your Committee believes that these alienated students qualify by definition as exceptional children as stated in Hawaii Revised Statutes, Section 301-21. Providing funds for the establishment of an alternative school is thus carrying out the mandate as stated in the Statutes, Section 301-22 of offering these students instruction and special facilities for education to enable them to enjoy normal competitive lives.

Your Committee has made the following amendments:

1. A sum of \$240,000 for the 1975-76 and 1976-1977 school years has been inserted.
2. The Department of Education shall submit an evaluative report on the program to the legislature prior to the convening of the 1977 legislative session.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1061, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 280 Education on H.B. No. 1161

The purpose of this bill is to establish an alternative school for the Hilo area intermediate schools.

Each year, a substantial number of youths in Hawaii's public school system are manifesting their disenchantment with the educational process which is specifically designed and maintained to prepare them for responsible, satisfying, and productive adulthood. During 1972-73, among 70,000 youths enrolled in Hawaii's public secondary schools, an average of 11% or 8,600 students were absent each day. Many other youths attended school but often failed to actively participate in classroom activities at a level sufficient to assure educational successes for all.

The Hawaii school district of the Department of Education has proposed a HUKILIKE program designed in response to a community-wide concern and a need to establish a more responsive and effective educational program for a minority of alienated school students at the secondary levels. Past and current efforts by the schools to deal with the academic and social problems of these youths have not proven effective.

A new educational environment will be established off-campus. The program of activities will include an emphasis on basic academic skills development, work experience training, social learning, and community and parent involvement.

Your committee finds school alienated youths are usually characterized by interests, capacities and talents not in conformity to the standard school curriculum. HUKILIKE'S approach is to develop an educational environment which is responsive to the individual needs and conducive to successful learning.

Your committee has made the following amendments:

1. The appropriation of \$112,000 has been doubled to \$224,000 to fund the program for the fiscal years 1975-1977 and not just for the fiscal year 1976-77.
2. The Department of Education shall submit an evaluative report on the program 20 days prior to the convening of the 1977 legislative session.
3. The sum appropriated shall be expended by the Department of Education.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1161, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 281 Education on H.B. No. 1243

The purpose of this bill is to make an appropriation for the continued support of the alternative school program in Kona, Hawaii.

While the comprehensive public secondary school provides the greatest number of alternatives to the large majority of students, there remains a significant number of students whose needs are not being met in the large structured formalized setting. In September 1973, the National Association of Secondary School Principals Journal reported over 100,000 students attending alternative school programs of various types in mainland states.

Your Committee believes the success enjoyed by the ongoing program at Honaunau directed by outreach counselors and aimed at dropouts and potential dropouts deserves continued support.

Your Committee has made the following amendments:

1. The original appropriation of \$70,000 has been doubled to \$140,000 to continue funding for the 1975-76 and 1976-77 school years.
2. The Department of Education must submit an evaluation report 20 days prior to the convening of the 1977 legislative session.

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

1243, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1243, H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 282 Education on H.B. No. 1567

The purpose of this Bill is to prevent sex bias in the public school system. It is the intent of this Bill to make curricular and extracurricular activities in our schools truly accessible to all students. No person shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational or recreational program or activity receiving State financial assistance or utilizing State facilities.

The Report on Sex Bias in the Public Schools of Hawaii by the Hawaii Task Force on Sex Bias in Education summarizes that "sex-bias is endemic to our society, the product of generations of socialization. Therefore, only a deliberate, well-planned, sustained institutional policy of counter-action can substantially offset the bias that suffuses the social environment of the school and its tools of instruction."

Your Committee believes that the institution of this Bill is an affirmative motion toward the elimination of sex bias in Hawaii's educational system.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1567 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 283 Health on H.B. No. 723

The purpose of the bill is to increase the real property tax exemption on all real property owned by a blind or deaf person or totally disabled from \$15,000 to \$50,000.

Testimony presented before your Committee revealed that some 5,000 persons are presently claiming the exemption allowed for persons with impaired sight or hearing and those totally disabled. This exemption reduces the taxable value on any real property such an individual owns and is in addition to a home exemption.

Your Committee found an inconsistency in the bill which provided exemptions for the blind, deaf and totally disabled but did not provide an increase in exemption for persons afflicted with leprosy. Your Committee feels that it is necessary to provide equitable exemptions for those persons.

Therefore, your Committee has amended the bill by amending section 246-30, Hawaii Revised Statutes, to provide persons afflicted with leprosy an increase in the amount of the exemption to \$50,000.

Your Committee is in accord with the intent and purpose of H.B. No. 723, as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. No. 723, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 284 Health on H.B. Nos. 1541, 1577, 1595, 1686, 1725, 1760, 1763, 1825 and 1622

The purpose of these bills are to provide appropriations, out of the general revenues for the establishment and improvement of hospitals, health facilities, and emergency and preventive health care services.

Your Committee finds that there is a constant need to establish and improve hospitals, health facilities and emergency and preventive health care services in order to provide efficient and modern health services to the State. Therefore, with the influx of progressive technology, the establishing and improving of health facilities will not only serve present patients, but also others that are not currently being served due to the lack

of proper facilities and coordination. As a result, by upgrading hospitals, health facilities, and emergency and preventive health care services, new ways to resolve recurrent and long term problems could now be attainable.

Your Committee on Health is in accord with the intent and purpose of the following: H.B. No. 1541, H.B. No. 1577, H.B. No. 1595, H.B. No. 1686, H.B. No. 1725, H.B. No. 1760, H.B. No. 1763, H.B. No. 1825, H.B. No. 1622, and recommends that these bills pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 285 Health on H.B. No. 248

The purpose of this bill is to secure a certificate of immunization against communicable diseases for children upon the entering of school.

Your Committee finds that studies, through blood testing was done from 1970 to 1974 to determine the number of school children who had not received immunization for communicable diseases. The results of this studies showed that 30 to 40 percent of the total number of pre-school children did not receive immunization against the various types of communicable diseases and that 10 percent of the students in grades kindergarten through 12 had not received immunization upon entering school. As a result, your Committee recognizes the dangers in the occurrence of possible epidemics in public facilities and whereby providing free immunization services to children before entering school, this in turn would decrease the number of children that did not receive immunization against communicable diseases and insure the safety and well-being of others.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 248 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 286 Health on H.B. No. 404

The purpose of the bill is to provide an increase to \$10,000 in the amount of the exemption allowed a blind, deaf, or totally disabled person in the computation of taxable income.

Your Committee recognizes that blind, deaf, or totally disabled persons face additional expenses related to their employment which are necessary because of their handicap. Such additional expenses place a heavier economic burden on these people.

Since 1957, when this provision was enacted, the cost of living has rapidly increased. Consequently, the \$5000 exemption has become disproportionately low. The increase to \$10,000 would provide a more equitable amount of deduction to carry out the intent of the law.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 404 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 287 Health on H.B. No. 639

The purpose of this bill is to ensure the continuing availability of needed services for the retarded currently rendered by the Hilo Day Activity Center for the Adult Retarded by having the State assume its ownership, and incorporating its administration and operation into the State Department of Health's community program.

Your Committee finds that the Hilo Day Activity Center for the Adult Retarded was established by the Hilo Association to Help Retarded Children, Inc., with the assistance of private, state, and federal funds. The center played a crucial role in providing services to the retarded who were not eligible for services from other programs.

For the fiscal year 1974-75, the legislature appropriated \$59,178 (excluding transportation costs), for all programs of the center. Only the Level One adult program would be assumed by the State at this time in order to ensure the continuing availability of services.

The center provides diagnostic services to determine the person's functional levels, and an individualized program is developed. Training is geared towards developing personal skills such as toileting, personal hygiene, grooming, written and oral communication, travel, and knowledge of community resources. All efforts are directed towards raising the individual's functioning level so he can attain a more productive level of achievement be it sheltered employment, vocational training or job placement.

The Department of Health has assumed ownership and operation of similar day activity centers for the retarded on Kauai and Maui and has ably demonstrated its ability to contribute to the welfare and development of the retarded. Your Committee has appropriated the sum of \$109,678 for the fiscal biennium 1975-1977 to support the center.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 639 and recommends that it pass Second Reading in the form attached hereto as H.B. No. 639, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 288 Labor and Public Employment on H.B. No. 1424 (Majority)

The purpose of this Act is to fairly adjust the salaries of officials of the Executive Branch and substitute teachers.

Your committee notes that collective bargaining has obtained substantial advantages to certain categories of employees, creating thereby disproportionate and inequitable compensation in relation to responsibilities of top administrators of government as compared to their staff. Your committee suggests that salary adjustment must be made with a perspective viewing the totality of public salaries to attract qualified personnel.

Your committee has amended House Bill No. 1424 in its entirety and converted the same into a short form bill. The Committee on Finance, which has more pertinent data and fiscal expertise, is the appropriate committee at this period of the legislative session to consider this bill. Therefore, no dollar figures have been incorporated in the amended form of this bill.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1424, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1424, H.D. 1.

Signed by all members of the Committee except Representative Kamalii.

Representative Sutton did not concur.

SCRep. 289 Health on H.B. No. 1376

The purpose of the bill is to enable existing alcoholism treatment programs to maintain current levels of services by matching available federal grants and to initiate needed new services as identified in the Hawaii State Plan on Alcoholism.

Your Committee heard testimony from public and private agencies involved in alcoholism related programs and reviewed the Hawaii State Plan on Alcoholism. As a result of its research, your Committee made the following findings:

Problem. Based on a national percentage guide of the incidence of alcoholism in the general population, it is estimated that approximately 40,000 persons in Hawaii have problems with alcohol abuse or alcoholism. Of this number, only about 5% receive treatment for their problem. Statistics further show that the modal age range of alcoholics in treatment is 42.5 years to 47.0 years. In general, males and Caucasians are shown to be more prone to use available services for alcohol problems.

Services. Alcoholism and alcohol abuse treatment services available in the State

include emergency care, short term care, intermediate to long term residential care, and outpatient care. Among the agencies providing such services are Queens Emergency Room, St. Francis Emergency Room, the Salvation Army Detoxification Center, the Salvation Army Men's Social Service Center and its Extended Care facility, Sand Island Halfway House, St. Francis Halfway House, Hina Mauka at Waipa Ward, Akahi Ward, Big Island Halfway House, Serenity House (Kauai), Community Mental Health Centers, Child and Family Services, Catholic Social Services, Community Mental Health Centers, Division of Vocational Rehabilitation, and Alcoholics Anonymous.

The most common treatment modality used by these agencies is that of individual therapy. In addition, some facilities employ such modes as medical management, chemotherapy, work the apy, and group process.

Besides the treatment agencies mentioned, other agencies associated with alcoholism program include the Advisory Commission on Drug Abuse and Controlled Substances, the single state agency designated under Public Law 91-616; the Hawaii State Advisory Council on Alcoholism, an advisory body; the Hawaii Alcoholism Research and Evaluation, a research unit, and the Hawaii Committee on Alcoholism, an agency involved in education and occupational alcoholism.

Withdrawal of federal money. Your Committee was made aware of the possible loss of federal funds under a comprehensive staffing grant from the National Institute on Alcohol Abuse and Alcoholism to certain agencies providing alcoholism related programs. This loss is a result of a site visit by a federal team which informed the Department of Health and the Kalihi-Palama Mental Health Center that its interpretation of the staffing grant policy to give priority to Kalihi-Palama residents but to also provide services to the general population under the grant was contrary to the intent of the grant. They further noted that only until the Kalihi-Palama Mental Health Center can demonstrate that it is in fact meeting the needs of the catchment area can it serve out-of-catchment area needs. As a result, funding support for several private agencies contracted for services under the grant could be withdrawn, jeopardizing the existence of these programs.

Your Committee feels it should provide interim funding for these programs whose funds may be withdrawn because of federal staffing grant policies. However, it is incumbent upon these programs to make an effort during the next two years to seek alternate sources of funding for their programs. Your Committee further feels that if alternate sources of funding are not available and state funding is required, that the Department of Health provide an evaluation of the effectiveness of these programs and recommend funding based on priority.

Your Committee has amended H.B. 1376 by providing appropriations for the following agencies for the fiscal biennium 1975-77 as follows:

(1) Salvation Army Social Service Center	\$ 57,800
(2) Hawaii Committee on Alcoholism	\$185,000
(3) Sand Island Halfway House	\$ 93,226
(4) Hina Mauka, Waipa and Akahi Alcoholism Therapy Centers.	\$ 44,500
(5) Alcoholism Treatment Facility	\$184,000

However, if any of these agencies receive federal funds under a redeployment plan of the National Institute for Alcohol Abuse and Alcoholism money administered through the Kalihi-Palama Mental Health Center, the State appropriation shall be reduced accordingly.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1376, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1376, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 290 Education on H.B. No. 867

The purpose of this Act is to provide equitable salary and fringe benefits to long-term substitute teachers contracted in advance to replace a certificated public school teacher. With the amendments to the bill, the pay rate for all substitute teachers has been increased.

Your Committee recognizes that the substitute teacher should be entitled to the

benefits accrued by the regular teacher, other than for probationary tenure credits, since the substitute teacher is expected to perform all the duties of the teacher replaced.

Your Committee, upon consideration, has made the following amendments to H.B. No. 867:

1. The definition of long-term substitute, which was inadvertently omitted in section 2 of the bill, has been inserted in section 1 of the bill. The definition refers to substitutes contracted for a period of more than thirty days.
2. Section 1 of the bill, relating to employment of long-term substitutes has been changed to section 2 of the bill. The clause relating to specific benefits to be made available has been eliminated from this section and provision has been made that all periods of employment as a long-term substitute shall be cumulated, allowed, and included in the computation for salary purposes.
3. To eliminate any confusion concerning the effects of present and pending teacher contracts, section 3, relating to the teacher salary schedule, has been eliminated.
4. A new section has been added which provides that per diem rates for substitute teachers shall be based on the annual salary rate established for the appropriate salary range and step on the most current teachers' salary schedule. The per diem rate formula is set as follows:

Per Diem Rate = Annual Salary Rate divided by 180 days

Classifications for substitute teachers are established.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 867, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 867, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ikeda.

SCRep. 291 Youth and Elderly Affairs on H.B. No. 1799

The purpose of this Act is to appropriate out of the general funds of the State of Hawaii the sum of \$5,000, or so much thereof as may be necessary, for the office of the Legislative Reference Bureau to conduct an analysis of the operations of the Commission on Children and Youth.

Your Committee has received reports on existing operational problems of the Commission on Children and Youth relative to weaknesses in its administration and other internal conflicts. This has affected the effective and efficient delivery of child care programs and services. Because the Coordinated Child Care Committee is a subcommittee of the Commission on Children and Youth, your Committee feels it is imperative that the commission's problems be examined and resolved before expanding its operations.

Therefore, your Committee has amended the bill to appropriate \$5,000 to the Office of the Legislative Reference Bureau to conduct a study on the operations of the Commission on Children and Youth including, but not limited to, an examination of its administrative problems and internal conflicts. The Legislative Reference Bureau is required to submit a report of its findings and recommendations to the Legislature twenty days prior to the convening of the Regular Session of 1976.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 1799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1799, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Hakoda and Sutton.

SCRep. 292 Youth and Elderly Affairs on H.B. No. 409

The purpose of this Act is to combine under the administration of the Commission on Aging the University of Hawaii's programs for free credit and non-credit courses for senior citizens, and to appropriate out of the general revenues of the State of

Hawaii the sum of \$159,600 for FY 1975-76 and 1976-77, or so much as is necessary for carrying out the purposes of this Act.

The Commission on Aging at the beginning of this fiscal year instituted with Federal funds a free tuition program for senior citizens for non-credit courses at the University of Hawaii, College of Continuing Education and Community Services, to supplement the Tuition Exemption Program for credit courses the College implemented with State funds appropriated by the Seventh State Legislature in 1974.

Your Committee finds that because the federally-funded program is more flexibly administered to allow establishment of courses of interest to senior citizens, and a coordinator/counselor was hired to administer this project, the funds for this program are more heavily utilized than the State funds for credit courses.

Your Committee finds that the current separation of programs makes for difficulties in administration. Your Committee therefore proposes to capitalize on the positive experiences gained from these two separate programs by combining them into one.

Your Committee has amended Section 2 by supplying the sum to be appropriated, \$159,600 for the biennium, based on information submitted to your Committee by the administrator of the non-credit Senior Citizens Education Program. These funds are to be distributed to each campus according to its needs and as requested.

Your Committee has further amended this Act by adding a new Section 4 providing that these programs shall be administered by the Commission on Aging, in order to effect better coordination of programs affecting the elderly, and implemented by the University of Hawaii.

For the purpose of consistency with the preceding amendment, your Committee has changed the expending agency specified in Section 3 from the University of Hawaii to the Department of Budget and Finance.

Sections 4 and 5 have been renumbered 5 and 6, respectively, to accommodate the addition of the new Section 4.

Your Committee on Youth and Elderly Affairs is in accord with the intent and purpose of H.B. No. 409, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 409, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Shito, Ikeda and Sutton.

SCRep. 293 Water, Land Use, Development, and Hawaiian Homes on
H.B. Nos. 862, 905, 926, 1128, 1111 and 1231

H.B. No. 862 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PLANNING AND ENGINEERING FOR GENERAL IMPROVEMENTS TO THE KALIHI VALLEY AREA".

The purpose of this Act is to appropriate funds for general improvements.

H.B. No. 905 entitled: "A BILL FOR AN ACT RELATING TO GENERAL APPROPRIATIONS FOR THE EIGHTH REPRESENTATIVE DISTRICT".

The purpose of this Act is to appropriate funds for six capital improvement projects, and to set forth policies pertaining to those projects.

H.B. No. 926 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT IN AID TO THE CITY AND COUNTY OF HONOLULU FOR PUBLIC WORKS PROJECTS RELATING TO THE EAST KAIMUKI IMPROVEMENT DISTRICT".

The purpose of this Act is to appropriate funds to eliminate the assessments to be levied against individual property owners.

H.B. No. 1128 entitled: "A BILL FOR AN ACT RELATING TO ESTABLISHMENT OF A COMMERCIAL FISHING LOAN PROGRAM".

The purpose of this Act is to provide government financing in the form of loans to

stimulate and implement the development of the fishing industry.

H.B. No. 1111 entitled: "A BILL FOR AN ACT RELATING TO APPROPRIATIONS FOR A SMALL BOAT LANDING".

The purpose of this Act is to appropriate funds for a small boat ramp.

H.B. No. 1231 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A SECOND SMALL BOAT LAUNCHING FACILITY (DOUBLE RAMP) AT THE MAUNALUA BAY PARK IN HAWAII KAI".

The purpose of this Act is to appropriate funds for a small boat launching facility.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. Nos. 862, 905, 926, 1128, 1111 and 1231 and recommends that these bills pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ho, Ajifu, Clarke and Larsen.

SCRep. 294 Water, Land Use, Development, and Hawaiian Homes on
H.B. Nos. 966, 1299, 1401, 1407, 1439, 1506, 1539, 1562, 1593,
1612, 1617, 1626, 1632, 1656, 1674, 1762, 1916, 1973, 1974 and
1977.

1. H.B. 966 entitled "A BILL FOR AN ACT RELATING TO APPROPRIATIONS FOR PROJECTS OF THE CITY AND COUNTY OF HONOLULU".

The purpose of this Act is to fund eight projects.

2. H.B. 1299 entitled "A BILL FOR AN ACT RELATING TO IMPROVEMENTS FOR PALOLO STREAM AMENDING ITEM 5, SUBSECTION K, SECTION I, ACT 197, SESSION LAWS OF HAWAII 1971 AND AMENDING ITEM 74, SUBSECTION J, SECTION IV, ACT 218, SESSION LAWS OF HAWAII 1974".

The purpose of this Act is to amend two project definitions relating to Palolo Stream.

3. H.B. 1401 entitled "A BILL FOR AN ACT RELATING TO APPROPRIATIONS FOR PUBLIC IMPROVEMENTS IN THE COUNTY OF HAWAII".

The purpose of this Act is to appropriate funds for seven public improvement projects.

4. H.B. 1407 entitled "A BILL FOR AN ACT RELATING TO GRANTS-IN-AID TO THE COUNTY OF HAWAII FOR WATER DEVELOPMENT".

The purpose of this Act is to appropriate funds as grants-in-aid to three water development projects.

5. H.B. 1439 entitled "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CAPITAL IMPROVEMENTS PROJECTS IN THE THIRTEENTH REPRESENTATIVE DISTRICT".

The purpose of this Act is to appropriate funds for 29 capital improvement projects.

6. H.B. 1506 entitled "A BILL FOR AN ACT RELATING TO APPROPRIATIONS FOR WATER FACILITY PROJECTS IN THE ELEVENTH REPRESENTATIVE DISTRICT, OAHU".

The purpose of this Act is for planning, engineering, construction and inspection of the installation of 800 feet of twelve-inch main and appurtenances.

7. H.B. 1539 entitled "A BILL FOR AN ACT RELATING TO APPROPRIATIONS FOR WATER FACILITY PROJECTS IN THE TWENTY-SECOND REPRESENTATIVE DISTRICT, OAHU".

The purpose of this Act is to appropriate funds for four water facility projects.

8. H.B. 1562 entitled "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR DESIGN, CONSTRUCTION, AND MONITORING OF A SILT BASIN CATCH AT THE MOUTH OF PALOLO STREAM".

The purpose of this Act is to appropriate funds for a silt basin catch.

9. H.B. 1593 entitled "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE WATER SYSTEM BETWEEN WAILEE AND KAHUKU, OAHU".

The purpose of this Act is to appropriate funds to develop the city and county of Honolulu water system.

10. H.B. 1612 entitled "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR FLOOD CONTROL".

The purpose of this act is to appropriate funds for land acquisition and construction of a stream wall.

11. H.B. 1617 entitled "A BILL FOR AN ACT MAKING AN APPROPRIATION TO PROVIDE A GRANT-IN-AID FOR CONSTRUCTION OF THE MOANALUA GARDENS UNIT 7 SUBDIVISION RELIEF DRAIN".

The purpose of this Act is to provide a matching grant in aid for the construction of a relief drain.

12. H.B. 1626 entitled "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR FLOOD CONTROL, DRAINAGE, AND SEWAGE IMPROVEMENTS IN THE TWENTY-FIRST REPRESENTATIVE DISTRICT, OAHU".

The purpose of this Act is to appropriate funds for four flood control, drainage and sewage improvement projects.

13. H.B. 1632 entitled "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR IMPLEMENTATION OF A MANAGEMENT PLAN AT THE ALA WAI CANAL. OAHU".

The purpose of this Act is for flood control and enhancing the recreational fishing opportunities at the Ala Wai Canal.

14. H.B. 1656 entitled "A BILL FOR AN ACT RELATING TO AN APPROPRIATION FOR DRAINAGE IMPROVEMENTS IN THE CITY AND COUNTY OF HONOLULU".

The purpose of this Act is to appropriate funds for the construction drainage facilities.

15. H.B. 1674 entitled "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR AIEA STREAM FLOOD CONTROL, AIEA, HAWAII".

The purpose of this Act is to appropriate funds for the planning and construction of flood control facilities.

16. H.B. 1762 entitled "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CAPITAL IMPROVEMENT PROJECTS IN MAUI COUNTY".

The purpose of this Act is to appropriate funds for 11 capital improvement projects.

17. H.B. 1916 entitled "A BILL FOR AN ACT RELATING TO REIMBURSEMENT TO THE CITY AND COUNTY OF HONOLULU UNDER SECTION 70-III, HAWAII REVISED STATUTES, FOR THE COST OF GENERAL AND SEWER IMPROVEMENTS IN THE VARIOUS IMPROVEMENT DISTRICTS OF THE CITY AND COUNTY OF HONOLULU AND MAKING APPROPRIATION THEREFOR".

The purpose of this Act is to appropriate funds to reimburse the City and County of Honolulu.

18. H.B. 1973 entitled "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR

A GRANT-IN-AID FOR A STUDY OF WAILEHUA ROAD DRAINAGE".

The purpose of this Act is for an appropriation to study drainage.

19. H.B. 1974 entitled "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID FOR A STUDY FOR KAWAINUI MARSH".

The purpose of this Act is to appropriate funds for a scientific study of the Kawainui Stream.

20. H.B. 1977 entitled "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR IMPROVEMENTS TO THE OLD PEAHI ROAD WATER LINE, MAUI".

The purpose of this Act is for an appropriation for improvements on the old Peahi Road water line.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. Nos. 966, 1299, 1401, 1407, 1439, 1506, 1539, 1562, 1593, 1612, 1617, 1626, 1632, 1656, 1674, 1762, 1916, 1973, 1974, and 1977, and recommends that these bills pass Second Reading and be referred to the Committee on Finance.

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

- SCRep. 295 Water, Land Use, Development, and Hawaiian Homes on H.B. Nos. 182, 186, 238, 457, 458, 640, 690, 771, 834, 920, 959, 969, 971, 972, 984, 1005, 1055, 1222, 1245, 1310, 1318, 1332, 1383, 1384, 1387, 1404 and 1406

H.B. No. 182 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR LAND ACQUISITION AND DEVELOPMENT OF MINI-PARKS AT WAIKIKI, OAHU."

The purpose of this bill is for the development of mini-park facilities at three locations in Waikiki.

H.B. No. 186 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CONSTRUCTION OF TENNIS AND HANDBALL COURTS IN THE CITY AND COUNTY OF HONOLULU."

The purpose of this bill is for the construction of tennis and handball courts at three locations.

H.B. No. 238 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A RECREATIONAL CENTER AT KOOLAU VILLAGE, OAHU."

The purpose of this bill is for the construction of a recreational center.

H.B. No. 457 entitled: "A BILL FOR AN ACT APPROPRIATIONS FOR IMPROVEMENT AT PALOLO PLAYGROUND, HONOLULU, OAHU."

The purpose of this bill is for the reconstruction of outdoor courts, gym improvements and supplemental appropriations for a swimming pool.

H.B. No. 458 entitled: "A BILL FOR AN ACT APPROPRIATION FOR IMPROVEMENTS AT MAUNALANI PLAYGROUND, HONOLULU, OAHU."

The purpose of this bill is to provide for playground equipment, reconstruct courts, retaining walls, and general improvement to facilities.

H.B. No. 640 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE DEVELOPMENT OF A PARK AT HILO, HAWAII."

The purpose of this bill is for plans, design, construction, and equipment for a park.

H.B. No. 690 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE PLANNING AND SITE SELECTION OF A RIFLE RANGE TO BE LOCATED ON MAUI."

The purpose of this bill is for the planning and site selection of a rifle range.

H.B. No. 771 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO PROVIDE A GRANT-IN-AID TO WAIPAHAU RECREATION CENTER, OAHU."

The purpose of this bill is for plans and construction of portable wooden floors at Waipahu Recreational Center annex building.

H.B. No. 834 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PLANS AND CONSTRUCTION FOR THE KUHIO PARK TERRACE MULTI-PURPOSE CENTER."

The purpose of this bill is for plans and construction of a multi-purpose center for Kuhio Park Terrace.

H.B. No. 920 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR RENOVATION, IMPROVEMENTS, AND CONSTRUCTION OF FACILITIES FOR KANEWAI FIELD, OAHU."

The purpose of this bill is for the renovation of rest rooms and providing supplemental funds for the construction of a swimming pool.

H.B. No. 959 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CAPITAL IMPROVEMENT PROJECTS FOR HEALTH, MEDICAL CARE, AND RECREATIONAL FACILITIES IN THE 7TH REPRESENTATIVE DISTRICT. (AINA HAINA TO HAWAII KAI)"

The purpose of this bill is to finance Capital Improvement projects.

H.B. No. 969 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CONSTRUCTION FOR KUALOA REGIONAL PARK, KAAAWA, OAHU."

The purpose of this bill is for the construction for Kualoa Regional Park, Kaaawa, Oahu.

H.B. No. 971 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CONSTRUCTION OF TENNIS COURTS FOR AHUIMANU NEIGHBORHOOD PARK, KAHALUU, OAHU."

The purpose of this bill is for the construction of tennis courts.

H.B. No. 972 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR LAND ACQUISITION FOR KAHALUU REGIONAL PARK, KANEHOE, OAHU."

The purpose of this bill is for land acquisition for Kahaluu Regional Park.

H.B. No. 984 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CONSTRUCTING AND SUPERVISING NOT LESS THAN FOUR TI-LEAF SLIDE AREAS ON THE ISLAND OF OAHU."

The purpose of this bill is for the construction and supervision of ti-leaf slides.

H.B. No. 1005 entitled: "A BILL FOR AN ACT RELATING TO A GRANT-IN-AID TO IMPROVE KAPAOLONO FIELD, OAHU."

The purpose of this bill is to complete a swimming pool and recreation center complex; to improve court lighting; resurface courts; and for a parking lot.

H.B. No. 1055 entitled: A BILL FOR AN ACT MAKING AN APPROPRIATION FOR MAINTENANCE, REPAIRS, AND IMPROVEMENTS FOR CONTINUING PROBLEMS FOR KALAEPOHAKU PLAYGROUND, HONOLULU, OAHU, HAWAII."

The purpose of this bill is to make improvements to Kalaepohaku Playground.

H.B. No. 1222 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PLANS AND CONSTRUCTION OF A CARETAKER'S CABIN-STORAGE STRUCTURE FOR KALOPEA STATE RECREATIONAL AREA, HAWAII."

The purpose of this bill is for plans and construction of a caretaker's cabin-storage structure.

H.B. No. 1245 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PLANS, SITE IMPROVEMENT AND CONSTRUCTION FOR EXTENDING PACIFIC PALISADES PARK, PEARL CITY, OAHU."

The purpose of this bill is for plans, site improvement and construction to extend Pacific Palisades Park.

H.B. No. 1310 entitled: "A BILL FOR AN ACT MAKING APPROPRIATION FOR CAPITAL IMPROVEMENT PROJECTS FOR THE 18th REPRESENTATIVE DISTRICT."

The purpose of this bill is to fund 5 recreational park projects.

H.B. No. 1318 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID FOR MAUNAWILI PARK, KAILUA."

The purpose of this bill is for land acquisition, planning and construction of a new park.

H.B. No. 1332 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CONTINUED CONSTRUCTION AND DEVELOPMENT OF THE SAND ISLAND STATE PARK, OAHU."

The purpose of this bill is to provide funds for continued construction and development.

H.B. No. 1383 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CAPITAL IMPROVEMENTS AT MILILANI KAI NEIGHBORHOOD PARK, OAHU."

The purpose of this bill is for the plans and construction of a sprinkler system, comfort station, play apparatus, play area, outdoor courts and ball fields.

H.B. No. 1384 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR CAPITAL IMPROVEMENTS FOR MILILANI DISTRICT PARK, OAHU."

The purpose of this bill is to fund two recreational projects in Mililani District Park.

H.B. No. 1387 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PLANS AND DEVELOPMENT OF A PARK AND RECREATIONAL COMPLEX, AND SENIOR CITIZENS' FACILITIES AT THE OLD HONOLULU STADIUM SITE, OAHU."

The purpose of this bill is for plans and development of the old Honolulu Stadium site.

H.B. No. 1404 entitled: "A BILL FOR AN ACT RELATING TO AN APPROPRIATION FOR RECREATION FACILITIES FOR KONA, HAWAII."

The purpose of this bill is to amend the titles of two recreational facilities.

H.B. No. 1406 entitled: "A BILL FOR AN ACT RELATING TO GRANTS-IN-AID FOR HAWAII COUNTY."

The purpose of this bill is to fund, through grants in aid, 16 projects in Hawaii County.

Outdated and older facilities are in constant need of repairs due to heavy usage. These recreational facilities provide for the health and welfare of Hawaii's young and old.

Newer facilities are in constant demand due to growing interest in sports such as tennis, basketball, handball and swimming. This widespread interest in various forms of recreational activities far outstrips the actual facilities in existence.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. Nos. 182, 186, 238, 457, 458, 640, 690, 771, 834, 920, 959, 969, 971, 972, 984, 1005, 1055, 1222, 1245, 1310, 1318, 1332, 1383, 1384, 1387, 1404, and 1406, and recommends that these bills pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 296 Water, Land Use, Development, and Hawaiian Homes on H.B. Nos. 893, 1026, 1139 and 1229

H.B. No. 893 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO PROVIDE A GRANT-IN-AID TO THE BOARD OF WATER SUPPLY, CITY AND COUNTY OF HONOLULU".

The purpose of this bill is to appropriate funds for a grant in aid to the Board of Water Supply.

Your Committee recommends an amendment to read as follows:

Line 11: Insert words "Board of Water Supply" after the word "Honolulu".

H.B. No. 1026 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE INSTALLATION OF A WATERLINE IN WAIANA VALLEY, OAHU".

The purpose of this bill is to appropriate funds for the installation of a waterline.

Your Committee recommends an amendment to read as follows:

Line 7: Insert words "Board of Water Supply" after the word "Honolulu".

H.B. No. 1139 entitled: "A BILL FOR AN ACT RELATING TO APPROPRIATIONS FOR CAPITAL IMPROVEMENT PROJECTS FOR THE THIRD DISTRICT, HAWAII".

The purpose of this bill is to appropriate funds for educational facilities projects.

Your Committee recommends the following amendments for the purposes of carrying out this bill, to read as follows:

Page 6, line 6: "\$300,000" is deleted, and \$400,000 is inserted.

Page 6, line 15, is amended to read:

"The amounts appropriated for Items 1-6 shall be expended by the Department of Parks and Recreation, County of Hawaii, and the amount appropriated for Item 7 shall be expended by the Department of Land and Natural Resources.

H.B. No. 1229 entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE INSTALLATION OF A WATERLINE IN KULIOU VALLEY, OAHU".

The purpose of this bill is to appropriate funds for the installation of a water main and appurtenants.

Your Committee recommends an amendment to read as follows:

Line 8: Insert words "Board of Water Supply" after the word "Honolulu".

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purposes of H.B. Nos. 893, 1026, 1139, 1229, as amended herein, and recommends that these bills pass Second Reading in the form attached hereto as H.B. Nos. 893, H.D. 1, H.B. No. 1026, H.D. 1, H.B. No. 1139, H.D.1, and H.B. No. 1229, H.D. 1, and that these bills be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ho, Ajifu, Clarke and Larsen.

SCRep. 297 Water, Land Use, Development, and Hawaiian Homes on
H.B. No. 1281

The purpose of this bill is to finance capital improvement projects.

Updated recreational facilities are in constant demand due to a growing interest in outdoor recreational activities. Many facilities now in existence are in need of repair or expansion to accomodate the ever growing number of users.

Your Committee recommends the following amendments for the purpose of carrying out this bill. Such amendments would be as follows:

Page 2, line 3: "Small Boat Harbor" is deleted.
line 7: The sum of \$1,000,000 is deleted and \$100,000 is inserted.

Page 3: Projects 9, 10, and 12 are deleted.

Page 7: Projects 35 and 36 are deleted.

For the purposes of continuity, your Committee recommends that this bill should be further amended as follows:

Projects 11, 13 through 35 are renumbered as projects 9, 10 through 31 respectively.

Also, Section 2 is amended to read: "The sums appropriated for item 1 through 18 shall be expended by the city and county of Honolulu. The sums appropriated for item 19 through 26 shall be expended by the department of accounting and general services. The sum appropriated for item 27 shall be expended by the university of Hawaii. Item 28 through 31 shall be expended by the department of transportation.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1281, as amended herein and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1281, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ho, Ajifu, Clarke and Larsen.

SCRep. 298 Water, Land Use, Development, and Hawaiian Homes and
Agriculture on H.B. No. 1178

The purpose of this Act is to appropriate funds for feasibility studies.

Your Committees on Water, Land Use, Development, and Hawaiian Homes and Agriculture are in accord with the intent and purpose of H.B. No. 1178 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ho, Roehrig, Ajifu, Larsen, Oda and Clarke.

SCRep. 299 Water, Land Use, Development, and Hawaiian Homes on
H.B. No. 1631

The purpose of this Act is to amend four park projects.

Your Committee has been advised that the district number in the bill is not correct

and we have amended it as follows:

"Sixteenth" is inserted on page 1 (line 12), page 2 (line 8) and page 2 (line 15).

"16th" is inserted on page 1 (line 16) and page 2 (line 19).

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1631, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1631, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ho, Ajifu, Clarke and Larsen.

SCRep. 300 Water, Land Use, Development, and Hawaiian Homes on
H.B. No. 1793

The purpose of this Act is to provide funds to the homesteaders to Keaukaha/Panaewa so that they can repair and construct their homes.

Your Committee recognizes the dire need for home improvements and construction of new homes for people living on Hawaiian Home Lands. Many homes are ramshackle and weather-beaten, and cannot be repaired because of the meager incomes of the homesteaders.

Your Committee on Water, Land Use, Development, and Hawaiian Homes is in accord with the intent and purpose of H.B. No. 1793 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ho, Ajifu, Clarke and Larsen.

SCRep. 301 Energy and Transportation on H.B. No. 1020

The purpose of House Bill 1020 is to make changes in the law relating to the general excise tax.

Your Committee finds that additional revenues to the state highway fund are required to pay for the increasing costs of upkeeping and maintaining the State Highway System and to pay for the cost of constructing highways incorporated in the system.

The Department of Transportation testified that the present system and rate of providing revenues for the funds do not meet required expenditures of the land transportation facilities and services program. Despite tautly administered austerity, the estimated operating deficit in the state highway fund will be approximately \$9.9 million in Fiscal Year 1976 and \$10.5 million in Fiscal Year 1977.

Your Committee finds that the state highway fund faces a deficit and requires additional revenues or the necessary construction and maintenance of highway facilities will be adversely affected and the state debt ceiling will be exceeded.

To aid in preventing a deficit your Committee has amended the bill by substituting an amendment in place of section 1 and adding a new section 2 and to do the following:

- (a) In Section 1, provide that general excise taxes collected from January 1, 1975 to June 30, 1976 under chapter 237 be paid over to the state highway fund.
- (b) In section 2, deem such excise taxes paid in to the state highway fund to be user taxes derived in the utilization of functions and services furnished by the state highway system.

Section 2 and 3 have been renumbered as sections 3 and 4 and amended for consistency and clarity.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 1020, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 1020,

H.D. 1.

Signed by all members of the Committee except Representative Evans.

SCRep. 302 Energy and Transportation on H.B. No. 857

The purpose of House Bill No. 857 is to provide additional revenues to the state highway fund to finance the state highway program. The bill proposes an increase in the state tax on motor fuel from 5 cents to 8 1/2 cents per gallon.

Your Committee finds that additional revenues to the state highway fund are required to pay for the increasing costs of upkeep and maintaining the state highway system and to pay for the cost of constructing highways incorporated in the system.

The Department of Transportation testified that the present system and rate for providing revenues for the funds do not meet required expenditures of the land transportation facilities and services program. Despite tautly administered austerity, the estimated operating deficit in the state highway fund will be approximately \$9.9 million in Fiscal Year 1976 and \$10.5 million in Fiscal Year 1977.

The state highway fund faces a deficit and requires additional revenues or the necessary construction and maintenance of highway facilities will be adversely affected and the state debt ceiling will be exceeded.

Your Committee recommended an increase in the state fuel tax from 5 cents to 6 cents per gallon on liquid fuel other than fuel mentioned in 2434(a)(1) and (2) and from 4 to 5 cents per gallon on diesel oil as the minimum necessary to fund essential expenditure during the next biennium, without trying to meet at this time the anticipated deficit beyond Fiscal Year 1976.

Your Committee also recommends amendments to the bill for the purpose of obtaining the additional funds necessary to carry out the purposes of this Act.

In place of the present Sections 1 and 2 of the bill, the following amendments have been substituted:

- (A) SECTION 1. Notwithstanding the state fuel tax rate contained in items numbered (3), (4), (5) and (6) of section 243-4(a), Hawaii Revised Statutes, the state fuel tax imposed under said items of section 243-4(a), after July 1, 1975 but prior to July 1, 1976, shall be at the rate of 6 cents for each gallon of liquid fuel other than fuel mentioned in items (1) and (2) of section 243-4(a) sold or used.
- (B) SECTION 2. Notwithstanding the state fuel tax rate contained in items numbered (1), (2), (3), and (4) of section 243-4(b), Hawaii Revised Statutes, the state fuel tax imposed under said items of section 243-4(b), after July 1, 1975 but prior to July 1, 1976, shall be at the rate of 5 cents for each gallon of diesel oil sold or used.

Present Sections 2 and 3 are renumbered as Sections 3 and 4 and amended for clarity and consistency.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.B. No. 857, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as H.B. No. 857, H.D. 1.

Signed by all members of the Committee except Representative Evans.

SCRep. 303 Consumer Protection and Commerce on H.B. No. 1716

The purpose of this bill is to establish all necessary facilities for the operation of a National Public Radio outlet in the State of Hawaii.

Your Committee agrees that the establishment of a National Public Radio outlet in Hawaii would benefit the citizens of the State.

The amount necessary to establish such an outlet has not been determined and,

therefore, the amount of the appropriation has been left open for determination by the Committee on Finance.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1716 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 304 Consumer Protection and Commerce on H.B. No. 934

The purpose of this bill is to limit the retainage allowed under a public contract and to require sums withheld to be placed in interest-bearing escrow accounts.

Present laws are silent on retainage provisions in public contracts. However, retainage provisions, pursuant to which a portion of the amount due a contractor under a contract is withheld to insure the proper performance of the contract, are long accepted standard provisions in construction contracts. Testimony before your Committee indicated that public construction contracts usually contain provisions for five to ten per cent retainages of the progress payments due contractors.

The provisions of this bill limit the retainage in public contracts to a maximum of five per cent of the amount due the contractor until fifty per cent of the contract is completed with no retainage allowed after fifty per cent completion. Further, the sums withheld as retainage are required to be placed in interest-bearing escrow accounts until released by written notice from the contracting body and the contractor.

Testimony in favor of the bill cited the benefits to be gained from the bill as follows:

(1) It would improve the cash flow of contractors and relieve economic hardships, especially in light of current economic conditions of shortage of materials, high interest rates and increasing inflation.

(2) It would relieve the economic hardship placed on contractors when there are disputes or change orders on the job and as a result, payments of retainages are sometimes held up for a long period after completion.

(3) The change in the retainage policy reflected in the bill might encourage more contractors to bid on State and County projects, thereby creating more competition and lower bids.

Testimony against the bill indicated that retainage is necessary to protect the contracting body from unsatisfactory performance of the contract and if the retainage were limited as proposed by the bill, the sums withheld would be insufficient to serve as a meaningful means of ensuring that the work contracted for is satisfactorily completed.

Your Committee believes that the present practice of retaining up to ten per cent of the entire contract amount works an undue hardship on contractors and that retainages should be limited. However, it is recognized that the retainage provisions in public contracts are designed to protect the government from unsatisfactory work and that such protection is needed.

Your Committee further believes that sums withheld should be placed in escrow bearing escrow accounts but recognizes that if the amount retained is relatively small, the costs of administering such an arrangement would outweigh its advantages.

In view of the foregoing, your Committee has amended the bill as follows:

(1) Provided that additional retainages of five per cent may be withheld after fifty per cent of the contract is completed if the work performed is unsatisfactory.

(2) Provided that interest-bearing escrow accounts will be required only if the amount of the contract exceeds \$500,000.

Other amendments relating to form and to correct a typographical error have been made which have no substantive effect on the measure.

It is your Committee's opinion that the bill, as amended, will provide fair treatment

for contractors and adequately protect the public interest.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 934, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 934, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 305 Higher Education on H.B. No. 1650 (Majority)

The purpose of this bill is to initiate a Hawaiian outrigger canoe racing team at the University of Hawaii. The intent of this bill is:

- 1) to create a focal point for the increasing community interest in this cultural sport and
- 2) to provide a means for eventually presenting a Hawaiian sport to the mainland United States and the rest of the world.

Your Committee has heard testimony from the Athletic Director of the University of Hawaii, the International Hawaiian Canoe Association, and the Hawaiian Canoe Racing Association, and finds as follows:

The establishment of a Hawaiian outrigger canoe racing team at the University of Hawaii is desirable. Benefits from such a program would accrue to Hawaii students who are directly involved in the program as well as to the people who are stimulated into participating in the sport. Outrigger canoe racing is a sport of Hawaii. The revitalization of local interest in this aspect of Hawaiian culture and the development of community pride through future national and international competition and exhibition, would benefit the people of the State.

Your Committee on Higher Education is in accord with the intent and purpose of H.B. No. 1650 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

Representative Abercrombie did not concur.

SCRep. 306 Agriculture and Higher Education on H.B. No. 680

The purpose of this bill is to amend Chapter 150, Hawaii Revised Statutes by adding a new section to enable the seed distribution program to operate at a level which will adequately meet the demand for seed.

This program was started in 1960 and expanded in 1969 with legislative funding of \$12,500 and a staff position to make these tropically adapted crop seeds available to farmers, seed stores, and home gardeners in the State of Hawaii and other developing tropical countries throughout the world.

At present, 26 hybrids and varieties of eleven vegetable and one fruit crop are carried under this program.

H.B. No. 680 provides for the establishment of a \$35,000 revolving fund for the purpose of continuing the operation of a seed distribution program by the College of Tropical Agriculture at a level which would adequately meet the increasing demand for seed.

A revolving fund will enable better planning, larger seed inventories, more student help, more materials and supplies and a quicker and more reliable response to the public's demand for seeds.

Your Committees on Agriculture and Higher Education is in accord with the intent and purpose of H.B. No. 680 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lunasco, Shito, Hakoda and Ikeda.