

SCRep. 868 Judiciary on S.B. No. 475

The purpose of this bill is to amend Act 130, Session Laws of Hawaii 1976, and Chapter 334, Hawaii Revised Statutes, to provide authority for police officers to take into custody persons who are threatening or attempting suicide and to deliver them to a psychiatric facility for emergency examination and hospitalization; to allow physicians to arrange transportation for patients to a licensed psychiatric facility for further evaluation and possible emergency hospitalization; to further protect a patient's right to privacy; and to clarify procedures relating to civil commitment to a psychiatric facility, such as service of process and notification of relatives.

Under present law, a police officer is not allowed to transport a suicidal person to a psychiatric facility unless he has probable cause to believe that the person is committing an offense due to apparent mental illness or substance abuse and appears to be imminently dangerous to property, to himself or others. The bill would also allow a police officer to take into custody and transport to any facility any person threatening or attempting suicide.

Under the present law, a physician who has examined a person and finds him to meet the criteria for emergency hospitalization, but has no admitting privileges at a psychiatric facility or has no available bed at the facility where he has admitting privileges has no way of getting the patient to a psychiatric facility if the patient is unable to consent or refuses to be hospitalized except by way of an ex parte order of a judge. The bill would allow any licensed physician who has, upon examination, reason to believe that a person is mentally ill or suffering from substance abuse, and is imminently dangerous to self, to others, or to property, and is in need of care, direct transportation, by ambulance, or other suitable means, to a licensed psychiatric facility for further evaluation and possible emergency hospitalization and may administer such treatment as is necessary for the person's safe transportation.

Under present law, a person who is admitted to a psychiatric facility on an emergency basis has no right to request that his guardian or family not be notified of the emergency admission. The proposed amendment would allow such a person to request that there be no notification to guardian or family when such person is an adult. Such an amendment would protect the privacy of such persons admitted to a psychiatric facility on an emergency basis.

The present law allows a psychiatric facility to detain a subject for a period of time ordered by the court which may not exceed ninety days from the date of admission. At the end of that period, a subject must be discharged automatically, unless before expiration of the period, the psychiatric facility obtains a court order for his recommitment. Such recommitment may not exceed ninety days and may not be ordered unless the court determines that the criteria for involuntary hospitalization continues to exist. The bill would allow the court to order recommitment, for a period not to exceed 180 days, if at the end of the initial recommitment period the court finds that the criteria for involuntary hospitalization continue to exist and are likely to continue beyond ninety days.

This Bill further amends the present law to eliminate the requirement that petitions for involuntary hospitalization be notarized. However, such petitions would be executed subject to the penalties of perjury.

Upon further consideration, your Committee made the following amendments to the bill:

1. By adding a new Section 2 to amend Section 334-21, Hawaii Revised Statutes, which refers to Section 334-51, which was repealed by Act 130. The addition of the word "involuntary" and the deletion of the reference to Section 334-51 conforms the law to Act 130 without changing the meaning of the section.

2. By amending page 5, line 11 of the bill to provide that the staff of the facility is to inform an adult patient of his right to waive notification to his family in connection with his emergency hospitalization.

3. By deleting the sentence at page 10, line 18-20 providing for waiver of notification.

4. By deleting the proposed change at page 20, lines 12 through 14, and retaining the original statutory language to provide that if in the opinions of the administrator a patient should not exercise any civil right, the administrator would have to apply

for a show cause order.

5. By repealing the present provisions relating to service of process and papers upon patients and replacing them with a completely revised procedure. At present, the section does not distinguish between service of process in involuntary hospitalization cases and other types of process. A distinction is necessary since it is unnecessary and unduly burdensome to serve the hospital administrator with involuntary hospitalization papers and to require the administrator to notify the court of the date of service and the mental and physical condition of the patient. Such requirements are necessary for the protection of the patient if process or papers not related to civil commitment are served since the mental or physical condition of the patient is unknown to the court and might affect the capacity of the patient to participate in any court proceeding.

6. By adding a new Section 334-76, relating to discharge from custody because Act 130 deleted the section. The section is necessary with respect to mandating the discharge of an involuntary patient, placing the duty on the hospital and physician to start discharge procedures for a patient who no longer meets the criteria for involuntary hospitalization.

7. By amending section 334-81 which refers to Section 334-53, which was repealed by Act 130. This section would allow a patient to challenge the regularity of his admission or continued hospitalization. The Section as amended would require the hospital to assist the patient in acquiring legal counsel if the patient objects to his hospitalization. Your Committee believes that legal counsel can better assist the patient than the hospital in making application for a hearing.

8. Your Committee also renumbered sections for consistency.

Your Committee on Judiciary concurs with the intent and purpose of S.B. No. 475, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 475, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 869. Judiciary on S.B. No. 1371 (Majority)

The purpose of this bill is to provide for the automatic termination of the duty to pay alimony upon the remarriage of the former spouse to whom it is being paid, except where a decree, order or agreement provides for continuation of payments after remarriage of the payee. In such cases, the family court is given discretion to modify and revise any decree or order as to alimony using the same guidelines as are contained in section 580-47, Hawaii Revised Statutes.

Your Committee, upon further consideration, believes that alimony should terminate in all cases upon remarriage of the payee, because your Committee feels that the spouse's responsibility to support the ex-spouse should not continue once that person has remarried. Therefore, your Committee has amended the bill accordingly.

It is the intent of your Committee that this bill shall not affect any decree, order or agreement in effect prior to the effective date of the bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1371, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1371, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Naito, Nakamura and Fong.
(Representative Ikeda did not concur.)

SCRep. 870 Judiciary on S.B. No. 1074

The purpose of this bill is to make changes, mostly technical, in the Hawaii version of the Uniform Probate Code (Act 200, Session Laws of Hawaii 1976). The Senate draft deleted some substantive revisions relating to the method of giving notice, the registration of trusts and the jurisdictional limit of the small estates clerk. For reasons more fully spelled out below, your Committee recommends that these provisions be reinserted in the bill. In addition, your Committee has made some technical amendments which

it deems necessary to insure that the Probate Code is compatible with Chapter 501 dealing with the land court.

The major differences between Senate Draft 1 and the attached House Draft are as follows:

1. Change: As introduced, S.B. 1074 terminated the obligation of trustees to register their trusts with the circuit court. (See section 1 and 45 through 50 of S.B. 1074). Senate Draft 1, however, required registration. House Draft 1 reverts to the original language of S.B. 1074 and terminates registration.

Reason: Your Committee is aware that a principal reason for trust registration in the original version of the Uniform Probate Code was to insure an accurate computation of the "augmented estate" (the assets against which the surviving spouse may assert her elective share). The Hawaii version of the Uniform Probate Code, however, deletes all reference to the augmented estate and instead accords the surviving spouse an elective share against the net probate estate (section 2-201). Thus, a principal reason for having trust registration is inapplicable in Hawaii. In sum, your Committee believes that the benefits, if any, accomplished by trust registration are outweighed both by the burdens it places upon the court and trustees and by the loss of privacy suffered by settlors.

2. Change: As introduced, S.B. No. 1074 permitted notice in probate proceedings to be given by first class mail (See section 2 of S.B. No. 1074). Senate Draft 1, however, permits first class mail only if personal service or registered or certified mail, return receipt requested, deliverable to the addressee only, has failed. (See section 1 of S.D. 1). House Draft 1 reverts to the original language of S.B. No. 1074 and permits first class mail.

Reason: Your Committee sincerely believes that first class mail, postage prepaid, is a better method of giving actual notice than certified or registered, return receipt requested, deliverable to the addressee only, for the latter mail is held at the post office if the addressee is not at home and is returned to the sender if not claimed by a certain number of days. For working people, then, their only chance to pick up the letter will be on Saturday mornings. If they forget or are afraid to pick up a certified or registered letter (usually from an attorney's office), the notice will not be received. Additional factors militating against certified or registered mail are, the added cost which it entails (notices must be sent to heirs, devisees, children, spouse, creditors, beneficiaries and others having a claim against the estate) and the delays which may be occasioned in the probate calendar while the court is attempting to determine why all the return receipts have not been received. In addition, your Committee is not aware of any other State which requires certified or registered mailing of probate notices. Finally, your Committee points out that requiring first class mailed notice is a far more effective method of according notice than the provisions under present law which permit merely published notice.

3. Change: As introduced, S.B. No. 1074 increased the jurisdictional limit of the small estates clerk from \$10,000 to \$30,000. (See section 27 of S.B. No. 1074). Senate Draft 1, however, leaves the jurisdictional limit at \$10,000. House Draft 1, reverts to the original language of S.B. No. 1074 and increases the small estates jurisdictional limit to \$30,000. Your Committee has recommended changes to sections 3-1205, 3-1206, 3-1207 and 3-1208 to insure adequate notice.

Reason: Your Committee seeks to make probate as fast and inexpensive as is possible consistent with the public interest in insuring a proper handling of the devolution of property. By increasing the jurisdictional limit of the small estates clerk to \$30,000, House Draft 1 provides for three alternative methods for handling the probate of estates under \$30,000: first, the personal representative may elect supervised proceedings with an attorney before a judge; second, the personal representative may elect "do it yourself" probate without an attorney before a registrar; or third, an interested person may petition to have the probate handled by the small estates clerk who will serve as the personal representative. The amendments to sections 3-1205, 3-1206, 3-1207 and 3-1208 are intended to insure that interested persons have notice of the pendency of the proceedings.

4. Change: Sections 501-171 through 501-173 relating to the land court have been amended in numerous respects.

Reason: Upon the recommendation of the Judiciary, your Committee feels that land

court title should not be granted upon the basis of the registrar's closing statement since the determination made in informal proceedings may be later reversed by court order. Accordingly, a land court certificate may only be issued with an order from a supervised closing. Your Committee points out that it construes the word "adjudication" appearing in section 3-1006 as including an order issued under Section 3-1001(a)(3), with the result that such an order is a conclusive determination of distributees upon which the land court may rely in issuing a new certificate.

5. Change: Section 656-1 is amended by adding language relating to pre July 1, 1977 agreements.

Reason: The substantive language which is added is the same as that deleted last session. The purpose of the return to the former language is to make clear that the last clause of section 656-1(7) applies to agreements made prior to July 1, 1977. As to past July 1, 1977 agreements, section 2-701 applies.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1074, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1074, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Naito, Nakamura and Fong.

SCRep. 871 Judiciary on S.B. No. 1452

The purpose of this bill is to amend and clarify the debtor exemption laws of our State which were enacted to protect from the actions of creditors certain minimum property of debtors in order that debtors will not be totally without the necessities of life nor become a burden on the State.

Your Committee finds that in 1976 the legislature enacted Act 136 completely revising the debtor exemption laws. Your Committee further finds that additional clarifications are necessary and that Act 136 should be further tightened. This bill provides the necessary language.

The bill provides as follows:

1. An appropriate procedure is provided to allow the debtor to claim his exemption upon the service of process and a hearing to determine the debtor's right to an exemption, if any, and the amount thereof which may be offset against the creditor. The bill further provides for the necessary procedures to allow the creditor to move forward on his process.
2. The bill sets forth the policy of the legislature that these legislatively provided exemptions cannot be waived, except when contained in a mortgage or security interest for the purchase price of real or personal property. This policy is found to be in line with the legislature's policy against confessions of judgment and prevents nullification of the exemption policy in the area of secondary loans.
3. The bill rewrites the provisions of Act 136 concerning appraisals to conform them to the new provisions on proceedings to determine the exemption and its amount, if any, and allows the creditor, the owner, or the court to provide for an appraisal, if appropriate.
4. Section 5 of the bill clarifies that both the husband and wife may claim an exemption. It also deletes the one acre limitation to clarify the fact that the exemption may be claimed on farm and other property whose minimum acreage due to subdivision and other land use laws may be more than one acre.

The section further clarifies the legislature's intent that a person may only claim on real property exemption on one parcel of real property in the State. As the law is presently written, more than one claim may be possible. Clarification is also provided concerning which creditor and government claims come before an exemption.

The bill also provides that the single parent shall be treated as the head of a family and given the \$30,000 exemption allowed the head of a family. This amendment is accomplished by eliminating the reference to a divorced or deceased spouse in section 651- (1)(C).

5. Section 6 clarifies when material injury to land may occur which is not presently in the law and provides for the distribution of proceeds after sale in a manner similar to other sections of the law. Your Committee finds that the present law discriminates unfairly against the creditor in this area.

The section also clarifies the legislature's intent that the 6-month exemption of proceeds from a sale applies to a voluntary sale and to the proceeds even though the proceeds have changed their form and have been used to purchase real property. As the law is presently written, if the proceeds are not used to buy real property the proceeds are safe for 6 months; however, if they are used to buy real property and the buyer does not take possession of the real property, the buyer would lose the 6-month exemption.

6. Section 7 recognizes the legislature's intent that in real property sales by execution, there shall be no deficiency judgments in this State. The legislature finds that it has moved in this direction over the years by providing that no confessions of judgment may be made and by providing for prejudgment garnishment hearings. Your Committee also finds that while this provision protects the debtor from a seldom ending scenario of judgment and sale, judgment and sale, etc; creditors may also protect themselves, by bidding on the property so that the proceeds are ample. Such a provision will also prevent sales at abnormally depressed prices which hurt both debtors and creditors.

The bill also adds a requirement that the bid required at the execution sale of real property shall also include the amount of the levy under which the sale is being made. Such an addition is necessary to provide against deficiency judgments.

7. Section 8 clarifies the personal property exemptions by recognizing that televisions are now considered a necessity and by allowing the debtor to keep food and household provisions sufficient for 3 months. Other exemptions are added by providing that 75 per cent of the debtor's disposal earnings is exempt which is similar to the federal garnishment law formula. The bill also protects allowances for support and maintenance in the hands of a spouse who have been ordered to pay such allowances to another spouse. The bill provides an exemption for private pension plans which is similar to that now provided for public employee pension plans and delimitates this unnecessary discrimination. The bill also provides an exemption for disability proceeds from private insurance and clarifies that such an exemption shall in the future be similar to that provided public employees for temporary disability insurance.

Your Committee, upon further consideration of the bill, believes that the definition of "head of family" in Section 5 of the bill, should be amended to include the head of a household as defined in Section 2(b) of the Internal Revenue Code, 1954.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1452, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1452, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Naito,
Nakamura and Fong.

SCRep. 872 Judiciary on S.B. No. 1370

The purpose of this bill is to provide statutory authority for the long-established custom and practice in domestic relations cases of the court making appropriate orders under criteria and guidelines as set forth in the bill, as follows:

- (a) Relating to the payment by the parties in divorce actions of the debts of the parties, their attorneys' fees, costs and expenses in the initial action, in actions to modify or enforce prior orders of the court, and also on appeal;
- (b) Relating to the support of the parties and any children of the parties during the pendency of any appeal; and
- (c) Relating to the support and maintenance in addition to the education of adult and minor children of the parties, and the education of any incompetent adult children.

Your Committee made some nonsubstantive technical changes which do not affect the intent and purpose of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1370, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1370, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Naito, Nakamura and Fong.

SCRep. 873 Judiciary on S.B. No. 761

The purpose of this bill is to update those provisions originally designed to provide more effective means of protection to the public from theft and traffic of stolen merchandise on which manufacturer or owner serial numbers or identification marks have been affixed. The provisions prohibit the defacing, erasing or alteration of such numbers or marks and possession of merchandise so defaced, erased or altered.

Under present law, Sec. 708-838, Hawaii Revised Statutes, a person commits the offense or removal of identification marks only when he acts with the required intent, i. e., with intent to cause interruption of the ownership of another. The present bill would amend this provision to provide for two categories of identification marks, the serial number inscribed by the manufacturer and any other identification marks on the merchandise. No intent is necessary to commit the offense of removal of identification marks inscribed by the manufacturer. Where the identifying marks have been placed by persons other than the manufacturer, the offense of removal of identification is committed when one knowingly, to conceal the true ownership of the property of another, alters the identifying marks.

The bill would also amend Sec. 708-839 imposing criminal sanctions for possession of merchandise where the identifying marks by the manufacturer have been defaced or for possession knowing that any other identifying mark has been altered. The amendment to Sec. 708-839 would have the effect of a caveat emptor; the buyer should be aware that he is criminally liable when purchasing altered merchandise.

The bill deletes the word "firearms" from the present statute. Presently Sec. 134-10, Hawaii Revised Statutes, prohibits the removal of identification marks from firearms so there is no need for reference to firearms in Sec. 708-838 and 708-839.

The bill originally included identifying marks by the owner as the counterpart to identifying marks by the manufacturer. However the concern that the phrase "by the owner" could be used as a loophole for the defense in claiming that the defendant had no knowledge that the identifying mark had been placed by the owner. Thus your Committee amended the bill by deleting the phrase "by the owner".

The Committee feels that this bill will deter the possession of stolen property where serial numbers or other identifying marks have been placed on the items, and in turn, reduce the theft of such items by making it more difficult to dispose of them.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 761, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 761, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Naito, Nakamura and Fong.

SCRep. 874 Finance on S.B. No. 74

The purpose of this bill is to exempt from income taxation sales of developed single-family residential land, where such sales are made by organizations exempt under section 501(c)(3) or treated as an estate or trust under Subchapter J of the Internal Revenue Code, and where sales are made to lessees of such residential lands.

Your Committee agrees that such sales should be treated as involuntary conversion of property, and not as sales of property in the ordinary course of business, since such sales generally take place only pursuant to the threat or exercise of eminent domain by the Hawaii Housing Authority under Chapter 516, Hawaii Revised Statutes. Your Committee further agrees that taxation should not be a barrier to increasing fee simple home ownership in the State.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 74,

H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 875 Finance on S.B. No. 1193

The purpose of this bill is to extend the lapsing date on state appropriations for Waikiki improvements. The appropriation would otherwise lapse as of June 30, 1977 under existing law.

Your Committee finds that Waikiki is a special district deserving limited extension of appropriations because of its importance to tourism which reflects on the economy of the State as a whole.

Your Committee has amended the bill to set the lapsing date on December 31, 1977 rather than June 30, 1978, as it is believed that needed funds can be encumbered as of June 30, 1977. Extending the lapse date to December 31, 1978 will provide adequate time to encumber the needed funds, yet allow for unforeseen delays.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1193, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1193, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 876 Finance on S.B. No. 1308

The purpose of this bill is to provide a mechanism for citizen input into governmental activities with regard to crime, through systematic and thoughtful development of new programs and review of ongoing programs, investigation, public education, and legislative recommendation functions.

Crime adversely affects every person in the State, and that all steps necessary to prevent crime should be taken. One preventive measure is to secure public input into determining the ways in which crime can be controlled. Your Committee approves the establishment of a crime commission as proposed by this bill as appropriate to the goal of controlling crime. Your Committee incorporates the provisions of House Standing Committee Report No. 842 herein.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1308, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 877 Finance on S.B. No. 1100

By virtue of Act 175, SLH 1973, lands situated in a land use district classified agriculture by the State Land Use Commission and actively being used for agriculture are assessed and taxed according to their actual agricultural use values. Where the Commission changes the land use classification from an agriculture to an urban or rural use district upon petition by a property owner or lessee, a deferred or roll back tax is imposed. This penalty is imposed upon all lands situated within the boundaries of the land use change including lands which may not have been petitioned for such land use change by its owners. The deferred tax is equal to the difference in the taxes between what the land would have been assessed in the higher use and the tax at which the land was actually assessed. The deferred tax is imposed notwithstanding the fact the owner may still continue to use the land for the same agricultural use and, further, notwithstanding the fact the owner is not able to use the land for urban purposes because all of the requirements prescribed by governmental agencies, such as county zoning designations, have not been met in spite of the diligent efforts of the owner.

This bill provides that when the agricultural classification is changed to an urban or rural use classification, the land will continue to be assessed and taxed in its agricultural use for a period of three years. However, if the owner is able to put the land to the higher urban or rural use prior to the expiration of the three year period, the agricultural assessment will terminate at the end of the year in which the land is put to such higher use. This will defer the assessment at the higher urban or rural use

value for a maximum period of three years from the time the land use classification has been changed from agricultural to urban.

Under this bill, no deferred taxes will be imposed where the change in classification is the result of a petition initiated by a governmental agency or where the owner or lessee is not the party who petitioned for a change. The deferred tax will apply only upon lands owned by an owner or lessee who has petitioned for the change. The tax is to be computed retroactively from the termination of the three year period following the change in classification to the time the special agricultural assessment had begun but the total retroactive period is not to exceed ten years. However, if the owner puts his land to a higher urban or rural use during this three year "grace" period, the retroactive period shall commence at the end of the year in which the land has been put to the higher use.

Section 246-12, the dedication law, has also been amended to make it clear that a change in land use classification does not constitute a breach of the dedication as a result of which the deferred tax would be made to apply.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1100, S.D. 1, H.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 878 Finance on S.B. No. 47 (Majority)

The purposes of this bill are to: (1) authorize the State Postsecondary Education Commission to promulgate rules necessary for the receipt and disbursement of funds under the State's Administrative Procedures Act; (2) restrict the use of state funds to aid only persons attending State owned and/or State controlled institutions; and (3) prohibit the payment of staff-work used in the distribution of federal or private funds to students attending non-public institutions.

Until such time that the Hawaii State Constitution will allow for the use of public funds for financial aids to students attending private higher education institutions, the State Postsecondary Education Commission is authorized as the single public agency to receive and distribute federal funds. The Commission can represent the interests of both public and private higher education institutions if funds are appropriated for State participation in the 50% federally funded State Student Incentive Grant (SSIG) program which has been developed to assist needy postsecondary education students meet education costs.

Your Committee has amended this bill to appropriate \$260,000 for fiscal year 1977-78. This appropriation is contingent on the receipt of federal funds. Your Committee feels that until the State is ready to address the constitutional issue prohibiting the use of public funds for the support of private educational institutions, this bill will serve as an interim measure.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 47, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 47, S.D. 2, H.D. 2.

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

SCRep. 879 Finance on S.B. No. 140

The purpose of this bill is to establish a method for the adjustment of compensation, hours, terms and conditions of employment, and other benefits of public officers and employees excluded from collective bargaining, except for those officers and employees whose compensation presently is established by the Constitution, statutes, or county charters and ordinances.

There is no established procedure for making such adjustments for those employees excluded from collective bargaining. This bill provides for adjustments to be made at the discretion of the chief executives of the State or counties, and the Board of Regents, or Board of Education, with the approval of the Governor. The adjustments for excluded employees with equivalent or identical positions with public employees within collective bargaining units shall not be less than those granted to the employees covered by collective bargaining agreements. This bill establishes the proper mechanisms and

parameters for providing adjustments in compensation, hours, terms and conditions of employment, and other benefits to excluded employees. Your Committee concurs with the findings of House Standing Committee Report No. 804.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 140, S.D. 1, H.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 880 Finance on S.B. No. 237

The purpose of this bill is to amend Section 89-11, Hawaii Revised Statutes, by adding a new subsection (d) to provide for the establishment of compulsory arbitration procedures for resolving disputes over the terms of an initial or renewed agreement involving the exclusive representative of bargaining unit (11), Firemen. Any impasse dispute involving Unit 11 which continues to exist 15 working days after the date of impasse would be submitted to the arbitration procedures established in this subsection unless the parties to the dispute mutually agree upon an alternative arbitration procedure within 18 working days from the date of impasse.

This bill provides for final-offer whole package arbitration as the method of impasse resolution. This approach requires the arbitrator to select the most reasonable of the final offers submitted to him by the parties, and to issue a decision incorporating that offer without modification. The decision of the arbitrator shall be final and binding upon the parties; provided that at any time and by mutual agreement, they may modify or amend the decision. Agreements reached pursuant to the decision of the arbitrator as provided in this bill would not be subject to ratification by the employees concerned. Moreover, employees covered by this method of impasse resolution voluntarily relinquish their right to strike.

Your Committee concurs with the findings expressed in House Standing Committee Report No. 805.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 237, S.D. 1, H.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 881 Finance on S.B. No. 246 (Majority)

The purpose of this bill 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. Certain exemptions are made. This bill also makes permanent the present 3-1/2 cent temporary increase in the state fuel tax.

Additional revenues to the state highway fund are required to pay for the increasing costs of upkeep and maintaining the State Highways system and to pay for the cost of constructing highways incorporated in the system.

The operation and maintenance of the state's land transportation facilities, including debt service on bonds, are financed primarily by the state tax on motor fuel. Other sources of financing include income from permit fees, rentals and proceeds from the disposal of unrequired remnants of land acquired for highway rights-of-way.

The state highway fund faces a deficit and requires additional revenues. Failure to provide such additional revenue would adversely affect the construction and maintenance of necessary highway facilities and would inevitably lead to indebtedness in excess of the State debt ceiling.

The fuel tax, which is the primary source of revenue for the state highway fund, is an inadequate and unstable source of revenue. It is also a highly regressive tax to many citizens who cannot afford the continuous upward spiral in the price of fuel and who, because of our state's uniquely limited land area, do substantially less discretionary and recreational driving than their mainland counterparts and who, 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 affects fuel tax revenues, tax equity, and the relationship between the members and sizes of vehicles and our capacity to accommodate these vehicles in terms of our limited land area, highway capacity and funding ability.

Your Committee agrees that a tax on a vehicle by weight would provide both a disincentive which would promote energy conservation and new revenues for the state highway fund.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 246, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.
(Representatives Lunasco, Narvaes and Sutton did not concur.)

SCRep. 882 Finance on S.B. No. 251

The purpose of this bill is to provide a penalty for false certification of storage for vehicles eligible for tax exemption. The measure also provides that persons shall pay tax due for the quarterly period(s) prior to storage for the year in which the vehicle was stored and for the fraction of the current year in which the person is registering the vehicle. This provision applies if certification is presented to the treasurer between December 31 of the year in which the vehicle is registered and March 31 of the immediate following year.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 251, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 883 Finance on S.B. No. 1464

The purpose of this bill is to effect a statewide litter abatement program. The powers and duties under this program are placed under the director of health, who is authorized to adopt rules necessary to carry out the purposes of this bill. The director may request state and local governmental agencies having law enforcement powers to provide assistance. The director's duties are as follows:

1. Study of available research in the field of litter control, prevention, removal, disposal, and recycling; development of public educational programs.
2. Coordinator between the State and various organizations seeking to aid in the anti-litter effort.
3. Cooperate with local governments to accomplish the coordination of anti-litter efforts.
4. Encourage voluntary local anti-litter campaigns.
5. Apply for funds or other resources available from private or public sources.
6. Conduct educational programs intended to instill the anti-litter ethic.
7. Design a state anti-litter symbol.
8. Post anti-litter signs in public places.

9. Design and make available a litter bag bearing the State anti-litter symbol and a statement of penalties.

An appropriation of \$154,820 is authorized for the purposes of this bill. Your Committee agrees that this measure will provide employment and your Committee approves of this effect of the bill.

Your Committee has made minor amendments to this bill as follows:

1. Underscored the section heading, page 5, line 9.
2. Deleted reference to section -8, page 6, line 24.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1464, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1464, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 884 Finance on S.B. No. 1209

The purpose of this bill is to establish a program to stimulate and coordinate the development and growth of aquaculture into a major industry in Hawaii.

There is to be established within the department of planning and economic development an aquaculture development program to be headed by the director. Also, an Aquaculture Advisory Council is created, with membership not to exceed ten members.

The program shall provide for the planning and coordination of aquaculture in Hawaii, as well as provide assistance to aquaculturists. The director with the advice of the Aquaculture Advisory Council shall also develop and periodically update an aquaculture plan.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1209, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 885 Finance on S.B. No. 1443

The purpose of this bill is to amend Act 167, Section 1, Session Laws of Hawaii 1976, by specifically providing that general obligation bonds of the State or its political subdivisions rather than any government bond may be used as a substitute retainage in public contracts, and that the contract officer may require that the total market value of such bonds be greater than the sum to be withdrawn.

Your Committee has amended Section 1 of the bill by deleting the phrase "or the treasury bond of the United States of America". This amendment was proposed by the State Comptroller and the Deputy Finance Director of the City and County of Honolulu.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1443, S.D. 1 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1443, S.D. 1, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 886 Finance on S.B. No. 1407 (Majority)

The purpose of this bill is to establish a general aviation airport at Barber's Point NAS, Oahu, through the redesignation of prior general aviation appropriations for the purpose, and to provide for the financing of the airport, including its operation.

The Department of Transportation is authorized to negotiate with the United States Navy for continued use of Ford Island's facilities and for the joint civilian-military use of military facilities for general aviation purposes.

This bill establishes a special fund for the payment of activities and programs of the airport.

Your Committee reviewed the findings expressed in House Standing Committee Report 813 which are incorporated herein.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1407, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 887 Consumer Protection and Commerce on S.B. No. 1203

The purpose of this bill is to provide that no more than 30% of the total voting stock of banks regulated by the Director of Regulatory Agencies under Chapter 403 shall be held or acquired by foreign corporations or nonresident aliens unless prior written approval is obtained by the Director of Regulatory Agencies.

For purposes of this section, a foreign corporation is defined as a corporation not incorporated within the territorial limits of the United States or a corporation in which the majority of the voting stock is held, directly or indirectly, by nonresident aliens. A nonresident alien means a person not a citizen of the United States and defined as a resident alien by the United States Immigration and Naturalization Services.

The intent of this bill is to prohibit foreign corporations and nonresident aliens from holding, acquiring, or controlling the voting stock of local banks, whether directly or indirectly. It is our intent that foreign corporations or nonresident aliens shall not be permitted to control, in any way whatsoever, more than a limited amount of voting stock of local banks. For example, the provisions of this bill would prohibit foreign corporations or nonresident aliens from indirectly holding voting stocks through devices such as trusts, holding companies, voting trusts, having a stock brokerage firm buy the shares, or holding it in conjunction with agreements with domestic corporations or citizens.

Your Committee is aware that one need not hold a majority of the voting stock in a corporation to effectively control it. The number needed is dependent upon a number of factors interwoven in a complex manner. The 25 per cent figure is an attempt to set a figure reasonably related to this goal of preventing a foreign corporation or nonresident alien from holding effective control over a banking corporation.

Your Committee wishes to stress that these restrictions on control are not inflexible for the bank examiner may permit a foreign corporation or nonresident alien to hold more than 25 per cent of the voting stock should he determine that such ownership is not contra to the best interests of this State.

Your Committee is concerned over the impact to our community should a foreign corporation or nonresident alien gain a large interest in one of our local banks. Obviously, as a major source of financing, banks are an essential segment of our community, and it would be important for those familiar with our ways to maintain control over these institutions so that we may better chart our destiny.

Your Committee is also concerned that should a foreign corporation or resident alien hold enough shares to effectively control a bank, they may be interested in operating the bank only for earnings or cash flow rather than to provide public services. Thus while money is siphoned off to other lands, the service offered by the bank would suffer.

Your Committee has also made it clear that shares legally held, either directly or indirectly, prior to the effective date of this section are not affected by the provisions of this bill.

Your Committee has amended the bill to extend the rationale of this bill to another important segment of the community that provides services to the public. The holding of shares of certain public utility companies, primarily those providing electricity or gas, would also be restricted in the same manner as those of banks, with the exception that for such purposes, a foreign corporation is defined as a corporation organized without the state.

Section 2 of the bill would forbid any foreign corporation or nonresident alien from

holding, either directly or indirectly, more than 25 per cent of the voting stocks of that utility.

Gas and electricity are services essential to the public health and safety. Obviously this places such utilities in a very unique position in our economic life. It becomes even more important that such utilities do not come under the control of those outside the State. Should a mainland corporation control such a utility, it may be concerned solely with taking the earnings and investing it in more lucrative ventures than the utility business, whose earnings capabilities are regulated by the Public Utilities Commission. This siphoning could result in the Hawaii public utility operating on a shoestring budget with a resulting decline in services to the public.

Because of the daily importance of these utilities, the restrictions on outside control is even more important and accordingly, the definition of foreign corporation is more restrictive, and also includes a subsidiary of a mainland corporation.

It is the intent of your Committee to exempt certain transactions from these provisions. One such transaction is the purchase or sale of shares by an underwriter. This exemption is necessary so that the utility companies may go to the mainland market to acquire financing through the sale of shares. However, it is not the intent of your Committee to exempt customers who buy shares from the underwriter. Thus anyone who buys certain public utilities shares will still be included within the 25 per cent limitation.

As in the case of bank corporation stock, utility shares held, directly or indirectly, prior to the effective date of this section are not affected by these provisions.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1203, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1203, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Baker and Blair.

SCRep. 888 Consumer Protection and Commerce on S.B. No. 454

The purpose of this bill is to permit any bank to establish a branch bank to serve a university or community college facility without regard to the present statutory limitations placed on the number of branches a bank may have in any one zone in the Honolulu district.

Under State banking law, banks are allowed to open or maintain only four banks in each of three geographical zones within the district of Honolulu. This bill would allow a bank to establish a branch bank to serve a university, or community college facility without regard to the limitations on the number of branch banks in any one zone.

A representative of the Campus Center Board of the Manoa Campus of the University of Hawaii testified that there is a definite need for banking facilities on the Manoa Campus. Because of this need, the Campus Center Board has inquired of all the local banks as to whether or not they would be able to establish a branch bank on the Manoa Campus. However, they have not met with success because three of the eight banks already have reached their limit of four branch banks within the zone encompassing the Manoa Campus, and the other five banks have elected not to establish a branch bank on the campus. Thus, without an exemption to the statutory limit, the Manoa Campus would remain unserved for the foreseeable future.

Your Committee is sympathetic to the needs of the Manoa Campus community, but your Committee is also aware that the bill, as presently drafted, is overly broad. This bill would permit an exemption to the branch bank limit for any degree granting accredited institution with a full-time enrollment of at least fifteen thousand students. It is foreseeable that a community college or an university campus in a zone other than Manoa would reach such an enrollment level.

Your Committee is aware of the possibility of unfair competition that may arise should a bank be able to exceed the limits on branch banks in more than one zone by the placing of one branch bank on a campus meeting the requirements of the proposed section. Accordingly, your Committee has amended the bill to specifically exempt only a bank establishing a branch bank on the Manoa campus of the University of Hawaii from the

four branch bank limit of section 403-53.

Your Committee has also amended the bill by deleting reference to the five factors in subsection (c) that the director shall consider in granting the certificate. This will allow the director greater discretion in making the determination. There are many relevant factors to be considered in making the determination since the decision affects not only the University of Hawaii at Manoa community but also the banking community. The elimination of these factors will allow the director greater discretion to take into account all these varying factors prior to making a determination pursuant to the rules adopted.

Your Committee is aware that though the bill provides for a bidding procedure for the right to open a branch bank at the Manoa campus, and that all eight banks may participate, past experience indicates that not all the banks will participate in the bidding procedure. It is likely that those participating will be those already at the limit and therefore, enactment of this bill would mean that one bank will have more than four branch banks in that one zone.

Your Committee realizes that the purpose of the branch bank limitation is to prevent undue domination of the banking industry by one or two large banks, and this proposed exemption may be counter-productive to that purpose. However, your Committee believes that the situation of the Manoa campus is unique and therefore merits this attention but believes that in making the decision, the Director should be aware of the Committee's concern in this regard.

Also, since only one branch bank can be opened at the Manoa campus, that bank will be in a position of unusual advantage as it will have sole access to a community of 30,000 people. It should also be noted that the great majority of these people will be students who are just beginning to create relations with the banking world. This should afford the bank an excellent opportunity to convert some of these student customers to long-term customers.

Because of the special position that will be occupied by the bank awarded the certificate, your Committee believes that the director should give particular attention to the manner in which the bank will meet the unique needs of this community which gave rise to this exemption. Many of the needs of the Manoa campus community are similar in nature to others but because so many are young students, financial counseling and education loans to meet the rising costs of education are needs that are unique to this community. Many young people have yet to establish credit ratings and so may have trouble qualifying for other types of loans. Your Committee hopes that this problem will also be alleviated.

Your Committee is also aware that in this time of economic austerity, the lease rent that will be paid to the Campus Center Board by the bank will be of great use in continuing student-oriented programs that may otherwise flounder for lack of funds.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 454, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives
Baker and Blair.

SCRep. 889 Consumer Protection and Commerce on S.B. No. 1479

The purpose of this bill is to amend the grounds for invoking the penalty provisions of Section 437B-12, relating to improper vehicle repair work by changing the language from accepted "trade standards for good and workmanlike repair in any material respect without consent of the customer" to accepted "practices or workmanship". This bill also requires that mechanic apprentices work under the direct supervision of a registered motor vehicle mechanic and that only registered mechanics teach auto mechanic courses.

Your Committee has amended this bill by deleting the word "direct" before "supervisor" to reflect the general nature of supervision in the apprenticeship trainee programs.

Your Committee has further amended this bill to provide separate definitions for "mechanic helper" and mechanic "apprentice trainee". The purpose of this amendment is to allow more flexibility for those who do not desire an apprenticeship program. Apprenticeship

trainee programs are voluntary and as such should be an optional or alternative means available for certification of training.

This bill is also amended to include within the apprenticeship program certification requirements for a motor vehicle mechanic in accordance with the Apprenticeship Law.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 1479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1479, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Baker.

SCRep. 890 Consumer Protection and Commerce on S.B. No. 799

The purpose of this bill is to increase the capital requirement from \$100,000 to \$500,000 for companies which desire to engage in the industrial loan business.

Your Committee has amended this bill by decreasing this capital stock requirement to \$300,000. The capital stock requirement of at least \$300,000 will be applicable to industrial loan companies which presently issue investment or thrift certificates or debentures to the public when such companies open an additional office or place of business after July 31, 1977.

This bill also provides that industrial loan companies desiring to engage in the industrial loan business but not to issue investment or thrift certificates to the public shall have a capital stock of not less than \$100,000 at all times.

Because of the widespread investment in industrial loan companies and the problems these companies are experiencing due to changed economic conditions, the Department of Regulatory Agencies has recommended this increase to protect public investors.

This increase in the capital requirement will insure that industrial loan companies which receive public investments have a larger capital base for their operations and is a measure of protection to public investors in the event the company is liquidated.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 799, as amended herein and recommends that it pass Second Reading in the form attached hereto as S.B. No. 799, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Baker.

SCRep. 891 Judiciary on S.B. No. 533

The purpose of this bill is to provide for the regulation of motor-driven bicycles or "mopeds" as they are more commonly known. The bill provides a definition of motor-driven bicycle, redefines the terms "bicycle," "motor scooter" and "motor vehicle," and provides for the following with respect to the operation of motor-driven bicycles:

- (1) establishes a maximum speed limit of 25 miles per hour;
- (2) establishes a minimum age requirement of 15 years;
- (3) requires operators to either be licensed motor vehicle operators or to have a permit in order to operate a motor-driven bicycle; and
- (4) provides for use of protective devices and lighting requirements.

Your Committee finds that because of the ever-increasing use and popularity of motor-driven bicycles, regulation and control is necessary in the interests of safety and traffic efficiency.

Your Committee upon further consideration has amended the bill to provide that operators of motor-driven bicycles need not use safety glasses, goggles or a face shield, and that one who leases or rents motor-driven bicycles to customers need not provide them with safety glasses, goggles or face shields.

Your Committee also amended the bill to allow more than one person to ride a motor-driven bicycle provided that the bicycle is designed and equipped to carry more than one person.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 533, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 533, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Naito, Nakamura, Uechi and Fong.

SCRep. 892 Legislative Management

Informing the House that House Resolution Nos. 577 to 588, House Concurrent Resolution Nos. 111 to 113, and Standing Committee Report Nos. 887 to 891, and 893 to 918, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 893 Consumer Protection and Commerce on S.B. No. 330

The purpose of this bill is to reorganize and renumber existing Horizontal Property Regimes Act.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 330, S.D. 2, 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 Baker and Blair.

SCRep. 894 Consumer Protection and Commerce on S.B. No. 867

The bill would empower Hawaii corporations to indemnify present or past directors, officers, employees, or other agents against expenses, judgments, fines, and settlements incurred in connection with a proceeding against that person provided that action in controversy was taken in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation. If the proceeding is criminal in nature, the person must have had no reasonable cause to believe his conduct was unlawful. Whether this standard has been met depends upon action taken by either uninvolved directors, stockholders, independent legal counsel or by the court where the proceeding was had. The court is empowered to order indemnification even though the corporation is opposed to such an order.

Present Hawaii law only permits indemnification of directors and officers, past and present, for expenses reasonably incurred in defending in civil or criminal proceedings related to corporate actions, except where the director or officer has engaged in misconduct or has been adjudged negligent.

In a derivative proceeding, indemnification is limited to the reasonable expenses of defending against the suit and not for the amount of the judgment or settlement. As in the case of other types of actions, a standard of good faith and reasonable belief that the action was in or not opposed to the best interests of the corporation must be met prior to indemnification. However, should the court determine that the person is liable for negligence or misconduct, then he is not eligible for indemnification unless the court orders such for proper expenses.

In addition, the indemnification of fiduciaries is included to the extent permitted by the recently implemented Federal Employee Retirement Income Security Act of 1974 ("ERISA").

The bill further provides a new Section 416-82, which permits, unless otherwise provided in the articles of incorporation or bylaws, members of the board of directors or a committee of the board of directors to take action without a meeting if all of the directors or committee members sign a written consent stating the action to be taken. This provision is substantially identical to Section 44 of the Model Business Corporation Act and the laws of all except four states.

Section 2 of the bill which amends Section 416-18, Hawaii Revised Statutes, provides

that each Hawaii corporation must have at least two persons as officers. Present law can be read as permitting one person to hold all corporate offices, a reading which conflicts with various Hawaii regulatory and reporting requirements calling for the signatures of two corporate officers. The proposed provision resolves the conflict in favor of a minimum two-officer requirement for Hawaii corporations.

Section 4 of the bill which amends Section 416-72, Hawaii Revised Statutes, relating to stockholders' meetings provides that (1) unless dispensed with by unanimous stockholder consent, a stockholders' meeting must be held at least once each year after the year of incorporation; (2) stockholders' meetings may be held within or without the State as stated in or fixed in accordance with the bylaws; and (3) if no place is stated or fixed for a stockholders' meeting, the meeting is to be held at the principal place of business of the corporation. Based on testimony, Hawaii appears to be the only State in the country which does not permit stockholders to hold meetings outside the State.

Section 5 of the bill which amends Section 416-79, Hawaii Revised Statutes, provides that the directors or the incorporators will adopt the initial bylaws of the corporations and permit the directors to amend, repeal and add bylaws. Since the bylaws regulate the internal affairs of the corporation, your Committee concludes that it is appropriate that the directors, who have general powers to manage the affairs of the corporation, should also have the power to amend the bylaws. However, if this power is reserved to stockholders by the articles of incorporation, then the directors may not amend, repeal or add bylaws. This practice is the law in all other states except Hawaii.

This bill also provides that the initial bylaws of a corporation shall be adopted by the board of directors, and not by the incorporators.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 867, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Baker and Blair.

SCRep. 895 Energy and Transportation on S.B. No. 51

The purpose of this bill is to effect conservation of fossil fuel and water through the installation of water flow control devices in new structures with faucets and showers.

Flow control devices will reduce electricity and gas consumption used to produce hot water, in addition to limiting the amount of water used. This conservation effort can be realized without affecting the habits or life-styles of the public.

Your Committee on Energy and Transportation is in accord with the intent and purpose of S.B. No. 51, S.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Say and Medeiros.

SCRep. 896 Energy and Transportation on S.B. No. 758

The purpose of this bill is to amend the driver improvement program provided for in section 286-108.5, Hawaii Revised Statutes, to require agencies supplying drivers on a casual basis to offer a driver improvement program for them, to require that the drivers attend this program and to delete the requirement that the State provide real property for conducting truck driver licensing tests.

Your Committee finds that the current driver improvement program provided for in section 286-108.5(g), Hawaii Revised Statutes, requiring every employer having a regular employee who drives vehicles in excess of 10,000 pounds gross vehicle weight to provide a yearly driver improvement program for him, fails in several respects. First, although the law requires the employer to provide a program for his employees, it does not require the driver to attend. Second, it does not provide a program for the casual employee.

This bill addresses these problems by providing for a fine of not more than \$100 to be imposed on any driver who does not fulfill the appropriate attendance requirement.

It further requires the supplying organization to provide a program for its drivers available for hire on a casual basis.

Your Committee on Energy and Transportation is in accord with the intent and purpose of S.B. No. 758 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 Peters, Say and Medeiros.

SCRep. 897 Energy and Transportation on S.B. No. 484

The purpose of this bill is to clarify the requirements of Hawaii Revised Statutes Section 286-83, Sales of motor vehicle equipment, approval required.

Your Committee finds that Section 286-83, Hawaii Revised Statutes, presently carries the title "Sale of motor vehicle equipment." Subsection 286-83(a), however, also applies to the use of the listed items of vehicle equipment. The approval requirement relating to the use of certain equipment, "or use in or upon any such vehicle," appears in the fourth line of the subsection.

Testimony given by the Highway Safety Coordinator revealed that because the title of the Section does not indicate that the Section relates to use as well as sale, and because the use requirement is "buried" in subsection (a), considerable difficulty has been encountered in enforcing this requirement. Some courts have indicated that this Section does not apply to use while others have upheld the requirement. In order to clarify the situation the courts have recommended that the wording of the Section be clarified.

Your Committee on Energy and Transportation is in accord with the intent and purpose of S.B. 484 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 Peters and Say.

SCRep. 898 Water, Land Use, Development and Hawaiian Homes on S.B. No. 1194

The purpose of this bill is to amend Section 171-50(c), Hawaii Revised Statutes, to clarify the procedures that must be followed by the Department of Land and Natural Resources in the presentation of any land exchanges for legislature review.

Your Committee finds that Section 171-50(c), HRS, provides that any exchange of public land for private land is subject to disapproval by the Legislature in any regular or special session next following the date of exchange. The section requires the Department of Land and Natural Resources to submit for introduction a resolution for review of action on any exchange twenty days prior to the start of such next following session.

There has been some uncertainty as to what the present language of the statute actually requires the Department of Land and Natural Resources to present to the Legislature for their review. In view of the current difficulties which have surfaced regarding the proper procedure that should be followed your committee has requested and received an opinion from the Attorney General's office which recommends that the statute be amended to satisfy the legislative intent in requiring all exchanges to be executed before submission to the legislature.

Your Committee on Water, Land Use, Development and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 1194, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 899 Water, Land Use, Development and Hawaiian Homes on S.B. No. 159

The purpose of this bill is to extend the provisions of Section 171-52(c), Hawaii Revised Statutes, such that in the event one abutting landowner lacks access to a street, and such access can be secured by disposition of the remnants, such remnant shall be first offered for sale to such abutting owner, or subdivided so as to protect the access of

all abutting landowners.

Your Committee finds that situations can arise where it is not possible to subdivide a remnant in a manner acceptable to the county concerned and the remnant must be offered at sealed bid. If one of the abutters needs the remnant for access purposes, but his bid is not the highest, he cannot be accommodated. Your Committee feels this bill will take care of this kind of situation.

Your Committee on Water, Land Use, Development and Hawaiian Homes is in accord with the intent and purpose of S.B. No. 159 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 900 Finance on S.B. No. 574

The purpose of this bill is to allow public employees to retain those fees they receive for serving as jurors.

Presently, employees covered under collective bargaining contracts are entitled to retain fees paid to them for serving as jury members. This bill would accord the same benefit to employees excluded from collective bargaining.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 574, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 901 Finance on S.B. No. 391

The purpose of this bill is to allow the department of planning and economic development to waive wholly the matching requirements for those fragile or fledgling industries which have potential for growth but which are not able to meet the matching requirements.

This bill allows a discretionary waiver of matching requirements for the first three years of any contract. The matching requirement in such cases for the fourth year of any contract has been set at 20 per cent which is one-half of the present statutory requirement, and for the fifth and all subsequent contract years, the full 40 per cent matching shall be required.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 391, S.D.1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 902 Finance on S.B. No. 1139

The purpose of this bill is to foster the development of aquaculture by expanding the aquaculture loan program to a level generally comparable to that of the farm loan program. It is intended to stimulate and facilitate the rapidly growing aquaculture industry through loans. Significant provisions of this bill include the raising of loan limit, providing for participation and insured loans, and delineating purposes and terms of loans including the addition of cooperatives.

Financing requirements of aquaculture are generally similar to diversified agriculture. The existing loan ceiling of \$75,000 is too restrictive to meet the capital intensive requirements of starting up an aquaculture operation. Restructuring the loan program will put the aquaculturist on equal footing with the conventional land farmer. Addition of participation and insured loans will lessen the stress for State funds in anticipation of increased interest by private lenders as progress is made in the development of the aquaculture industry.

Your Committee urges the Department of Agriculture to give loan preference to aquaculturists who devote full-time to aquaculture and who derive the majority of their income from aquaculture.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1139,

S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 903 Finance on S.B. No. 1472

The purpose of this bill is to convert to civil service status, three exempt employees employed as senior center program aides at Honolulu Community College.

Three senior citizen program aide positions were recently converted from exempt to classified status under the state civil service system. However, the three exempt employees presently occupying the converted positions have not been accorded civil service status. This bill would provide civil service status to these three employees without necessity of examination or loss of employee benefits.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1472, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 904 Finance on S.B. No. 185

The purpose of this bill is to incorporate energy conservation features into building design and construction standards by January 1, 1978. It also provides for the development and implementation of energy efficient standards and policies in State and County procurement practices by January 1, 1978.

Your Committee agrees that this bill would enhance the conscientious concern for Hawaii's dependence on imported energy and its associated economic impact on the citizens of the State.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 185, S.D. 2 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 905 Finance on S.B. No. 991 (Majority)

The purpose of this bill is to complete the clarification of the Hawaii Revised Statutes to reflect the Constitutional intent of separate and co-equal branches of government by establishing a separate and independent personnel system for the Judiciary.

Although the Constitution incorporates the principle of separation of powers and the principle that no one branch of government shall dominate another, with respect to the Judiciary the statutes are not in keeping with these principles. Act 159, Session Laws of Hawaii 1974, initiated the implementation of the separation of powers mandate by granting the Judiciary fiscal separation from the Executive and a degree of separation in personnel matters. The provisions of Senate Bill 991, S.D. 1, would amend the statutes relating to personnel matters to make them fully conform to the Constitutional principles.

This bill creates a personnel system for the Judiciary, and grants to the Chief Justice and the Administrative Director of the Courts the powers and duties assigned in personnel law to the Governor and the Director of Personnel Services, respectively. The Judiciary shall have a status co-equal with the Executive branch of the State and with the several counties, for the purposes of developing a position classification plan, formulating personnel rules and regulations, and administering the Judiciary personnel system. For purposes of collective bargaining, however, the Governor remains the employer for the Judiciary.

Under the provisions of this bill, personnel actions of the Judiciary would be appealed to a personnel appeals board composed of three members: a representative of the Department of Personnel Services, a representative of the Judiciary, and a representative of an exclusive bargaining unit. This board shall not be subject to the provisions of Section 26-34, Hawaii Revised Statutes, but shall have an authority equal to the civil service commission with respect to all personnel matters within the jurisdiction of the Judiciary. It is the intent of your Committee that this board shall act on all appeals, regardless of which bargaining unit is involved in the appeal.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 991, S.D. 1 and recommends that it pass Third Reading.

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

SCRep. 906 Finance on S.B. No. 517

The purpose of this bill is to regulate the sale of franchises in this State. This bill proposes to amend Chapter 482-E, Hawaii Revised Statutes, to bring the Hawaii Franchise Investment Law more in line with the laws of other states.

Your Committee reviewed and agrees with the findings expressed in House Standing Committee Report No. 789, which are incorporated herein.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 517, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 907 Finance on S.B. No. 247

The purpose of this bill is to provide that the revenues derived from the disposition of abandoned vessels be deposited into the boating special fund.

Currently, although the disposition of abandoned vessels is an activity of the boating program and the expenses of the activity are paid from the boating special fund, the net revenues derived from the activity are paid into the general fund, as provided under Section 267A-7, Hawaii Revised Statutes. Your Committee concurs that this is an awkward arrangement.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 247, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 908 Finance on S.B. No. 1299

The purpose of this bill is to accord civil service status to all employees of any county legal department under the executive except for statutorily exempt positions such as the department head, attorneys, law clerks, and private secretaries.

The bill also provides for all tenured employees in a legal department of the executive branch of any political subdivision to be continued in their respective positions without loss of civil service benefit. All non-tenured employees are to be converted to civil service without examination and loss of civil service benefit.

Recent court actions involving the question of the relationship between civil service law and county charter provisions regarding personnel have prompted this measure. This bill conforms to the intent of the Constitution, that charter provisions are superior to statutory law only with respect to the political subdivision's legislative and administrative structure and organization and that in all other cases, general law prevails.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1299 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 909 Finance on S.B. No. 589

The purpose of this bill is to eliminate the possibilities for overlapping functions between state agencies. Chapter 96, Hawaii Revised Statutes, creates an Ethnic Studies program within the Governor's office. The duties assigned to that program are substantially similar to duties assigned to the Hawaii Foundation on History and the Humanities. As a matter of practice, the program in the Governor's office has not been funded or utilized so that this bill does not affect any ongoing efforts.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 589 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 910 Finance on S.B. No. 530 (Majority)

The purpose of this bill is to eliminate a 20 cents fee charged for prints or copies made from tax map tracings and permit the director of Taxation to establish by rules and regulations a uniform fee for the use of Tax Map Tracings and prints.

In the existing statute the problem arises in that the 20 cents charge for every print or copy made from these tracings means that every time someone reproduces a map by xeroxing or simular duplicating machine they would have to remit this 20 cents fee to the State. The Department of Taxation presented testimony that they cannot enforce the existing statute and that the establishment of a uniform fee would be more desirable.

Nothing in this bill would deprive any citizen of the State from obtaining tax map tracings from the Department of Taxation at the fee established by the director.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 530, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
(Representatives Dods and Sutton did not concur.)

SCRep. 911 Finance on S.B. No. 336 (Majority)

The purpose of this bill is to delete the requirement that bond interest rates be approved by a county department or board for management and control of a revenue-producing undertaking.

This approval appears unnecessary since the finance director is practically committed to accept the best bid.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 336 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
(Representatives Narvaes and Sutton did not concur.)

SCRep. 912 Finance on S.B. No. 1297 (Majority)

The purpose of this bill is to amend the general excise tax provision relating to the taxation of commercial job printing and newspapers.

Newspapers have been taxed under several categories of the general excise tax, and have paid use taxes on the proportions of newsprint and ink equivalent to the percentages of newspapers sold at retail and sold to distributors and retailers for resale. The bill's change of statutory language will eliminate any doubt that for the purposes of the general excise tax, newspapers will continue to be taxed at the rate of 1/2 per cent on receipts from newspapers sold at wholesale, 4 per cent on receipts from newspapers sold at retail, and 4 per cent on receipts from printing of advertisements. The change in language will also avoid any misinterpretation that for purposes of the use tax, newsprint and ink are purchased for resale as component parts of the newspaper and therefore not taxable or taxable at 1/2 per cent depending upon whether they are resold in such manner as to result in a further tax on the particular activity of the newspaper.

The enactment of this bill will clarify the tax status of newspapers.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1297, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 913 Finance on S.B. No. 891

The purpose of this bill is to provide for the increase in the authorization of the Department of Transportation to issue special facility revenue bonds from 15 million dollars to 25 million dollars.

Your Committee concurs with the findings of your Committee on Energy and Transportation in Standing Committee Report No. 812 that this increase is necessary to provide sufficient revenues to cover the rising costs of construction, acquisition, remodeling, furnishing, and equipping of any special facility.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 891, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 914 Finance on S.B. No. 647

The purpose of this bill is to exempt from the public service company tax the proceeds of certain transactions between affiliated public service companies.

Currently, the receipt of dividends by a parent company from an affiliate constitutes gross income to the former and is taxable under the public service company tax. Similarly taxable are payments derived from the provision of services such as construction, maintenance, and management, and the sale or transfer of supplies or materials from one member of an affiliated public service company group to another member of the same group. This constitutes a component of company operating expense, which is an important factor used by the Public Utilities Commission in establishing rates and charges to be charged consumers.

Your Committee agrees that under existing laws, taxes on inter-company transactions could be avoided by merely eliminating the legal status of the subsidiary companies and operating them as divisions of the parent company. Your Committee further agrees that public utilities and their consumers should not be penalized merely because of a technicality relating to the corporate structure of the companies.

Provisions of this bill shall not serve as precedent for the exemption from taxation of certain transactions of profit-making, non-regulated corporations.

Your Committee agrees with your Committee on Consumer Protection and Commerce that this bill include within the ambit of the exemption, interest on loans paid by one member of an affiliated public service company group to another member of the same group.

Your Committee concurs with the findings expressed in House Standing Committee Report No. 790.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 647, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 915 Agriculture on S.B. No. 745

The purpose of this bill is to repeal Chapter 156, Hawaii Revised Statutes, which authorized the establishment of the Farm Advisory Board.

Your Committee finds the board was initially established in 1949, but has not been implemented. The powers, duties and functions of the advisory board are being exercised or performed by either the Board of Agriculture or the Governor's Agriculture Coordinating Committee.

Your Committee on Agriculture is in accord with the intent and purpose of S.B. No. 745 and recommends it pass Second Reading and be placed on the calendar for Third

Reading.

Signed by all members of the Committee.

SCRep. 916 Consumer Protection and Commerce on S.B. No. 147

The purpose of this bill is to increase the penalty provisions of the Hawaii Public Utilities Laws to conform with the penalty provisions of the federal Natural Gas Pipeline Safety Act.

The state has agreed to assist the U.S. Department of Transportation in the enforcement of the Natural Gas Pipeline Safety Act. If certification is received that state enforcement of gas pipeline safety regulations meets federal standards, the State would assume jurisdiction over gas pipeline facilities.

However, because the State's penalty provisions do not comply with those set forth in the federal law, no certification of the state program has been possible. With legislation and the resulting federal certification, the state will be in a position to enforce the gas pipeline safety requirements directly, minimizing duplication between the federal and state agencies.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 147 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 917 Consumer Protection and Commerce on S.B. No. 854

The purpose of this bill is to require retailers who exclude certain types of goods from their regular refund policy to post conspicuous signs advising customers of the exclusion policy. Violation of this measure would constitute unfair or deceptive acts or practices under Section 480-2 of the Hawaii Revised Statutes.

Your Committee concurs with the findings of the Senate Committee on Consumer Protection as contained in their Standing Committee Report No. 211.

Your Committee is in accord with the intent and purpose of S.B. No. 854, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Baker.

SCRep. 918 Consumer Protection and Commerce on S.B. No. 1304

The purpose of this bill is to permit savings and loan associations to charge, contract for, receive, collect in advance, or recover interest, discount, and other charges at the same rates as permitted by law in the case of loans made by other licensed fiduciary industrial loan companies.

Currently, savings and loan associations are not permitted to charge at a higher rate than one per cent a month on any loan. By way of contrast, industrial loan companies are permitted to charge one and one-half per cent a month on loans with a duration of six years or less. Banks are permitted to charge at the same rate as industrial loan companies, with the same restrictions.

This bill subjects savings and loan associations who charge the same rate as industrial loan companies and banks to the same restrictions imposed on industrial loan companies and banks in section 408-15 and 408-17. Thus, should a savings and loan association decide to charge interest at the rate of one and one-half per cent per month, the term of the loan may not exceed six years. Since the purpose of this bill is to produce parity among different types of financial institutions in relation to charged interest rates, it would be anomalous and inequitable to permit savings and loan associations to charge at the same rate as other financial institutions without being subject to the same restrictions.

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

and purpose of S.B. No. 1304, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Baker.

SCRep. 919 Legislative Management

Informing the House that House Resolution Nos. 589 to 601, House Concurrent Resolution Nos. 114 and 115, and Standing Committee Report Nos. 920 to 929, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 920 Water, Land Use, Development and Hawaiian Homes on H.C.R. No. 40

The purpose of this concurrent resolution is to express legislative support for the concept of an integrated district park-civic center complex in the Greater Kahaluu area and for the provision of State and City and County funds necessary to complete the complex incrementally within a ten-year period.

At present, the growing community of Greater Kahaluu has no city and county district park or state public park or centralized permanent site for needed civic services for the present and future needs of the area. The development of land within this area would be in accordance with land use provisions of the City and County's proposed new general plan for Oahu, the State's proposed regional Windward Oahu plan and other planning documents, including the State Comprehensive Outdoor Recreational Plan. Already the State and City and County have declared their intent to purchase land for future park development in this location.

Your Committee recognizes that endorsement of this concept will set the stage for a step-by-step implementation of a preconceived recreation and civic center that will be a major part of the total community development plan proposed for a neighborhood presently in transition from a rural to a more urbanized community.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.C.R. No. 40 and recommends that it be referred to the Committee on State General Planning.

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

SCRep. 921 Ecology and Environmental Protection and Water, Land Use,
Development and Hawaiian Homes on H.C.R. No. 88

The purpose of this concurrent resolution, Senate concurring, is to request the department of land and natural resources to designate Onomea Bay, Hawaii, as a marine life conservation district, and that the department coordinate their efforts with the County of Hawaii.

Progress has deteriorated and endangered the ecosystems in many areas of the State which, in turn, destroys what may be irreplaceable and detracts from the recreational opportunities of the people. Onomea Bay on the Big Island provides a natural and relatively undisturbed ecosystem which teems with marine life. Your Committee feels Onomea Bay should be protected and preserved to ensure educational and recreational opportunities for the present and future generations of the people of Hawaii.

Your Committees on Ecology and Environmental Protection and Water, Land Use, Development and Hawaiian Homes concur with the intent and purpose of H.C.R. No. 88 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 922 Higher Education on H.R. No. 60

The purpose of this resolution is to request the House Higher Education Committee to review the University of Hawaii public service programs which are capable of providing

accessible and relevant higher education programs and opportunities to persons not regularly students, such as working adults, disadvantaged persons, immigrant groups and others.

Your Committee finds that the three basic components of public higher education institutions are instruction, research and service. Your Committee further finds that the University of Hawaii, which represents the state's centralized public higher education system, has given priority to the development and delivery of the instruction and research components.

Your Committee recognizes that until recently, the University has had to concentrate on its formal academic programs. However, your Committee feels that the university can no longer treat its public service responsibility lightly.

The State is committed to the development of the potentialities of every citizen. To fulfill this commitment, the university must review its programs and activities with a view towards delivering public services in the most efficient and effective manner. Therefore, your Committee has amended this resolution to direct the university to begin a review of its public service activities and report back to the Legislature prior to the convening of the 1978 Regular Session. The adoption of this resolution is an expression of legislative concern over the neglect of the university's public service component as well as a legislative directive that the university can no longer consider public service as a peripheral responsibility.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 60, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 60, H.D. 1.

Signed by all members of the Committee.

SCRep. 923 Agriculture and Water, Land Use, Development and Hawaiian Homes
on H.R. No. 502

The purpose of this resolution is to request the Department of Agriculture to study the feasibility of establishing an agricultural park at Waimanalo.

Your Committees find that Waimanalo has been, and continues to be, an important center for diversified agricultural production on Oahu.

Your Committees further find that the area in question at Waimanalo contains approximately 1,500 acres of agriculturally-zoned land. In 1955 and 1956, the Territory of Hawaii sold, in fee simple, approximately 56 agricultural lots averaging nine acres in size. Deed restrictions were attached to the land which required that the lots be used for agriculture for 25 years and that the lots could not be subdivided into parcels less than five acres in size. Your Committees further find that the deed restrictions attached to the foregoing Waimanalo agricultural lots will expire in 1980 and 1981 and that pressures to urbanize the area are increasing.

Given these findings, your Committees believe that a study to ascertain the need for an agricultural park at Waimanalo is both necessary and timely. The study should address all the Waimanalo agricultural lands within the approximately 1,500 acres of agriculturally-zoned land with special consideration given to the fee simple agricultural lots. Your Committees believe the establishment of an agricultural park should be considered as an alternative to urbanization in Waimanalo.

Your Committees on Agriculture and Water, Land Use Development and Hawaiian Homes concur with the intent and purpose of H.R. No. 502 and recommend its adoption.

Signed by all members of the Committees except Representative Toguchi.

SCRep. 924 Agriculture and Water, Land Use, Development and Hawaiian Homes
on H.C.R. No. 92

The purpose of this resolution is to request the Department of Agriculture to study the feasibility of establishing an agricultural park at Waimanalo.

Your Committees find that Waimanalo has been, and continues to be, an important center for diversified agricultural production on Oahu.

Your Committees further find that the area in question at Waimanalo contains approximately 1,500 acres of agriculturally-zoned land. In 1955 and 1956, the Territory of Hawaii sold, in fee simple, approximately 56 agricultural lots averaging nine acres in size. Deed restrictions were attached to the land which required that the lots be used for agriculture for 25 years and that the lots could not be subdivided into parcels less than five acres in size. Your Committees further find that the deed restrictions attached to the foregoing Waimanalo agricultural lots will expire in 1980 and 1981 and that pressures to urbanize the area are increasing.

Given these findings, your Committees believe that a study to ascertain the need for an agricultural park at Waimanalo is both necessary and timely. The study should address all the Waimanalo agricultural lands within the approximately 1,500 acres of agriculturally-zoned land with special consideration given to the fee simple agricultural lots. Your Committees believe the establishment of an agricultural park should be considered as an alternative to urbanization in Waimanalo.

Your Committees on Agriculture and Water, Land Use Development and Hawaiian Homes concur with the intent and purpose of H.C.R. No. 92 and recommend its adoption.

Signed by all members of the Committees except Representative Toguchi.

SCRep. 925 Agriculture and Water, Land Use, Development and Hawaiian Homes
on H.R. No. 457

The purpose of this resolution is to request the Governor to support Castle & Cooke Inc.'s proposal to market Hawaiian papayas on the Mainland and Canada.

Your Committees view the Castle & Cooke proposal as a significant milestone in the development of the papaya industry and wish to insure that the Governor and the Administration support this and other cooperative marketing efforts between the State and private industry. Your Committees, however, recommends that the "Be It Resolved" paragraph be amended to read as follows:

"Be It Resolved, by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1977, that the Governor is requested to respond in the most favorable terms to any proposed cooperative marketing plan and to do all in his power to support this and other cooperative efforts between the State and private industry; and"

The amendment removes the direct reference to the Castle & Cooke proposed marketing plan in order to allow the Governor and the Administration greater flexibility when dealing with marketing organizations.

Your Committees on Agriculture and Water, Land Use Development and Hawaiian Homes concur with the intent and purpose of H.R. No. 457, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 457, H.D. 1.

Signed by all members of the Committees except Representative Toguchi.

SCRep. 926 Agriculture on H.R. No. 117

The purpose of this resolution is to request the Board of Agriculture to establish a system of priorities in the granting of State Farm Loans for agriculture commodities, which is in accord with priorities established by the Governor's Agriculture Coordinating Committee and the provisions of Act 198, Session Laws, 1976.

Your Committee finds the granting of state farm loans to farmers who pioneered in the development of such export commodities as papaya, macadamia nuts, anthuriums, ornamental plants, etc., was instrumental in successfully developing these industries in the early days when private loan institutions were hesitant to extend credit.

Your Committee finds it advantageous for the Board of Agriculture to adopt and implement a priority list for the granting of loans for agriculture commodities in accord with the policies established by the Governor's Agriculture Coordinating Committee, which has been given the responsibility for the overall direction of Hawaii's agricultural development.

Your Committee has amended the submittal date of the report to "not later than twenty days prior to the convening of the 1978 Regular Session." In addition to a prioritized listing of commodities and related agricultural activities approved by the Board of Agriculture, the report should include a detailed listing of loans granted.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 117, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 117, H.D. 1.

Signed by all members of the Committee.

SCRep. 927 Agriculture on H.R. No. 256

The purpose of this resolution is to request all public agencies to assist the ailing sugar industry to the extent practical, and that they provide technical research and financial assistance which may help alleviate the sugar industry's economic dilemma for the common good of all Hawaii.

Your Committee finds that at least two state agencies, the College of Tropical Agriculture and the Department of Agriculture have initiated mechanism to facilitate programs designed to assist the sugar industry and independent cane growers. For example the Farm Loan Division has started to expedite financing of independent cane growers through the insured loan program of the Department of Agriculture. The Farm Loan Division is also working closely with private lenders who are financing the independent cane growers. In fiscal 1976-77, the College of Tropical Agriculture will expend about \$113,000 in state and federal appropriated funds on sugar production research. About three scientist man years will be spent in this work.

Your Committee also finds that more recently, the College established a Sugar Industry Analysis Group to analyze the industry to assess its potentials, to define bottlenecks in the achievement of the potentials, to identify the means of relieving the bottlenecks, to identify the units (public and/or private) that can accept the responsibility for relieving each bottleneck, and to identify alternative crops for sugar lands.

In addition to the present Sugar Analysis Group activities, the College has recently begun talks with HSPA to foster even better coordination of efforts with HSPA.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 256 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 928 Consumer Protection and Commerce on S.B. No. 836

The purpose of this bill is to require all financial reports which must be filed with the State Public Utilities Commission to include a certification that the reports conform to the applicable uniform system of accounts adopted by the Commission.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 836 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 Say.

SCRep. 929 Energy and Transportation on S.B. No. 1411

The purpose of this bill is to clarify the requirement that a vehicle moving on any highway and carrying a load other than clear water or feathers from live birds, shall be "covered", or so constructed or loaded, to prevent the load from dropping, shifting, leaking, blowing, spilling or otherwise escaping therefrom. Section 291C- of section 1, Act 137, Session Laws of Hawaii 1976, is amended to carry out the purposes of this bill. Except as amended herein, chapter 291C, part XII, Hawaii Revised Statutes, shall remain unamended and in full force and effect.

Favorable testimony was received from both government and private sectors.

Your Committee on Energy and Transportation is in accord with the intent and purpose

of S.B. 1411, S.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Peters, Say and Medeiros.

SCRep. 930 Legislative Management

Informing the House that House Resolution Nos. 602 to 614, House Concurrent Resolution Nos. 116 to 118, and Standing Committee Report Nos. 931 to 942, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 931 Higher Education on H.R. No. 546

The purpose of this resolution is to express Legislative support for the construction of the handball/racquetball courts on the Manoa Campus of the University of Hawaii and to request a progress report from the University of Hawaii regarding the construction of the handball/racquetball courts on or before December 1979.

Testimony presented before your Committee on H.B. No. 850, relating to the construction of handball/racquetball courts on the Manoa Campus, revealed that although there are no handball/racquetball courts at the present time, long-range plans call for eleven courts at the Manoa Campus with two outdoor courts scheduled to be completed by September 1979.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 546 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 932 Water, Land Use, Development and Hawaiian Homes on H.C.R. No. 55

The purpose of this concurrent resolution is to request the legislative auditor to conduct a financial, management, and program audit of the Department of Land and Natural Resources.

Your Committee has found that a financial audit of the Department of Land and Natural Resources is presently being conducted. In addition, a management and program audit of the land management division of the department is already on-going.

In this regard, your Committee has amended this concurrent resolution to limit the scope of this audit to a management and program audit of the State Parks and Forestry Divisions of the Department of Land and Natural Resources.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.C.R. No. 55 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 55, H.D. 1.

Signed by all members of the Committee.

SCRep. 933 Ecology and Environmental Protection on H.R. No. 519

The purpose of this resolution is to request the Legislative Auditor to conduct an audit of the Office of Environmental Quality Control.

Your Committee finds that environmental concerns have matured to a point where a program structure which is grafted onto the traditional departmental structure may not be in the best interest of efficient governmental action.

Your Committee further finds that the time has arrived for a retrospective reappraisal of the benefits and problems of the present structure and successes and shortcomings in accomplishing the broad objectives and duties of the Office of Environmental Quality Control.

Your Committee is in accord with the intent and purpose of H.R. No. 519 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 934 Ecology and Environmental Protection on H.C.R. No. 98

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct an audit of the Office of Environmental Quality Control.

Your Committee finds that environmental concerns have matured to a point where a program structure which is grafted onto the traditional departmental structure may not be in the best interest of efficient governmental action.

Your Committee further finds that the time has arrived for a retrospective reappraisal of the benefits and problems of the present structure and successes and shortcomings in accomplishing the broad objectives and duties of the Office of Environmental Quality Control.

Your Committee is in accord with the intent and purpose of H.C.R. No. 98, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 935 Culture and the Arts on H.R. No. 544

The purpose of this resolution is to request the House Committee on Culture and the Arts work with the Hawaii Foundation for History and the Humanities during the interim on implementing the changes proposed by the Foundation in response to the 1976 legislative audit.

Your Committee has amended the title of the resolution to correctly reflect the intent of the resolution.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 544 as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 544, H.D. 1.

Signed by all members of the Committee.

SCRep. 936 Culture and the Arts on H.R. No. 545

The purpose of this resolution is to request that the House Committee on Culture and the Arts work with the State Foundation on Culture and the Arts during the interim on implementing the changes proposed by the Foundation in response to the 1976 legislative audit.

Your Committee has amended the title of the resolution to correctly reflect the intent of the resolution.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 545 as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 545, H.D. 1.

Signed by all members of the Committee.

SCRep. 937 Ecology and Environmental Protection on H.R. No. 358

The purpose of this resolution is to initiate an investigation by the Department of Health and the Department of Transportation of the effects of roadway noise upon public health, with respect to residents living adjacent to major roadways.

Your Committee finds that thousands of Honolulu residents are daily affected by excessive noise levels from roadways and that these citizens would benefit from a concerted effort to reduce roadway noise in urban Honolulu.

Your Committee, upon receipt of testimony, finds the following amendments necessary:

- (1) Add a new paragraph stating that the United States Department of Transportation offers federal funds for highway noise abatement projects.
- (2) Add that the Directors of the Department of Health and the Department of Transportation exercise their authority to abate excessive noise from major roadways in urban Honolulu.
- (3) Add a new paragraph stating that the Director of the Department of Transportation investigate the availability of federal funds for abatement of highway noise.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purposes of H.R. No. 358, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 358, H.D. 1.

Signed by all members of the Committee.

SCRep. 938 Ecology and Environmental Protection on H.R. No. 383

The purpose of this resolution is to request that the Department of Accounting and General Services institute a paper recycling program.

Your Committee finds that most paper, rather than be discarded, could be reclaimed and recycled for use as clean paper or low-grade paper products.

Your Committee has made various amendments for conciseness and clarity.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of H.R. No. 383 as amended herein and recommends that it be referred to the Committee on Finance as H.R. No. 383, H.D. 1.

Signed by all members of the Committee.

SCRep. 939 State General Planning on H.R. No. 159

The purpose of this resolution is to review the preliminary state plan document prepared by the Department of Planning and Economic Development to ensure that the Legislature's input will be reflected in the completed state plan.

Under Act 189 of 1975, the Legislature mandated the creation of a state plan to serve as a basis for setting public policy and guiding private action to meet the long-range social, environmental, economic, and civic goals of the people of Hawaii. The Department of Planning and Economic Development has recently submitted "The Preliminary Goals, Objectives, and Policies Document of the State Plan". Since the Legislature is the body which will ultimately approve or disapprove the state plan, the Committee on State General Planning was requested to review the preliminary document during the 1977 session in order that its recommendations may be reflected in the final draft of the state plan.

Testimonies received from the Department of Planning and Economic Development and the Sierra Club were in support of H.R. No. 159. However, the Director of the Department of Planning and Economic Development suggested that the State General Planning Committee review the preliminary document during the interim instead of the 1977 session because the department is still in the process of developing other components of the plan and additional public hearings will be conducted later this year.

Upon further consideration, your Committee has amended H.R. No. 159 to require the State General Planning Committee to report its findings prior to the 1978 session.

Your Committee on State General Planning concurs with the intent and purpose of H.R. No. 159, as amended herein, and recommends that it be referred to your Committee on Legislative Management, in the form attached hereto as H.R. No. 159, H.D. 1.

Signed by all members of the Committee.

SCRep. 940 Higher Education on H.R. No. 373

The purpose of this resolution is to request the House Higher Education Committee to review the course numbering procedures at Kapiolani Community College and other community colleges of the University of Hawaii system and determine: (1) whether standards and policies exist on course numbering procedures at each community college campus; (2) the consistency and fairness of system-wide policies and standards; (3) individual campus conformance to existing policies; (4) the extent of faculty and student input in establishing and changing course numbers; and (5) whether policies and practices exist on course transferability at the four-year campuses.

This resolution evolved out of legislative concern over the Chancellor for Community College proposal to reduce course numbers for several degree programs at the community colleges. After reviewing the testimony presented, your Committee realized the need for further investigation because of its implications for all campuses of the University of Hawaii system. Thus, your Committee agreed to establish a subcommittee from its membership to examine the concerns expressed in the resolution and report back to the Committee by March 14, 1977.

Some of the subcommittee's major findings revealed that: (1) the University of Hawaii system course numbering policies and procedures are inconsistent; (2) University administrators disagree on the impact of course number reduction on course content; and (3) the University's course number reduction proposal will adversely affect many community college students, especially those who intend to transfer to four-year campuses.

The Allied Health program at Kapiolani Community College and the Legal Assistant program at Kapiolani and Leeward Community Colleges were cited as programs that are directly affected by the Community College Chancellor's proposal. At the time of the submission of the subcommittee's report, the University decided to retain the existing course numbers for the Legal Assistant Program at Kapiolani Community College but there remained uncertainty about the program at Leeward Community College and the Allied Health Program at Kapiolani Community College.

Based on the foregoing findings, your Committee has amended this resolution to incorporate the subcommittee's major recommendation to defer the Chancellor for Community College proposal to reduce course numbers for the several degree programs by September 1977, until such time that there is meaningful input from faculty and students. Your Committee also provided that the passage of H.B. No. 81, which has been passed out of the House of Representatives and requires the University administration to take action that would affect the course transferability and in return, course numbering procedures, would preempt this resolution.

Your Committee on Higher Education concurs with the intent and purposes of H.R. No. 373, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 373, H.D. 1.

Signed by all members of the Committee.

SCRep. 941 Finance on S.B. No. 856

The purpose of this bill is to establish a 75th anniversary commission on Filipinos coming to Hawaii under the Progressive Neighborhood Program within the Office of the Governor until December 31, 1981, at which time, the commission shall expire.

This bill places the commission in charge of all arrangements for the commemoration of the 75th anniversary celebrating the arrival of Filipinos to Hawaii.

Your Committee was informed that according to testimony presented to the Committee on Culture and the Arts by Bienvenido Junasa, Director of the State Immigrant Services Center, the establishment of such a commission would facilitate the following:

- 1) Documentation and publication of materials on the life and experience of Filipinos in Hawaii;
- 2) Evaluation of cultural value systems enabling a smoother integration into Hawaii's multi-ethnic community and;
- 3) Promotion of better understanding among all residents.

Your Committee was further informed that Mr. Jake Manegdeg, President of the United Filipino Council of Hawaii, assured the Committee on Culture and the Arts that funds necessary for the celebration would be obtained through private donations and community support, as provided in Section 5 of this bill.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 856, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 942 Finance on S.B. No. 572

The purpose of this bill is to amend section 3, Act 83, Session Laws of Hawaii 1973, by specifying the uses for which the moneys appropriated for planning and economic development of Kauai may be used. It further amends the section by stating that the Kauai Task Force Loan Specialist shall be exempt from the civil service and compensation laws.

The department of agriculture has borne all administrative costs, such as travel, per diem, printing, and personnel of the task force since its inception in 1973. Due to the complexity of task force programs as well as the need to continually monitor approved projects, early last year a loan specialist was hired to perform these tasks. The cost of this position was also borne by the department.

Your Committee agrees that there is need to monitor the task force projects. Your Committee approves this bill with the understanding that current funds are available and no appropriation is necessary to implement this bill.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 572, S.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 943 Legislative Management

Informing the House that House Resolution Nos. 615 to 626, House Concurrent Resolution Nos. 119 to 123, and Standing Committee Report Nos. 944 to 953, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 944 Energy and Transportation on H.R. No. 226

The purpose of this resolution is to request the Department of Transportation to adopt rules and regulations governing the issuance of permits for shore water events, including surfing contests.

Your Committee notes with approval that the Department of Transportation has already initiated discussion of this problem with concerned parties and organizations, including the Sunset Beach Community Association referred to in this resolution, in an effort to satisfactorily accommodate competing interests.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.R. No. 226 and recommends its adoption.

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

SCRep. 945 Higher Education on H.R. No. 267

The purpose of this resolution is to request the University of Hawaii Board of Regents to direct the placement and career planning offices throughout the University of Hawaii system to give priority to job placement and job development activities and to coordinate their efforts between and among the University campuses.

The impact of Hawaii's economic slowdown and sustained high unemployment has

given priority to the job placement and career planning offices throughout the University of Hawaii system which have generally been underutilized in the past. Your Committee believes that the current employment condition in which the State's labor force has outpaced the expansion of job opportunities requires the University to direct students towards education with a high degree of employability. This must be accompanied by strengthening the placement and career planning offices of each University campus as valuable student support services designed to assist students in selecting and achieving their respective career goals.

Your Committee finds that some of the areas of concern over the University's current placement and career planning services operations include the limited counseling and research activities at the Manoa campus placement office; the lack of coordination between and among the university campuses; and the need to consider integrating certain student services to provide for more efficiency. The Placement and Career Planning Office at Manoa campus offers mainly career counseling services and conducts some employment research. Your Committee feels that the placement office must give greater emphasis to job referral and placement aspects as well as actively solicit job vacancies and set up job interviews with private employers to facilitate the job placement aspect.

Your Committee was disturbed over the lack of placement and career planning office coordination between and among the University campuses. One campus is not aware of the activities of another campus and each work independently of each other. Your Committee believes that the University system can no longer afford duplication of services where it is unnecessary and interferes with service delivery process. Your Committee suggests that the University review the placement and career planning services offered at each campus and determine what steps can be taken to improve the delivery of these services to students and alumni of the University of Hawaii system. Consideration should also be given to integrating student support services wherever feasible, such as the Placement and Career Planning Office with the Counseling and Testing Center.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 267, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 267, H.D. 1.

Signed by all members of the Committee.

SCRep. 946 Higher Education on H.R. No. 547

The purpose of this resolution is to request the University of Hawaii to issue identification cards to all campus security personnel including temporary employees and to report its action on this matter to the Legislature prior to the convening of the Regular Session of 1978.

Testimony presented before your Committee on H.B. No. 1145, relating to the hiring of temporary, part-time security guards, revealed that although permanent employees are issued identification cards, cards are not issued to all student and temporary personnel serving as campus security guards. Your Committee strongly feels that it is important to provide identification cards to all security guards, including temporary employees, so that they may properly identify themselves in the performance of their duties.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 547 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 947 Higher Education on H.R. No. 65

The purpose of this resolution is to direct the University of Hawaii to review its policies, plans, and practices relating to campus growth and recommend steps for the realization of a comprehensive yet flexible master plan for future college campus development to the Legislature prior to the convening of the 1978 Regular Session.

The University of Hawaii represents the State's integrated, multi-campus public higher education system which has developed under a controlled growth policy adopted by the University Board of Regents in 1970. Based on the student enrollment over the past ten years and the existing student enrollment figures at that time, the Board of Regents adopted policy statements which outlined future facilities planning and construction

guidelines based on the future enrollment projections for the University's four and two-year campuses.

Since then, your Committee finds that two critical considerations--"tight" money and a decline in the traditional college-age enrollment--require the University Board of Regents to reexamine its campus growth policy statements. Your Committee believes that the University Board of Regents should conduct its examination within the context of the State's commitment to contribute to the education of every qualified resident through a public higher education system that is accessible, and at the same time consideration should be given to an era in which new construction must be kept to a minimum. Finally, your Committee suggests that the Board of Regents seek out ways to provide for growth under funding or other constraints, thereby requiring policies, plans and practices that are prudent and flexible.

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

Signed by all members of the Committee.

SCRep. 948 State General Planning on H.C.R. No. 96

The purpose of this concurrent resolution is to request the Governor to hold another conference on the current and projected impact of immigrants on the State of Hawaii.

Testimonies by the Oahu Filipino Council and the Kalihi-Palama Inter-Agency Council were in support of H.C.R. No. 96. The Commission on Manpower and Full Employment, which coordinated the last conference on immigration in 1969, testified that another conference now would be timely since conditions have changed. The Commission on Population and the Hawaiian Future testified that such a conference would yield information which could be of value in a national conference on immigration tentatively set for 1978.

Upon further consideration, your committee has made the following amendments to H.C.R. No. 96:

- (1) In the second "BE IT RESOLVED" clause, the Governor is requested to also invite members of Hawaii's Congressional delegation to the conference on immigration.
- (2) The third "BE IT RESOLVED" clause inviting federal representatives has been added.
- (3) In the fourth "BE IT RESOLVED" clause, the Governor is requested to submit a report on the findings of the conference to the 1978 session of the Legislature.
- (4) In the last "BE IT RESOLVED" clause, certified copies of the resolution will also be sent to the Governor and the members of Hawaii's Congressional delegation.

Your Committee on State General Planning concurs with the intent and purpose of H.C.R. No. 96, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 96, H.D. 1.

Signed by all members of the Committee.

SCRep. 949 State General Planning on H.R. No. 517

The purpose of this resolution is to request the inclusion of the Director of the Department of Labor and Industrial Relations in the meetings, activities, and deliberations of the State Plan Policy Council.

The Department of Planning and Economic Development had no objections to this resolution. The Department of Labor and Industrial Relations testified that it was willing and able to contribute significantly to the development of the Hawaii State Plan and was in full support of this resolution.

Therefore, your Committee on State General Planning concurs with the intent and

purpose of H.R. No. 517 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 950 State General Planning on H.C.R. No. 94

The purpose of this concurrent resolution is to request the inclusion of the Director of the Department of Labor and Industrial Relations in the meetings, activities, and deliberations of the State Plan Policy Council.

The Department of Planning and Economic Development had no objections to this concurrent resolution. The Department of Labor and Industrial Relations testified that it was willing and able to contribute significantly to the development of the Hawaii State Plan and was in full support of this concurrent resolution.

Therefore, your Committee on State General Planning concurs with the intent and purpose of H.C.R. No. 94 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 951 Culture and the Arts on H.R. No. 493

The two-fold purpose of this resolution is to request 1) that the Hawaii Foundation for History and the Humanities to review and evaluate the Haina, Amaulu, and Ninole plantation communities located on the Big Island of Hawaii for historic preservation value and for listing on the Hawaii register of historic places, and, 2) that the Foundation seek and determine what federal funds are available for the preservation of these plantations.

Your Committee believes that the significance of these plantation communities as vital reminders of our immigrant heritage and of our ancestral commitment to a new life merit review and evaluation.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 493, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 952 Water, Land Use, Development and Hawaiian Homes on H.C.R. No. 56

The purpose of this concurrent resolution, Senate concurring, is to request the Congress of the United States of America to enact legislation to compensate the aborigine or native Hawaiians for damages suffered by them at the time of the annexation of the Hawaiian Islands to the United State of America.

Upon the abdication of the throne by Queen Liliuokalani, the Crown Lands, or those lands distributed for the king's use under the Great Mahale of 1848, were deemed to be part of the public land of the Hawaii Republic. Upon the annexation of Hawaii by the United States of America, crown lands thereby became part of the public lands of the United States of America, thereby depriving the native Hawaiians of certain property or property rights.

Your Committee feels that reparation is due the Hawaiian people, either in the form of land or money, or both, for the damages the Hawaiian people have lived with since the time of annexation.

Your Committee has amended the concurrent resolution by deleting reference to members and the descendants of the Hawaiian Royal Family and adding another BE IT FURTHER RESOLVED clause.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.C.R. No. 56, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 56, H.D. 1.

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

SCRep. 953 Culture and the Arts on H.R. No. 390

The two-fold purpose of this Resolution is to request 1) an examination be conducted on the procedures, materials, and practices of the State Archives to determine methods to encourage and further the accessibility of records to the public, and, 2) an investigation into the problem of the micro-filmed pre-1900 records to ascertain their source and solutions.

Prior to the Re-Organization Act of 1959 (Act 1, Second Special Session, 1959), a Board of Commissioners of Public Archives appointed by the Governor of the Territory of Hawaii and approved by the Senate, had the responsibility for adopting rules and regulations governing Archives procedures, including the classification, inventory and safe keeping and maintenance of all public records.

Section 94-1 of the Hawaii Revised Statutes now gives that responsibility to the department of accounting and general services, i. e. the state comptroller, who, in practice, acts upon the recommendations of the state archivist.

Your Committee was informed that although the Archives had records and documents dating as far back as the Monarchy, only a small, select portion of these pre-1900 records have been micro-filmed. The remaining unrecorded documents and records are placed in the Archives vault and have not been made accessible to the general public because of their value and advanced stages of deterioration. While restrictive policies governing the use of these unrecorded documents have been implemented by the Archives to ensure the preservation of these historical transcripts, special privileges are granted to people working on state projects or on projects having benefit to Hawaii.

The inconsistent application of certain restrictive policies prompted an inquiry by the Office of the Ombudsman to the Archives Division of DAGS. The question was whether the term "rules" as applied at the Archives fell within the definition of "rules" pursuant to the Administrative Procedures Act, Chapter 91, Hawaii Revised Statutes. The issue is presently awaiting the Attorney General's opinion.

Other concerns heard by members of your Committee had to do with the destruction of records and documents. Although the statutes provide guidelines for the disposal of government records, your Committee questions whether this is done in full compliance with Chapter 94.

Your Committee believes that while some of the problems are characteristically technical and financial, other concerns such as the under-utilization of existing staff resources and the inconsistent application of certain restrictive policies warrant careful examination.

Your Committee has amended the Resolution to provide for an interim study to be conducted by your Committee on Culture and the Arts who shall report its findings and recommendations prior to the convening of the 1978 legislative session.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 390 as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 390, H.D. 1.

Signed by all members of the Committee.

SCRep. 954 Legislative Management

Informing the House that House Resolution Nos. 627 to 637 and Standing Committee Report Nos. 955 to 958, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 955 Water, Land Use, Development and Hawaiian Homes on H.C.R. No. 11

The purpose of this concurrent resolution is for the State department of land and natural resources to develop a long-range master land use plan covering all aspects of private and public development within Diamond Head, and to submit such comprehensive plan to the legislature not less than twenty days prior to the convening of the Regular Session of 1978.

This plan is based on the intent of preserving the integrity of Diamond Head's primary

function as an existing park and open space area and minimizing, at the same time, disruption to the adjacent residential community.

Your Committee has amended this concurrent resolution to avoid a duplication of effort by the department by excluding present plans to proceed with community input and the planning and construction for recreational activities within the crater.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.C.R. No. 11, as amended herein, and recommends that it be referred to the Committee on State General Planning, in the form attached hereto as H.C.R. No. 11, H.D. 1.

Signed by all members of the Committee.

SCRep. 956 Judiciary on H.R. No. 19

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a review and study of the Hawaii Revised Statutes to determine whether the statutory language complies with the equal rights amendment to the Hawaii Constitution and is consistent with the proposed equal rights amendment to the U. S. Constitution.

Your Committee finds that in order to assure that the statutory provisions of the Hawaii Revised Statutes comply with the concept of equality of the sexes as embodied in our constitution, a thorough review and study is required. However, your Committee also believes that it is imperative that the State Commission on the Status of Women take a more active role in this area. Accordingly, your Committee has amended the resolution to provide that the Legislative Reference Bureau and the State Commission on the Status of Women conduct the review and study.

Your Committee also amended the resolution to request the State Commission on the Status of Women to review and study all bills passed by each legislature and to report its findings prior to the convening of each succeeding legislative session.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 19, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 19, H.D. 1.

Signed by all members of the Committee.

SCRep. 957 Public Employment and Government Operations on H.R. No. 151
(Majority)

The purpose of this Resolution is to request the House Committee on Public Employment and Government Operations to consider the feasibility of implementing a management by objective approach within the levels of the executive branch. The Committee is further requested to report its findings and recommendations to the Legislature before the convening of the 1978 Regular Session.

Management by Objectives, or MBO, is a system in which managers establish measurable objectives to be accomplished over a specific period of time. It allows for measurement of performance in terms of concrete results. At the same time, management by objectives has a philosophical basis in the idea that people do contribute far in excess of the usual expectation on their jobs, and MBO would provide an opportunity for them to participate in setting their goals and determining the best method of achieving them.

Your Committee finds that the management by objective concept could assist in providing specificity to the present system of planning, programming, and budgeting. At the same time, it would provide management and supervisory personnel with a means of measuring the effectiveness of their activities in accomplishing goals and objectives.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 151 and recommends that it be referred to the Committee on Legislative Management.

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

SCRep. 958 Judiciary on H.R. No. 248 (Majority)

The purpose of this resolution is to request the Legislative Reference Bureau to make a study of the advantages and disadvantages of the formation of a separate municipal or regional government form, either within or without the present City and County structure for the area comprising all or part of the Windward side of Oahu.

Your Committee finds that the Windward side of Oahu is a highly developed and fast growing area outside the central city of Honolulu, clearly separated from central Honolulu by the Koolau mountain range. The population of the Windward area has grown from 68,281 in 1960 to 115,441 in 1975, an increase of 67% while the population for the remainder of Oahu increased by 36% in the same period. The population of the Windward area is also greater than that of Hawaii county. The assessed real property value of property on the Windward side is in excess of one billion dollars, with real property tax revenues of almost 16,000,000. Your Committee feels that because of the rapid growth of the area, a study should be undertaken at this time to consider the feasibility of setting up a new governmental system for the Windward area.

Your Committee made minor style changes which do not affect the substance or intent of the resolution.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 248, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 248, H.D. 1.

Signed by all members of the Committee.
(Representatives K. Yamada, Blair, Ueoka and D. Yamada did not concur.)

SCRep. 959 Legislative Management

Informing the House that House Resolution Nos. 638 to 653, House Concurrent Resolution No. 124, and Standing Committee Report Nos. 960 to 965, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 960 Public Employment and Government Operations on H.R. No. 409

The purpose of this resolution is to request the office of the Legislative Reference Bureau to investigate the "sunset" concept by providing a general description of the concept, information on such legislation in other states, description of the experiences of other states, description of alternatives for the sequential implementation of the sunset concept in Hawaii and the presentation of various legislative approaches for statutory enactment. The Legislative Reference Bureau is to present a report of its findings before the convening of the 1978 session.

The "sunset" concept is a mechanism which systematizes a program of periodic review of public agency operations. Generally, it establishes a date on which statutory authorization of an agency is terminated and requires that prior to termination, a review of the agency be conducted to determine whether the affected agency is effectively carrying out its responsibilities and functions. If it is found to be performing satisfactorily, then the Legislature may take affirmative action to extend the life of the agency.

In 1976, the House of Representatives passed House Resolution No. 559, H.D. 1, in which it requested the Department of Regulatory Agencies to review the concept of a sunset provision for regulatory boards and commissions. In the report submitted to the 1977 Legislature, the department recommended enactment of a sunset law as a means of providing a vehicle for systematic review of the regulatory boards and commissions. This recommendation was a result of the department's findings that the professional and vocational licensing boards had differing policies and procedures and that certain boards were costing more to operate than the amount of regulatory activity it provided.

This resolution seeks to study the application of sunset laws to other state agencies. Your Committee feels that the sunset concept may be one alternative toward more accountable, responsive, effective and efficient government performance.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 409 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 961 Public Employment and Government Operations on H.C.R. No. 63

The purpose of this concurrent resolution is to request the office of the Legislative Reference Bureau to investigate the "sunset" concept by providing a general description of the concept, information on such legislation in other states, description of the experiences of other states, description of alternatives for the sequential implementation of the sunset concept in Hawaii and the presentation of various legislative approaches for statutory enactment. The Legislative Reference Bureau is to present a report of its findings before the convening of the 1978 session.

The "sunset" concept is a mechanism which systematizes a program of periodic review of public agency operations. Generally, it establishes a date on which statutory authorization of an agency is terminated and requires that prior to termination, a review of the agency be conducted to determine whether the affected agency is effectively carrying out its responsibilities and functions. If it is found to be performing satisfactorily, then the Legislature may take affirmative action to extend the life of the agency.

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This concurrent resolution seeks to study the application of sunset laws to other state agencies. Your Committee feels that the sunset concept may be one alternative toward more accountable, responsive, effective and efficient government performance.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.C.R. No. 63 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 962 Education on S.C.R. No. 96

The purpose of this concurrent resolution is to urge Congress to maintain the level of aid which Hawaii's schools receive through P.L. 81-874, Aid to Federally Impacted Areas.

Your Committee on Education finds that Congress is contemplating a possible reduction of some \$5.5 million from this grant to the State of Hawaii in FY 1977-78.

Your Committee has found that the need for such aid is acute. The Executive Budget, submitted for the department of education, estimates that \$12.4 million in Impact aid would be received in fiscal year 1977-78 and that \$12.3 million would be received in fiscal year 1978-79. Should this total be reduced by \$5.5 million or by any amount, that amount would have to be made up with state funds. A good portion of the federal money that Hawaii's schools receive is only available for limited purposes and thus to lose that money would effect only those specific programs. Impact aid on the other hand is used to support the regular instruction component and would thus have to be replaced with state funds.

Your Committee on Education concurs with the intent and purpose of S.C.R. 96, and recommends that it be referred to the Committee on Finance for further consideration.

Signed by all members of the Committee.

SCRep. 963 Education on H.R. No. 442

The purpose of this resolution is to urge Congress to maintain the level of aid which Hawaii's schools receive through P.L. 81-874, Aid to Federally Impacted Areas.

Your Committee on Education finds that Congress is considering reducing the Aid to Impacted Areas by \$5.5 million in FY 1977-78.

Your Committee has found that the need for such aid is acute. The Executive Budget, submitted for the department of education, estimates that \$12.4 million in Impact aid would be received in fiscal year 1977-78 and that \$12.3 million would be received in fiscal year 1978-79. A good portion of the federal money that Hawaii's schools receive is only available for limited purposes and thus to lose that money would effect only those specific programs. Impact aid on the other hand is used to support the regular instruction component and would thus have to be replaced with state funds.

Your Committee on Education concurs with the intent and purpose of H.R. No. 442 and recommends that it be referred to the Committee on Finance for further consideration.

Signed by all members of the Committee.

SCRep. 964 Judiciary on H.R. No. 12

The original purpose of this resolution is to request your Committee on Judiciary to review the need for and feasibility of creating an intermediate court within the Hawaii Judiciary, and to report its findings before adjournment of this session.

Your Committee heard testimony of 43.2% increase in case filing in fiscal year 1975-76. Along with this increase in caseload came an increase in the number of judges within the district and circuit courts to handle the caseload capabilities.

However, the Hawaii Supreme Court received no relief for its increasing appellate caseload operations which correlated to the increase in case filings. Since the establishment of an appellate court may enhance the efficiency of the administration of justice by providing an additional intermediate forum for appeals, your Committee agreed that there is a need to look further into the creation of an appellate court.

Your Committee amended this resolution to provide that the review be conducted during the interim and be reported prior to the adjournment of the Regular Session of 1978.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 12, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 12, H.D. 1.

Signed by all members of the Committee.

SCRep. 965 Judiciary on H.R. No. 17

The original purpose of this resolution is to request that the House Committee on Judiciary review minors' rights in the general area of health services.

Your Committee concurs with the findings of your Committee on Youth and Elderly Affairs as contained in Standing Committee Report Number 436, dated March 8, 1977.

However, your Committee has amended the resolution to provide that the report of its findings and recommendations be made prior to the commencement of the Regular Session of 1978 because of the time constraints which would prevent an adequate review prior to the adjournment of this session.

Your Committee has further amended the resolution by requesting your Committee on Health to review minors' rights in the area of health services. The health policy impact of the resolution outweighs the legal impact and thus your Committee feels that the proper committee to review this area is your Committee on Health.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 17, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 17, H.D. 1.

Signed by all members of the Committee.

SCRep. 966 Legislative Management

Informing the House that House Resolution Nos. 654 to 660, House Concurrent Resolution No. 125, and Standing Committee Report Nos. 967 to 985, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 967 Tourism and Water, Land Use, Development and Hawaiian Homes on H.R. No. 554 (Majority)

The purpose of this resolution is to request the House Committees on Tourism; Water, Land Use, Development and Hawaiian Homes; and Finance to comprehensively identify and evaluate various measures which could be instituted to increase the attractiveness of Hawaii for investment in hotel-resort development and other alternative industries.

Your Committees are cognizant that the welfare of the State is dependent on the ability of its economic sectors to keep pace with its population growth. The visitor industry has the highest potential for growth compared to other state income revenue sources.

Your Committees are further aware that the attraction of capital to build new hotels is probably the greatest problem facing Hawaii's visitor industry, next to attracting visitors. During the Committees' discussions, it was agreed that it is timely for the State of Hawaii to prepare a report on alternatives for attracting capital investment for other alternative industries besides tourism.

Your Committees, in their deliberations, are requested to also consider the efforts of other regions and countries in maintaining viable visitor and other alternative industries.

Your Committees have amended the resolution to encompass other alternative industries that may also need capital investment, besides the visitor industry. Your Committees have further amended this resolution to include your Committee on Water, Land Use, Development and Hawaiian Homes in deliberations to prepare the requested report.

Your Committees on Tourism; and Water, Land Use, Development and Hawaiian Homes concur with the intent and purpose of H.R. No. 554, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 554, H.D. 1.

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

SCRep. 968 Education and Higher Education on H.R. No. 414

The purpose of this Resolution is to urge the State Board of Vocational Education and the State Board of Education to accord the highest priority to vocational and technical education programs with respect to resource allocation, and program planning and development; to work toward continuing refinements in coordinated program development; and to facilitate articulation between and among the various agencies sharing responsibility for the planning and delivery of vocational and technical education programs.

Your Committees have found that there has been a resurgence of interest in vocational and technical education and related manpower development and occupational training programs.

Your Committees further find that there are several agencies who share responsibility for developing and implementing vocational and technical education programs. Coordination and articulation between the State Board for Vocational Education, Board of Education, State Commission on Manpower and Full Employment/State Advisory Council, and the State Vocational Education Coordinating Advisory Council are important for the planning and implementation of an effective vocational and technical education program.

Your Committees have amended this Resolution to include the Governor and the Director of the Department of Budget and Finance as recipients of certified copies of this Resolution.

Your Committees on Education and Higher Education concur with the intent and purpose of H.R. No. 414, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 414, H.D. 1.

Signed by all members of the Committees.

SCRep. 969 Education and Higher Education on H.C.R. No. 67

The purpose of this Resolution is to urge the State Board of Vocational Education and the State Board of Education to accord the highest priority to vocational and technical education programs with respect to resource allocation, and program planning and development; to work toward continuing refinements in coordinated program development; and to facilitate articulation between and among the various agencies sharing responsibility for the planning and delivery of vocational and technical education programs.

Your Committees have found that there has been a resurgence of interest in vocational and technical education and related manpower development and occupational training programs.

Your Committees further find that there are several agencies who share responsibility for developing and implementing vocational and technical education programs. Coordination and articulation between the State Board for Vocational Education, Board of Education, State Commission on Manpower and Full Employment/State Advisory Council, and the State Vocational Education Coordinating Advisory Council are important for the planning and implementation of an effective vocational and technical education program.

Your Committees have amended this Resolution to include the Governor and the Director of the Department of Budget and Finance as recipients of certified copies of this Resolution.

Your Committees on Education and Higher Education concur with the intent and purpose of H.C.R. No. 67, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 67, H.D. 1.

Signed by all members of the Committees.

SCRep. 970 Education on H.R. No. 241

The purpose of this Resolution is to request the department of education to develop a program to involve the youth in the process of finding solutions to the problems related to school violence and vandalism. This Resolution also requests the department to transmit a program report of this program to the House of Representatives at least 20 days prior to the convening of the 1978 Regular Session.

Your Committee finds that acts of violence and vandalism are expressions of young people's hostility against schools and that continued exclusion of young people from meaningful participation in school decision-making will only increase that hostility and the problems of violence and vandalism. Involvement of students, as well as teachers, parents, school administrators and community groups is needed to develop and implement successful security programs in schools.

Your Committee has heard testimony from the Superintendent that the department is presently setting up school committees comprised of students, parents, and school personnel to deal with problems of violence and vandalism in their respective schools.

Your Committee is in accord with the intent and purpose of H.R. No. 241 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 971 Employment Opportunities and Labor Relations and Youth and Elderly Affairs on H.R. No. 505

The purpose of this resolution is to request the State Commission on Manpower and Full Employment to study a higher rate of employment of teenagers and young adults, and to submit recommendations for improvements of existing programs and development of new programs to facilitate youth employment. The Commission is to report its findings to the Legislature 20 days before the convening of the Regular Session of 1978.

Your Committees find that young workers generally have suffered a higher rate of unemployment than adults. Nationally, unemployment has grown progressively worse

in recent years. Your Committees agree that the employment problems of youth cannot be blamed solely on the poor state of the economy and that there are many facts that require study and remedy to prepare Hawaii's youth for the current and future employment trends and career options.

With an expected increase in federal funding for youth employment and training programs this year, your Committees believe that an evaluation study of current youth employment opportunities in the State is both timely and necessary.

Your Committees have amended this resolution to broaden the scope of the proposed study from only vocational education and manpower training to all programs that may improve youth employment.

Your Committees on Employment Opportunities and Labor Relations and Youth and Elderly Affairs concurs with the intent and purpose of H.R. No. 505, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 505, H.D. 1.

Signed by all members of the Committees except Representatives Cobb and Evans.

SCRep. 972 Employment Opportunities and Labor Relations and Youth and Elderly Affairs on H.C.R. No. 93

The purpose of this resolution is to request the State Commission on Manpower and Full Employment to study a higher rate of employment of teenagers and young adults, and to submit recommendations for improvements of existing programs and development of new programs to facilitate youth employment. The Commission is to report its findings to the Legislature 20 days before the convening of the Regular Session of 1978.

Your Committees find that young workers generally have suffered a higher rate of unemployment than adults. Nationally, unemployment has grown progressively worse in recent years. Your Committees agree that the employment problems of youth cannot be blamed solely on the poor state of the economy and that there are many facts that require study and remedy to prepare Hawaii's youth for the current and future employment trends and career options.

With an expected increase in federal funding for youth employment and training programs this year, your Committees believe that an evaluation study of current youth employment opportunities in the State is both timely and necessary.

Your Committees have amended this resolution to broaden the scope of the proposed study from only vocational education and manpower training to all programs that may improve youth employment.

Your Committees on Employment Opportunities and Labor Relations and Youth and Elderly Affairs concurs with the intent and purpose of H.C.R. No. 93, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 93, H.D. 1.

Signed by all members of the Committees except Representatives Cobb and Evans.

SCRep. 973 Tourism on H.R. No. 553

The purpose of this Resolution is to request that the Civil Aeronautics Board continue and further implement Group Inclusive Tour Fares for routes between Hawaii and the continental United States. The Governor and Congressional Delegation from the State of Hawaii are also requested to provide whatever necessary assistance and support needed for the continuance of this important program.

Your Committee recognizes that the number of visitors who traveled to Hawaii from the Continental United States via some form of group travel plan has increased substantially from 22 percent in 1970 to 46 percent in 1976; and, approximately 61 percent of these travelers who visited in 1976 utilized the Group Inclusive Fares which enabled them to travel with discounts on regular air fares.

Your Committee feels that because of this significant increase in group travel, that

the continuance of the G.I.T. fares as determined by the Civil Aeronautics Board is vitally important to Hawaii's leading industry, tourism.

Your Committee became cognizant of the fact that should G.I.T. fares be discontinued, there could be adverse effects on neighbor island travel. The G.I.T. fares are extremely valuable to the neighbor islands since it qualifies the citizens for the common fares, while charter and international flights do not have this same benefit. Your Committee is also aware that these fares mandate movement throughout the state, while OTC (One Stop Charter) and ABC (Advance Booking Charter) fares are designed to get the passengers from the origin to one destination and back at a low cost.

Your Committee further recognizes that discontinuing the G.I.T. fares may directly and indirectly affect our state economy. The largest wholesale tour operator in Hawaii, who brings visitors in excess of 150,000 each year, stated that at present G.I.T. packages comprise over 50% of their annual gross sales. Loss of these fares may also affect the amount of visitors coming to our state from the continental United States, for the G.I.T. was introduced to generate new air travelers from a large untapped market of people generally unaccustomed to traveling by air because of prohibitive costs.

Your Committee on Tourism concurs with the intent and purpose of H.R. No. 553 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 974 Housing and Health on H.R. No. 557

The purpose of this resolution is to request a modification of sewage treatment requirements and standards as implemented by the Farmers' Home Administration of the U.S. Department of Agriculture.

Presently, the Farmers Home Administration (FMHA) mandates that housing assisted under its programs be served by a central sewage treatment/disposal system. Although the FMHA has waived this requirement on several occasions in the past, indications are that the FMHA is moving in the direction of imposing unilateral requirements regardless of varying circumstances or situations.

Your Committees find that this would create an undue hardship for some, particularly low and moderate income residents of rural farm areas which presently are not served with a central sewage treatment plan. The development of such a plant would ultimately raise the cost of housing, and would thus severely impair the delivery of housing to low and moderate income rural residents.

Your Committees feel that while a balance between rural housing needs and health standards must be maintained, the imposition of sewage treatment standards should be made applicable only to situations where it is shown that a central sewage treatment/disposal system is actually needed.

Your Committees on Housing and Health concur with the intent and purpose of H.R. No. 557 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 975 Energy and Transportation and Agriculture on H.R. No. 437

The purpose of this resolution is to request the Department of Transportation to provide adequate air cargo facilities at all airports in the State to facilitate the air cargo transportation of agricultural commodities.

Your Committees find that the inadequacy and inefficient use of the existing facilities increase operating costs which result in higher cost to the consumer, thereby diminishing the competitive advantage of Hawaii's agricultural products.

Your Committees on Energy and Transportation and Agriculture are in accord with the intent and purpose of H.R. No. 437 and recommends its adoption.

Signed by all members of the Committees except Representatives Caldito, Kawakami, Mizuguchi and Morioka.

SCRep. 976 Agriculture and Water, Land Use, Development and Hawaiian Homes
on H.C.R. No. 78

The purpose of this resolution is to request the Governor to support Castle & Cooke Inc's. proposal to market Hawaiian papayas on the Mainland and Canada.

Your Committees view the Castle & Cooke proposal as a significant milestone in the development of the papaya industry and wish to insure that the Governor and the Administration support this and other cooperative marketing efforts between the State and private industry. Your Committees, however, recommends that the "Be It Resolved" paragraph be amended to read as follows:

"Be It Resolved, by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1977, that the Governor is requested to respond in the most favorable terms to any proposed cooperative marketing plan and to do all in his power to support this and other cooperative efforts between the State and private industry; and"

The amendment removes the direct reference to the Castle & Cooke proposed marketing plan in order to allow the Governor and the Administration greater flexibility when dealing with marketing organizations.

Your Committees on Agriculture and Water, Land Use Development and Hawaiian Homes concur with the intent and purpose of H.C.R. No. 78, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 78, H.D. 1.

Signed by all members of the Committees.

SCRep. 977 Public Employment and Government Operations on S.B. No. 460

The purpose of this bill is to establish a mechanism for the periodic review of the practices of existing professional and vocational licensing boards and commissions, as well as, procedures for the passage of any new regulatory measures.

Your Committee finds that there is growing concern over the proliferation and perpetuation of the numerous boards and commissions located within the Department of Regulatory Agencies which have been established to regulate vocations and professions. Presently, there are no procedures for evaluating the effectiveness of these bodies in accomplishing their intended mission of protecting the health, safety, and welfare of the consumer. Moreover, in the past, regulatory decisions have been heavily influenced by the trade or occupational group affected; often these decisions were made without the detailed factual data necessary to evaluate the purpose and effectiveness of the regulatory proposal. Thus, there is some doubt as to whether all of these boards are necessary, or whether their activities operate in the public interest.

This bill establishes policy guidelines to be used in evaluating existing boards and commissions, as well as new regulatory proposals before they are considered by the Legislature. The guidelines are predicated on the belief that regulation shall not be imposed except when it is reasonably necessary to protect the public welfare. Furthermore, even where regulation is deemed necessary, government interference should be minimized, and regulatory options which are less restrictive and less expensive than full licensure should be adopted when available.

The proposed Hawaii Regulatory Licensing Reform Act provides for the mandatory review of all 39 regulated activities in professional and vocational licensing. It establishes a repeal date of December 31 for each board or commission and each licensing program within the Professional and Vocational Licensing Division of the Department of Regulatory Agencies, staggered over the next six years: six in 1978, six in 1979, six in 1980, seven in 1981, seven in 1982, and seven in 1983. On October 1st of the year preceding its repeal date, the board is required to file a detailed impact statement which shall evaluate the need for and benefit of, the statutory regulatory provisions. The impact statement is designed to gather all reasonably obtainable data concerning the profession or vocation in order to determine whether its activities comply with the policy guidelines established in this bill. A joint interim committee of the Legislature shall review and hold public hearing on each impact statement and shall make a report of its findings and recommendations prior to January 1 of the year of the repeal date. Unless the Legislature takes action during the following regular session to amend the repeal date established in the bill, the board's enabling legislation will be automatically repealed.

Persons advocating the passage of new regulatory measures are also required to file an impact statement containing such information as the Director of Regulatory Agencies may require. This report would contain information similar to the sample "regulatory impact statement" submitted as part of the department's study of boards and commissions prepared in response to H.R. 559. It, like the impact statement to be prepared by existing boards, is designed to gather all reasonably obtainable factual data regarding the providers and consumers of the service or activity to be regulated.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of S.B. No. 460, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 978 Judiciary on S.B. No. 346 (Majority)

The purpose of this bill is to provide for enforcement of certain laws and ordinances against juvenile violators when such laws and ordinances are enforceable only by means of the issuance of citations.

Your Committee finds that many laws and ordinances require enforcement by way of citation only. Your Committee was informed that unless section 571-21(b) is amended, the police will not be able to enforce certain laws and ordinances against juvenile violators. This is because section 571-21(b) refers only to violations of law or ordinances relating to operation of a motor vehicle by children.

Some areas in which offenses are enforceable by citation are:

Litter Violations:	Chapter 26, Article 8, Revised Ordinance
Leash Law:	Chapter 13, Article 31, Revised Ordinances
Smoking Ordinance:	Ordinance 4561, City and County of Honolulu
Fish and Game Law:	Section 187-9, Hawaii Revised Statutes Allows for both citation or physical arrest
Harbor Boating Law:	Section 266-24.1, Hawaii Revised Statutes
Airport Ramp Violation:	Airport Rules and Regulations, Department of Transportation

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 346, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.
(Representatives Baker, Ueoka and Uwaine did not concur.)

SCRep. 979 Judiciary on S.B. No. 1367

The purpose of this bill is to enable that either party, upon divorce, may resume the surname used by him or by her prior to the marriage or a surname declared and used during any prior marriage.

At present, the law allows a woman to restore her former surname upon divorce. Your Committee believes that this bill will equalize the application and benefit of the law to each, regardless of sexual gender.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 1367 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 980 Judiciary on S.B. No. 348

The purpose of this bill is to change the requirements for reporting accidents. At present, accidents involving death or injury or damage to property to an apparent extent of \$100 must be reported. Because repair costs have increased so rapidly, it would be more realistic to increase the reporting level from \$100 to \$300. The bill would conform this section to section 291C-16, which provides that property damage involving less than \$300 is considered to be a minor accident.

The bill also eliminates the 60 day limitation period provided for in section 287-6 during which the Chief of Police must suspend the license or permit of a driver for failure to satisfy the requirements of section 287-5 or to deposit security. Your Committee concurs in the findings of the Senate Committee on Judiciary that the 60 day limit is unrealistic, because the investigation of accident cases often takes longer than 60 days.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 348 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 981 Judiciary on S.B. No. 243

The purpose of this bill is to amend Section 291C-101, Hawaii Revised Statutes, to reflect the correct intent by substituting the word "curve" for "curb". This bill also clarifies the language and wording of the law.

This is a housekeeping measure.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 243 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 982 Education on H.R. No. 43

The purpose of this Resolution is to request the House Committee on Education to review the adequacy of the program design and delivery system for immigrant student programs, and to review the feasibility of administration of existing programs through one branch which would be responsible for monitoring relevant data concerning these programs.

Your Committee finds that the number of immigrant students enrolled in public schools is increasing. These students often have problems with the acquisition of a new language and with acculturation, which in turn leads to other social problems.

Your Committee further finds that there are programs directed to help immigrant students, however, these programs lack a systematic approach and proper coordination.

Your Committee is in accord with the intent and purpose of H.R. No. 43, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 983 Education on H.R. No. 49

The purpose of this Resolution is to request the House Committee on Education to review policies and practices to ensure that all minority groups are provided with equal opportunity to work, to be heard, and to learn.

Your Committee finds that this educational system is committed to the provision of equal opportunity for all. Equal educational opportunity includes fair employment practices; non-discriminatory treatment of students, teachers, and administrators; open instruction; and unbiased curricula.

Your Committee further finds that public charges have indicated dissatisfaction with the hiring and promotional policies, as well as some facets of instruction with regards

to minorities in the department of education. Therefore the House Education Committee should review the practices and policies of the department of education to "clear the air" and ensure that all groups are provided equal educational opportunity..

Your Committee is in accord with the intent and purpose of this resolution and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 984 Youth and Elderly Affairs (H.R. No. 103)

In 1975, a House Interim Committee found that since the late 1960's, considerable growth and development of senior center programs and facilities throughout the State have taken place. The Interim Committee found that while senior centers in the counties of Kauai, Hawaii and Maui have programs and administrative arrangements different from each other, the services offered were effective and suited to meeting the needs of the elderly in those counties. On Oahu, the Interim Committee found an uneven pattern of senior center programs and facilities, largely due to a lack of coordination and leadership among state, county and private agencies. Given the differing program arrangements among the counties and the wide disparities within the City and County of Honolulu, the Interim Committee recommended that a state policy on senior centers be developed for the purpose of clarifying the roles and responsibilities of the state and the counties and establishing guidelines for the development and administration of senior centers and programs.

The enactment of Act 141, Session Laws of Hawaii 1976, required the Commission on Aging to establish a State Policy on Senior Centers. To accomplish this, the Commission on Aging created an Ad Hoc Committee on Senior Centers composed of representatives from the State Commission on Aging, the counties and private agencies involved with the delivery of services to senior citizens. In December 1976, the committee submitted its findings and a proposed State Policy on Senior Centers to the State Commission on Aging.

The Commission adopted this state policy which includes the establishment of immediate and long-range goals, state standards for the operation and maintenance of senior centers, program priorities, delineation of state and county administrative roles, and the establishment of a monitoring mechanism.

At the 1977 legislative session, House Resolution No. 103, H.D. 1, "Requesting a Review of State Policies on Senior Centers" was adopted. Your Committee on Youth and Elderly Affairs proceeded to conduct a review of the State Policy on Senior Centers adopted by the Commission on Aging. Your Committee held a public hearing on March 24, 1977, to obtain information and testimonies on the State Policy. Witnesses present at the hearing were from the Commission on Aging, City and County of Honolulu, Hawaii State Senior Center, National Retired Teachers Association, American Center, National Retired Teachers Association, American Association of Retired Persons, Kaimuki Senior Citizens Club and McCully Senior Citizens Club. Testimonies presented by these groups strongly supported the adoption and implementation of the state policy developed by the Ad Hoc Committee on Senior Centers for the State Commission on Aging.

Support for the policy centered on its recognition that Hawaii's elderly population have unique individual and group needs involving their physical, socio-cultural and economic well-being and that it is the State's responsibility to meet these needs. The policy suggests the establishment and operation of multi-purpose senior center programs to provide for the delivery of a wide range of elderly services in a specific geographic area. The policy establishes standards and the delineation of responsibility for the establishment and operation of multi-purpose senior centers and programs utilizing public funds.

Your Committee believes that the adoption of this state policy will correct the deficiencies cited by the 1975 House Interim Committee and the Ad Hoc Committee on Senior Centers and will meet the growing elderly needs cited by those who presented testimony and information at this current 1977 legislative session.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of the State Policy on Senior Centers and recommends that it be used by the Commission on Aging in the planning, development and operation of senior center facilities and programs on a statewide basis.

Signed by all members of the Committee.

SCRep. 985 Culture and the Arts on H.C.R. No. 111

The purpose of this concurrent resolution is to establish a joint Iolani Palace Centennial Committee for the interim period of 1977 to prepare for the reopening celebration of Iolani Palace on December 31, 1979.

Iolani Palace is the only royal palace in the United States. Used as the seat of government by the Monarchy, the provisional government, the Republic, the Territory, and finally, the State of Hawaii, the Palace is now a symbol of the rich and unique political history of Hawaii. Recognizing this, the State of Hawaii has made a substantial investment through the years to preserve and restore this monument of tremendous historical significance.

December 31, 1979 will mark the 100th anniversary of Iolani Palace. Your Committee finds that the reopening of the palace will coincide with the centennial anniversary and believes that such a treasured landmark deserves the recognition and commemoration of a well-planned centennial event that will capture the spirit and celebration traditions of Hawaii and her people.

Your Committee has amended the concurrent resolution to provide that the interim committee be appointed jointly by the Speaker of the House of Representatives and the Senate President from members of the House Committee on Culture and the Arts and the Senate Committee on Ecology, Environment, and Recreation. A change from the Coalition of Hawaiian Organizations to the Council of Hawaiian Organizations has also been made.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.C.R. No. 111, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 111, H.D. 1.

Signed by all members of the Committee.

SCRep. 986 Legislative Management

Informing the House that House Resolution Nos. 661 to 685, House Concurrent Resolution Nos. 126 and 127, and Standing Committee Report Nos. 987 to 998, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 987 Education on H.R. No. 250

The purpose of this Resolution is to request the Legislative Reference Bureau to undertake a study on early retirement for teachers.

Your Committee on Education finds that a situation of high unemployment exists among teachers in the State of Hawaii. Presently, there are no incentives for teachers to retire early in order to make room for the younger, unemployed teachers. The State should attempt to provide more employment opportunities for the countless number of unemployed teachers who have dedicated their lives to the pursuit of quality education for our young people. Your Committee further finds that a feasibility study is needed to provide the Legislature with more information on this problem.

Your Committee has amended this Resolution to correct the spelling of the word "providing" in the first paragraph of page two.

Your Committee on Education is in accord with the intent and purpose of H.R. No. 250, as amended herein, and recommends it be referred to the Committee on Public Employment and Government Operations in the form attached hereto as H.R. No. 250, H.D. 1 for further consideration.

Signed by all members of the Committee.

SCRep. 988 Education on H.R. No. 283

The purpose of this resolution is to request the Department of Education to undertake and implement a program design for community involvement that includes both the bringing

of community resources into the school as well as the solicitation of community usage of school facilities. The resolution also requests the DOE to include in that program design the establishment of incentives and program outreach to encourage schools to involve the community around it. The DOE is requested to report on its findings to the 1978 session of the Legislature.

The intent of the resolution has received the support of the DOE as well as several organizations. The Hawaii Federation of Teachers has given the resolution its unqualified support. The Hawaii Congress of the PTA has supported the resolution and has urged the inclusion of parents in planning the program. The DOE supported the intent of the resolution but stated that the legislation was unnecessary in light of efforts already under way. In reviewing the DOE's testimony and reports of other efforts in community involvement, it does not appear to your Committee that a program design which incorporates the concerns of your Committee has in fact been undertaken by the DOE. While it is true that the department has established procedures and regulations for the use of school facilities, and while it has encouraged various specific projects which involve the community and certain schools, there does not appear to be any concerted outreach to bring the community into the school and the school into the community on a systemwide basis.

So that community involvement may be given real meaning in terms of community support to the school and school support to the community, your Committee is asking for a program design so that both the Legislature and the department will have a better idea of the scope of the program and whether the objectives of the program will be compatible with legislative intent.

Your Committee concurs with the intent and purpose of H.R. No. 283 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 989 Education on H.R. No. 284

The purpose of this Resolution is to request the department of education to provide for the implementation of a course on "Hawaii's Alternative Futures" in the State's secondary schools.

Your Committee finds that stimulating the interest and awareness of young people in futuristics may be one practicable means by which the active participation by and involvement of an enlightened society capable of charting its own future would be ensured. If the students of today are to be the decision makers of tomorrow, efforts to enable students to grasp and develop possible and probable alternative futures for their community is necessary. This course would be a means of getting students to think about their future and possible alternatives.

Your Committee further finds that a pilot program combining the practical realms of politics and community development with various theoretical perspectives, was field tested during the 1976-77 school year and has been favorably received by participants and members of the community.

Your Committee on Education is in accord with the intent and purpose of H.R. No. 284, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 990 Water, Land Use, Development and Hawaiian Homes on H.R. No. 522

The purpose of this resolution is to request the Congress of the United States to act promptly to stop the sale of railroad tracks from the Naval Magazine, Lualualei, Oahu, Hawaii.

Your Committee finds that the General Services Administration is prepared to accept bids for approximately 28 miles of railroad tracks including all associated hardware presently located within the Naval Magazine at Lualualei. Should these railroad tracks be sold, the efforts of the Hawaiian Railway Society, a non-profit educational organization dedicated to preserving the history of railroading in Hawaii, will be seriously curtailed. With the sale of the Lualualei railroad tracks, the society's hopes for a "hands-on" operating railway museum will be lost, and with it, a potential educational/recreational

attraction for Hawaii's residents and visitors.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.R. No. 522 and recommends it be referred to the Committee on Culture and the Arts.

Signed by all members of the Committee.

SCRep. 991 State General Planning on H.R. No. 515

The purpose of this resolution is to request the Board of Land and Natural Resources to expedite final action on the master plan and initiate proceedings for the incremental acquisition of lands for the Makena-LaPerouse State Park.

Your Committee finds that there is a need for parks and recreational facilities in the central leeward area of Maui. Approximately \$1,395,000 was appropriated by the Seventh and Eighth Legislatures for the master planning and incremental land acquisition and construction of the Makena-LaPerouse State Park. There has been general approval at public hearings held by the Department of Land and Natural Resources for the revised master plan for the park.

Since the finalized master plan will soon be submitted, the Board of Land and Natural Resources is requested to expedite development and construction of the Makena-LaPerouse State Park.

Your Committee on State General Planning concurs with the intent and purpose of H.R. No. 515 and recommends that it be referred to the Committee on Water, Land Use Development, and Hawaiian Homes.

Signed by all members of the Committee.

SCRep. 992 Consumer Protection and Commerce on H.R. No. 541

The purpose of this resolution is to request the appointment of an interim committee to review all Horizontal Property Regimes bills introduced to the Ninth Legislature and submit a comprehensive package of legislation dealing with condominium owner-developer concerns to the Ninth Legislature, Regular Session of 1978.

Since enactment of the Hawaii Horizontal Property Regimes laws in 1961, there has been a rapid increase in the number of condominium owners which has led to an increasing number of consumer complaints. In response to consumer complaints relating to owner-developer problems, the Office of Consumer Protection, the Legislative Reference Bureau and the Real Estate Commission have conducted a study and made legislative recommendations to the Ninth Legislature, Regular Session, 1977. These recommendations and numerous other condominium bills currently being considered have resulted in conflicting testimony from the various interest groups involved.

In order to insure a comprehensive rather than piecemeal appraisal and package of legislation relating to Horizontal Property Regimes, your Committee believes that these problems should be considered in the interim when time permits a more thorough evaluation of proposed legislation to effectively deal with the owner-developer situation. The proposed interim committee would be composed of membership of the House Committee on Consumer Protection and Commerce and the Senate Committee on Housing and Hawaiian Homes.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 541 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 993 Consumer Protection and Commerce on H.C.R. No. 103

The purpose of this resolution is to request the appointment of an interim committee to review all Horizontal Property Regimes bills introduced to the Ninth Legislature and submit a comprehensive package of legislation dealing with condominium owner-developer concerns to the Ninth Legislature, Regular Session of 1978.

Since enactment of the Hawaii Horizontal Property Regimes laws in 1961, there has been a rapid increase in the number of condominium owners which has led to an increasing number of consumer complaints. In response to consumer complaints relating to owner-developer problems, the Office of Consumer Protection, the Legislative Reference Bureau and the Real Estate Commission have conducted a study and made legislative recommendations to the Ninth Legislature, Regular Session, 1977. These recommendations and numerous other condominium bills currently being considered have resulted in conflicting testimony from the various interest groups involved.

In order to insure a comprehensive rather than piecemeal appraisal and package of legislation relating to Horizontal Property Regimes, your Committee believes that these problems should be considered in the interim when time permits a more thorough evaluation of proposed legislation to effectively deal with the owner-developer situation. The proposed interim committee would be composed of membership of the House Committee on Consumer Protection and Commerce and the Senate Committee on Housing and Hawaiian Homes.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 103 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 994 Higher Education on H.C.R. No. 5

The purpose of this concurrent resolution is to request the House and Senate Committees on Higher Education to jointly review, during the interim, the University of Hawaii's athletic program, giving special attention to the financial aspects and sources of funding for the program.

The University of Hawaii's athletic program has been plagued with financial and administrative problems in recent years and has been a target for much public criticism regarding the proper intentions and priorities of the program.

Your Committee is concerned that the non-income generating sports have been developed in a "piecemeal" fashion with most of the attention being directed toward the football and basketball programs. While your Committee agrees that successful income-generating sports are essential to the development of the entire athletic program, it believes that a well-balanced athletic program which is responsive to the varied needs of all student athletes should be provided. Consequently, your Committee feels that a legislative review of the fiscal and program management of intercollegiate athletics is necessary to insure that student needs are met and to enable the University, as well as the Legislature, to better plan for future funding requirements.

Testimony presented by the University reflected concern for expeditious solutions to the problems which currently beset the athletic program. The Athletic Director is presently in the midst of a comprehensive review to update a Policy and Procedure Manual and the Athletic Department's business office, together with the Manoa Budget Office, is conducting a budget review. The University anticipates the completion of these internal reviews by June 30, 1977. In view of these current remedial efforts being demonstrated by the Athletic Department, your Committee has amended the concurrent resolution to accommodate a joint review, by the House and Senate Committees on Higher Education, subsequent to the completion of these University evaluations and department policy manual.

Your Committee on Higher Education concurs with the intent and purpose of H.C.R. No. 5, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 5, H.D. 1.

Signed by all members of the Committee.

SCRep. 995 Higher Education on H.R. No. 413

The purpose of this resolution is to direct the University of Hawaii at Manoa to incorporate the Ethnic Studies Program as an integral and permanent program of studies of the College of Arts and Sciences.

Your Committee finds that the Ethnic Studies Program at the University of Hawaii, Manoa, has been in existence on provisional status for approximately seven years.

During the seven years, the program has undergone several program reviews which resulted in generally favorable assessments of the program. In Spring 1974, the faculty committees of the College of Arts and Sciences and the Manoa Faculty Senate recommended that the program be adopted as a permanent department of the University. However, two years later, a report was released by the Vice-Chancellor to abolish the program and disperse the courses into already existing departments. Widespread public and faculty opposition to the report prompted the Chancellor to withdraw the report and order a new academic review in Fall 1976. This review is still being conducted and is expected to be completed in mid-April.

Testimony presented to your Committee reflected strong support for the permanency of the Ethnic Studies Program because it is the only program which offers multi-ethnic studies based on Hawaii's common, working people and their historical and contemporary contributions and experiences. Your Committee agrees that such a program at the University is valuable and worthy of continuation but was unable to obtain sufficient assurance from the University at Manoa administration that a Hawaii multi-ethnic studies program will continue if the review results in the disbandment of the Ethnic Studies Program.

The long delay of a decision on the status of the Ethnic Studies Program has only served to hinder the development of the program as much staff time has been utilized to prepare evaluation reports and to organize efforts to save the existence of the program. In view of the public sentiment for the program and the years of indecision on the part of the Manoa administration, your Committee believes that the adoption of this resolution is necessary to express legislative intent regarding the continuation of the Ethnic Studies Program.

This resolution has been amended to express an additional argument for the Ethnic Studies Program which is the unique ethnic makeup of the University of Hawaii at Manoa Campus. Minor technical amendments have also been made.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 413, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 413, H.D. 1.

Signed by all members of the Committee.

SCRep. 996 Employment Opportunities and Labor Relations on H.R. No. 137

The purpose of this resolution is to request the House Committee on Employment Opportunities and Labor Relations to review the Hawaii Employment Relations Act to determine its effectiveness.

In view of the fact that major amendments to the Hawaii Employment Relations Act have not occurred since 1965, it would seem appropriate to re-evaluate its effectiveness in providing today's workers with a means to organize themselves for mutual aid and protection and collectively improve wages, hours and working conditions.

Your Committee feels that the time allotted to accomplish the review of this Act is too short to be completed. Therefore, your Committee has amended this resolution to have the review conducted during the interim and that a report be made to the Legislature prior to the convening of the Regular Session of 1978.

Your Committee on Employment Opportunities and Labor Relations concurs with the intent and purpose of H.R. No. 137, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 137, H.D. 1.

Signed by all members of the Committee.

SCRep. 997 Energy and Transportation on H.R. No. 391

The purpose of this resolution is to request the Speaker of the House of Representatives to appoint an interim committee to be appointed from among the members of the House Committee on Energy and Transportation to review the Barbers Point deep draft harbor project in light of the increased amount of information which has become available since the original decisions concerning the harbor were made.

Your Committee has amended the title of this resolution to read as "HOUSE RESOLUTION

REQUESTING AN INTERIM COMMITTEE TO REVIEW THE 1995 MASTER PLAN FOR HONOLULU HARBOR" and has amended this resolution to expand the scope of the interim committee work to include a review of the 1995 Master Plan for Honolulu Harbor.

Your Committee on Energy and Transportation is in accord with the intent and purpose of H.R. No. 391, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 391, H.D. 1.

Signed by all members of the Committee.

SCRep. 998 Culture and the Arts on H.R. No. 669

The purpose of this resolution is to request the Governor of Hawaii proclaim the month of November dedicated to the memory of King David La'amea Kalakaua.

The history and ethnic traditions of the Hawaiian people have been a source of dignity and pride for their descendants. While this dignity and pride are rooted in the Monarchical Period of Hawaiian history, certain rulers are noted for specific contributions that are still evident today.

King David La'amea Kalakaua epitomized the high ideals and standards of an enlightened monarch. Under his rule, Hawaii's image grew to international proportions. He accomplished this by achieving the objectives he set for his government in commerce and agriculture. Equally important, King Kalakaua revived and protected the philosophies, customs, lore, music and dances of ancient Hawaii long stifled by the missionary influence.

Your Committee has amended the resolution to more precisely reflect the historical achievements under King Kalakaua's rule.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 669, as amended herein, and recommends its adoption in form attached hereto as H.R. No. 669, H.D. 1.

Signed by all members of the Committee except Representatives Segawa, Ushijima and Poepoe.

SCRep. 999 Education on H.R. No. 582

The purpose of this resolution is to request your Committee to summarize its findings as a result of the school hearings which were held in January and February in every school district of this State. These hearings were made possible through the participation of the seven district superintendents and the principals of all 221 schools in the public school system.

BACKGROUND

The overall perspective which guided your Committee in the conduct of the school hearings is that any improvements to the public school system can only begin from the bottom up with its emphasis on the individual school as the basic management unit of the educational system, rather than from the top down. To be sure, statewide leadership and school district support are not only desirable--but absolutely necessary-- to encourage school administrators, teachers, students and parents to fashion the kinds of schools which will meet their particular needs, but ultimately what takes place in a particular school will depend on the sense of purpose, resourcefulness, and creativity of the school itself and the extent of support it receives.

How individual schools--where all teaching and learning take place--can be strengthened was the dominant focus of these hearings. With this focus, your Committee asked each school principal to present the following information about his or her school:

The progress made by students in the basic skills, school plans to improve student proficiency in the basic skills, and the special or additional resources which might be required to improve student proficiency.

The strengths and weaknesses of the school, identification of the special problems of the schools, and the kinds of changes, programs or resources which would be required to overcome the problems.

The efforts being made to secure parental-community interest, support, and participation in the programs of the school.

Principals were also asked to identify other educational issues which they believe the department of education, the board of education, and the legislature should deal with.

The testimony received from the schools was, without exception, valuable in guiding your Committee in its work in the current legislative session. Your Committee was deeply impressed by the sincerity and quality of the testimony presented by principals and teachers and the insights of district superintendents. Their statements comprise a valuable store of information which will continue to be used to shape legislative educational policy in the months ahead.

FINDINGS

The sheer variety of information and ideas presented by principals and teachers testified to the uniqueness of the individual public school, confirming your Committee's view that improvements to the public school system can take place only if we recognize that each school is different and unique, with individual teachers teaching individual students who are different and unique, and serving parents and communities with varying needs, aspirations, and expectations.

Given the uniqueness of each school, the failure of some statewide attempts to solve school level problems is understandable. Not only do problems vary from school to school, even shared problems require solutions tailored to fit the individual school. Are solutions available at the school level? The testimony from school personnel contained many promising suggestions for the improvement of education. When asked, principals expressed their eagerness for opportunities to implement their ideas in their own schools. Teachers who testified also had promising proposals which they would like to put into action. There was recognition also that parents and the community represent a potentially valuable resource for advice on school policy matters and involvement in school programs. From these general impressions obtained through the school hearings, more particular findings can be stated:

First, schools are equal to the challenge of being given greater responsibility and authority to conduct their programs and manage their operations. The policy of greater responsibility to schools and holding schools accountable is one which has been enunciated by the State Superintendent. It is sound policy. By and large, schools do not disagree with that policy--they endorse it. However, schools insist that if they are to be held accountable for their programs and operations, they need to be given not only the authority and responsibility, but also adequate resources--and the opportunity and discretionary authority to plan for and administer those resources. This is a valid claim to which your Committee has given--and will continue to give--attention and emphasis.

Second, without exception, the principals share the legislature's strong concern about basic skills instruction. Proposals heard by your Committee include tutoring for students with difficulty in learning basic skills, in-service training in basic skills instruction, criterion-referenced tests in basic skills, and educational programs for the parents of kindergarteners. There is promise in school initiatives to shore up basic skills instruction, but again, schools contend that they need to be given the resources and the support to implement their innovations.

Third, from the testimony presented by teachers, it is evident that there is a strong need to strengthen in-service training for teachers, qualitatively and quantitatively. Many teachers feel that the type of in-service training available is not relevant to the problems which they encounter in their classrooms. They expressed a strong desire to participate in the planning and provision of in-service training, and suggested that in-service courses be taught not only by specialists and academicians, but also by fellow teachers who have tried and true methods to share.

Fourth, while the Superintendent of Education has directed the establishment of school advisory councils for the purpose of securing community involvement and participation in each school, implementation has been spotty, and there is an absence of guidelines as to how the councils should function. Principals support the concept of parent involvement and input, and the establishment of an advisory council for each school has potential for serving as a meaningful channel by which community participation in and support for the school can be obtained. These councils could be strengthened by providing them with legal recognition and guidelines for their advisory functions.

LEGISLATIVE ACTION

From the findings derived from the school hearings, your Committee has recommended for passage and adoption a number of legislative measures designed ultimately to strengthen and support the individual schools of the public school system. These measures include: (1) implementing the concept of the school as the basic management unit of the system by budgeting regular instructional funds on a school-by-school basis; (2) providing additional funds to individual schools, to be used at their discretion to meet their individual needs; (3) giving latitude to the schools in determining the purposes for which 3-on-2 instructional resources shall be used, including the strengthening of basic skills; (4) establishing a citizens advisory committee to advise on the kinds of basic skills and real-life skills students graduating from public schools should possess; (5) providing teachers with a larger participatory role in the planning and execution of in-service training programs; (6) structuring a legal framework for the establishment and functions of school advisory councils; and (7) encouraging community involvement in, and support for, the individual public schools of the State.

These, and other complementary measures, will provide legislative direction to the goal of bringing about changes which originate from and have an impact on the individual school. Your Committee will work towards this goal in the remaining days of the session and in the next legislative session. In doing so, it will continue to encourage the input and participation of those who labor with diligence and perseverance on the front lines of our educational system.

RECOMMENDATION

The resolution has been amended to provide for the dissemination of your Committee's findings to the district superintendents and the individual public schools.

Your Committee on Education concurs with the intent and purpose of H.R. No. 582, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 582, H.D. 1.

Signed by all members of the Committee.

SCRep. 1000 Education on H.R. No. 44

The purpose of this resolution is to request the Committee on Education to review past legislative efforts to resolve the problems of the governance of public education and to inform the Constitutional Convention of the results of its review.

The governance of public education in Hawaii as been an object of abiding legislative interest and concern for several years. Your Committee has reviewed the various legislative efforts on this topic, particularly the reports of the 1973-74 Joint Senate-House Interim Committee and the Legislative Auditor's Management Audit of the Department of Education. At the appropriate time, when the Constitutional Convention is ready to receive the Committee's review, your Committee will so transmit its findings. The chairman of the board of education has testified that the board, knowing of the Legislature's concerns regarding the governance of public education, has no objections to the purpose of the resolution.

Your Committee concurs with the intent and purpose of H.R. No. 44 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1001 Education on H.R. No. 282

The purpose of this resolution is to request the Department of Education to ensure that school-level personnel understand the proper functions of school counselors and that counselors perform only those functions appropriate to their positions.

Representatives of the Hawaii School Counselors' Association, the Hawaii State Teachers Association, and the Hawaii Federation of Teachers testified in support of the resolution. Surveys conducted by the counselors' group and by the H.S.T.A. showed that many counselors are assigned non-counseling tasks such as recess and health room supervision, administrative and clerical duties, and disciplinary functions. The counselors' representatives stated that such extraneous chores "decrease the amount of already limited time counselors have to work with students. . . ." The H.F.T. pointed out, moreover, that disciplinary functions are inappropriate for counselors because "[i]t is a very conflict-

ing role that counselors currently fill when they must discipline and counsel students concurrently."

Your Committee feels that counseling is an essential part of the school program and that counselors should not be hindered in providing their vitally needed services. Your Committee concurs with the intent and purpose of H.R. 282 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1002 Education on H.C.R. No. 3

The purpose of this Concurrent Resolution is to request the department of education to develop and implement a plan which encourages participation of teachers, including the role of conducting the training sessions as well as the role of specifying what types of in-service training are desired.

Your Committee finds that an effective in-service training program is an important tool in developing the competency of teachers, and a viable method for imparting new techniques and knowledge for improved performance of teachers.

Your Committee further finds that there is some dissatisfaction among teachers concerning current in-servicing, and that there is an underutilization of innovative teachers in disseminating their techniques through in-service training. For these reasons a systematic plan for development and implementation of the in-servicing program plan is necessary. This plan is to be submitted to the Legislature prior to the next legislative session.

Finally, the bargaining agent, Hawaii State Teachers Association, has testified to its willingness to work with the department of education in developing meaningful in-service activities.

Your Committee is in accord with the intent and purpose of H.C.R. No. 3, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1003 Public Employment and Government Operations on S.B. No. 239

The purpose of this bill is to amend Section 89-5(a), Hawaii Revised Statutes, by adding a provision which grants tenure to the professional and research staff of the Hawaii Public Employment Relations Board (HPERB). Under the form of tenure proposed in this bill, the executive officer, full-time hearings officers, and other non-clerical staff members shall be entitled to hold their positions during good behavior, subject to removal only for cause.

Public sector collective bargaining is a highly specialized, unique area of labor law. The Legislature recognized the value of experience and continuity of service in this field when it provided for the exemption of Hawaii Public Employment Relations Board members from the two term limitation imposed by Section 26-34, Hawaii Revised Statutes, for members of boards and commissions.

Your Committee finds that it is in the public interest to also recognize the value of the cumulative experience of the Board's professional staff and to take measures to assure their continuity of service to the State. Senate Bill 239 will serve to assure this continuity, and in doing so, help the HPERB to attract, train, and retain qualified staff persons in public sector labor law.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of S.B. No. 239 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1004 Consumer Protection and Commerce on S.B. No. 995

The purpose of this bill is to encourage the use of non-fossil fuel for the generation of energy which will help to reduce dependence upon imported fossil fuels and create

additional jobs in the State by encouraging development of non-fossil fuel power production industry.

S.B. No. 995, S.D. 2, accomplishes this purpose by:

1. adding a new subsection 269-1(7) which excludes from the definition of "public utility", and thereby exempts from Public Utilities Commission (PUC) regulation, any person who controls, operates or manages plants or facilities for production, transmission or furnishing of power from non-fossil fuel sources for its internal uses, but who also provides, sells or transmits a portion of such power not used for such purposes directly to a public utility for transmission to the public.
2. adding a new section to Chapter 269 providing that:
 - a. the PUC shall investigate and determine the extent to which such surplus electricity is available to public utilities;
 - b. that the PUC shall direct utilities to arrange for the acquisition and use of available surplus electricity; and
 - c. that the rate paid by the receiving utility to the supplier is to be negotiated by the parties and shall be subject to approval by the PUC. Should the parties be unable to reach an agreement, the PUC is to prescribe the rate according to guidelines set down in subsection (c)(1) of this section.

The original Senate Bill and companion House Bill No. 1254 provided that the rate payable by the public utility to the producer for non-fossil fuel generated electricity supplied to the public utility was to be "not less than the actual costs for fossil fuel that the public utility would have incurred in the production of the same amount of electricity from fossil fuel." This scheme, which keyed the cost of non-fossil fuel to that of petroleum products, and which was opposed in testimony presented by the State Department of Planning and Economic Development and the Hawaiian Electric Company and questioned by the PUC and the Office of Environmental Quality Control, has been discarded in the amended Senate Bill. The bill now provides for negotiation of rates by the public utility and the supplier, to be approved by the PUC as before, but with no reference to a minimum rate; presumably the supplier will, as in the past, negotiate at arms' length for a rate sufficiently high to justify its entering into the contract. In the event that the parties fail to reach an agreement, the amended bill provides for PUC-prescribed rates, as before. However, instead of keying these rates to a minimum based on the cost of fossil-fuel generated electricity, the bill now instructs the PUC to give due consideration to, among other factors, (a) the costs that the public utility would incur in the supply of electricity; (b) the need in the public interest of adequate and economical electrical service by the public utility; and (c) the need of revenues sufficient to enable the producer of non-fossil fuel generated electricity to provide the electricity to the public utility.

Your Committee concurs with the above-described amendment and supports its clear intent to grant equitable consideration to competing interests in the matter of rate-setting. Your Committee finds little economic justification in the original pricing formula, which had the following significant weaknesses:

- (a) it did not take into consideration the relative unreliability of the non-fossil fuel supply, and the concomitant increase in the cost to the public utility company in maintaining its service to consumers;
- (b) it did not take into account extra capital investment, maintenance and operation costs incurred by public utilities to enable them to utilize non-fossil fuel;
- (c) it increased the probability of continued upward escalation in the price of purchased electrical power, as the price base, oil, promises to continue to rise in the foreseeable future;
- (d) it eliminated the PUC's economic incentive to buy non-fossil fuel generated energy by setting its cost at a level at least equal to the cost to the utility of producing electricity from fossil fuel;

- (e) it unnecessarily provided for a floor price equal to the highest price currently in effect; your Committee heard testimony indicating that Hawaiian Electric Company and its subsidiaries have negotiated and have in effect several contracts for bagasse energy in which the price paid by the Company for this surplus energy is less than the cost of producing the same amount of energy with fossil fuel; testimony further stated that prices paid for such surplus energy range from approximately one-sixth of its fuel oil replacement value to the full fuel oil replacement value.

Your Committee finds that to legislate a higher price for this power will simply raise the cost to the consumer, to whom the increase will ultimately be passed on; your Committee further finds that this would place an unnecessary financial burden on the consumer, particularly on the Island of Hawaii, where the costs are already the highest in the State.

Your Committee notes that this bill has been amended throughout by deleting the word "private" with reference to persons, suppliers or plants who produce, transmit or furnish power. The purpose of these amendments, requested in the testimonies of the Office of Environmental Quality Control and the Department of Public Works of the City and County of Honolulu, is to broaden the scope of the bill to include resource recovery facilities whose construction is now contemplated by both the City and County of Honolulu and the State, which would extract usable fuel, steam or electricity from solid wastes. According to both the above-mentioned testimonies, qualifying such a facility for the benefits afforded by this bill would indirectly reduce the cost of providing for this costly public facility, while increasing its attractiveness to private investors.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of S.B. No. 995, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1005 Finance on H.R. No. 201

The purpose of this resolution is to request the Department of Taxation to study the feasibility of establishing one or more full-time boards of review, with the selection of members, terms of office, and salaries similar to the Labor and Industrial Relations Appeals Board.

Your Committee agrees that under the present procedure of the taxation boards of review which are authorized to operate on a part-time basis, and with the limitations of time, caseload, and staff, the appeals process is slow and the backlog and number of appeals continue to increase. Your Committee further agrees that aggrieved taxpayers have a right to a speedy appeals process.

Your Committee finds that there is a real need for the study requested by this resolution. Your Committee supports the request that the Department of Taxation report its findings to the 1978 Legislature 28 days before it convenes.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 201 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1006 Finance on S.C.R. No. 45

The purpose of this concurrent resolution is to request the Congress of the United States to amend the Revenue Sharing Act and to provide the individual states with greater discretion in the distribution of entitlement funds.

Your Committee finds that the entitlement allocation formula which allots one-third to State governments and two-thirds to local governments creates an imbalance to the present fiscal relationships of the State and the four counties in Hawaii. The reason for this inequity is because the Act does not equate resources with responsibilities at each government level. In the State of Hawaii, 80 per cent of all government services are carried by the State government, as compared to the average of 37 per cent borne by other state governments in the United States. However, the Revenue Sharing Act makes no special provisions for our State. This resolution asks Congress to correct

this imbalance.

Your Committee on Finance concurs with the intent and purpose of S.C.R. No. 45 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1007 Finance on H.C.R. No. 75

The purpose of this concurrent resolution is to request that the Department of Taxation make the state income tax return form conform as closely as possible to the federal income tax return form.

Your Committee finds that the people of this State must file income taxes with both the federal and state governments each year. One of the major costs to business and one of the large burdens to both business and individuals is the multiplicity of forms which must be filed concerning income taxes. Both state and federal income tax returns require much of the same information, and in many instances such information is required to be stated in a different manner when it could be stated in the same manner. Many of the state income tax forms appear to be unnecessarily complicated and in need of revision.

Uniformity will reduce the costs of preparing tax forms by the public and make it easier for the public to be more accurate in filing returns.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 75 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1008 Agriculture and Ecology and Environmental Protection on H.R. No. 318

Your Committees find that the final deadline for compliance with provisions of the Water Pollution Control Act of 1972, which prohibits the discharge of animal waste into offshore waters, is July 1, 1977.

Your Committees find that Hawaii faces a unique problem in complying with provisions of the Federal Pollution Control Act because 60 per cent of the domestic grown beef within the state is shipped to market by water, primarily from the Island of Hawaii to Oahu. In order to comply, the cattle industry and various state agencies, particularly the department of agriculture, the department of health and college of tropical agriculture, have been working to develop a roll-on/roll-off system for cattle shipment utilizing trailers.

In the fall of 1976, the college conducted a test with double-decked trailers which can contain up to 60 head of cattle; results were essentially positive, although it was determined some design modifications were necessary.

Your Committees find that ranchers and shippers have worked out an agreement among themselves to purchase 12 trailers, each at a cost of approximately \$25,000 each. However, the processing of purchasing and modification will take sometime, and the specially-designed trailers may not be available for use by the July 1 deadline now imposed by Congress.

Your Committees on Agriculture, and Ecology and Environmental Protection concur with the intent and purpose of H.R. No. 318 and recommend its adoption.

Signed by all members of the Committees except Representatives Kawakami and Fong.

SCRep. 1009 Agriculture and Ecology and Environmental Protection on H.C.R. No. 36

Your Committees find that the final deadline for compliance with provisions of the Water Pollution Control Act of 1972, which prohibits the discharge of animal waste into offshore waters, is July 1, 1977.

Your Committees find that Hawaii faces a unique problem in complying with provisions

of the Federal Pollution Control Act because 60 per cent of the domestic grown beef within the state is shipped to market by water, primarily from the Island of Hawaii to Oahu. In order to comply, the cattle industry and various state agencies, particularly the department of agriculture, the department of health and college of tropical agriculture, have been working to develop a roll-on/roll off system for cattle shipment utilizing trailers.

In the fall of 1976, the college conducted a test with double-decked trailers which can contain up to 60 head of cattle; results were essentially positive, although it was determined some design modifications were necessary.

Your Committees find that ranchers and shippers have worked out an agreement among themselves to purchase 12 trailers, each at a cost of approximately \$25,000 each. However, the processing of purchasing and modification will take sometime, and the specially-designed trailers may not be available for use by the July 1 deadline now imposed by Congress.

Your Committees on Agriculture, and Ecology and Environmental Protection concur with the intent and purpose of H.C.R. No. 36 and recommend its adoption.

Signed by all members of the Committees except Representatives Kawakami and Fong.

SCRep. 1010 Employment Opportunities and Labor Relations on S.C.R. No. 81

The purpose of this Resolution is to request the United States Congress to amend title 29, chapter 17, subchapter III, part A of the United States Code to designate native Hawaiians and other minority groups in Hawaii as special target groups for federal comprehensive employment and training programs.

Under federal code provisions, recognition is given to certain groups of Americans because of their special relationship to the United States. Generally, these Americans receive assistance in federal employment and training programs, such as: 1) Sec. 302 of CETA program of 1973; 2) Elementary and Secondary Education Act of 1965; 3) Indian Self-determination and Education Assistance Act; 4) Indian Financing Act of 1974.

The underlying reason for the special recognition accorded these groups lies in the fact that these groups are native to the lands which now make up the United States of America. Inasmuch as Hawaii's native Hawaiians are no less native to the United States than other recognized groups, the exclusion of native Hawaiians from designation as a special target group for assistance under federal manpower programs is without rational basis. The Governor and the State's congressional representatives are making efforts to have the native Hawaiians identified as a special target group for federal employment and training programs.

Your Committee on Employment Opportunities and Labor Relations concurs with the intent and purpose of S.C.R. No. 81 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1011 Consumer Protection and Commerce on S.C.R. No. 44

The purpose of this concurrent resolution is to endorse the recommendations of the Intergovernmental Relations Committee of the National Conference of State Legislatures for strengthening the nation's electric utility industry, including a rejection of proposed Federal legislation which would provide Federal regulation of utilities and the establishment of Federal standards governing State regulation in lieu of autonomous State regulation.

This concurrent resolution is the result of the need to modify utility management and State regulatory practices due to the increasing cost of electrical utilities services, the necessity of energy conservation, the uncertain impact of rising price levels on consumer demand and rate structures which do not accurately rate unit prices to unit costs. These unresolved issues have resulted in the financial instability of the utility industry and the proposed recommendations of the Intergovernmental Relations Committee.

These recommendations include; (1) a re-evaluation of the declining block rate structures; (2) the establishment of rate structures which accurately relate consumer prices

to costs, are equitable to classes of consumers and eliminate the conflict between energy conservation and the financial instability of the industry; (3) responsible determination of the need for new electric generating capacity by the State regulatory body; (4) increased consumer information regarding savings available when new rate structure is introduced; (5) the provision of adequate staffing and financial resources to State and Federal regulatory agencies; and (6) the rejection of proposed Federal legislation to establish Federal standards governing State regulation.

Hawaii is in a unique geographical location, one-hundred percent dependent on imported oil for primary energy and possesses no fossil fuel resources of its own. There are no electrical interconnections between the islands and there is no possibility of interconnections with mainland utilities.

As a result, Hawaii is in a unique position vis-a-vis the other states and could be adversely affected by general Federal legislation regulating public utilities that might not take into consideration Hawaii's unique position.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of S.C.R. No. 44, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1012 Higher Education on H.R. No. 501

The purpose of this resolution is to urge the Governor and the Department of Land and Natural Resources to act expeditiously to process a long-term lease renewal of at least 20 years duration, to follow the current lease expiration on August 31, 1977, for the Waimanalo Experiment Station, College of Tropical Agriculture of the University of Hawaii.

Your Committee finds that the Waimanalo Experiment Station, because of its location, is probably the most valuable plant experiment station in the State. The soils and climate at Waimanalo have proven to be very suitable for statewide research programs on new commodities and new problems, such as banana irrigation experiments, guava culture for year-round fruit production, field corn breeding for feed and forage, breeding of a supersweet corn for long-shelf life, and vegetable breeding for resistance to new diseases. The soils provide the uniformity required to reproduce conditions within an experimental plot and a reasonable representation of soil types in Hawaii. The rainfall is 80 inches, which is about the median rainfall in our agricultural areas. Consequently, research results transfer well to actual farm conditions.

Your Committee finds further that the Waimanalo Experiment Station is the only facility within reasonable traveling distance of the Manoa Campus where undergraduate and graduate students can experience field training. The location of this station also accounts for the approximately 8,000 school children visiting this experiment station each year for direct contact with and knowledge of a variety of growing crops in the State.

Your Committee also finds that this experiment station is used extensively by the farmers in the Waimanalo area as a source of information and assistance in developing their farming practices.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 501 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1013 Higher Education on H.C.R. No. 91

The purpose of this concurrent resolution is to urge the Governor and the Department of Land and Natural Resources to act expeditiously to process a long-term lease renewal of at least 20 years duration, to follow the current lease expiration on August 31, 1977, for the Waimanalo Experiment Station, College of Tropical Agriculture of the University of Hawaii.

Your Committee finds that the Waimanalo Experiment Station, because of its location, is probably the most valuable plant experiment station in the State. The soils and climate at Waimanalo have proven to be very suitable for statewide research programs on new commodities and new problems, such as banana irrigation experiments, guava culture

for year-round fruit production, field corn breeding for feed and forage, breeding of a supersweet corn for long-shelf life, and vegetable breeding for resistance to new diseases. The soils provide the uniformity required to reproduce conditions within an experimental plot and a reasonable representation of soil types in Hawaii. The rainfall is 80 inches, which is about the median rainfall in our agricultural areas. Consequently, research results transfer well to actual farm conditions.

Your Committee finds further that the Waimanalo Experiment Station is the only facility within reasonable traveling distance of the Manoa Campus where undergraduate and graduate students can experience field training. The location of this station also accounts for the approximately 8,000 school children visiting this experiment station each year for direct contact with and knowledge of a variety of growing crops in the State.

Your Committee also finds that this experiment station is used extensively by the farmers in the Waimanalo area as a source of information and assistance in developing their farming practices.

Your Committee on Higher Education concurs with the intent and purpose of H.C.R. No. 91 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1014 Higher Education on H.R. No. 518

The purpose of this resolution is to request the University of Hawaii Board of Regents to conduct a study on the feasibility of establishing a Center for Philippine Studies on the Manoa campus and report its findings to the Legislature during the 1978 Regular Session.

Your Committee recognizes that pride in ancestry has become important to current and future generations as customs, language and social traditions are beginning to fade with time and as Hawaii's immigrant groups absorb themselves into the already established. Accordingly, your Committee believes that because many immigrant groups have made major contributions to the State's cultural heritage, it would seem natural for the University of Hawaii to interest itself in the history, customs, and language of Hawaii's racial groups. Your Committee finds that if the University can develop exciting ethnic programs for each racial group that would receive the moral and financial support of their respective community, such programs should be undertaken. This can be evidenced by the Center for Korean Studies which provides an interdisciplinary program and encourages scholarship and learning in the area. Therefore, your Committee supports this resolution because of its potential importance to the area of Filipino studies which can be housed in an academic facility that the Filipinos in Hawaii can be proud of.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 518 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1015 Higher Education on H.R. No. 63

The purpose of this resolution is to direct special attention and efforts by the University of Hawaii toward improving campus library facilities and services in order that quality higher education and community resources for the people of Hawaii may be assured.

Your Committee believes that a good library system is an essential component of a quality university system because its books, films and other learning resources complement and broaden the scope of classroom instruction. Due to its long established commitment to a quality higher education, the State has invested large sums of money toward the development of an extensive library system to meet the needs of various campuses. However, your Committee is concerned that budget restrictions in recent years have adversely affected the development of library facilities and services at the University.

Your Committee finds that by most statistical standards of the Association of Research Libraries, Manoa, which provides university-wide service, has an average ranking. Manoa's Sinclair and Hamilton Libraries fall short of the standards for volume holdings, acquisition rate and staffing. Similar problems exist in the other campus libraries throughout the University system. Your Committee, therefore, reaffirms its commitment

to a quality library system for the University of Hawaii system.

Testimony presented before your Committee reported that at Manoa alone 5,713 non-University users, holding off-campus cards, borrowed nearly 45,000 books last year which accounted for approximately 7-1/2 percent of the circulation of the undergraduate library and 14-1/2 percent of the circulation of the research library. While non-University users are granted the same library privileges as University students, your Committee is concerned that the libraries have no recourse in the event of overdue or lost materials. Since many public institutions in other states levy charges for services to non-University users, your Committee recommends that the University library system study this matter further.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 63 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1016 Higher Education on H.R. No. 548

The purpose of this resolution is to request the State Director of Personnel Services to conduct a comprehensive study and review of the compensation plan for the University of Hawaii's campus security officers, the Capitol security officers, and other similar personnel in other state departments with a view towards achieving equity and parity in salary range and other related benefits.

Your Committee held a public hearing on H.B. No. 1150 which provides campus security guards salary range equivalency to the Capitol security guards. Testimony presented by the State Director of Personnel Services indicated that the concerns in H.B. No. 1150 would be more appropriately taken care of through the biennial review of compensation plans as prescribed in Sections 77-4 and 77-5, Hawaii Revised Statutes. Consequently, your Committee decided to introduce and report out a resolution calling for such a review.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 548 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1017 Ecology and Environmental Protection and Water, Land Use,
Development and Hawaiian Homes on H.C.R. No. 95

The purpose of this concurrent resolution is to urge the Congress of the United States to provide construction grants for the improvement of Hawaii's public water systems in compliance with the Safe Drinking Water Act.

Hawaii's public water systems, especially the smaller public systems on the neighbor islands, are in need of improvement in order to comply with the Safe Drinking Water Act which was signed into law in 1974. The costs of upgrading Hawaii's four county water systems to meet the requirements of the Act are estimated to be in excess of \$13,000,000. This figure represents capital improvements in excess of normal requirements and is based strictly on needs to meet the Safe Drinking Water Act requirements. Not included are the future costs to the counties to maintain and operate the facilities required by the Act.

If these improvements are to be funded solely by the county water agencies, the water rates would have to be increased substantially. Your Committee feels the per capita construction costs to improve the smaller public water systems on the neighbor islands is disproportionately high, and that Congress should fully realize the financial burden its regulatory actions create and participate in the sharing of this burden.

Your Committees on Ecology and Environmental Protection and Water, Land Use, Development and Hawaiian Homes concur with the intent and purpose of H.C.R. No. 95 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1018 Health on S.C.R. No. 82

The purpose of this concurrent resolution is to urge the Governor and the Department of Health to extend the community physician program to North Kohala, Hawaii. This is a program whereby the Department of Health subsidizes a physician's annual income up to \$36,000 if the physician is willing to practice in a certain designated area where there is a lack of practicing physicians.

Your Committee finds that this is a necessary and beneficial program and would like to see all areas in the State where there may be a lack of practicing physicians served by this program.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 82, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1019 Water, Land Use, Development and Hawaiian Homes on H.R. No. 211

The purpose of this resolution is to request the state department of taxation to study the impact and feasibility of implementing an investment tax credit for new businesses, including a recommendation concerning the type of credit and whom should receive it, and that it submit its findings and recommendations to the legislature twenty days before the convening of the Regular Session of 1978.

Your Committee recognizes that Hawaii needs to find a viable means of assuring its growth and a greater independence of mainland products in order to maintain economic stability. Since the present economy runs the risk of either leveling off in the near future or continuing at a depressed growth rate with high unemployment, a new means of economic stimulation must be considered.

A proposed investment tax credit for new businesses may be a feasible alternative to this problem in that new revenue-generating means would be attracted and encouraged to enter Hawaii. Although it is recognized a short-term impact would be a reduction in State revenues through the loss of revenue otherwise gained from these new businesses, your Committee believes that in the long run, increased employment through such new businesses would generate greater State revenues through more steady, increased income and general excise tax returns.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.R. No. 211 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1020 Tourism on H.R. No. 618

The purpose of this resolution is to request the Federal Trade Commission to conduct trade regulation hearings on the tourist industry here in Hawaii.

Your Committee is cognizant of the problems of the visitor industry both among residents and tourists.

Your Committee is further aware that the Federal Trade Commission is conducting a study on the travel industry, including an investigation into the problems of overbooking and advertising. Since the State of Hawaii shares the concerns of the Federal Trade Commission, and the economy of the State is heavily dependent on the visitor industry, your Committee feels that it is essential that the Federal Trade Commission schedule at least one of its trade regulation hearings here in Hawaii.

Your Committee on Tourism concurs with the intent and purpose of H.R. No. 618 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1021 Finance on H.R. No. 521

The purpose of this resolution is to request the City and County of Honolulu to float bonds to provide for needed repairs and services.

Your Committee finds that the City and County of Honolulu has some leeway in its bonded indebtedness ceiling of a little over a billion dollars. The city and county has refused to float bonds to provide much needed services for the public and has instead sought funds from the State. Because the city and county has not undertaken bond financing, areas such as Waianae, Nanakuli, Waialua, Haleiwa, Kahuku, Kalihi, and Waimanalo outside of Honolulu proper have suffered, and the roads, water lines, sewage systems and other public facilities in these areas have not been brought up to required standards.

Your Committee agrees that bond financing is necessary for the City and County of Honolulu.

Your Committee has amended the resolution by conforming the title to the intent of the resolution and clarifying the third, fourth and fifth whereas clauses.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 521, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 521, H.D. 1.

Signed by all members of the Committee.

SCRep. 1022 Finance on H.R. No. 359

The purpose of this resolution is to request the Hawaii Congressional Delegation to seek administrative flexibility in applying funding formulas to provide direct assistance to the Hawaii State government.

Your Committee finds there exists inequities in the allocation of federal revenue sharing funds, Comprehensive Employment and Training Act (CETA) funds, and Public Works Employment Act (PWEA) funds between the State and county governments in Hawaii. The allocation formula of one-third to State government and two-thirds to local government in the case of the federal revenue sharing funds and the Public Works Employment Act funds weighs heavily in favor of the counties even though 80 per cent of the cost of all government functions in Hawaii are borne by the State government.

Your Committee agrees that administrative flexibility should allow for a more equitable allocation of funds. Your Committee also supports the request that the federal government provide moneys directly to the State for allocation.

Your Committee has revised this resolution to clarify the intent of the resolution and to provide for a broader distribution of certified copies.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 359, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 359, H.D. 1.

Signed by all members of the Committee.

SCRep. 1023 Finance on H.C.R. No. 54

The purpose of this concurrent resolution is to request the Hawaii Congressional Delegation to seek administrative flexibility in applying funding formulas to provide direct assistance to the Hawaii State government.

Your Committee finds there exists inequities in the allocation of federal revenue sharing funds, Comprehensive Employment and Training Act (CETA) funds, and Public Works Employment Act (PWEA) funds between the State and county governments in Hawaii. The allocation formula of one-third to State government and two-thirds to local government in the case of the federal revenue sharing funds and the Public Works Employment Act funds weighs heavily in favor of the counties even though 80 per cent of the cost of all government functions in Hawaii are borne by the State government.

Your Committee agrees that administrative flexibility should allow for a more equitable

allocation of funds. Your Committee also supports the request that the federal government provide moneys directly to the State for allocation.

Your Committee has revised this resolution to clarify the intent of the resolution and to provide for a broader distribution of certified copies.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 54, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 54, H.D. 1.

Signed by all members of the Committee.

SCRep. 1024 Ocean and Marine Resources on H.C.R. No. 110

The purpose of the resolution is to request the Governor to appoint a full-time Marine Affairs Coordinator as soon as possible.

The Office of the Marine Affairs Coordinator was created by the Legislator in 1970 to effect a unified approach to the fullest development and utilization of Hawaii's marine resources, however, the position has never been filled on a full-time basis.

Your Committee finds that a full-time Marine Affairs Coordinator is required if the office is to fulfill its statutorily-prescribed duties and responsibilities.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.C.R. No. 110 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1025 Energy and Transportation on H.R. No. 592

The purpose of this resolution is to request the formation of an interim committee to conduct an in-depth review of the State's alternate energy development program.

Your Committee finds that Hawaii is fortunate to have a variety of natural energy resources. A number of imaginative research programs have been initiated in the State to develop these alternatives, one of which resulted in the discovery of geothermal resources in the Puna District of the Big Island, which may hold tremendous economic potential for the State.

Your Committee further finds that there are few, if any, factors affecting the future economy of this State so directly as that of our energy supply, and that the State of Hawaii has an exceptional opportunity to develop an appropriate level of energy self-sufficiency, which could serve as a pattern for other regions and nations.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 592 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1026 Energy and Transportation on H.R. No. 609

The purpose of this resolution is to request the formation of an interim committee to review the problems of bridge safety, implementation consistent with legislative intent of legislative enactments relating to highways, and the resource capabilities of the State's highways programs.

Your Committee heard testimony by the State Department of Transportation concurring with the intent and purpose of this resolution and indicating the department's willingness to assist in the above-mentioned review.

This resolution has been amended to correct a clerical error. The words "to the House of Representatives" have been added so that the seventh paragraph reads as follows:

BE IT FURTHER RESOLVED that the interim committee report

on its findings and recommendations to the House of Representatives prior to the convening of the Regular Session of 1978; and

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 609, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 609, H.D. 1.

Signed by all members of the Committee.

SCRep. 1027 Energy and Transportation on H.R. No. 595

The purpose of this resolution is to request consideration of legislative policy by the Department of Transportation in the forthcoming renegotiation of Exhibit One of the airport-airline lease.

In view of the fact that this resolution is directed to the Department of Transportation and that their recommended amendments clarify the intent of the resolution, your committee has adopted the amendments presented in the department's testimony.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 595 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 595, H.D. 1.

Signed by all members of the Committee.

SCRep. 1028 Energy and Transportation on H.C.R. No. 114

The purpose of this concurrent resolution is to request consideration of legislative policy by the Department of Transportation in the forthcoming renegotiation of Exhibit One of the airport-airline lease.

In view of the fact that this concurrent resolution is directed to the Department of Transportation and that their recommended amendments clarify the intent of the concurrent resolution, your committee has adopted the amendments presented in the department's testimony.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.C.R. No. 114 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 114, H.D. 1.

Signed by all members of the Committee.

SCRep. 1029 Energy and Transportation on H.C.R. No. 119

The purpose of this concurrent resolution is to request the House Committee on Energy and Transportation and the Senate Committee on Transportation to monitor and review jointly the forthcoming renegotiation of Exhibit One of the airport-airline lease.

This concurrent resolution is directed to the Department of Transportation and amendments presented in the department's testimony which clarify the intent of this resolution have been adopted by your committee.

Your Committee wishes to emphasize that although the Department of Transportation is the agent legally authorized to negotiate on behalf of the State, the intent of this resolution is to request the department to take legislative policy into consideration.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.C.R. No. 119 as amended herein, and recommends that it be referred to the committee on Legislative Management, in the form attached hereto as H.C.R. No. 119, H.D. 1.

Signed by all members of the Committee.

SCRep. 1030 Education on H.R. No. 304 (Majority)

The purpose of this Resolution is to request the Department of Education to study the feasibility of establishing one or more teacher centers in each school district.

The Department of Education is to report its findings to the 1978 Regular Session of the Legislature.

Your Committee finds that teacher centers can provide a central location for advancing professionalism and improving communication among teachers. The potential includes a place where teachers can discuss and disseminate innovative classroom techniques, provide input for program design and implementation, and provide an ongoing inservice training. This training is essential in an educational system marked by rapid changes and technological and theoretical innovation.

Your Committee has amended this Resolution to request a report from the Department of Education concerning its findings twenty days prior to the convening of the Regular Session of 1978.

Your Committee is in accord with the intent and purpose of H.R. No. 304, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 304, H.D. 1.

Signed by all members of the Committee except Representative Takamine.
(Representative Carroll did not concur.)

SCRep. 1031 Education on H.R. No. 462

The purpose of this Resolution is to request the Department of Education to establish a special education district center in each school district to serve the severely-multiply handicapped, and those who require daily therapy/treatment. This Resolution also provides that the Department of Education is to submit a progress report, along with conclusions and recommendations twenty days prior to the convening of the 1978 Regular Session.

Your Committee finds that with early intervention and proper therapy severely-multiply handicapped children are capable of becoming productive members of society. Services for these children in Hawaii are now limited to institutional and special education day schools. An alternative for a fuller continuum of services for severely-multiply handicapped children would be the establishment of special education district centers. These centers would be located on or immediately adjacent to regular public school campuses, and staffed by qualified special education professional, paraprofessional, and ancillary personnel.

Your Committee finds that these centers would be desirable for several reasons. First, they would provide therapy/treatment and education for these children at a place close to home, making parent participation more feasible and decreasing travel time and cost. Second, being placed at or by a school would provide a less restrictive environment and increase interaction between handicapped and regular school students. And third, this arrangement would provide a centralized location from which therapy personnel could provide therapy, consultation, and related services for other students and teachers of the respective districts.

Your Committee has heard testimony from the Department of Education that two special education district centers are now in operation and the placement of a special education center in the remaining districts would not place a financial burden on the Department.

Your Committee concurs with the intent and purpose of H.R. No. 462 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

SCRep. 1032 Education on H.R. No. 404 (Majority)

The purpose of this resolution is to request the Department of Education to conduct a feasibility study on the job sharing concept which is to include an inventory of existing positions which can be shared on a voluntary basis and of future positions that could be shared, a survey of near retirement personnel interested in job sharing and analysis of employee benefits, service time credit and other factors which should be considered in its implementation.

Your Committee finds that job sharing, which allows for the hiring of two persons by splitting a position on a 50-50 basis, is a significant employment trend. An increase

in the number of types of persons seeking employment has placed greater demands on the state's labor market. Job sharing can accommodate a variety of job seekers ranging from the working mother with young children to employees with poor health.

Your Committee believes that the job sharing concept is especially worthwhile for the Department of Education to explore because classroom work and other school related activities appear to be well-suited for the use of two qualified half-time persons. Your Committee also feels that job sharing can help the number of unemployed teachers who are recent college graduates find jobs that use their professional training until the teacher employment situation improves. Therefore, your Committee supports Department of Education exploration into the job sharing concept.

Your Committee on Education concurs with the intent and purpose of this H.R. No. 404 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.
(Representative Carroll did not concur.)

SCRep. 1033 Public Employment and Government Operations on H.R. No. 406

The purpose of this resolution is to request the Department of Personnel Services, with the assistance of the University of Hawaii and the Department of Education, to conduct a feasibility study on the concept of job sharing. The study is to include:

- (1) An identification of existing positions which could be shared on a voluntary basis;
- (2) A survey of near retirement personnel who may be interested in job sharing;
- (3) A study of future positions which could be made available for job sharing;
- (4) A study of employee benefits for employees who share positions;
- (5) A study of how service time could be credited for employees who share positions;
and
- (6) A study of all other factors and implications which should be considered in implementing the job-sharing concept.

Interest in job-sharing has increased throughout the nation, as part of a movement to reduce unemployment and to provide persons with a smoother transition into retirement. There are two basic forms of job sharing--job-splitting and job pairing. However, the novelty of the concept and the specific effects it may have on present employment structures and benefits requires careful study be done before implementation.

The Legislative Reference Bureau has completed some background information on the concept of job sharing as it is applied to public employment. In its submittal to the Committee, it noted that several areas of concern, particularly the cost-related items of job-sharing, need to be determined before any decision can be made relating to its feasibility.

Your Committee feels that the appropriate agency to continue the study of the Legislative Reference Bureau is the Department of Personnel Services, since it has the available data on Hawaii's public employment patterns to determine cost and feasibility.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 406 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cobb and Kunimura.

SCRep. 1034 Public Employment and Government Operations on H.R. No. 539

The purpose of this resolution is to request the Office of the Legislative Reference Bureau to study State of Hawaii employees who are retirees of other retirement systems and to address the following questions:

- (1) How much of this occurs in Hawaii--number of retirees from the military, federal service or private industry who enter state service;
- (2) What action has the federal government taken with respect to retirees entering federal service; and
- (3) What could the State of Hawaii do to limit or stop such practices both through policies and legislation.

Your Committee received testimony which noted that Hawaii's retirement benefits are particularly attractive to those receiving a pension from other retirement systems since state employment provides an opportunity to qualify for Social Security benefits not available through such employment as the federal government. In addition, the free medical insurance benefits upon retirement are a second attraction since many retirement plans do not include this benefit.

Your Committee feels that a thorough study of the situation would assist in the development of appropriate policies and legislation to limit such practices and contain increasing retirement costs.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 539 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cobb and Kunimura.

SCRep. 1035 Public Employment and Government Operations on H.C.R. No. 101

The purpose of this concurrent resolution is to request the Office of the Legislative Reference Bureau to study State of Hawaii employees who are retirees of other retirement systems and to address the following questions:

- (1) How much of this occurs in Hawaii--number of retirees from the military, federal service or private industry who enter state service;
- (2) What action has the federal government taken with respect to retirees entering federal service; and
- (3) What could the State of Hawaii do to limit or stop such practices both through policies and legislation.

Your Committee received testimony which noted that Hawaii's retirement benefits are particularly attractive to those receiving a pension from other retirement systems since state employment provides an opportunity to qualify for Social Security benefits not available through such employment as the federal government. In addition, the free medical insurance benefits upon retirement are a second attraction since many retirement plans do not include this benefit.

Your Committee feels that a thorough study of the situation would assist in the development of appropriate policies and legislation to limit such practices and contain increasing retirement costs.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.C.R. No. 101 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cobb and Kunimura.

SCRep. 1036 Public Employment and Government Operations on H.R. No. 382

The purpose of this resolution is to request the Office of the Legislative Reference Bureau to conduct a detailed study of the employees retirement system's cost of living increases, an assessment of the retirement statutes and practices of other jurisdictions in responding to cost of living increases in retirement benefits, and an assessment of alternative approaches and strategies to provide for periodic adjustments in the retirement allowance.

According to testimony presented before your Committee, the present post retirement benefit provides for an automatic annual increase of 2-1/2% of the basic retirement allowances of pensioners. This benefit began in 1961 with a 1-1/2% annual increase.

Presently, the Legislature is faced with the situation of again increasing the post retirement benefits to compensate for the rising cost of living. However, any increase in benefits at this point would result in exceedingly high employer costs, while not effectively offsetting the present inflationary rate of 6%.

Your Committee therefore feels that a study of the problem of cost of living increases is necessary in the development of a benefit system which will effectively compensate retirees, while minimizing governmental costs.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 382 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cobb and Kunimura.

SCRep. 1037 Public Employment and Government Operations on H.C.R. No. 59

The purpose of this concurrent resolution is to request the Office of the Legislative Reference Bureau to conduct a detailed study of the employees retirement system's cost of living increases, an assessment of the retirement statutes and practices of other jurisdictions in responding to cost of living increases in retirement benefits, and an assessment of alternative approaches and strategies to provide for periodic adjustments in the retirement allowance.

According to testimony presented before your Committee, the present post retirement benefit provides for an automatic annual increase of 2-1/2% of the basic retirement allowances of pensioners. This benefit began in 1961 with a 1-1/2% annual increase.

Presently, the Legislature is faced with the situation of again increasing the post retirement benefits to compensate for the rising cost of living. However, any increase in benefits at this point would result in exceedingly high employer costs, while not effectively offsetting the present inflationary rate of 6%.

Your Committee therefore feels that a study of the problem of cost of living increases is necessary in the development of a benefit system which will effectively compensate retirees, while minimizing governmental costs.

Signed by all members of the Committee except Representatives Cobb and Kunimura.

SCRep. 1038 Legislative Management

Informing the House that House Resolution Nos. 686 to 713, House Concurrent Resolution Nos. 128 to 137, and Standing Committee Report Nos. 999 to 1037, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 1039 Legislative Management

Informing the House that House Resolution Nos. 714 to 719, Standing Committee Report Nos. 1040 to 1057, and Conference Committee Report Nos. 1 to 11, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 1040 Water, Land Use, Development and Hawaiian Homes and Culture and the Arts on S.C.R. No. 100

The purpose of this concurrent resolution is to request that the Governor appoint and establish a commission with sufficient funds thereby enabling the commission to

develop plans with which the state can then construct and maintain a memorial marking the birth site of Kamehameha the Great by June 11, 1978.

Kamehameha the Great was a warrior-statesman and Hawaii's first "alii-nui" to successfully unify all of the islands in the Hawaiian archipelago. Under his just and wise rule, the people of Hawaii found an example of wisdom, courage and a deep respect for and service to mankind, which transcended all boundaries of national origin, creed and color.

In 1883, statues honoring him were placed in Honolulu and Kohala, the district of his birth. In 1969, the people of Hawaii selected him as one of our State's two most outstanding persons to be forever commemorated in the National Statuary Hall in the Rotunda of our nation's capitol in Washington, D.C.

At a public hearing on the House companion measure, H.C.R. No. 66, testimony was presented by Mr. Russell Apple, Pacific Historian of the National Park Service, Department of the Interior; Mr. Fred Cachola, representing the State Association of Hawaiian Civic Clubs; and Mr. Richard Lyman, Trustee of The Kamehameha Schools, Bernice Pauahi Bishop Estate. Each attested to the neglect and decay of Kamehameha's birth site at Kapakii, Kokoiki, Kohala and urged passage of the concurrent resolution.

Your Committees believe that state support in the preservation and protection of this historical landmark is essential because of its tremendous significance as physical evidence of Hawaii's past history and culture.

Although the concurrent resolution has not been amended, your Committees express its intent to have included on the commission, Hawaiian kupuna, or elders uniquely qualified to research, identify and relate the site's significance through oral traditions.

Your Committees on Water, Land Use Development and Hawaiian Homes and Culture and the Arts concurs with the intent and purpose of S.C.R. No. 100 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 1041 Ocean and Marine Resources on H.R. No. 571

The purpose of the resolution is to request the Governor to appoint a full-time Marine Affairs Coordinator as soon as possible.

The Office of the Marine Affairs Coordinator was created by the Legislator in 1970 to effect a unified approach to the fullest development and utilization of Hawaii's marine resources, however, the position has never been filled on a full-time basis.

Your Committee finds that a full-time Marine Affairs Coordinator is required if the office is to fulfill its statutorily-prescribed duties and responsibilities.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 571, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1042 Culture and the Arts on H.R. No. 612

The purpose of this resolution is to request the Speaker to the House of Representatives to appoint an interim committee to study the feasibility of establishing Queen Liliuokalani's birthday on September 2 of each year as a state holiday and of establishing a State Commission to assist in the observation of her birthday.

As the last reigning monarch, Queen Lydia Liliuokalani's courageous struggle to maintain the integrity of her people and of Hawaii, has become an inspiration to us all. In recognition of this, an organization known as the Queen Liliuokalani Jubilee has undertaken to establish an annual Queen Liliuokalani Jubilee during the month of September at Kailua-Kona, Hawaii. The Governor of the State of Hawaii has, during the past two years, proclaimed September as Queen Liliuokalani Jubilee Month.

Your Committee finds that the establishment of a state holiday observing Queen Liliuokalani's birthday would be a fitting tribute to the last ruling sovereign in Hawaii.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 612 and recommends that it be referred to the Committee on Public Employment and Government Operations.

Signed by all members of the Committee.

SCRep. 1043 Energy and Transportation on H.R. No. 682

The purpose of this resolution is to establish an interim committee composed of members of the House Committee on Energy and Transportation to review and re-examine the fixed guideway system proposed by the City and County of Honolulu, the desirability of legislative support for such a system and to study how future needs on the island of Oahu can be best met.

Upon hearing the subject matter, your committee received testimony presenting additional data which raised serious questions regarding the need for the system, its costs, financing, the viability of alternatives and the desirability of legislative support for it.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 682 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1044 Energy and Transportation on H.R. No. 594

The purpose of this resolution is to establish an interim committee to review the airports and airport systems in the State of Hawaii.

Your Committee received testimony from the Department of Transportation in favor of this resolution.

Your Committee has amended this resolution to correct a clerical error.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 594, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 594, H.D. 1

Signed by all members of the Committee.

SCRep. 1045 Judiciary on H.R. No. 643

The purpose of this resolution is to provide for the study and review of the firearms statutes by your Committee on Judiciary, the Chiefs of Police of the counties or their representatives, and the Prosecuting or County Attorneys of the counties responsible for law enforcement or their representatives. The findings and recommendations of the study group are to be submitted to the House of Representatives prior to the opening of the Regular Session of 1978.

Your Committee finds that there is a need for a comprehensive study and review of the State's firearms laws. There is increasing interest in our community relating to more effective enforcement of the criminal laws particularly where the use of firearms is involved. At the same time, there is also considerable sentiment relating to the legitimate uses of firearms. These interests must be taken into consideration in any review of our firearms laws.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 643 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1046 Judiciary on H.R. No. 641

The purpose of this resolution is to request that your Committee on Judiciary, the Judicial Council, the county prosecutors, and the office of the attorney general study the grand jury system and report their findings and recommendations to the House

of Representatives prior to the opening of the Regular Session of 1978.

Your Committee is aware of the important role that the grand jury has played in the judicial system.

Your Committee, however, finds that this would be an appropriate time to reevaluate the role of the grand jury system here in Hawaii. Your Committee believes that such a reevaluation should consider the possible abolition, revision or improvement of the system. Your Committee further believes that it would be appropriate for those offices and agencies which are most involved in the administration of the criminal justice system should participate in making such a study.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 641 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1047 Judiciary on H.R. No. 422

The purpose of this resolution is to request that the House Judiciary Committee along with the Judicial Council study the Uniform Rules of Evidence during the interim and report its findings and recommendations to the House of Representatives before the start of the Regular Session of 1978.

Hawaii, at present, does not have a code of evidence nor rules of evidence. Its evidence law is a combination of statutes and case law.

House Resolution 30, 1976, requested the Hawaii Supreme Court to consider the adoption of uniform rules of evidence of the National Conference of Commissioners on uniform state laws. The Supreme Court responded by stating that extensive study is required before action can be taken towards adoption of rules of evidence for Hawaii, thus the matter was referred to the Judicial Council for consideration and recommendation.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 422 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1048 Education on H.R. No. 279

The purpose of this Resolution is to request the Department of Education to report on the status of its progress in implementing its Affirmative Action Program.

Your Committee finds that some charges of sex and racial discrimination have been made against the Department of Education. Since the Department is required under federal mandate to set up its own Affirmative Action Program to provide equal employment opportunities to minority groups, including women, your Committee finds, in light of the charges, that the Department should report on the status of its Affirmative Action Program. Your Committee has amended the Resolution by requesting the Department to report its findings back to the House of Representatives 20 days before the convening of the Regular Session 1978.

Your Committee is in accord with the intent and purpose of H.R. No. 279 as amended herein and recommends its adoption in the form attached hereto as H.R. No. 279, H.D. 1.

Signed by all members of the Committee.

SCRep. 1049 Health on S.C.R. No. 84

The purpose of this concurrent resolution is to request the department of health, with the cooperation of the cancer center of the University of Hawaii and other public and private agencies, to review the environmental causes of cancer and to identify possible legislation for the State of Hawaii relating to the reduction of environmentally related cancer to include but not be limited to standards for food, working conditions and environments, public education and advertisements, consumer products, and the outdoor environment.

Your Committee also recognizes the continuing concern regarding the high mortality from cancer and is aware of the growing concern regarding its environmental causes.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 84 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1050 Finance on H.R. No. 314

The purpose of this resolution is to encourage the College of Tropical Agriculture to continue its experiments to develop more cost-efficient, effective fumigation or other treatment methods for export papaya and other export crops subject to fruit fly infestation.

Present fumigation methods are costly, time consuming and not fully reliable in terms of fruit maintenance, thus limiting the growth of the papaya exports, and other crops subject to fruit fly infestation. Other, possibly more efficient, treatment methods are in the research stage. The swift culmination of research on these new methods should be given top priority by the college.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 314 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1051 Finance on H.C.R. No. 98

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct an audit of the Office of Environmental Quality Control.

Environmental concerns have matured to a point where a retrospective reappraisal of the benefits and problems of the present structure and successes and shortcomings in accomplishing the broad objectives and duties of the Office of Environmental Quality Control is in order.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 98 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1052 Finance on H.C.R. No. 55

The purpose of this concurrent resolution is to request the legislative auditor to conduct an audit of the Department of Land and Natural Resources.

A financial audit of the Department of Land and Natural Resources is presently being conducted. In addition, a management and program audit of the land management division of the department is already on-going.

Your Committee agrees that the scope of this audit should be limited to a management and program audit of the State Parks and Forestry Divisions of the Department of Land and Natural Resources.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 55, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1053 Finance on H.R. No. 362

The purpose of this resolution is to request all State government departments, agencies, boards and commissions to identify their policies, rules and regulations, procedures and performances which affect in-migration to the State.

In view of the economic, social and environmental capacities of this State, a significant increase in the population will directly affect the quality of living for Hawaii residents.

During the period of 1970-75, in-migration to Hawaii was responsible for over half of the State's population increase. The Department of Planning and Economic Development has further estimated a projected population increase of 33.5% for the period, 1970-1985. The direction concerning population growth necessitates a review of the in-migration generating policies of the State.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 362 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1054 Finance on H.C.R. No. 53

The purpose of this concurrent resolution is to request all State government departments, agencies, boards and commissions to identify their policies, rules and regulations, procedures and performances which affect in-migration to the State.

In view of the economic, social and environmental capacities of this State, a significant increase in the population will directly affect the quality of living for Hawaii residents. During the period of 1970-75, in-migration to Hawaii was responsible for over half of the State's population increase. The Department of Planning and Economic Development has further estimated a projected population increase of 33.5% for the period, 1970-1985. The direction concerning population growth necessitates a review of the in-migration generating policies of the State.

Your Committee on Finance concurs with the intent and purpose of H.C.R. 53 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1055 Higher Education on H.R. No. 560

The purpose of this resolution is to request the Speaker of the House of Representatives to appoint an interim committee to conduct a thorough and extensive evaluation of the East-West Center programs.

Testimony presented by the East-West Center before your Committee indicated that the Board of Governors, through its international advisory board currently being established, will be conducting an evaluation of the Center's program. However, East-West Center participants who testified raised concerns regarding the appropriateness of the direction toward which the Center is moving and emphatically voiced the need for a review by an external body such as an interim House Committee.

Your Committee is cognizant that incorporation was granted through Act 82, SLH 1975, to allow the East-West Center to grow and improve on a more flexible basis; however, your Committee believes that the Legislature must continue its interest in the activities of the Center because it is located in our State and the public and private images it imparts reflect upon our State. Moreover, the Legislature has an inherent public responsibility to follow up on the progress of the Center to insure compliance with the intent of Act 82, SLH 1975.

Although the international advisory board will be conducting an internal review of the Center's programs, your Committee believes that an external review is warranted wherein maximum input from the Center's staff and participants, University faculty and students and the community at-large can be obtained.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 560 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1056 Energy and Transportation on H.R. No. 617

The purpose of this resolution is to request the Legislative Auditor to conduct a management and program audit of the Highways division of the Department of Transportation and the overall support for transportation facilities and services (TRN 995).

Your committee received favorable testimony from the Department of Transportation.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 617 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1057 Energy and Transportation on H.C.R. No. 120

The purpose of this resolution is to request the Legislative Auditor to conduct a management and program audit of the Highways division of the Department of Transportation and the overall support for transportation facilities and services (TRN 995).

Your committee received favorable testimony from the Department of Transportation.

Your committee on Energy and Transportation concurs with the intent and purpose of H.C.R. No. 120 and recommends that it be referred to the committee on Finance.

Signed by all members of the Committee.

SCRep. 1058 Legislative Management

Informing the House that House Resolution Nos. 720 and 721, Standing Committee Report Nos. 1059 to 1064, and Conference Committee Report Nos. 12 to 41, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 1059 Education on H.R. No. 199

The purposes of this resolution is to request the Department of Education to conduct a feasibility study on extending the school day thereby increasing job opportunities to unemployed teachers and educational enrichment opportunities for students.

Your Committee finds that the current nine-month school year with the six to eight hour school day is a remnant of an agrarian society in which the educational calendar and day were based on the crop seasons. Although today's students, parents and teachers have accepted this schedule as part of their living pattern, your Committee believes that the needs and demands of modern urban society are increasingly militating against the use of this traditional educational arrangement.

Your Committee feels that extending the school day holds the potential of instituting individual interest and enrichment activities for students as well as mitigating some of the high rates of unemployment among teachers. Further, your Committee feels that it would provide the opportunity to review to the length of school day in the context of present needs and concerns.

Your Committee has amended this resolution to request the Office of the Legislative Reference Bureau to conduct the study instead of the Department of Education because of its broad implications on employment and other areas of community interest.

Your Committee on Education concurs with the intent and purpose of H.R. No. 199, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached as H.R. No. 199, H.D. 1.

Signed by all members of the Committee.

SCRep. 1060 State General Planning on H.R. No. 363

The purpose of this resolution is to request the Department of Planning and Economic Development to submit a progress report on the entry and exit census program mandated under Act 103, SLH 1973.

Testimony by the Department of Planning and Economic Development indicated that Act 103 has never been implemented. Although the legislature appropriated funds in 1973 to conduct the census, the money was never released. Furthermore, there is consider-

able question as to whether the Act is workable in its original form. Consequently, the Department of Planning and Economic Development has been relying upon statistics provided by the Hawaii Visitors Bureau Basic Data Survey and the U.S. Immigration and Naturalization Service monthly and annual reports.

Because your Committee finds that further legislative investigation into this matter is necessary, it has amended H.R. No. 363 to request the House Committee on State General Planning to submit a progress report on the entry and exit census program. This report shall be submitted prior to the first day of the 1978 session of the Legislature. During the interim period, your Committee will be meeting with representatives from the Department of Planning and Economic Development, the Department of Agriculture, the Hawaii Visitors Bureau, the Commission on Population and the Hawaiian Future, and the airlines.

Amendments to the title and to the "BE IT RESOLVED" clauses have been made to conform to the above.

Your Committee on State General Planning concurs with the intent and purpose of H.R. No. 363, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 363, H.D. 1.

Signed by all members of the Committee.

SCRep. 1061 Public Employment and Government Operations and Employment
Opportunities and Labor Relations on S.C.R. No. 75

The purpose of this Concurrent Resolution is to request the Office of the Legislative Reference Bureau to conduct a study on the feasibility of establishing an income supplementation program for needy retirees and pensioners who are permanent residents of the State of Hawaii.

The problem of older persons living on a fixed income has been identified as one of the most critical issues affecting the elderly. According to the Comprehensive Master Plan for the Elderly, many of Hawaii's senior citizens live on incomes which fall below the poverty level. A system which assures income security would be the key to eliminating many of the major problems confronting these people. This resolution would be a step towards resolving the problem.

Your Committees would like to recommend that the Office of the Legislative Reference Bureau use all available resources in conducting its study, including data, and resources from past and current studies on the issue. We further recommend that the Legislative Reference Bureau conduct the study as a Bureau project and that contracting for the study be considered only after in-house resources have been fully explored.

Your Committee on Public Employment and Government Operations and your Committee on Employment Opportunities and Labor Relations concur with the intent and purpose of S.C.R. No. 75 and recommend it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 1062 Public Employment and Government Operations on H.R. No. 250

The purpose of this Resolution is to request the Legislative Reference Bureau to conduct a feasibility study on early retirement for teachers and to examine the costs and benefits of providing early retirement incentives.

Presently there is a surplus of trained teachers in the State and retirement incentives are seen as a way to make available teaching positions through encouraging early retirement. However, your Committee feels that before such an early retirement system can be instituted, careful study of the issue is required.

Your Committee has amended the Resolution by adding a provision to require the Legislative Reference Bureau to report its findings and recommendations to the Legislature twenty days before the convening of the 1978 session.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. 250, H.D. 1, as amended herein, and recommends it be referred to the Committee on Finance in the form attached hereto as H.R. No. 250, H.D. 2.

Signed by all members of the Committee.

SCRep. 1063 Public Employment and Government Operations on H.R. No. 579

The purpose of the resolution is to request the Directors of Budget and Finance and Personnel Services, and the President of the University of Hawaii, to identify their statewide and multi-department in-service training functions, responsibilities, and authorities in the area of employee development and training and report their findings and recommendations to the Legislature before the convening of the 1978 Legislative Session.

All of the agencies involved in the resolution have responsibilities in the area of employee development and training. As a result, your Committee feels that there may exist certain overlapping or inconsistent responsibilities. Your Committee further feels that the process of reviewing responsibilities will bring to the attention of the executive agencies any gaps in employee in-service training. This process is intended as a first step in developing a coordinated in-service training program to meet the needs of all of Hawaii's public employees.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 579 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1064 Public Employment and Government Operations on H.C.R. No. 112

The purpose of the concurrent resolution is to request the Directors of Budget and Finance and Personnel Services, and the President of the University of Hawaii, to identify their statewide and multi-department in-service training functions, responsibilities, and authorities in the area of employee development and training and report their findings and recommendations to the Legislature before the convening of the 1978 Legislative Session.

All of the agencies involved in the concurrent resolution have responsibilities in the area of employee development and training. As a result, your Committee feels that there may exist certain overlapping or inconsistent responsibilities. Your Committee further feels that the process of reviewing responsibilities will bring to the attention of the executive agencies any gaps in employee in-service training. This process is intended as a first step in developing a coordinated in-service training program to meet the needs of all of Hawaii's public employees.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.C.R. No. 112 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1065 Legislative Management

Informing the House that House Resolution Nos. 722 to 729, House Concurrent Resolution No. 138, and Standing Committee Report Nos. 1066 to 1132, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 1066 Employment Opportunities and Labor Relations and Public Employment and Government Operations on H.C.R. No. 76

The purpose of the Concurrent Resolution is to request the Governor and the Mayors of the several counties to encourage hiring authorities to strongly consider employment of SCET and CETA participants into regular positions. It also requests the directors of personnel of the State and County governments to develop plans to accomplish the objectives of the Concurrent Resolution.

The purpose of the Federal Comprehensive Employment Training Act and the State

Comprehensive Employment and Training Program is to provide employment for the unemployed and underemployed through temporary employment in needed areas of public service. Since its inception, the State and County governments have invested man-hours and funds into training SCET and CETA employees and these participants have demonstrated their capability in performing their jobs. As a result, SCET and CETA employees now constitute a pool of qualified, job-ready individuals who can fill permanent positions within the government. Therefore, your Committees feel that when permanent job openings become available, persons in SCET and CETA programs be strongly considered for those positions.

Your Committees also feel that the way in which to accomplish the objectives of this Concurrent Resolution is to request an action plan from each hiring authority and to review such a plan. Your Committees have amended the Concurrent Resolution by changing the date for the submission of the plan to, before the convening of the 1978 legislative session and by requiring the report to be submitted to the Legislature. Previous submittal of the report was limited to the Committee on Public Employment and Government Operations.

Your Committee on Employment Opportunities and Labor Relations and your Committee on Public Employment and Government Operations concur with the intent and purpose of H.C.R. No. 76, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 76, H.D. 1.

Signed by all members of the Committees.

SCRep. 1067 Water, Land Use, Development and Hawaiian Homes on H.R. No. 249

The purpose of this concurrent resolution is to request the Federal Government to permit joint military and civilian use of Pearl Harbor, particularly for recreational activities, and to work together with the State Government to develop a recreational plan for Pearl Harbor to maximize availability of recreational facilities and activities for military and civilian users while providing for adequate naval security.

At present, an ever-growing population of Aiea, Pearl City and Waipahu residents is restricted from boating and off-shore fishing activities in Pearl Harbor. As it is, boating facilities are limited throughout the State and development of new sites would prove costly. The great potential for water-oriented recreational activities within Pearl Harbor has already been recognized by the State. The department of transportation has requested funds for a boating ramp in the area, and the department of land and natural resources has proposed, together with the Federal Government, a 36-acre parcel "Rainbow Bay" recreational area in Pearl Harbor.

Your Committee heard testimony that the U.S. Navy is receptive to the idea of opening up Pearl Harbor to the general public, and that intensive efforts between representatives of the State and the military have already been initiated with regard to this matter. However, jurisdictional and security problems have yet to be resolved.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.R. No. 249 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1068 Consumer Protection and Commerce on S.C.R. No. 118

The purpose of this concurrent resolution is to request the Hawaii congressional delegation to take whatever action is necessary to have federal contracting agencies in Hawaii require their contractors to accept bids only from resident firms which qualify under the licensing requirements of Chapter 444, Hawaii Revised Statutes.

At present, contractors that are performing work on State, County, and private projects are regulated by the Contractors License Law and are required to possess the necessary skill, integrity, and financial responsibility before being accorded a license. These contractors, when bidding for work on federal projects, are competing with others where no such requirements are imposed.

The Contractors License Law has greatly alleviated unscrupulous acts of contractors and increased consumer confidence in dealing with licensed contractors.

On federal projects where no license requirements prevail, oftentimes jobs are performed by contractors who are not acquainted with the local prevailing bidding practices and who are here on a one-time, one job basis. Consequently, the local market is subject to the residual effects of an incomplete project, unpaid claims, poor workmanship, and the stigma of irresponsible contractors which may result from the practice of accepting bids from unlicensed parties.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of S.C.R. No. 118 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1069 Legislative Management on H.C.R. No. 5

The purpose of this concurrent resolution is to request the House and Senate Committees on Higher Education to jointly review the University of Hawaii's athletic program and report their findings and recommendations to the 1978 Legislature.

In view of current efforts being demonstrated by the University of Hawaii's Athletic Department and the University's intention to complete internal reviews by June 30, 1977, your Committee is in agreement with the views expressed by the Committee on Higher Education in House Standing Committee Report No. 994.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 5, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1070 Youth and Elderly Affairs on H.C.R. No. 132

The purpose of this concurrent resolution is to request the House of Representatives to approve the State Policy on Senior Centers contained in the report entitled: "Reviewing Existing Senior Center Systems in the State and State Policy on Senior Centers."

Your Committee finds that Hawaii's elderly population has unique individual and group needs involving their physical, socio-cultural, and economic well-being and that the State bears an important responsibility to meet these needs. The "State Policy on Senior Centers" suggests the establishment and operation of multipurpose senior center programs to deliver a wide range of elderly services in specific geographic areas. In addition, the policy establishes standards and delineates responsibilities for the establishment and operation of multi-purpose senior centers and programs utilizing public funds.

Your Committee believes that the adoption of this State policy will correct the deficiencies cited by the 1975 House Interim Committee, the Ad Hoc Committee on Senior Centers and the elderly's growing need as evidenced by testimony presented to the 1977 legislative session.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of H.C.R. No. 132 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1071 Culture and the Arts on H.R. No. 621

The purpose of this resolution is to support the Hawaiian Music Foundation in their efforts to secure the use of the Kamehameha V Post Office as a permanent home for a multi-purpose center for Hawaiian music.

Your Committee was informed that the Kamehameha V Post Office, is now listed on both the National Register of Historic Sites and the State Register of Historic Places. According to Tom Culbertsen, Coordinator for the Kamehameha V Post Office project, phase I of a two-phase renovation is scheduled to begin on Monday, April 11, 1977 pending City and County approval of the building permit. The Federal Economic Development Administration is providing 100% funding for the restoration project which includes demolition (phase I), and renovation of the building shell and installation of public facilities (phase II). No decision has been made by the Department of Land and Natural

Resources as to the use of this State owned facility.

Dr. George Kanahale, president of the Hawaiian Music Foundation, attested to the need for a permanent home for the foundation, a non-profit, tax-exempt organization established in 1971 to perpetuate, develop and promote Hawaiian music. The Kamehameha V Post Office was selected as an appropriate preservation hall and academy because of its historical significance. Too, the building's size, location and acoustical properties add to its desirability.

Your Committee recognizes the importance of Hawaiian music as a significant social and educational force and as a tremendous cultural asset. The Hawaiian Music Foundation through its varied activities in research, publications, concerts and education has contributed notably toward these ends.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 621 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1072 Ocean and Marine Resources and Water, Land Use, Development and Hawaiian Homes on H.R. No. 620

The purpose of this resolution is to urge the Department of Land and Natural Resources to assess the suitability of proposed marine park sites and to designate one or more new marine parks, with particular attention given to the island of Oahu.

Your Committees find that numerous studies have already been conducted by the Division of Fish and Game and the University of Hawaii Marine Option Program on various potential sites for marine parks. Such sites include the area south of Kahe Beach Park and Pupukea ("Shark's Cove") on Oahu, Koaie Cove (waters adjacent to the Lapakahi State Historical Park) and Honaunau Bay on Hawaii, Hanalei Bay on Kauai, and Honolua Bay on Maui. It is agreed that the Department of Land and Natural Resources should consider the recommendations set forth in these studies and proceed to actively work toward the designation of additional marine parks.

Your Committees learned that the Manele-Hulopoe Marine Life Conservation District on Lanai was recently established, so the resolution is amended to reflect this new development.

The resolution is further amended to request the Department of Land and Natural Resources to submit a report to the Legislature on the status of the various Marine Life Conservation District proposals and the Department's plans for designation of additional sites.

Your Committee on Ocean and Marine Resources and your Committee on Water, Land Use, Development and Hawaiian Homes concur with the intent and purpose of H.R. No. 620, as amended herein and recommend its adoption in the form attached hereto as H.R. No. 620, H.D. 1.

Signed by all members of the Committees.

SCRep. 1073 Public Employment and Government Operations on H.R. No. 649

The purpose of this Resolution is to request the Board of Trustees of the Hawaii Public Employees Health Fund to conduct a study of the scope, costs, implementation and suggested methods of funding an adult dental care benefit plan for public employees and to submit a report of its findings and recommendations to the 1978 Legislature.

Your Committee was informed that a poll conducted at the request of the Board of Trustees of the Hawaii Public Employees Health Fund revealed that employees rank adult dental care as the top priority for health benefit plan improvement. As a consequence of this poll, the Board of Trustees has been actively gathering information on adult dental care benefits, premium costs and experiences.

This Resolution would clearly provide the Board of Trustees of the Hawaii Public Employees Health Fund the authority to formally study the feasibility of providing an adult dental health plan and report its findings to the Legislature.

Your Committee would like to emphasize that this report is an exploration into the feasibility of providing an adult dental plan benefit and is not indicative of the Legislature's stand on the issue.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 649 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1074 Energy and Transportation on H.R. No. 380

The purpose of this resolution is to request the Governor, the Mayors of the Counties of Kauai, Maui, and Hawaii, and the Mayor of the City and County of Honolulu to direct their representatives at the current public employee contract negotiations to initiate discussion regarding the possibility of developing public employee staggered or flexible work hour programs.

Your Committee received favorable testimony from the State Department of Transportation and the City and County of Honolulu's Department of Transportation Services. These departments recognize that the establishment of staggered or flexible work hours for government employees is a positive step in reviewing traffic congestion during peak traffic periods and would increase the efficiency of our present highway network.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 380 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1075 Energy and Transportation on H.R. No. 668

The purpose of this resolution is to request the Department of Transportation to recommend traffic flow and safety improvements along Kahekili and Kamehameha Highways between Likelike Highway and Laie with public input taken into consideration.

Your committee received testimony from the Department of Transportation stating that this request will be carried out in conjunction with other major improvement projects along these highways.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 668 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1076 Energy and Transportation on H.R. No. 459

The purpose of this Resolution is to support Governor Ariyoshi's request that ten million barrels of petroleum be stockpiled in Hawaii.

Your committee heard favorable testimonies from the Department of Planning and Economic Development and the City and County Department of Public Works.

Testimony revealed Congressional recommendations to retain the status quo of the petroleum reserve plan in order to initiate early implementation thereof. Hawaii's request of stockpiling a portion of the reserve, which has been brought to the attention of the United States Congress, will be reexamined by the Federal Energy Administration to determine whether an amendment to include Hawaii in the plan will be made.

Your committee adopted H.R. No. 459, H.D. 1, as recommended by the Department of Planning and Economic Development in order to reflect these conditions.

Your committee also amended this Resolution by changing "a portion" to "a minimum of ten million barrels" in order to specify the amount requested.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 459, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 459, H.D. 1.

Signed by all members of the Committee.

SCRep. 1077 State General Planning on H.C.R. No. 40

The purpose of this concurrent resolution is to express legislative support for the concept of an integrated district park-civic center complex in the Greater Kahaluu area and for the provision of State and City funds necessary to complete said complex incrementally within a ten-year period.

The growing community of Greater Kahaluu has no public park or centralized permanent site for needed services to accommodate present and future needs of the area. Development of 50 acres of land for a district park-civic center would not only fulfill this need, but would also fulfill federal requirements for the Kahaluu Flood Control Project. Furthermore, development of such a park-lagoon complex would be in accordance with the City and County of Honolulu's new general plan for Oahu, the State Comprehensive Outdoor Recreation Plan, and other planning documents. Both the State and the City & County of Honolulu have purchased, or are in the process of acquiring, several parcels of land in the area that are intended to be a part of the park-civic center complex.

Upon further consideration, your Committee has made technical changes and has amended this concurrent resolution to delete reference to the Windward Oahu Regional Plan because said plan has not been officially recognized. Also, your Committee has deleted the second "BE IT RESOLVED" clause.

Legislative endorsement of this concept will set the stage for the implementation of a recreation and civic center plan that will be a major part of the total community development plan proposed for Greater Kahaluu, a neighborhood in transition from a rural to a more urbanized community.

Therefore, your Committee on State General Planning concurs with the intent and purpose of H.C.R. No. 40, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 40, H.D. 1.

Signed by all members of the Committee.

SCRep. 1078 State General Planning on H.C.R. No. 123

The purpose of this concurrent resolution is to request the administration to develop and implement a selective growth program and to pledge legislative cooperation and support for said program. Furthermore, it seeks the cooperation of all four counties in forming and implementing growth control programs.

Testimony by the administration was in full support of H.C.R. No. 123. In his 1977 State of the State address, Governor George R. Ariyoshi expressed his administration's number one concern as being excessive growth. As the Governor declared, "If we are not careful, overpopulation, overbuilding and overdevelopment will destroy the Hawaii that we know. . . . The problem of excessive population seems to be central to nearly every problem in our State."

Your Committee agrees that continued uncontrolled increase in the number of people in Hawaii will have an adverse impact on the full spectrum of our social, environmental and economic well-being. Therefore, your Committee finds that the time for action is now and that a selective growth program should be developed and implemented. Your Committee recommends that the primary responsibility for developing and implementing such a selective growth program be given to the Department of Planning and Economic Development to ensure coordination with the Hawaii State Plan.

Your Committee on State General Planning concurs with the intent and purpose of H.C.R. No. 123 and recommends its adoption.

Signed by all members of the Committee except Representatives Cobb and Peters.

SCRep. 1079 State General Planning on H.R. No. 685

The purpose of this resolution is to make legislative recommendations to the administration regarding the development of the Hawaii State Plan.

Because the Legislature is the body which will ultimately approve or reject the final document, your Committee has held extensive reviews of the preliminary draft of the Hawaii State Plan during this 1977 session. Concerns expressed by various departments, agencies, individuals and legislators have been reflected in the recommendations made in H.R. No. 685, H.D. 1. Your Committee hopes that the administration will seriously consider these recommendations in finalizing the Hawaii State Plan document.

Your Committee on State General Planning concurs with the intent and purpose of H.R. No. 685, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 685, H.D. 1.

Signed by all members of the Committee.

SCRep. 1080 State General Planning on H.C.R. No. 47

The purpose of this concurrent resolution is to make legislative recommendations to the administration regarding the development of the Hawai'i State Plan.

Because the Legislature is the body which will ultimately approve or reject the final document, your Committee has held extensive reviews of the preliminary draft of the Hawai'i State Plan during this 1977 session. Concerns expressed by various departments, agencies, individuals and legislators have been reflected in the recommendations made in H.C.R. No. 47, H.D. 1. Your Committee hopes that the administration will seriously consider these recommendations in finalizing the Hawai'i State Plan document.

Your Committee on State General Planning concurs with the intent and purpose of H.C.R. No. 47, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 47, H.D. 1.

Signed by all members of the Committee.

SCRep. 1081 Finance on S.C.R. No. 82

The purpose of this concurrent resolution is to urge the Governor and the Department of Health to extend the community physician program to North Kohala, Hawaii. This is a program whereby the Department of Health subsidizes a physician's annual income up to \$36,000 if the physician is willing to practice in a certain designated area where there is a lack of practicing physicians.

Your Committee agrees that this is a necessary and beneficial program and would like to see all areas in the State where there may be a lack of practicing physicians served by this program. Your Committee considered H.R. No. 335 and H.C.R. No. 53, which is similar to this concurrent resolution, on April 6, 1977.

Your Committee on Finance concurs with the intent and purpose of S.C.R. No. 82, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1082 Finance on S.C.R. No. 100

The purpose of this concurrent resolution is to request that the Governor appoint and establish a commission with sufficient funds thereby enabling it to develop plans with which the State can then construct and maintain a memorial marking the birth site of Kamehameha the Great by June 11, 1978.

Kamehameha's birth site of Kapakii, Kokoiki, Kohala has been neglected and is in a state of decay. Your Committee agrees that state support in the preservation and protection of this historical landmark is essential because of its tremendous significance as physical evidence of Hawaii's past history and culture.

Your Committee supports the intent to have included on the commission, Hawaiian kupuna, or elders uniquely qualified to research, identify and relate the site's significance to oral tradition.

Your Committee gave due consideration to this matter on April 5, 1977 when a hearing was held on H.R. No. 421 and H.C.R. No. 98.

Your Committee on Finance concurs with the intent and purpose of S.C.R. No. 100 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1083 Finance on H.R. No. 519

The purpose of this resolution is to request the Legislative Auditor to conduct an audit of the Office of Environmental Quality Control.

Environmental concerns have matured to a point where a retrospective reappraisal of the benefits and problems of the present structure and successes and shortcomings in accomplishing the broad objectives and duties of the Office of Environmental Quality Control is in order.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 519 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1084 Finance on H.R. No. 236

The purpose of this resolution is to request Congress to enact legislation to promote employment in the private sector through tax incentives.

Present work incentive tax credits enacted in 1971, currently affects only a small segment of the labor force and is targeted for certain public assistance recipients. The tax credit program provides for on-the-job training or placement of public assistance recipients. It was estimated that if the recipient is employed for two full years under this Work Incentive Program, the credit would amount to \$1,000 while public assistance payments in most states would amount to more than five times that amount, thus resulting in actual savings of tax dollars under the program. Due to the present high unemployment rate and the resultant diminution of the unemployment tax reserves, it is recommended that the work incentive tax credit should be expanded to allow credit for persons previously drawing unemployment. In addition, some other tax incentives should be enacted to further promote employment in the private sector.

Your Committee has amended this resolution to require a wider transmittal of certified copies.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 236, H.D. 1 as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 236, H.D. 2.

Signed by all members of the Committee.

SCRep. 1085 Education and Higher Education on H.R. No. 597

The purpose of this Resolution is to request the University of Hawaii, College of Education, and the Department of Education to review the manner in which teachers are trained to teach reading. The review shall include at least an analysis of the adequacy of the required curriculum for prospective elementary and secondary teachers in terms of teaching reading skills, the relevance and effectiveness of the preservice and inservice reading courses presently being offered at the college of education, the capabilities of the college of education faculty to teach the teaching of reading, and the role of the college of education in providing inservice training in reading to DOE teachers and school administrators.

Your Committees find that reading is a basic skill that must be acquired early and properly by a student if he is to succeed in future educational endeavors. The Legislature has recognized this need and has committed additional resources to this end.

However, in pursuing this commitment to assure that our students are taught to read, your Committees have learned that perhaps some of the difficulties that students have had in learning to read may stem from some weaknesses in preparing teachers to handle this complex skill. Teachers who instruct students in this basic skill must be adequately prepared. The quality and quantity of preservice and inservice training courses may

be a weakness in teacher preparation in this area.

Your Committees further find that there is a need to determine whether the preparation of reading teachers in this State is adequate. Therefore, your Committees feel that this Resolution is appropriate.

Your Committees have amended this Resolution to include in the review an evaluation of the role of the college of education in providing inservice training in reading to school administrators.

Your Committees on Education and Higher Education are in accord with the intent and purposes of H.R. No. 597, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 597, H.D. 1.

Signed by all members of the Committees.

SCRep. 1086 Higher Education and Education on H.R. No. 610

The purpose of this resolution is to request the Department of Education (DOE) and the College of Education to establish a coordinating committee for the training of educational officers to review the present system of training for educational officers and to develop and implement a more comprehensive and coordinated pre-service and in-service training system.

Testimonies presented to your Committees by the DOE and the University indicated that while cooperative efforts are presently occurring informally between the two departments, a more formal arrangement such as the coordinating committee would further enhance their efforts to improve educational leadership.

Your Committees have amended the resolution to specify that the coordinating committee be composed of three representatives each from the DOE and the College of Education and to require the transmittal of certified copies of this resolution to the Chairperson of the Board of Education and the Chairperson of the Board of Regents.

Your Committee on Higher Education and your Committee on Education concur with the intent and purpose of H.R. No. 610 and recommend its adoption in the form attached hereto as H.R. No. 610, H.D. 1.

Signed by all members of the Committees.

SCRep. 1087 Education on H.R. NO. 42

The purpose of this Resolution is to request the department of education to develop and implement a plan which encourages participation of teachers, including the role of conducting the training sessions as well as the role of specifying what types of in-service training are desired.

Your Committee finds that an effective in-service training program is an important tool in developing the competency of teachers, and a viable method for imparting new techniques and knowledge for improved performance of teachers.

Your Committee further finds that there is some dissatisfaction among teachers concerning current in-servicing, and that there is an underutilization of innovative teachers in disseminating their techniques through in-service training. For these reasons a systematic plan for development and implementation of the in-servicing program plan is necessary. This plan is to be submitted to the Legislature prior to the next legislative session.

Finally, the bargaining agent, Hawaii State Teachers Association, has testified to its willingness to work with the department of education in developing meaningful in-service activities.

Your Committee is in accord with the intent and purpose of H.R. No. 42, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1088 Education on H.R. No. 613

The purpose of this Resolution is to request the department of education to review the program designs, job descriptions, and standards for selection of personnel for the various teacher specialists and resource teachers, if any have been developed; or to develop or update those program designs, job descriptions and selection standards if they do not exist or need to be improved.

The Resolution has received the support of the department of education and the Hawaii State Teachers Association. The HSTA stated that such a program review would be in the best interest of quality education and expressed confidence that the legislature would be proud of the results of the review.

Your Committee on Education concurs with the intent and purpose of H.R. No. 613 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1089 Education on H.R. No. 203

The purpose of this resolution is to request the Department of Education to provide early placement of special education students who have been diagnosed and received prescriptive advice.

Legislative concern over the state's special education programs dates back to Act 54, Session Laws of Hawaii 1967, which stated the need for the Department of Education to assure that each child with learning disabilities be afforded specialized instruction. This was followed by a legislatively mandated study on special education in Hawaii in 1971 and since then, steps have been taken to improve and strengthen the state's special education programs. Your Committee recognizes identification, diagnosis, prescription and placement of exceptional children are critical steps in the implementation of effective and efficient special education programs.

Additional funds have been recently appropriated to provide for early identification and diagnosis and therefore, it is imperative that rapid and proper placement follow. Your Committee believes there should be no unnecessary delays between the time of diagnosis and prescription and actual placement. Therefore, your Committee supports this resolution with an amendment that requires the Department of Education to report back to the House of Representatives before the 1978 Regular Session. Your Committee feels it is necessary to monitor early placement until it is assured that students are receiving special education services quickly and efficiently.

Your Committee on Education concurs with the purpose and intent of H.R. No. 203, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 203, H.D. 1.

Signed by all members of the Committee.

SCRep. 1090 Education on H.R. No. 302 (Majority)

The purpose of this resolution is to request the Department of Education to conduct inservice training in human relationships for teachers and principals. Such training is intended to strengthen working relationships among school-level personnel.

The Department of Education, the Hawaii Federation of Teachers, the Hawaii State Teachers Association, and a parent all testified in support of this resolution. The H.S.T.A. suggested that in-service training in human relationships may improve discipline and order in the schools, while the H.F.T. stated that such training may achieve greater unity of purpose among educators. The parent said that one aim of human relationship training should be to motivate principals and teachers to "carry over these skills into the classroom in communicating with students, as well as in working with parents and community."

Your Committee on Education concurs with the intent and purpose of H.R. No. 302 and recommends its adoption.

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

SCRep. 1091 Education on H.R. No. 303

The purpose of this resolution is to direct the Department of Education to foster the development of a mechanism to systematically afford recognition and encouragement to teacher-student program initiatives. This includes such projects as the Resource Individuals Seeking Education (RISE) program which was developed by a teacher as a cultural heritage offering to assist students who are underrepresented in higher education institutions in personal growth.

Your Committee recognizes that public interest and concern require the Department of Education to aggressively seek improvements and reforms to ensure an educational system responsive to student needs. Your Committee also recognizes that the strength of our schools is based, to a great degree, on teachers who are able, dedicated and involved. If recent trends continue, opportunities for interested teachers to design projects which do not fall within our highly structured educational system will increase and teacher-student efforts will contribute greatly to reformation of our schools. Your Committee realizes that this has already started in projects such as RISE, however, much more must be done to recognize and commend teacher and teacher-student efforts. Thus, your Committee supports this resolution as a major part of the continued improvement of our educational system.

Your Committee on Education concurs with the intent and purpose of H.R. No. 303 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1092 Education on H.R. No. 646

The purpose of this Resolution is to request the Department of Education to place high priority on the installation of air-conditioning or other noise-abatement systems at Kaahumanu School.

Your Committee has found through testimony that Kaahumanu School is bound by four main traffic arteries in Honolulu--Kinau, Pensacola, Beretania, and Piikoi Streets. Noise levels at Kaahumanu School are far higher than acceptable classroom levels set by the Federal Environmental Protection Agency. Your Committee further finds that the noise at Kaahumanu School interferes with the process of learning and leads to greater fatigue and tenseness among students and faculty. Therefore, your Committee finds that corrective action is imperative; however, no action has been taken on the \$126,000 appropriation for the installation of air-conditioning made by the Eighth Legislature of the State of Hawaii.

Your Committee has heard testimony from the Department of Education that high priority has been given this project and a request for construction has been submitted to the Department of Budget and Finance through the Department of Accounting and General Services and Planning and Economic Development. Therefore, your Committee feels that this Resolution would reinforce the recent efforts of the Department of Education to begin construction on this important project.

Your Committee is in accord with the intent and purpose of H.R. No. 646, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1093 Education on H.R. No. 281

The purpose of this Resolution is to request the Department of Education to support the efforts of the Hawaii Federation of Teachers and the Hawaii State Teachers Association to solve the problems of school violence by granting credit for participation in conferences and workshops on school violence.

Your Committee finds that school violence is a matter of grave concern to all elements of the school population and that the Hawaii Federation of Teachers and the Hawaii State Teachers Association have expressed their willingness to work toward solutions for this problem.

Your Committee further finds that past teacher initiated programs on school violence attempted to take a positive approval to the problems which often is discussed only

in negative terms. These programs should be made more accessible to teachers with proper incentives for greater participation.

Your Committee concurs with the intent and purpose of H.R. No. 281 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1094 Education on H.R. No. 633

The purpose of this resolution is to request the department of education to conduct a thorough review of music education programs currently being offered in the public schools of Hawaii.

This review is to include a systematic examination of the goals, the curriculum, the training of personnel and all other factors which affect the quality of music education taught in the public schools.

Testimony presented before your Committee by the department, while supportive of the intent of H.R. No. 633, suggests that this resolution may be unwarranted because definite steps are already being taken to upgrade the music program in the schools; however, your Committee has decided otherwise in view of the history of the program.

In order to provide students in the public schools with a well-rounded or evenly balanced education, the department of education has long included music as one of the required subject areas. However, your Committee finds that only recently have any attempts been made to analyze the status of music education in the State's elementary and secondary schools in order to develop a program improvement plan over the next six years.

In a study entitled "The Status of the Music Program in Hawaii's Public Schools, 1965-66," published by the Office of Research of the Department of Education as Research Report No. 64, dated August 31, 1968, numerous problems in the areas of administration, supervision, curriculum, facilities, equipment, materials, evaluation and so on are highlighted. Somehow, the recommendations contained in the study have gone unheeded until now, some ten years later. Those problems cited then are still very much in evidence today, and the severity of some of them has understandably intensified. Additional testimony provided by the Hawaii State Teachers Association and some music teachers attests to the present fragmented state of music education in the public schools of Hawaii.

Your Committee recognizes the value of a meaningful music education program and the need to make such a program available to all the schools in the State. In order to meet the needs and requirements in this area, it is deemed necessary, if not essential, that on-going programs be reviewed and that surfacing problems be resolved.

Your Committee on Education concurs with the intent and purpose of H.R. No. 633 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1095 Judiciary on H.R. No. 642

The purpose of this resolution is to provide for a review and study of women's rights and the law by a committee to be composed of your Committee on Judiciary, the Commission on the Status of Women, the Women's Legislative Coalition, the League of Women Voters, and the National Organization of Women. The Committee is to report its findings and recommendations to the legislature prior to the convening of the Regular Session of 1978.

Your Committee finds that a real need exists for a comprehensive study and review of our laws as they relate to the status of women. Your Committee was informed that a great many provisions of our laws are contrary to the intent and spirit of the equal rights amendment to the state constitution and that extensive revision of our laws is necessary in order to insure constitutional compliance.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 642 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1096 Higher Education on H.R. No. 574

The purpose of this resolution is to direct the Committee on Higher Education to undertake an extensive study of the methods and operations of the office of the Chancellor of Community Colleges and its effects on community college programs and faculty morale and to report its findings to the House of Representatives by January, 1978.

Your Committee is aware that due to the lack of a master plan, each of the seven community college campuses throughout the State has been developing individually without proper coordination and overall guidance at the systems level. Although the office of the Chancellor for Community Colleges is currently developing a master plan for the community colleges, your Committee is concerned about immediate problems affecting students and curriculum such as academic priorities, course numbering, and transferability of course credits and those raised by the faculty of several community colleges.

Your Committee has deleted the third paragraph of this resolution and added the following: "WHEREAS, concerns have been raised by the faculty of various community colleges with respect to the office of the Chancellor; and".

The sixth paragraph of this resolution has also been amended by deleting the following: "for the purpose of altering practices, changing personnel, including the Chancellor, adding or discontinuing positions, or abolishing the office altogether".

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 574, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 574, H.D. 1.

Signed by all members of the Committee.

SCRep. 1097 Water, Land Use, Development and Hawaiian Homes on H.R. No. 375

The purpose of this resolution is to request the legislative auditor to conduct a financial, management, and program audit of the Department of Land and Natural Resources.

Your Committee has found that a financial audit of the Department of Land and Natural Resources is presently being conducted. In addition, a management and program audit of the land management division of the department is already on-going.

In this regard, your Committee has amended this resolution to limit the scope of this audit to a management and program audit of the State Parks and Forestry Divisions of the Department of Land and Natural Resources.

Your Committee on Water, Land Use, Development, and Hawaiian Homes concurs with the intent and purpose of H.R. No. 375 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 375 H.D. 1.

Signed by all members of the Committee.

SCRep. 1098 Water, Land Use, Development and Hawaiian Homes on S.C.R. No. 53

The purpose of this concurrent resolution is to urge the Hawaii Housing Authority and the Board of Land and Natural Resources to work together promptly and efficiently to make public lands available to exchange for residential tracts to be converted to fee simple ownership pursuant to Chapter 516, Hawaii Revised Statutes.

Act 184 of 1975 added a provision to Chapter 516 permitting the Hawaii Housing Authority, acting in concert with the Board of Land and Natural Resources, to exchange existing public lands of equal value for residential lands to be converted through Chapter 516.

Your Committee finds that prompt utilization of the land exchange alternative of Act 184 would greatly facilitate the implementation of Chapter 516 thereby allowing a greater number of our leasehold homeowners to purchase their land in fee.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of S.C.R. No. 53 and recommends that it be referred to the Committee on Housing.

Signed by all members of the Committee.

SCRep. 1099 Water, Land Use, Development and Hawaiian Homes on H.R. No. 697

The purpose of this resolution is to request that the Committee on Water, Land Use, Development and Hawaiian Homes submit a report twenty days prior to the 1978 Session on the Park Dedication Statute. The report shall focus on such concerns as possible changes in the law to improve it; the conflicts between the statute, the ordinance and rules and regulations, as well as any inequities that may exist with the payment or refund of any money paid to the counties.

Your Committee finds that in view of the ongoing debate as to the effects of this statute, such as where the incidence of the cost of park provision lies, the conflicts between the statute, the ordinance, and the rules and regulations of the counties who are implementing the ordinance, and the question of whether the public or private sector should provide parks, a report will be more than appropriate and well timed.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.R. No. 697 and recommends it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1100 Water, Land Use, Development and Hawaiian Homes on H.C.R. No. 124

The purpose of this concurrent resolution is to request the Speaker of the House of Representatives and the President of the Senate to appoint an interim committee to study the feasibility of native Hawaiian corporations for the purpose of bettering the health, education, and welfare of the native Hawaiians; and, for the interim committee to report its findings and recommendations to the House and Senate before the convening of the 1978 Session.

Your Committee feels the establishment of a non-profit native Hawaiian corporation with several regional native corporations for the betterment of the health, education, and welfare of the native Hawaiians falls within the stated purposes of the provisions of the Admission Act and the Hawaiian Homes Commission Act of 1920, as amended.

The formation of a native Hawaiian corporation would provide native Hawaiians with the opportunity to experience self-determination in developing those kinds of programs which will nurture the culture of the Hawaiian people.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.C.R. No. 124 and recommends it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1101 Energy and Transportation on H.R. No. 531

The purpose of this resolution is to request the State Department of Transportation to conduct an analysis of traffic conditions along the Kalaniana'ole Highway in the Southeast Oahu area, to serve as a data base line for future development and use of the Kalaniana'ole Highway.

Your Committee finds that the manifold problems are most likely to be resolved, or at least reduced to acceptable dimensions, through the cooperative efforts of the State of Hawaii and the City and County of Honolulu, but that there is no current data base line for purposes of comparison with past and future usage and travel conditions. This resolution seeks to supply that data base line for future planning.

A clause was added to the preamble portion of this resolution by your Committee to state that this request is not intended to delay, impede, or obstruct planned improvements to Kalaniana'ole Highway. This is, rather, an effort in support of subsequent improvements and productive use of the highway.

Your Committee has further amended this resolution in this manner:

a) Modified the title for editorial accuracy: "HOUSE RESOLUTION REQUESTING PLANNING FOR TRAFFIC CONDITIONS ON KALANIANAOLE HIGHWAY".

b) Various other editorial and technical changes in the interest of context and drafting standards.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 531, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 531, H.D. 1.

Signed by all members of the Committee except Representatives Machida, Stanley and Medeiros.

SCRep. 1102 Energy and Transportation on H.C.R. No. 99

The purpose of this concurrent resolution is to request the State Department of Transportation to conduct an analysis of traffic conditions along the Kalanianaole Highway in the Southeast Oahu area, to serve as a data base line for future development and use of the Kalanianaole Highway.

Your Committee finds that the manifold problems are most likely to be resolved, or at least reduced to acceptable dimensions, through the cooperative efforts of the State of Hawaii and the City and County of Honolulu, but that there is no current data base line for purposes of comparison with past and future usage and travel conditions. This concurrent resolution seeks to supply that data base line for future planning.

A clause was added to the preamble portion of this concurrent resolution by your Committee to state that this request is not intended to delay, impede, or obstruct planned improvements to Kalanianaole Highway. This is, rather, an effort in support of subsequent improvements and productive use of the highway.

Your Committee has further amended this concurrent resolution in this manner:

a) Modified the title for editorial accuracy: "HOUSE CONCURRENT RESOLUTION REQUESTING PLANNING FOR TRAFFIC CONDITIONS ON KALANIANAOLE HIGHWAY".

b) Various other editorial and technical changes in the interest of context and drafting standards.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.C.R. No. 99, as amended herein and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 99, H.D. 1.

Signed by all members of the Committee except Representatives Machida, Stanley and Medeiros.

SCRep. 1103 Ecology and Environmental Protection on H.R. No. 678

The purpose of this resolution is to request that the Legislative Reference Bureau study the litigation of environmental issues and review the current provisions for standing to bring suit and the time limits within which they are permitted. This resolution also requests that the Legislative Reference Bureau report on this matter, together with any conclusions and recommendations.

Your Committee finds that litigation ensuing from the numerous environmental statutes and regulations constitutes a real social cost.

Your Committee has amended H.R. No. 678 to include input from the construction industry, environmental organizations, and the general public in the study.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of H.R. No. 678 as amended herein and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 678, H.D. 1.

Signed by all members of the Committee.

SCRep. 1104 Consumer Protection and Commerce on H.R. No. 677

The purpose of this resolution is to request the Department of Taxation along with the Department of Regulatory Agencies and the Office of Consumer Protection, as well as representatives of labor and management to initiate a study to determine if tax revenues are being lost by the practices of certain construction workers.

Your Committee finds that there are individuals who are skilled craftsmen, who may or may not be licensed, are performing construction work for cash. This work is usually performed after regular working hours and on weekends. Most of the work is done for homeowners who pay for such services in cash at the insistence of the construction worker. These cash payments are often not reflected in tax returns. It is estimated that lost tax revenues amount to \$720,000 per year.

Your Committee is concerned also that these operations may be in disregard of laws and regulations relating to the operation of a business.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 667 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1105 Youth and Elderly Affairs (H.R. No. 101)

Your Committee on Youth and Elderly Affairs pursuant to H.R. No. 101 adopted by the Regular Session of 1977, and directed to review the findings of the 1976 House Interim Committee on Child Abuse and report its findings and recommendations to the House before the adjournment of the Regular Session of 1977, begs leave to report as follows:

Act 147, Session Laws of Hawaii 1975 amended Hawaii's Child Abuse law by expanding the definition of the term "abuse or neglect of a minor" to include mental as well as physical injury. This amendment conformed Hawaii's law with the federal definition of child abuse to ensure continued federal support of the State's Child Protective Services Program. Since the enactment of the amendment, public agencies responsible for enforcing the law have experienced difficulty in applying the term "mental injury" as a criteria for determining suspected cases of child abuse because of its vagueness and ambiguity.

In 1976, a House interim committee was established pursuant to H.R. No. 134 to review the child abuse law and make recommendation on the law including a clarification of the term "mental injury".

The Interim Committee sought the participation of knowledgeable individuals from both the public and private sector, as well as legal experts in child abuse. Public meetings were held on July 30, August 12, and September 8, 1976. Participants included representatives from the Family Court, the Office of the Attorney General, the Department of Education, the Children's Mental Health Services Branch of the Department of Health, the Mental Health Association of Hawaii, the Tripler Army Medical Center Child Guidance Clinic, the Hawaii Family Stress Center, the Honolulu Police Department, the Queen Liliuokalani Children's Center, the Advisory Committee to the Children's Protective Services Center, the Commission on Children and Youth, the Office of Children and Youth and a private attorney who was familiar with child abuse and neglect cases.

The Committee found that although there are statutory requirements for reporting suspected instances of child abuse and neglect, public awareness of child abuse is generally limited to physical abuse. In spite of the 1975 amendments specifically designating mental injury, public awareness of non-physical abuse or neglect of children is low. Consequently, few instances of suspected mental injury of children are even reported.

While it was suggested that a statutory definition of mental abuse would increase public awareness and decrease the individual citizen's hesitancy to report maltreatment, the Committee recognized the difficulty in setting forth, by statute, those injuries, abnormal behavior patterns, or other signs of mental injury. Therefore, the Committee recommended that a definition of mental injury as well as other definitions relating to child abuse be incorporated as part of the guidelines of the Department of Social Services and Housing relating to child abuse.

Under the present law, certain professionals who are in contact with suspected cases of child abuse are not required to report such abuse to the proper officials. To insure adequate and proper reporting of such suspected cases, the Committee recommended

that medical examiners and police officers be statutorily required to report any suspected cases of child abuse.

The Committee also found that inadequate staffing and funding of the Child Protective Care Services programs are severely limiting the program's capability to protect children from physical abuse. As an example, the Committee found that the average caseload for workers in the Children Protective Services Program was nearly twice the number of cases recommended by the Department of Health, Education and Welfare, Office of Child Development. The average caseload is 40 to 50 cases per worker compared with the recommended caseload of 25.

During the 1977 session, your Committee on Youth and Elderly Affairs reviewed the findings and recommendations of the House Interim Committee on child abuse through extensive hearings and public discussion of legislative measures which would implement the Interim Committee's recommendations. Public and private agencies expressed support of each of these legislative measures citing that the proposed legislation would clarify the State's child abuse law and provide for adequate resources to prevent and treat cases of child abuse.

Your Committee has therefore taken action on the following measures:

- H.B. No. 96, H.D. 1: This Bill would replace the term "mental injury" with the term "psychological abuse and neglect" since the latter term covers the whole range on non-physical maltreatment. It also requires the Department of Social Services and Housing to define all statutorily mentioned form of child abuse and neglect as part of its rules relating to child abuse. Finally, this bill would require police officers and medical examiners to report any suspected cases of child abuse.
- H.B. No. 100, H.D. 1: This Bill provides funds for the prevention and treatment of child abuse.
- H.R. No. 212: This Resolution requests the Department of Social Services and Housing to develop definitional guidelines to identify child abuse and neglect.
- H.R. No. 213: This Resolution requests the Department of Social Services and Housing to incorporate the concept of psychological abuse and neglect into its operational guidelines for the implementation of child protective services.

Your Committee believes that the enactment and implementation of the aforementioned legislation will fulfill the needs regarding child abuse and neglect that were cited by the House Interim Committee on child abuse.

Signed by all members of the Committee.

SCRep. 1106 Employment Opportunities and Labor Relations on H.R. No. 481

The purpose of this resolution is to establish a subcommittee of your Committee on Employment Opportunities and Labor Relations to conduct a study of the Division of Occupational Safety and Health of the Department of Labor and Industrial Relations in order to determine what legislative action is needed to assist the Division of Occupational Safety and Health in accomplishing its goals.

Your Committee finds that a study of the Division of Occupational Safety and Health is needed in order to determine how the Legislature can best assist the Division to insure the safety and health of Hawaii's workers in their places of employment. Testimony by labor unions and by employers' associations and recent statements by the United States Secretary of Labor indicate that some aspects of the occupational safety and health law may be in need of clarification. A study of the Division of Occupational Safety and Health is needed to benefit all parties directly concerned - labor, business, and the Division of Occupational Safety and Health itself in terms of policy direction and possible additional personnel. Additionally, the subcommittee on Occupational Safety and Health is encouraged to work with the Federal Occupational Safety and Health Administration investigation and evaluation teams.

Your Committee on Employment Opportunities and Labor Relations concurs with the intent and purpose of H.R. No. 481, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R.No. 481, H.D. 1.

Signed by all members of the Committee.

SCRep. 1107 Youth and Elderly Affairs on S.C.R. No. 143

The purpose of this concurrent resolution is to urge police officers and the Department of Social Services and Housing to cooperate in reporting cases of suspected child abuse so that necessary remedial action and follow-up can take place to prevent further incidents.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of S.C.R. No. 143 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1108 Higher Education on H.C.R. No. 136

The purpose of this concurrent resolution is to request the University of Hawaii to further demonstrate its concern and support for students who seek employment in consonance with career objectives by utilizing the present delivery mechanism that it created for servicing student employment.

Your Committee finds that in the past, the functions of the Student Employment Office were under the purview of the University of Hawaii Financial Aids Office. However, to service increasing numbers of students, and to fulfill job classification, equal pay for equal work, and equal employment opportunity requirements, and in response to legislative directives, the Student Employment Office was established as a separate office in 1975.

Your Committee finds that the Student Employment Office has placed an average of 2,700 students per year in part-time jobs and are now pursuing the coordination of these placements with career goals.

Your Committee recognizes that the task of administering the Student Employment Office is a grave responsibility. It is pleased with the attested success of the Student Employment Office in meeting the needs for part-time employment. It is felt that they have eminently met the challenge and should continue to pursue their objectives. Your Committee strongly urges the University of Hawaii to continue the present mechanism applied by the Student Employment Office at Manoa, and foster its growth without any bureaucratic impediments to deter from its present direction or de-emphasize its objectives and responsibilities.

Your Committee on Higher Education concurs with the intent and purpose of H.C.R. No. 136 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1109 Consumer Protection and Commerce on H.C.R. No. 128

The purpose of this concurrent resolution is to request a study of the feasibility of developing a Real Estate Division within the Department of Regulatory Agencies. Your Committee has broadened the purpose of this concurrent resolution to include a study of the existing responsibilities and increasing workload of the Real Estate Commission, resulting in a recommendation of changes needed in manpower or organizational structure of the Commission to deal with their increasing workload. This study would be conducted by the Legislative Reference Bureau and funded by the Real Estate Commission's Education Fund.

The growth of the State, the increase in the number of real estate licensees, and the increase in the amount of real estate activity has resulted in an unmanageable workload at the Commission, according to testimony by the Commission and the Hawaii Association of Real Estate Brokers.

To insure the adequate regulation of real estate licensees and the enforcement of

the Horizontal Property Regimes Law and Chapter 467 of the Hawaii Revised Statutes, your Committee agrees that this proposed study and the implementation of the resulting recommendations would benefit the consumer and the real estate industry.

Your Committee has amended the title of this concurrent resolution to reflect the broadened scope of the study. Such title reads: "HOUSE CONCURRENT RESOLUTION REQUESTING THE STUDY INTO THE EXISTING FUNCTIONS OF THE REAL ESTATE COMMISSION AND THE FEASIBILITY OF DEVELOPING A REAL ESTATE DIVISION WITHIN THE DEPARTMENT OF REGULATORY AGENCIES."

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 128 as amended herein, and recommends its adoption as H.C.R. No. 128, H.D. 1.

Signed by all members of the Committee.

SCRep. 1110 Energy and Transportation on S.C.R. No. 140

The purpose of this resolution is to request the Department of Transportation to improve the older sections of the Interstate Route H-1 from Middle Street to Aina Koa Street to conform to existing federal standards so that the commuting public will not be endangered, to increase the capacity of this highway section, to investigate the availability of federal funds for improving the safety and enlarging the capacity of this link of Interstate Route H-1, and to initiate a preliminary engineering study to determine the best feasible methods of accomplishing these improvements.

Your committee received testimony from the Department of Transportation in agreement with the intent and purpose of this resolution.

Your Committee on Energy and Transportation concurs with the intent and purpose of S.C.R. No. 140 and recommends its adoption.

Signed by all members of the Committee except Representative Machida.

SCRep. 1111 Energy and Transportation on S.C.R. No. 90 (Majority)

The purpose of this resolution is to urge the Energy Research and Development Administration and the National Aeronautic and Space Administration to establish one of the two testing sites of the wind turbine system currently under development by the General Electric Company on Oahu, Hawaii.

Your committee feels that the potential of wind energy should be explored as another alternative to fossil fuels.

Your committee on Energy and Transportation concurs with the intent and purpose of S.C.R. No. 90, S.D. 1 and recommends its adoption.

Signed by all members of the Committee except Representatives Machida, Stanley and Medeiros.
(Representative Ikeda did not concur.)

SCRep. 1112 Health on S.C.R. No. 157

Your Committee recognizes that mental health problems represent one of the nation's major health problems.

Furthermore, there is a need to call attention to the needs for mental health services throughout Hawaii.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 157 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1113 Health on S.C.R. No. 132

Your Committee finds that there is a need to protect and advocate the rights of persons with developmental disabilities.

Furthermore, an advocacy system is necessary to guarantee individual rights and will be a vital connection in the system of individual program planning and evaluation of services.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 132 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1114 Health on S.C.R. No. 93

The purpose of this concurrent resolution is to urge Federal, State and local agencies to emphasize health education, good health maintenance, and the preventive aspects of medicine in their health services programs.

Your Committee recognizes the need to promote health education, in order to enhance the improved health status of the people of the State and improve living conditions.

Your Committee has amended the resolution to delete the word "family and insert the word "household", and to include the phrase ". . . each State agency" to the last paragraph.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 93, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 93, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 1115 Ocean and Marine Resources and Water, Land Use, Development and Hawaiian Homes on S.C.R. No. 119

The purpose of this resolution is to support the Department of Planning and Economic Development in its current efforts to encourage the development of the economically viable ocean mineral resources, especially manganese nodules, and to maximize the benefits to the state from any successful development of ocean mineral resources, the recovery industry and the processing industry. Further, the Department of Planning and Economic Development is requested to complete its study on the manganese nodule industry currently in progress and submit its findings and recommendation to the Legislature at least twenty days prior to the convening of the Regular Session of 1978.

Your Committee on Ocean and Marine Resources and your Committee on Water, Land Use, Development and Hawaiian Homes concur with the intent and purpose of S.C.R. No. 119, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1116 Agriculture and Water, Land Use, Development and Hawaiian Homes on S.C.R. No. 120

The purpose of this concurrent resolution is to request the Department of Agriculture, the Department of Land and Natural Resources, the Land Use Commission, and agencies of the counties sharing responsibility for land use decisions to give special consideration to the need to protect Hawaii's taro industry through the preservation of agricultural lands in the relatively few areas where taro can be commercially grown.

The areas where taro is grown in Hawaii are where streams enter catchment areas thus making what would be swamps into production units. The total acreage of commercial taro farms is about 500 acres tended by some 128 farmers and their families. About ten per cent are full-time farmers. Taro farming is labor intensive because it takes a good deal of time and work to produce the crop.

The Board of Agriculture recently adopted a new land classification system which identifies the "agricultural lands of importance to the State of Hawaii." This classification system and criteria for classification were developed by an ad hoc committee; three

categories were identified. First, "Prime" agricultural land which is land best suited for the production of crops, because such land has the soil quality, growing season and moisture supply needed. Second, "Unique" agricultural land is land which is in use for the production of specific crops. Unique land has a special combination of soil quality, growing season, temperature, humidity, sunlight, elevation, moisture supply, or other conditions that favor the production of a specific crop. Third, "Other Important" agricultural lands are lands which are important to agriculture in Hawaii, but do not qualify for the first two types of classification.

Your Committee finds that this type of classification supports the intent of this concurrent resolution as the relatively few areas in which taro can be grown in Hawaii are classified under the new system as unique agricultural lands.

Your Committees on Agriculture and Water, Land Use, Development and Hawaiian Homes concur with the intent and purpose of S.C.R. No. 120, S.D. 1, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1117 Agriculture and Water, Land Use, Development and Hawaiian Homes
on S.C.R. No. 111

The purpose of this concurrent resolution is to request that the Department of Agriculture immediately implement the formation of an Agricultural Park at Keahole, Kona, for dendrobium and indoor foliage production.

Your Committees find the Keahole agricultural park is being considered as a means to expand the flower and ornamental plant industry. With limited resources, the State has had to prioritize its projects, and in the Kona area, priority has been given to the establishment of an agricultural park to meet the immediate needs of the vegetable farmers - existing farmers who are faced with short-term leases or who have already had their leases terminated. However, preliminary steps have already been taken for the eventual establishment of an agricultural park at Keahole, Kona. The Cooperative Experiment Station County Agent in Kona is currently conducting a dendrobium production experiment at the airport water tank site to ascertain suitability of the area for dendrobium production. A saran type shade house has been constructed, and pending the receipt of some experiment management assistance, the U.H. 44 variety of dendrobium will be placed in the shade house.

Concurrently, the Department of Agriculture is exploring alternative sites on State lands within the area. The objective of the alternative site evaluation is to maximize the tourist attraction potential of a dendrobium and indoor foliage agricultural park in the area while minimizing development costs.

Your Committees on Agriculture and Water, Land Use, Development and Hawaiian Homes concur with the intent and purpose of S.C.R. No. 111, S.D. 1, and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1118 Water, Land Use, Development and Hawaiian Homes and Tourism on
S.C.R. No. 28

The purpose of this concurrent resolution is to request Hawaii's congressional delegation to urge and support the continuation of federal subsidies for American cruise ship fleets from the President of the United States and from the United States Congress.

Your Committees find the SS Mariposa and SS Monterey are the last two passenger ships that carry the American flag. They are in danger of going out of business in about a year unless action is taken immediately to insure their continued operation. These two ships in the course of a year employ approximately 850 crew, of which about one-third are Hawaii residents. It is estimated that approximately 400 shore-side jobs would be affected if these vessels were put out of business.

The Merchant Marine Acts 1920, 1936 and 1970 were recognition by Congress that the U.S. needs a strong merchant marine. Congress also recognized that in foreign trade it was difficult for American vessels to compete with foreign and run-away flag vessels. A program was set up to insure American competitiveness by granting operating

subsidies to American vessels in the so-called liner trade. This included American passenger ships.

U.S. passenger and cargo ships are subject to severe competition from foreign vessels because most of the foreign vessels receive money from some form of subsidy from their governments, either operation or construction subsidies. In the past ten years, the number of U.S. passenger ships from the west coast to Hawaii has been reduced from six to two. These two will lose their subsidies within the next year or so because they will reach the end of their statutory economic lives.

Other forms of transportation -- air, rail and mass transit -- receive some form of Federal subsidies through construction grants or operating programs. We feel the same equity should be applied to the maritime transportation service.

Your Committees find that these two cruise ships alone spend between \$60,000 and \$68,000 in Hawaii on each of the five Island Cruises for the year. That amounts to about \$900,000 annually. In addition, various tour companies enjoy about \$126,000 in business from the passengers. Each ship brings about 300 passengers to the islands. In the area of ship repair, in 1976 the Dillingham Shipyard did about \$350,000 in ship repair business with these two vessels.

Your Committees would like to amend this concurrent resolution by:

1. Amending the title of the concurrent resolution to read as follows: "SENATE CONCURRENT RESOLUTION REQUESTING HAWAII'S CONGRESSIONAL DELEGATION TO URGE AND SUPPORT THE CONTINUATION OF FEDERAL SUBSIDIES FOR AMERICAN CRUISE SHIP FLEETS."

Your Committees feel that the previous title of this concurrent resolution was inappropriate in stating the purpose.

2. Amending the first resolved clause to concur with the amended title.

Your Committees on Water, Land Use, Development and Hawaiian Homes; and Tourism concur with the intent and purpose of S.C.R. No. 28, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 28, S.D. 1, H.D. 1.

Signed by all members of the Committees.

SCRep. 1119 Water, Land Use, Development and Hawaiian Homes on H.C.R. No. 134

The purpose of this Concurrent Resolution is to request that the Department of Planning and Economic Development as part of the Hawaii Coastal Zone Management Program, and in cooperation with the Council of Housing and Construction Industry, study and review the existing Federal and State permit and hearing requirements for land and water use control; that the County Planning Departments of Hawaii, Kauai, and Maui and the Department of Land Utilization of the City and County of Honolulu study and review their County's existing permit and hearing requirements for land and water use control; that the agencies aforementioned evaluate and propose as appropriate, a cohesive and comprehensive approval procedure for such permit or hearing process, encourage agency coordination, improve the avenues of citizen input in the decisionmaking process; that the Department of Planning and Economic Development recommend a means of centralizing permit application and hearing information to yield a more efficient administration and increased citizen awareness of the State's various permit and hearing process; and that the Department of Planning and Economic Development, the County Planning Departments of Hawaii, Kauai, and Maui and the Department of Land Utilization of the City and County of Honolulu submit reports of their finding and recommendations no later than 20 days prior to the convening of the Regular Session of 1978.

Your Committee finds that the existing procedures and requirements for Land and Water Use Control are complicated, confusing, and highly inefficient. An investigative study to simplify and condense, as well as delete the redundant and unnecessary requirements could add greater facilitation to the proceedings, decrease the costs and burdens on the project developers, and increase and improve effective citizen participation.

The Concurrent Resolution has been amended by inserting an additional WHEREAS clause relating to a coordinated approval process.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.C.R. No. 134, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 134, H.D. 1.

Signed by all members of the Committee.

SCRep. 1120 Legislative Management on H.C.R. No. 119

The purpose of this Concurrent Resolution is to request the House Committee on Energy and Transportation and the Senate Committee on Transportation to monitor and review the forthcoming renegotiation of Exhibit One of the airport-airline lease. In addition, the Director of Transportation is requested to keep the two Houses of the Legislature fully informed on the course of the negotiations and to submit progress reports as may be requested by the two Legislative Committees.

Your Committee supports the intent of the Concurrent Resolution and agrees with the findings of the House Committee on Energy and Transportation as stated in Standing Committee Report No. 1029.

Your Committee has amended the Concurrent Resolution to include a provision requiring the two legislative committees to report their findings to the 1978 Legislature.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 119, H.D. 1 as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 119, H.D. 2.

Signed by all members of the Committee.

SCRep. 1121 Legislative Management on H.C.R. No. 111

The purpose of this concurrent resolution is to establish a joint Iolani Palace Centennial Committee for the interim period of 1977 to prepare for the reopening celebration of Iolani Palace on December 31, 1979. The Speaker of the House and the President of the Senate are requested to appoint members of the Senate Committee on Ecology, Environment and Recreation to the committee. The Joint Iolani Palace Centennial Committee is to recommend to the 1978 legislature any legislation or appropriations necessary for the 1979 Iolani Palace celebration.

Your Committee is aware of the significance of Iolani Palace in the history of Hawaii and the extensive work that has gone into restoring this historical palace. Your Committee agrees with the findings of the House Committee on Culture and the Arts as expressed in Standing Committee Report No. 985.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 111, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1122 Legislative Management on H.C.R. No. 124

The purpose of this Concurrent Resolution is to request the Speaker of the House and the President of the Senate to appoint an interim committee to study the establishment of native Hawaiian Corporations. It requires the Committee to submit a report of its findings to the 1978 Legislature.

Your Committee recognizes and supports the purposes of this Concurrent Resolution and agrees with the findings of the Committee on Water, Land Use, Development and Hawaiian Homes as stated in Standing Committee Report No.

Your Committee on Legislative Management concurs with the intent and purpose of H.C.R. No. 124 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1123 Judiciary on S.B. No. 254

The purpose of this bill is to amend the existing law relating to security guards in the Department of the Attorney General.

This bill upgrades the title of "security guards" to "State security officers". Your Committee feels that this title more clearly reflects the status of these officers. At present, they are often mistaken by the public as being security guards employed by private firms to provide security for the State. However, these officers complete regular police training and are members of the State police force.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 254, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Blair.

SCRep. 1124 Judiciary on S.B. No. 258

The purpose of this bill is to clarify the rights and duties of a bicyclist proceeding in a designated bicycle lane, bicycle path, or bikeway.

Your Committee concurs in the findings of the Senate Committees on Transportation and Ways and Means to the effect that in view of the increased popularity of bicycling, both for recreational purposes and as a means of transportation, it is necessary to clarify the rights and duties of bicyclists for the safety of bicyclists and for improving the flow and control of traffic.

Your Committee on Judiciary is in accord with the intent and purpose of S.B. No. 258, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1125 Finance on H.C.R. No. 114

The purpose of this concurrent resolution is to request consideration of legislative policy by the Department of Transportation in the forthcoming renegotiation of Exhibit One of the airport-airline lease.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 114, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1126 Finance on H.C.R. No. 63

The purpose of this concurrent resolution is to request the office of the Legislative Reference Bureau to investigate the "sunset" concept by providing a general description of the concept, information on such legislation in other states, description of the experiences of other states, description of alternatives for the sequential implementation of the sunset concept in Hawaii and the presentation of various legislative approaches for statutory enactment. The Legislative Reference Bureau is to present a report of its findings before the convening of the 1978 session.

The "sunset" concept is a mechanism which systematizes a program of periodic review of public agency operations. Generally, it establishes a date on which statutory authorization of an agency is terminated and requires that prior to termination, a review of the agency be conducted to determine whether the affected agency is effectively carrying out its responsibilities and functions. If it is found to be performing satisfactorily, then the Legislature may take affirmative action to extend the life of the agency.

This concurrent resolution seeks to study the application of sunset laws to state agencies. Your Committee feels that the sunset concept may be one alternative toward more accountable, responsive, effective and efficient government performance.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 63 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1127 Finance on H.C.R. No. 110

The purpose of this concurrent resolution is to request the Governor to appoint a full-time Marine Affairs Coordinator as soon as possible.

The Office of the Marine Affairs Coordinator was created in 1970 to effect a unified approach to the fullest development and utilization of Hawaii's marine resources, however, the position has never been filled on a full-time basis.

Your Committee believes that a full-time Marine Affairs Coordinator is required if the office is to fulfill its statutorily-prescribed duties and responsibilities.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 110 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1128 Finance on H.C.R. No. 103

The purpose of this concurrent resolution is to request the appointment of an interim committee to review all Horizontal Property Regimes bills introduced to the Ninth Legislature and submit a comprehensive package of legislation dealing with condominium owner-developer concerns to the Ninth Legislature, Regular Session of 1978.

Since enactment of the Hawaii Horizontal Property Regimes laws in 1961, there has been a rapid increase in the number of condominium owners which has led to an increasing number of consumer complaints. In response to consumer complaints relating to owner-developer problems, the Office of Consumer Protection, the Legislative Reference Bureau and the Real Estate Commission have conducted a study and made legislative recommendations to the Ninth Legislature, Regular Session, 1977. These recommendations and numerous other condominium bills currently being considered have resulted in conflicting testimony from the various interest groups involved.

In order to insure a comprehensive rather than piecemeal appraisal and package of legislation relating to Horizontal Property Regimes, your Committee believes that these problems should be considered in the interim when time permits a more thorough evaluation of proposed legislation to effectively deal with the owner-developer situation. The proposed interim committee would be composed of membership of the House Committee on Consumer Protection and Commerce and the Senate Committee on Housing and Hawaiian Homes.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 103 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1129 Finance on H.C.R. No. 112

The purpose of the concurrent resolution is to request the Directors of Budget and Finance and Personnel Services, and the President of the University of Hawaii, to identify their statewide and multi-department in-service training functions, responsibilities, and authorities in the area of employee development and training and report their findings and recommendations to the Legislature before the convening of the 1978 Legislative Session.

All of the agencies involved in the concurrent resolution have responsibilities in the area of employee development and training. As a result, there may exist certain overlapping or inconsistent responsibilities. The process of reviewing responsibilities may also bring to the attention of the executive agencies any gaps in employee in-service training. This process is intended as a first step in developing a coordinated in-service training program to meet the needs of all of Hawaii's public employees.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 112 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1130 Finance on H.C.R. No. 120

The purpose of this resolution is to request the Legislative Auditor to conduct a management and program audit of the Highways division of the Department of Transportation and the overall support for transportation facilities and services (TRN 995).

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 120 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1131 Health on S.C.R. No. 13

Your Committee finds that the expense of acquiring comprehensive medical care service has been constantly increasing, making it difficult for residents of our State to afford these services.

There exists in Hawaii a significant "gap group", a majority of which consists of persons who are low income yet who do not qualify for medical assistance from the State, Medicare, Medicaid, and who are not eligible for coverage by prepaid health plans.

Therefore, your Committee recognizes the need to assess the services available to persons who compose this gap group.

Your Committee on Health concurs with the intent and purpose of S.C.R. No. 13 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1132 Culture and the Arts on H.C.R. No. 131

The purpose of this concurrent resolution is to request the Governor to declare the Hawaiian language the official language of Hawai'i as a symbolic act acknowledging the rich heritage and bountiful future of these islands.

Developed 200 years ago, the Hawaiian language is universally recognized as unique to Hawai'i.

Within the structure of the hawaiian language is the concept of simplicity in the universal relationships between man - his past and future; man and nature; and in the fulfillment of the human spirit.

According to Bill Wilson, a Hawaiian language translator at the Archives, Hawaiian is the base of pidgin, a mixed language or jargon developed for the purposes of communication between the different immigrant peoples of early Hawai'i. It was through pidgin that rapport was established and this is still evident today, as many of the concepts and words of the Hawaiian language are a recognized part of the standard language of political, social and corporate institutions in Hawai'i.

Your Committee is mindful not only of the historical import of our linguistic heritage but of its contemporary value as well.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.C.R. No. 131 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1133 Legislative Management

Informing the House that House Resolution Nos. 730 to 733, Standing Committee Report Nos. 1134 to 1203, and Conference Committee Report No. 44, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 1134 Culture and the Arts on H.R. No. 705

The purpose of this resolution is to request the Speaker appoint an interim legislative committee who shall, with assistance from the legislative reference bureau, consider a study and a review of the cultural concerns of the Hawaiian people and of the many varied groups in the community.

While government informally recognizes a group's right to self-development and integration at their own rate, and to independence in social, religious and political matters, there are, nonetheless, restrictions placed against certain ethnic minorities through "americanization" movements that underlie programs for social improvement.

The indigenous people of Hawaii have in recent years become concerned about the loss of their cultural heritage and its replacement by the Western way. Kahoolawe and recent events surrounding the island are symptomatic.

Hawaiians are, according to Carmen Oliveira of the Congress of Hawaiian People, going through a renaissance; a period of re-discovery and need the support of government in understanding the causes and seeking solutions. Efforts in this area have been started by an organization called Alu Like.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 705 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1135 Water, Land Use, Development and Hawaiian Homes on H.R. No. 645

The purpose of this resolution is to request the Speaker of the House of Representatives to appoint an interim committee to study the feasibility of native Hawaiian corporations for the purpose of bettering the health, education, and welfare of the native Hawaiians; and, for the interim committee to report its findings and recommendations to the House of Representatives before the convening of the 1978 Session.

Your Committee feels the establishment of a non-profit native Hawaiian corporation with several regional native corporations for the betterment of the health, education, and welfare of the native Hawaiians falls within the stated purposes of the provisions of the Admission Act and the Hawaiian Homes Commission Act of 1920, as amended.

The formation of a native Hawaiian corporation would provide native Hawaiians with the opportunity to experience self-determination in developing those kinds of programs which will nurture the culture of the Hawaiian people.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.R. No. 645 and recommends it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1136 Finance on H.R. No. 554

The purpose of this resolution is to request the House Committees on Tourism; Water, Land Use, Development and Hawaiian Homes; and Finance to comprehensively identify and evaluate various measures which could be instituted to increase the attractiveness of Hawaii for investment in hotel-resort development and other alternative industries.

Your Committee is cognizant that the welfare of the State is dependent on the ability of its economic sectors to keep pace with its population growth. The visitor industry has the highest potential for growth compared to other state income revenue sources.

Your Committee agrees that the attraction of capital to build new hotels is probably the greatest problem facing Hawaii's visitor industry, next to attracting visitors. It is timely for the State of Hawaii to prepare a report on alternatives for attracting capital investment for other alternative industries besides tourism.

Your Committee, in its deliberation, is requested to also consider the efforts of other regions and countries in maintaining viable visitor and other alternative industries.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 554, H.D. 1, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1137 Public Employment and Government Operations on H.R. No. 153

The purpose of this resolution is to request the House Committee on Public Employment and Government Operations to 1) examine the adequacy of the current public retirement income policies, 2) review the study conducted by the Department of Budget and Finance relative to participation in the social security system, 3) consider policies relative to retirement age, 4) review the Employees' Retirement System investment policies and the operation of the home loan program; and to report its findings and recommendations to the House of Representatives before the end of the 1977 session.

Upon consideration of the budget testimony heard by your Committee with regard to BUF 141, Retirement System, we have amended the purpose of this resolution to focus upon the actuarial assumptions utilized by the System's Board of Trustees to determine costs, the projected costs to FY 1986-87 by cost categories, and the policies and assumptions used to determine investment practices, as well as a description of those practices. Your Committee has amended the resolution further to provide that the Department of Budget and Finance shall submit a report of the above to the Legislature twenty days prior to the convening of the Regular Session of 1978.

Your Committee finds that between 1970-71 and 1977-78, general fund requirements for the pension accumulation fund increased by \$20.4 million from \$13.8 million to \$34.2 million. During the same period, post-retirement requirements also increased sharply, from \$1.0 million to \$8.9 million. In view of the increasing costs involved in maintaining the soundness of the System, legislative review of the factors which determine the employer's contribution to the Retirement System is both timely and essential.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.R. No. 153, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 153, H.D. 1.

Signed by all members of the Committee.

SCRep. 1138 Judiciary on H.R. No. 178

The purpose of this resolution is to request that the Director of Social Services and the Hawaii Paroling Authority conduct a study on the feasibility of flat-time prison sentencing for adults in Hawaii and report their recommendations to the Legislature prior to the convening of the Regular Session of 1978.

Your Committee feels that society's sentencing procedures are vital in the criminal justice system's goal of attaining an orderly and peaceful society.

Your Committee believes that the study shall include but not be limited to:

1. Good time provisions whereby a prisoner may reduce his sentence pro rata for infraction;
2. Range in years whereby a flat term may vary considering the mitigating or aggravating circumstances of the particular crime and in the discretion of the judge;
3. Role of probation to strengthen the goals of flat-time prison sentencing.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 178 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1139 Water, Land Use, Development and Hawaiian Homes on H.R. No. 446
(Majority)

The purpose of this resolution is to request the Hawaii Visitors Bureau, the Department

of Planning and Economic Development, and the Chamber of Commerce of Hawaii, to seek the fuller recognition of the State of Hawaii by urging networks and other appropriate media for the inclusion of Hawaii in mainland weather reporting.

Your Committee feels that regular reporting of Hawaii's favorable climatic conditions on mainland radio and television stations would give Hawaii millions of consumer impressions each year throughout our largest tourist market, the United States. Reports of Hawaii weather conditions would help to identify our State as a potential visitor destination, particularly when winter weather conditions exist on the mainland.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.R. No. 446 and recommends its adoption.

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

SCRep. 1140 Water, Land Use, Development and Hawaiian Homes on H.R. No. 480

The purpose of this Resolution is to request that the Hawaii Historic Places Review Board make a speedy evaluation of the recommendations contained in the Department of Land and Natural Resources report on Kawainui Marsh, Oahu. The report favors placing Kawainui Marsh on the Hawaii Register of Historic Places and nominating it to the National Register of Historic Places.

The Kawainui area was part of a major Hawaiian settlement along Kailua Bay. It was the home of alii in the early eighteenth century and two of Oahu's most notable chiefs, Kakuhihewa and Kualii, maintained their centers of government there. At that time Kawainui was a large inland fishpond belonging to the alii. The wetland areas along its streams were used for taro growing. Two historic sites, Pahukini Keiau and Ulu Po Heiau, located in the area surrounding Kawainui already are on the National Register of Historic Places.

The Kawainui swamp area drainage basin has considerable archeological potential and is important for understanding Hawaiian culture and its early development. Your Committee feels this area was an extremely important area for prehistoric Hawaiian occupations and its preservation as a historical site would permit much needed archeological research as well as contribute to the culture and heritage of the Hawaiian people.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.R. No. 480 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1141 Water, Land Use, Development and Hawaiian Homes and Agriculture on H.R. No. 666

The purpose of this Resolution is to request the Department of Land and Natural Resources to enter into a program of land exchanges with Castle and Cooke and other owners, for lands in the North Kohala district of the island of Hawaii, to facilitate creation of an agricultural park in the district.

Your Committee feels a series of land exchanges between the State of Hawaii and Castle and Cooke would enable both parties to attain a rational pattern of land ownership, and lead to creation of a sizeable tract of public lands suitable for an agricultural park.

Your Committee on Water, Land Use, Development and Hawaiian Homes and your Committee on Agriculture concur with the intent and purpose of H.R. No. 666 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1142 Ecology and Environmental Protection and Water, Land Use, Development and Hawaiian Homes on H.R. No. 680

The purpose of this resolution is to request the United States Congress to amend the provisions of the Marine Mammal Protection Act to provide reasonable constraints to adequately protect porpoise stocks and also ensure protection of the continued viability

of the United States tuna industry.

The United States tuna industry has advanced significantly in technological improvements to reduce the mortality level of porpoise incidentally taken during purse-seine netting operations of yellow-fin tuna from 31.9% in 1971 to 1.3% in 1976.

While meaningful progress has been made, the problem must ultimately be solved through continued research and gear development. Your Committees feel that if the United States tuna industry fleet is not permitted to compete effectively with foreign flag vessels with reasonable constraints, it is a certainty that the number of foreign flag tuna seiners will increase as necessary to harvest the available supply of yellow-fin tuna.

Your Committees on Ecology and Environmental Protection and Water, Land Use, Development and Hawaiian Homes concur with the intent and purpose of H.R. No. 680 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1143 Water, Land Use, Development and Hawaiian Homes on H.R. No. 709

The purpose of this Resolution, as amended, is to request the Department of Land and Natural Resources to restore to full and complete recreational use State lands on which illegal residents have been allowed to reside; to request the Department of Land and Natural Resources to consult with the Attorney General to prepare for civil action and possible prosecution for criminal trespass; and, to request the Attorney General to prepare legislation to facilitate eviction, to be submitted prior to the convening of the 1978 legislative session.

Your Committee feels the present statute, as enforced by a court ruling, is too broad in that it allows squatters who reside illegally on State lands to benefit from relocation assistance. Your Committee is disturbed at the increasing numbers of these squatters on State lands, and the fruitless efforts of the city and state to evict them.

The Resolution has been amended by deleting reference to specific areas of concern, and by requiring the Attorney General to prepare legislation relating to the relocation provision to facilitate eviction.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.R. No. 709, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 709, H.D. 1.

Signed by all members of the Committee.

SCRep. 1144 Ecology and Environmental Protection on H.R. No. 198

The purpose of this resolution is to request that agencies of the City and County of Honolulu fully enforce the provisions of existing noise control laws, rules, ordinances, and regulations.

Your Committee finds that noise is an inevitable by-product of human interaction in the dense environment of Honolulu.

Your Committee further finds that while there are numerous laws, rules, ordinances, and regulations relating to noise control, enforcement is lax and noise continues to be a health hazard as well as a nuisance.

Your Committee has made various amendments for conciseness and clarity. Your Committee has also amended this resolution to include State agencies among those being requested to fully enforce noise control laws and regulations.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of H.R. No. 198 as amended herein and recommends its adoption in the form attached hereto as H.R. No. 198, H.D. 1.

Signed by all members of the Committee.

SCRep. 1145 Ecology and Environmental Protection and Water, Land Use, Development and Hawaiian Homes on H.R. No. 496

The purpose of this resolution is to request the department of land and natural resources to designate Onomea Bay, Hawaii, as a marine life conservation district, and that the department coordinate their efforts with the County of Hawaii.

Progress has deteriorated and endangered the ecosystems in many areas of the State which, in turn, destroys what may be irreplaceable and detracts from the recreational opportunities of the people. Onomea Bay on the Big Island provides a natural and relatively undisturbed ecosystem which teems with marine life. Your Committee feels Onomea Bay should be protected and preserved to ensure educational and recreational opportunities for the present and future generations of the people of Hawaii.

Your Committees on Ecology and Environmental Protection and Water, Land Use, Development and Hawaiian Homes concur with the intent and purpose of H.R. No. 496 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 1146 Ocean and Marine Resources and Ecology and Environmental Protection on H.R. No. 619

The purpose of this Resolution is to request that the Department of Land and Natural Resources draw up rules and regulations that manage all forms of coral in all areas of the State.

Your Committees find that the present management program is inadequate for controlling the taking of coral, that there are numerous instances where coral has been taken without regard to its impact on the habitat or the marine environment.

Your Committees assert that coral of all forms are resources that belong to the State of Hawaii, whether it be near-shore coral or precious coral found several miles off our coast. It is the right and the responsibility of the State to assert its authority over these resources and to initiate a comprehensive management program.

Your Committees have amended the Resolution to delete the word "irreplaceable", substituting "invaluable", because coral does renew itself, albeit at a very slow rate.

Your Committees have also amended the guidelines for future regulations to include the definition of "reasonable domestic use" and "non-commercial use", so as to clarify the present law, which is now difficult to enforce.

Your Committee on Ocean and Marine Resources and your Committee on Ecology and Environmental Protection concur with the intent and purpose of H.R. No. 619, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 619, H.D. 1.

Signed by all members of the Committees.

SCRep. 1147 Energy and Transportation on H.R. No. 676

The purpose of this resolution is to request the Director of Transportation to reappraise the policies governing wholesale group commercial photography at Honolulu International Airport in order to permit wholesale group commercial photography at Honolulu International Airport on a pre-arranged basis by commercial photographers under the exception provisions of the lease agreement governing commercial photography at Honolulu International Airport. It is not intended to reflect on the exclusivity provisions of the current Honolulu International Airport commercial photography lease.

Your Committee finds that the Department of Transportation's past and current policies relating to commercial photography at Honolulu International Airport should be subject to review. The Department of Transportation currently restricts the right to engage in commercial photography at Honolulu International Airport to the firms which hold the concession lease for this activity, but other commercial photographer holding lei greeting permits were permitted to photograph groups on a pre-arranged basis prior to 1975, and the lease contains provisions which may exempt greeting services which include photography from the scope of the lease.

Upon further consideration, your Committee has made the following amendments to H.R. No. 676:

- (1) The phrase "arbitrarily refused to allow" has been deleted and the word "disallowed" substituted, and the words "their lawful" have been deleted from the sixth "WHEREAS" clause on page one; and
- (2) The entire seventh "WHEREAS" clause has been deleted on page one; and
- (3) The word "monopolistic" has been deleted from the eighth "WHEREAS" clause on page one; and
- (4) The entire ninth "WHEREAS" clause has been deleted and the phrase "WHEREAS, there have been representations to the House Committee on Energy and Transportation that permits for prearranged group photography may be possible under exception provisions in the present rules and regulations; now therefore," substituted on page one; and
- (5) The entire first "WHEREAS" clause has been deleted on page two; and
- (6) The phrase "modify the policies and regulations governing commercial photography at Honolulu International Airport and to permit" has been amended to read "modify the policies governing commercial photography at Honolulu International Airport to permit" in the first "BE IT RESOLVED" clause, and
- (7) The names of individuals have been deleted from the second "BE IT RESOLVED" clause.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 676, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 676, H.D. 1.

Signed by all members of the Committee except Representative Machida.

SCRep. 1148 Energy and Transportation on H.R. No. 626

The purpose of this resolution is to request the County Councils to direct their attentions to the problem of traffic safety standards of schools in their respective counties.

It has come to your committee's attention that hazardous traffic conditions created by heavy traffic immediately before and after school hours, should be considered in the respective county councils of the City and County of Honolulu, Maui, Kauai, and Hawaii.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 626 and recommends its adoption.

Signed by all members of the Committee except Representative Machida.

SCRep. 1149 Higher Education on H.R. No. 713

The purpose of this resolution is to request the University of Hawaii to further demonstrate its concern and support for students who seek employment in consonance with career objectives by utilizing the present delivery mechanism that it created for servicing student employment.

Your Committee finds that in the past, the functions of the Student Employment Office were under the purview of the University of Hawaii Financial Aids Office. However, to service increasing numbers of students, and to fulfill job classification, equal pay for equal work, and equal employment opportunity requirements, and in response to legislative directives, the Student Employment Office was established as a separate office in 1975.

Your Committee finds that the Student Employment Office has placed an average of 2,700 students per year in part-time jobs and are now pursuing the coordination of

these placements with career goals.

Your Committee recognizes that the task of administering the Student Employment Office is a grave responsibility. It is pleased with the attested success of the Student Employment Office in meeting the needs for part-time employment. It is felt that they have eminently met the challenge and should continue to pursue their objectives. Your Committee strongly urges the University of Hawaii to continue the present mechanism applied by the Student Employment Office at Manoa, and foster its growth without any bureaucratic impediments to deter from its present direction or de-emphasize its objectives and responsibilities.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 713 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1150 Higher Education on H.R. No. 650

The purpose of this resolution is to request the Board of Regents of the University of Hawaii to establish a degree program offering Bachelor of Arts in the Hawaiian Language.

The University of Hawaii presently offers two degree programs in Hawaiian; however, testimony presented to your Committee revealed that because a specific curriculum is absent, there is no control over the quality of Hawaiian language experts or teachers receiving such degrees. The requirements for language credits are minimal, consequently, there are persons who are teaching the Hawaiian language after having completed only two Hawaiian language courses at the University.

Your Committee feels that since the Hawaiian language is our State's indigenous language, an effort should be made to cultivate our natural ability to develop a quality scholastic program in Hawaiian language which will be unique nationwide. The University currently offers a wide range of Hawaiian language courses, so it does not appear that additional financial and human resources will be required to establish such a degree program. Moreover, the fact that approximately one-third of the students enrolled in the present Hawaiian degree programs have their emphasis in language is indicative of the student demand for a Hawaiian language degree program thereby justifying its establishment.

A minor technical amendment was made to the third line of the second paragraph of the resolution by changing the word "Arts" to "Studies".

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 650, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 650, H.D. 1.

Signed by all members of the Committee.

SCRep. 1151 Education on H.R. No. 625

The purpose of this Resolution is to request the Department of Education to work with the respective County Police Departments to develop traffic safety standards for schools and provide police assistance for Junior Police Officers at schools experiencing difficult traffic problems.

Your Committee finds that there are hazardous traffic conditions existing at certain public schools in Hawaii. Although the Junior Police Officers have done a fine job monitoring traffic during peak traffic hours before and after school, professional assistance would help to lessen hazardous crossings at certain schools.

Your Committee has amended this Resolutions in the following manners:

- 1) The words "DEVELOP TRAFFIC SAFETY STANDARDS FOR SCHOOLS AND" have been deleted from the title;
- 2) In paragraph five, the County Councils have been included to work in cooperations with the Department of Education and the County Police Departments;
- 3) Paragraph six has been deleted and substituted with:

"BE IT RESOLVED by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1977, that the respective County Councils and their Police Departments review the Department of Education Junior Police Officer Task Forces' evaluations and recommendations and provide the necessary assistance to eliminate the difficult traffic problems; and"; and

- 4) In paragraph eight, the Chairpersons of each County Council has been included to receive certified copies of this Resolution.

Your Committee feels that the County Councils should be involved in this cooperative effort. Your Committee also feels that since an evaluation of major traffic problems in schools has already been conducted by the Department of Education's JPO Task Force efforts to eliminate these hazardous conditions must be expedited. Therefore, this Resolution has been amended to direct the County Police Departments to review the JPO Task Force reports and provide the necessary assistance to eliminate the difficult traffic problems.

Your Committee on Education is in accord with the intent and purpose of H.R. No. 625, as amended herein, and recommends that it be adopted in the form attached hereto as H.R. No. 625, H.D. 1.

Signed by all members of the Committee.

SCRep. 1152 Energy and Transportation on H.R. No. 648

The purpose of this resolution is to request the Department of Transportation to establish a bikeway along Kalaniana'ole Highway in Waimanalo.

The Department of Transportation submitted testimony to your committee which concurs with the intent and purposes of this resolution. The recently completed statewide bikeway master plan provides for a bike lane along Kalaniana'ole Highway through Waimanalo.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 648 and recommends its adoption.

Signed by all members of the Committee except Representative Machida.

SCRep. 1153 Energy and Transportation on H.R. No. 698

The purpose of this resolution is to request the Department of Accounting and General Services to encourage car pooling by implementing a differential parking rate schedule for State employees with a maximum fee set for drivers who commute to work alone, a reduced fee for drivers who carry one passenger, a further reduced fee for drivers who carry two passengers, and no fee for drivers who carry three or more passengers.

Upon hearing the subject matter, your Committee received testimony in favor of incentives for car pooling.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 698 and recommends its adoption.

Signed by all members of the Committee except Representatives Machida, Peters, Say, Stanley and Medeiros.

SCRep. 1154 Energy and Transportation on H.R. No. 624

The purpose of this resolution is to urge Hawaii's Congressional delegation to carefully examine the proposed Air Transportation Regulatory Reform Act of 1977 and to concentrate on the aspects of the proposed legislation that will affect the citizens and economy of Hawaii.

Upon receiving testimony from both the industries and the unions, your committee amended this resolution to more specifically reflect Hawaii's interests and well-being as affected by the proposed legislation.

Your Committee on Energy and Transportation concurs with the intent and purpose

of H.R. No. 624 as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 624, H.D. 1.

Signed by all members of the Committee except Representative Machida.

SCRep. 1155 Energy and Transportation on H.R. No. 657

The purpose of this resolution is to request the Governor, the Department of Transportation and the federal government to initiate immediate action to provide funds for and start acquisition and construction of the Piilani Highway, Kihei to Ulupalakua, Maui, including the completion of an environmental impact statement.

Your committee received testimony from the Department of Transportation in agreement with the intent and purposes of this resolution.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 657 and recommends its adoption.

Signed by all members of the Committee except Representative Machida.

SCRep. 1156 Legislative Management on H.R. No. 712

The purpose of this Resolution is to authorize the various standing committees of the House or any sub-committees thereof, or any special committees to meet to gain information and conduct hearings during the interim between the adjournment of the Regular Session of 1977 and the convening of the Regular Session of 1978 on matters of concern to the House or the particular committee, upon the approval of the Speaker of the House.

The adoption of this Resolution to authorize interim committee work through the office of the Speaker is a standard practice of the House of Representatives. Your Committee is aware of the increasing demand for interim work over the years and the accompanying increase in cost for each committee to conduct its activities. This Resolution establishes a systematic method by which House interim committees may receive authorization to operate.

Your Committee on Legislative Management concurs with the intent and purpose of H.R. No. 712 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1157 Water, Land Use, Development and Hawaiian Homes on H.R. No. 664

The purpose of this resolution is to urge the Department of Land and Natural Resources to increase and intensify their tree planting programs in the state.

Your Committee finds that besides providing aesthetic beauty, the planting of trees can greatly enhance the quality of our natural environment by providing windbreaks, shade, buffers against noise, and the minimization of soil erosion. In addition, a tree planting program will create jobs to alleviate the unemployment situation in our state.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.R. No. 664 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1158 Water, Land Use, Development and Hawaiian Homes on H.R. No. 634

The purpose of this resolution is to request the Department of Land and Natural Resources to only work on the parkway between the Bascuel Bridge and a point up to where the affected businesses are located; to request the department to construct a temporary connecting road from Sand Island Road to the parkway at or near the point designated to permit vehicular traffic to utilize the portion of the parkway which is to be completed; and, to request the department to postpone eviction of the businesses and construction of the parkway where the affected businesses are located until the completion of the Sand Island Park or as deemed necessary.

There are approximately 18 businesses, employing over 300 people, located in the path of a portion of the planned parkway which, if immediately evicted by the State, will result in loss of business revenues to them and possibly jobs while the businesses relocate. It has been estimated that the new parkway and utility lines will not be required for several years until Phase III has been completed.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.R. No. 634 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1159 Water, Land Use, Development and Hawaiian Homes on H.R. No. 522

The purpose of this resolution is to request the Congress of the United States to act promptly to stop the sale of railroad tracks from the Naval Magazine, Lualualei, Oahu, Hawaii.

Your Committee finds that the General Services Administration prepared to accept bids for approximately 28 miles of railroad tracks including all associated hardware presently located within the Naval Magazine at Lualualei. Should these railroad tracks be sold, the efforts of the Hawaiian Railway Society, a non-profit educational organization dedicated to preserving the history of railroading in Hawaii, will be seriously curtailed. With the sale of the Lualualei railroad tracks, the society's hopes for a "hands-on" operating railway museum will be lost, and with it, a potential educational/recreational attraction for Hawaii's residents and visitors.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.R. No. 522 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1160 Water, Land Use, Development and Hawaiian Homes on H.R. No. 515

The purpose of this resolution is to request the Board of Land and Natural Resources to expedite final action on the master plan and initiate proceedings for the incremental acquisition of lands for the Makena-LaPerouse State Park.

Your Committee finds that there is a need for parks and recreational facilities in the central leeward area of Maui. Approximately \$1,395,000 was appropriated by the Seventh and Eighth Legislatures for the master planning and incremental land acquisition and construction of the Makena-LaPerouse State Park.

Since the finalized master plan will soon be submitted, the Board of Land and Natural Resources is requested to expedite development and construction of the Makena-LaPerouse State Park.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.R. No. 515 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1161 Water, Land Use, Development and Hawaiian Homes on H.R. No. 377

The purpose of this resolution is to request the Congress of the United States of America to enact legislation to compensate the aborigine or native Hawaiians for damages suffered by them at the time of the annexation of the Hawaiian Islands to the United States of America.

Upon the abdication of the throne by Queen Liliuokalani, the Crown Lands, or those lands distributed for the king's use under the Great Mahale of 1848, were deemed to be part of the public land of the Hawaii Republic. Upon the annexation of Hawaii by the United States of America, crown lands thereby became part of the public lands of the United States of America, thereby depriving the native Hawaiians of certain property or property rights.

Your Committee feels that reparation is due the Hawaiian people, either in the form of land or money, or both, for the damages the Hawaiian people have lived with since

the time of annexation.

Your Committee has amended the resolution by adding another BE IT FURTHER RESOLVED clause.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.R. No. 377, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 377, H.D. 1.

Signed by all members of the Committee.

SCRep. 1162 Agriculture on H.R. No. 497

The purpose of this resolution is to encourage the Department of Agriculture and the College of Tropical Agriculture to intensify their efforts to strengthen pest detection and control programs especially at the points of entry to the State and to develop and implement effective measures to curtail the arrival and establishment of harmful pests.

Your Committee finds that as Hawaii's consumers demand more imported products the danger of new pests being introduced into the State increases simply by the larger volume and quantity of import products. Recent regulations by the Environmental Protection Agency on the use of pesticides has restricted the number of chemicals now available for use in agriculture, thus limiting the alternatives in eliminating or controlling pests once they have been introduced.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 497 and recommends that it be referred to your Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 1163 Water, Land Use, Development and Hawaiian Homes on H.R. No. 323

The purpose of this resolution is to express legislative support for the concept of an integrated district park-civic center complex in the Greater Kahaluu area and for the provision of State and City funds necessary to complete said complex incrementally within a ten-year period.

The growing community of Greater Kahaluu has no public park or centralized permanent site for needed services to accommodate present and future needs of the area. Development of 50 acres of land for a district park-civic center would not only fulfill this need, but would also fulfill federal requirements for the Kahaluu Flood Control Project. Furthermore, development of such a park-lagoon complex would be in accordance with the City and County of Honolulu's new general plan for Oahu, the State Comprehensive Outdoor Recreation Plan, and other planning documents. Both the State and the City & County of Honolulu have purchased, or are in the process of acquiring, several parcels of land in the area that are intended to be a part of the park-civic center complex.

Upon further consideration, your Committee has made technical changes and has amended this resolution to delete reference to the Windward Oahu Regional Plan because said plan has not been officially recognized. Also, your Committee has deleted the second "BE IT RESOLVED" clause.

Legislative endorsement of this concept will set the stage for the implementation of a recreation and civic center plan that will be a major part of the total community development plan proposed for Greater Kahaluu, a neighborhood in transition from a rural to a more urbanized community.

Your Committee on Water, Land Use, Development and Hawaiian Homes concurs with the intent and purpose of H.R. No. 323, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 323, H.D. 1.

Signed by all members of the Committee.

SCRep. 1164 Culture and the Arts on H.R. No. 704

The purposes of this resolution are to 1) congratulate the American Federation of Musicians of the United States and Canada, AFL-CIO, for selecting Hawai'i as its 1977

convention site; 2) to express appreciation to the Musicians Association of Hawai'i, Local 677, AF of M, AFL-CIO, for the renown and stature of Hawai'i's musical contributions; 3) request the Governor proclaim the week of June 20-24, 1977 as Hawai'i Musician Appreciation Week.

Music is an old and universal form of communication; a historical link between past and present. Within Hawai'i's multi-ethnic environment, music is the vehicle for sharing-creating a harmony amidst diversity.

Your Committee finds that the Federation's decision to hold its 80th annual convention in Hawai'i is a tribute to the music of Hawai'i; its artists and musicians.

Your Committee concurs with the intent and purpose of H.R. No. 704 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1165 Education on H.R. No. 237

The purpose of this Resolution is to urge parents to participate in the activities of their children's schools.

Your Committee on Education feels that the education of our young people should be a joint effort between the home and the school. Participation by parents in school activities would reinforce the positive aspects of a student's learning experience and better parent/teacher relationships.

Your Committee further finds that schools should draw on parent resources to enrich and supplement classroom instruction. Presently, this tremendous resource has not been fully exploited by schools.

Your Committee has amended this resolution to delete the section referring to businesses allowing parents time off from work to participate in school activities. Your Committee feels that this would negate existing employer/employee agreements and therefore should not be addressed in this Resolution.

Your Committee on Education is in accord with the intent and purpose of H.R. No. 237, as amended herein, and recommends that H.R. No. 237, H.D. 1 be adopted.

Signed by all members of the Committee.

SCRep. 1166 Finance on H.R. No. 211

The purpose of this resolution is to request the state department of taxation to study the impact and feasibility of implementing an investment tax credit for new businesses, including a recommendation concerning the type of credit and whom should receive it, and that it submit its findings and recommendations to the legislature twenty days before the convening of the Regular Session of 1978.

Hawaii needs to find a viable means of assuring its growth and a greater independence of mainland products in order to maintain economic stability. Since the present economy runs the risk of either leveling off in the near future or continuing at a depressed growth rate with high unemployment, a new means of economic stimulation must be considered.

A proposed investment tax credit for new businesses may be a feasible alternative to this problem in that new revenue-generating means would be attracted and encouraged to enter Hawaii. Although it is recognized a short-term impact would be a reduction in State revenues through the loss of revenue otherwise gained from these new businesses, in the long run, increased employment through such new businesses would generate greater State revenues through more steady, increased income and general excise tax returns.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 211 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1167 Finance on H.R. No. 283

The purpose of this resolution is to request the Department of Education to undertake and implement a program design for community involvement that includes both the bringing of community resources into the school as well as the solicitation of community usage of school facilities. The resolution also requests the DOE to include in that program design the establishment of incentives and program outreach to encourage schools to involve the community around it. The DOE is requested to report on its findings to the 1978 session of the Legislature.

While it is true that the DOE has established procedures and regulations for the use of school facilities, and while it has encouraged various specific projects which involve the community and certain schools, there does not appear to be any concerted outreach to bring the community into the school and the school into the community on a systemwide basis.

So that community involvement may be given real meaning in terms of community support to the school and school support to the community, this resolution is asking for a program design so that both the Legislature and the department will have a better idea of the scope of the program and whether the objectives of the program will be compatible with legislative intent.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 283 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1168 Finance on H.R. No. 19

The purpose of this resolution is to request a review and study of the Hawaii Revised Statutes to determine whether the statutory language complies with the equal rights amendment to the Hawaii Constitution and is consistent with the proposed equal rights amendment to the U. S. Constitution.

Your Committee agrees that in order to assure that the statutory provisions of the Hawaii Revised Statutes comply with the concept of equality of the sexes as embodied in our constitution, a thorough review and study is required. Your Committee further agrees that it is imperative that the State Commission on the Status of Women take a more active role in this area. This resolution therefore provides that the Legislative Reference Bureau and the State Commission on the Status of Women will conduct the review and study.

The State Commission on the Status of Women is also requested to review and study all bills passed by each legislature and to report its findings prior to the convening of each succeeding legislative session.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 19, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1169 Finance on H.R. No. 284

The purpose of this Resolution is to request the department of education to provide for the systematic and uniform implementation of a course on "Hawaii's Alternative Futures" into the regular curriculum of the State's secondary schools.

Presently "Hawaii's Alternative Futures" is being instituted in selected public and private high schools as a pilot program which attempts to integrate the practical realms of politics and community development with various theoretical perspectives to enable students to grasp and develop possible and probable alternative futures for their communities sponsored by the Commission on the Year 2000, in conjunction with the Pacific Asian Affairs Council. "Hawaii's Alternative Futures" is unique in that its curriculum has been developed by groups of both teachers and students and is being field-tested during the 1976-77 school year. Moreover, all indications are that it has been favorably received by the students and by the members of the communities of participant schools.

Your Committee recognizes the value of an innovative program of this genre which

applies a systems approach to the study of futuristics. If the students of today are to be the decision makers of tomorrow, efforts to enable them to comprehend the enormity of the challenge before them are to be lauded and given enthusiastic support.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 284 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1170 Finance on H.R. No. 413

The purpose of this resolution is to direct the University of Hawaii at Manoa to incorporate the Ethnic Studies Program as an integral and permanent program of studies of the College of Arts and Sciences.

The Ethnic Studies Program at the University of Hawaii, Manoa, has been in existence on provisional status for approximately seven years. The program has undergone several program reviews which resulted in generally favorable assessments. In Spring 1974, the faculty committees of the College of Arts and Sciences and the Manoa Faculty Senate recommended that the program be adopted as a permanent department of the University. However, two years later, a report was released by the Vice-Chancellor to abolish the program and disperse the courses into already existing departments. Widespread public and faculty opposition to the report prompted the Chancellor to withdraw the report and order a new academic review in Fall 1976. This review is still being conducted and is expected to be completed in mid-April.

Your Committee agrees that there is strong support for the permanency of the Ethnic Studies Program because it is the only program which offers multi-ethnic studies based on Hawaii's common, working people and their historical and contemporary contributions and experiences. Your Committee further agrees that such a program at the University is valuable and worthy of continuation. Your Committee supports the adoption of this resolution as it is necessary to express legislative intent regarding the continuation of the Ethnic Studies Program.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 413, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1171 Finance on H.R. No. 406

The purpose of this resolution is to request the Department of Personnel Services, with the assistance of the University of Hawaii and the Department of Education, to conduct a feasibility study on the concept of job sharing. The study is to include:

- (1) An identification of existing positions which could be shared on a voluntary basis;
- (2) A survey of near retirement personnel who may be interested in job sharing;
- (3) A study of future positions which could be made available for job sharing;
- (4) A study of employees benefits for employees who share positions;
- (5) A study of how service time could be credited for employees who share positions; and
- (6) A study of all other factors and implications which should be considered in implementing the job-sharing concept.

Interest in job-sharing has increased throughout the nation as part of a movement to reduce unemployment and to provide persons with a smoother transition into retirement.

There are two basic forms of job sharing--job-splitting and job pairing. However, the novelty of the concept and the specific effects it may have on present employment structures and benefits requires careful study be done before implementation.

The Legislative Reference Bureau has completed some background information on

the concept of job sharing as it is applied to public employment. In its submittal to the Committee, it noted that several areas of concern, particularly, the cost-related items of job-sharing, need to be determined before any decision can be made relating to its feasibility.

Your Committee feels that the appropriate agency to continue the study of the Legislative Reference Bureau is the Department of Personnel Services, since it has the available data on Hawaii's public employment patterns to determine cost and feasibility.

In order to conduct a comprehensive analysis of the feasibility of job sharing throughout the entire state public employment system, your Committee has amended the BE IT RESOLVED clause of this resolution to read as follows:

BE IT RESOLVED by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1977 that it does hereby request the Department of Personnel Services, with the assistance of all state departments to conduct a feasibility study on the concept of job sharing, which study shall include: "

Your Committee has also amended the last paragraph of this resolution to read as follows:

"BE IT FURTHER RESOLVED that duly certified copies of this Resolution be sent to the Governor of the State of Hawaii, the Chief Justice of the Hawaii Supreme Court, the State Comptroller, the Chairman of the Board of Agriculture, the State Attorney General, the Director of Budget and Finance, the State Adjutant General, the Superintendent of Education, the Chairman of the Hawaiian Homes Lands Commission, the Director of Health, the Director of Labor and Industrial Relations, the Chairman of the Board of Land and Natural Resources, the Director of Personnel Services, the Director of Planning and Economic Development, the Director of Regulatory Agencies, the Director of Social Services and Housing, the Director of Taxation, the Director of Transportation and the President of the University of Hawaii.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 406, as amended herein and recommends its adoption in the form attached hereto as H.R. No. 406, H.D. 1.

Signed by all members of the Committee.

SCRep. 1172 Finance on H.R. No. 579

The purpose of the resolution is to request the Directors of Budget and Finance and Personnel Services, and the President of the University of Hawaii, to identify their statewide and multi-department in-service training functions, responsibilities, and authorities in the area of employee development and training and report their findings and recommendations to the Legislature before the convening of the 1978 Legislative Session.

All of the agencies involved in the resolution have responsibilities in the area of employee development and training. As a result, there may exist certain overlapping or inconsistent responsibilities. The process of reviewing responsibilities may also bring to the attention of the executive agencies any gaps in employee in-service training. This process is intended as a first step in developing a coordinated in-service training program to meet the needs of all of Hawaii's public employees.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 579 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1173 Finance on H.R. No. 462

The purpose of this resolution is to request the Department of Education to establish a special education district center in each school district to serve the severely-multiply handicapped, and those who require daily therapy/treatment. This resolution also provides that the Department of Education is to submit a progress report, along with conclusions and recommendations twenty days prior to the convening of the 1978 Regular Session.

Your Committee agrees that with early intervention and proper therapy severely-multiply handicapped children are capable of becoming productive members of society. Services for these children in Hawaii are now limited to institutional and special education day schools. An alternative for a fuller continuum of services for severely-multiply handicapped children would be the establishment of special education district centers. These centers would be located on or immediately adjacent to regular public school campuses, and staffed by qualified special education professional, paraprofessional, and ancillary personnel.

Your Committee agrees that these centers would be desirable for several reasons. First, they would provide therapy/treatment and education for these children at a place close to home, making parent participation more feasible and decreasing travel time and cost. Second, being placed at or by a school would provide a less restrictive environment and increase interaction between handicapped and regular school students. And third, this arrangement would provide a centralized location from which therapy personnel could provide therapy, consultation, and related services for other students and teachers of the respective districts.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 462 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1174 Finance on H.R. No. 595

The purpose of this resolution is to request consideration of legislative policy by the Department of Transportation in the forthcoming renegotiation of Exhibit One of the airport-airline lease.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 595, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1175 Finance on H.R. No. 571

The purpose of this resolution is to request the Governor to appoint a full-time Marine Affairs Coordinator as soon as possible.

The Office of the Marine Affairs Coordinator was created in 1970 to effect a unified approach to the fullest development and utilization of Hawaii's marine resources, however, the position has never been filled on a full-time basis.

Your Committee believes that a full-time Marine Affairs Coordinator is required if the office is to fulfill its statutorily-prescribed duties and responsibilities.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 571 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1176 Finance on S.C.R. No. 75

The purpose of this Concurrent Resolution is to request the Office of the Legislative Reference Bureau to conduct a study on the feasibility of establishing an income supplementation program for needy retirees and pensioners who are permanent residents of the State of Hawaii.

The problem of older persons living on a fixed income has been identified as one of the most critical issues affecting the elderly. According to the Comprehensive Master Plan for the Elderly, many of Hawaii's senior citizens live on incomes which fall below the poverty level. A system which assures income security would be the key to eliminating many of the major problems confronting these people. This resolution would be a step towards resolving the problem.

Your Committee recommends that the Office of the Legislative Reference Bureau use all available resources in conducting its study, including data, and resources from

past and current studies on the issue. The Legislative Reference Bureau is requested to conduct the study as a Bureau project and contracting for the study shall be considered only after in-house resources have been fully explored.

Your Committee on Finance concurs with the intent and purpose of S.C.R. No. 75 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1177 Finance on H.R. No. 617

The purpose of this resolution is to request the Legislative Auditor to conduct a management and program audit of the Highways division of the Department of Transportation and the overall support for transportation facilities and services (TRN 995).

Your Committee on Finance concurs with the intent and purpose of H.R. No. 617 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1178 Finance on H.R. No. 304

The purpose of this Resolution is to request the Department of Education to study the feasibility of establishing one or more teacher centers in each school district. The Department of Education is to report its findings to the 1978 Regular Session of the Legislature.

Your Committee agrees that teacher centers can provide a central location for advancing professionalism and improving communication among teachers. The potential includes a place where teachers can discuss and disseminate innovative classroom techniques, provide input for program design and implementation, and provide an ongoing inservice training. This training is essential in an educational system marked by rapid changes and technological and theoretical innovation.

The report requested by this Resolution is due twenty days prior to the convening of the Regular Session of 1978.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 304, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1179 Finance on H.R. No. 250

The purpose of this Resolution is to request the Legislative Reference Bureau to conduct a feasibility study on early retirement for teachers and to examine the costs and benefits of providing early retirement incentives.

Presently there is a surplus of trained teachers in the State and retirement incentives are seen as a way to make available teaching positions through encouraging early retirement. However, your Committee agrees that before such an early retirement system can be instituted, careful study of the issue is required.

This Resolution requires the Legislative Reference Bureau to report its findings and recommendations to the Legislature twenty days before the convening of the 1978 session.

Your Committee on Finance concurs with the intent and purpose of H.R. 250, H.D. 2, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1180 Finance on S.C.R. No. 96

The purpose of this concurrent resolution is to urge Congress to maintain the level of aid which Hawaii's schools receive through P.L. 81-874, Aid to Federally Impacted Areas.

Congress is contemplating a possible reduction of some \$5.5 million from this grant to the State of Hawaii in FY 1977-78. The need for such aid is acute. The Executive Budget, submitted for the department of education, estimates that \$12.4 million in Impact aid would be received in fiscal year 1977-78 and that \$12.3 million would be received in fiscal year 1978-79. Should this total be reduced by \$5.5 million or by any amount, that amount would have to be made up with state funds. A good portion of the federal money that Hawaii's schools receive is only available for limited purposes and thus to lose that money would effect only those specific programs. Impact aid on the other hand is used to support the regular instruction component and would thus have to be replaced with state funds.

Your Committee on Finance concurs with the intent and purpose of S.C.R. 96, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1181 Finance on H.R. No. 409

The purpose of this resolution is to request the office of the Legislative Reference Bureau to investigate the "sunset" concept by providing a general description of the concept, information on such legislation in other states, description of the experiences of other states, description of alternatives for the sequential implementation of the sunset concept in Hawaii and the presentation of various legislative approaches for statutory enactment. The Legislative Reference Bureau is to present a report of its findings before the convening of the 1978 session.

The "sunset" concept is a mechanism which systematizes a program of periodic review of public agency operations. Generally, it establishes a date on which statutory authorization of an agency is terminated and requires that prior to termination, a review of the agency be conducted to determine whether the affected agency is effectively carrying out its responsibilities and functions. If it is found to be performing satisfactorily, then the Legislature may take affirmative action to extend the life of the agency.

This resolution seeks to study the application of sunset laws to state agencies. Your Committee feels that the sunset concept may be one alternative toward more accountable, responsive, effective and efficient government performance.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 409 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1182 Tourism (H.R. No. 149)

Your Committee on Tourism, pursuant to H.R. No. 149, adopted by the Regular Session of 1977, and directed to "evaluate and prepare a progress report on the status of current and planned programs of state, federal, and county agencies and private groups designed to meet Waikiki's physical, social, economical and environmental problems", and to report its findings and recommendations to the House prior to the adjournment of the 1977 Regular Session, begs leave to report as follows:

COMMITTEE APPROACH

Your Committee solicited information on the subject through meetings and hearings on H.R. No. 149, as well as staff research, during the current 1977 Regular Session. Participants included staff and representatives from the Departments of General Planning and Public Works of the City and County of Honolulu, the State Department of Planning and Economic Development, the Waikiki Improvement Association, the Waikiki Residents Association, and the Hawaii Hotel Association.

BACKGROUND

The improvement of Waikiki has long been considered to be vital to meet the area's physical, social, economic and environmental problems. Appropriations by the Legislature toward this end amount to \$11,274,000 during the period between 1969 and 1975.

Of the total \$11,274,000 appropriated, a major sum of \$9 million was funded through Act 197 in 1971. Under the provisions of Act 197, SLH 1971, the \$9 million in State funds

was to supplement \$4 million in County funds for the same fiscal biennium of 1971-73. The 1971 legislature further called for the use of an improvement or special assessment district concept, under which property owners within the district would be assessed for one-third of the costs for land and construction. Subsequent to Act 197, the City and State administrations could not agree on how and under what kinds of conditions the \$9 million would be expended. Thus, the concept of the Waikiki improvement district was never implemented.

In 1972 the Legislature adopted Acts 201 and 204. Act 201 enabled the State Department of Transportation to initiate an improvement district subject to the approval of the City Council. In consonance with this, Act 204 amended Act 197 of the previous year by allowing the expenditure of the \$9 million by the State under a State improvement district.

In October, 1973, the Department of Transportation released a report on the feasibility of proceeding with Waikiki improvements and recommended that the County undertake the Waikiki improvement district subject to the State's approval.

In 1974, Act 197, SLH 1971, was again revised to delete the requirement relating to the use of the improvement district concept in the financing of the improvements, leaving the expenditure of the \$9 million free of any conditions relating to a state or county improvement or special assessment district concept. However, the State and City administrations still could not come to terms on the expenditure of these funds, which faced a June, 1976 lapsing date as set forth in the original Act.

In 1976, Act 115 extended the lapsing date of the funds from June 1976 to June 1977. Act 115 stated that "the impasse between the State and the City and County which delayed the expenditure of these funds appears to be resolved, and the additional year should be sufficient to encumber the remaining funds."

FINDINGS AND RECOMMENDATIONS

Based on discussions with government officials of the State and County and with representatives of the private sector, your Committee has found that since the lapsing date on the \$9 million for Waikiki improvements was extended for one year through Act 115, 1976, the State and the County have proceeded with various public improvement projects. Such projects, considered to be immediately necessary to Waikiki, include the widening of Kuhio Avenue and various drainage projects in the area. The amounts allotted for these projects as of January, 1977 totalled \$2,174,181 and have supplemented County funds (see Table 1).

Table 1

STATE CONTRIBUTION FOR WAIKIKI IMPROVEMENTS - 1977

Act 197/1971 - Appropriation of \$9,000,000

<u>Project</u>	<u>Amount Allotted</u>	<u>Purpose</u>	<u>Date Allotted</u>
Kuhio Avenue Drain	\$ 62,500	Construction	11-74
Kalakaua Avenue Drain	54,430	"	11-74
Lewers Street Drain	360,596	"	5-75
Ena Road Relief Drain	566,838	"	6-75
Environmental Assessment	16,500	Plans	10-76
Kuhio Avenue Widening	350,375	Land	12-76
Kuhio Avenue Widening	<u>762,942</u>	"	1-77
TOTAL	<u>\$2,174,181</u>		
BALANCE	\$6,825,819		

In addition to these projects, the State and City have requested the Governor to release \$1,515,800 for land acquisition in the widening of Kuhio Avenue. Additional projects being planned by the City are presented in Table 2. An environmental assessment was completed in March, 1977 and concluded that an environmental impact statement would not be needed for the Waikiki improvements.

Table 2

STATE SHARE OF PROPOSED IMPROVEMENT PROJECTS - 1977

Kuhio Avenue--Land acquisition (12 parcels, eminent domain, estimated cost)	\$1,785,885
Sewer Relief Line--Kuhio Avenue (To be advertised in April-May, 1977)	740,000
Drainage Systems--Beach Walk (To be adver- Kaiulani tised in April- Liliuokalani May, 1977) Paoakalani	525,000 451,500 782,000 908,000
TOTAL	<u>\$5,192,385</u>

Other concerns expressed for future improvements for Waikiki was the dredging of the Ala Wai Canal and the development of a community center.

The City has further indicated that they will be requesting another \$1,770,000 in state funds for the continuance of the Kuhio Avenue widening project next year. The City Department of General Planning is also preparing a development plan which will include an urban design element for the Waikiki area. The plan is expected to be completed by 1978 and should provide a basis by which future appropriations could be allocated. A preliminary draft of the plan has already been completed.

In consideration of the long standing need for general public improvements in the Waikiki area for residents and visitors alike, the long delay in the initiation of these improvements, and the evidence of some progress finally being made in such basic improvements as road widening and drainage, your Committee recommends that:

- (1) action be taken to extend the lapsing date of the Act 197, SLH 1971 appropriation; and
- (2) additional funds be appropriated for the continued improvement of Waikiki, that these additional funds include \$1.77 million for the widening of Kuhio Avenue, and that all future funding be in consonance with a Waikiki Development Plan upon its adoption by the Council of the City and County of Honolulu.

Your Committee feels the above proposals would be the first step toward the abatement of Waikiki's physical, social, economic and environmental problems.

Signed by all members of the Committee.

SCRep. 1183 Education on H.R. No. 239

The purpose of this Resolution is to request the Superintendent to develop a vehicle for communicating to schools effective and innovative teaching techniques and programs initiated in the classrooms.

Your Committee finds that there are many effective programs and teaching techniques initiated at the classroom level, however, there are no effective means for communicating information of these effective programs and techniques of teaching with the remainder

of the school system. Presently, there are no viable means of ascertaining from teachers in the classroom information about their teaching methods and programs.

Your Committee further finds that the Superintendent should develop more effective techniques or methods of ascertaining from teachers information about their teaching methods and programs which have proved effective. Therefore, your Committee finds that there is a need for this Resolution.

Your Committee has amended the Resolution as follows:

- (1) The words "develop a" on line three of paragraph four is deleted and substituted with the words "improve the"; and
- (2) A new paragraph has been added to request the Superintendent to develop more effective techniques or methods of ascertaining from teachers information about their teaching methods and programs which have proved effective.

Your Committee on Education is in accord with the intent and purposes of H.R. No. 239, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 239, H.D. 1.

Signed by all members of the Committee.

SCRep. 1184 Public Employment and Government Operations and Employment
Opportunities and Labor Relations on H.R. No. 504

The purpose of this resolution is to request the Division of Occupational Safety and Health of the Department of Labor and Industrial Relations, in cooperation with the Department of Health and the University of Hawaii School of Public Health, to design and conduct an in-depth and comprehensive investigation of the working conditions of sewer workers within the Department of Public Works of the City and County of Honolulu. The Director of the Department of Labor and Industrial Relations is requested to submit a report to the Legislature of the findings and recommendations of the investigation twenty days prior to the convening of the Regular Session of 1978.

Testimony received by your Committees revealed generally, the occupational hazards of persons working in underground sewers. Because of the wet and slippery nature of the working environment, job-related accidents and injuries among these workers are reported to be high. Moreover, workers are constantly exposed to disease producing bacteria and viruses, toxic gases such as carbon monoxide and ammonia, and highly dangerous chemical effluents.

Your Committees find that despite general recognition of the hazardous conditions under which these men work, attempts have not been made to investigate local sewer conditions with a view toward improving the working environment. House Resolution 504 addresses this concern by requesting an investigation of the following:

- 1) diseases contracted by sewer workers and the relationship of these diseases to exposure to toxic substances;
- 2) the nature and causes of industrial injuries sustained by sewer workers;
- 3) the physical condition of underground sewers, other sewer work sites, equipment, workers' uniforms, including recommendations for improvement.

Your Committees have amended the resolution by naming the Department of Labor and Industrial Relations rather than its Division of Occupational Safety and Health, as the lead agency charged with the responsibility of carrying out the intent of the resolution. We have amended the resolution further, to involve the Department of Civil Service of the City and County of Honolulu in designing and conducting the investigation, as well as to request that it consider the implementation of a hazardous pay differential for sewer workers. A report of its findings and recommendations is requested twenty days prior to the convening of the Regular Session of 1978.

Your Committees on Public Employment and Government Operations and Employment Opportunities and Labor Relations concur with the intent and purpose of H.R. No. 504, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 504, H.D. 1.

Signed by all members of the Committees.

SCRep. 1185 Agriculture and Ecology and Environmental Protection on
H.R. No. 514

The purpose of this resolution is to urge the Congressional delegation from the State of Hawaii to work to expedite rulings by the Federal Environmental Protection Agency on petitions filed by the University of Hawaii College of Tropical Agriculture relating to the tolerance of pesticides. These pesticides have been field tested by the College, but cannot be used on Hawaiian agricultural crops until EPA approval is obtained.

Your Committees find that a number of other states beside Hawaii have had petitions pending before the EPA for longer than 90 days, primarily because the EPA in dealing with the specific, and often individual or unique, environmental concerns of the 50 states, has encountered complex and intricate problems which take intensive, thoughtful and time-consuming review.

Therefore, your Committees have amended the resolution to request that Hawaii's Congressional delegation support the budgetary requests of the EPA for additional personnel and resources in registering pesticides. Your Committees feel that by assisting the EPA in this area, the agency will be able to provide better assistance not only Hawaii, but other states.

Your Committees on Agriculture, and Ecology and Environmental Protection, concur with the intent and purpose of H.R. No. 514, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 514, H.D. 1.

Signed by all members of the Committees except Representative Fong.

SCRep. 1186 Agriculture and Ecology and Environmental Protection on
H.R. No. 436

The purpose of this resolution is to request the Congress of the United States to consider amendments to the Water Pollution Control Act of 1972 and other federal statutes imposing environmental protection standards which would specifically suspend or extend the effective application dates of environmental controls for the sugar industry for a period of at least two years.

Your Committees find the Hawaii sugar industry has diligently worked to comply with all federal environmental laws, and regulations established by various federal agencies, such as the Environmental Protection Agency, and also state agencies charged with enforcement of environmental regulations.

Your Committees also find that the sugar industry has encountered significant costs in modernizing and modifying equipment, processing plants, transport vehicles and production methods to meet federally and state imposed environmental standards. In some instances, such as in complying with smoke opacity requirements for sugar factory smokestacks, the industry has discovered that technology is still in the embryonic stage, and thus enormously expensive.

Your Committees feel in light of the financial difficulties which currently threaten the existence of Hawaii's oldest and largest agricultural industry, which employs 9,000 persons, the uncertainty of what action will be taken at the Congressional and Presidential levels to help stabilize and perpetuate the domestic sugar industry, and the industry's traditional concern with the environment, a two-year deferral to comply with certain environmental regulations is a reasonable request. Such a deferral would allow the industry to postpone major expenditures and the development of more efficient technology.

Your Committees have amended the Resolve Clause to have a copy of this resolution transmitted to the Department of Health of the State of Hawaii.

Your Committees on Agriculture, and Ecology and Environmental Protection concur with the intent and purpose of H.R. No. 436, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 436, H.D. 1.

Signed by all members of the Committees except Representative Fong.

SCRep. 1187 Culture and the Arts on H.R. No. 707 (Majority)

The purpose of this resolution is to endorse the proposal of the Hawaii Postal Museum

for the establishment of a permanent exhibit and educational complex in the Kamehameha V Post Office.

Upon consideration of the testimonies presented at a public hearing by the Hawaiian Philatelic Society and the Hawaiian Music Foundation, your Committee expresses its desire for both organizations to find a workable solution for the use of the Kamehameha V Post Office.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 707 and recommends its adoption.

Signed by all members of the Committee.
(Representatives Kawakami and Carroll did not concur.)

SCRep. 1188 Culture and the Arts on H.R. No. 679

The purpose of this resolution is to set aside April as Samoan Cultural Awareness Month and to designate April 17th as Hawaii's Flag Day in Samoa.

Since 1900, 26,000 men, women, and children of Samoan ancestry have immigrated to Hawaii in search of greater opportunities. As they integrate into the Hawaiian community through various occupations and professions, the pressures to acculturate increase. Ethnic integrity and cultural viability can continue only if the customs, languages, and arts of a people are maintained.

To promote awareness of the Samoan culture and heritage, the Samoan community has scheduled exhibits, demonstrations and performances through the month of April. The success of this effort to perpetuate the Samoan culture is a tribute to the Samoan community's deep sense of native pride and responsibility.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 679 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1189 Culture and the Arts on S.C.R. No. 174

Your Committee is mindful of the many contributions of the Koreans who have immigrated to Hawaii since 1900. Though small in number, their personal sacrifices, their perseverance and hard work is clearly evident in the total economic, social and cultural picture of Hawaii.

Your Committee on Culture and the Arts concurs with the intent and purpose of S.C.R. No. 174 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1190 Employment Opportunities and Labor Relations and Youth and Elderly Affairs on H.R. No. 244

The purpose of this resolution is to request the Department of Labor and Industrial Relations to give a high priority to the implementation of occupational programs for Hawaii's youth.

Your Committees established a sub-committee that addressed the lack of employment opportunities for Hawaii's youth and the need for the Department of Labor and Industrial Relations to develop an occupational program to aid them. Your Committees agree that this Resolution will provide an important start toward a solution of the unemployment facing Hawaii's youths.

Your Committees have amended this resolution to broaden the proposed implementation of occupational programs for Hawaii's youth.

Your Committees on Employment Opportunities and Labor Relations and Youth and Elderly Affairs concur with the intent and purpose of H.R. No. 244, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 244, H.D. 1.

Signed by all members of the Committees.

SCRep. 1191 Higher Education on H.R. No. 67

The purpose of this resolution is to request the House Committee on Higher Education to review, during the interim, the University of Hawaii's athletic program, giving special attention to the financial aspects and sources of funding for the program.

The University of Hawaii's athletic program has been plagued with financial and administrative problems in recent years and has been a target for much public criticism regarding the proper intentions and priorities of the program.

Your Committee is concerned that the non-income generating sports have been developed in a "piecemeal" fashion with most of the attention being directed toward the football and basketball programs. While your Committee agrees that successful income-generating sports are essential to the development of the entire athletic program, it believes that a well-balanced athletic program which is responsive to the varied needs of all student athletes should be provided. Consequently, your Committee feels that a legislative review of the fiscal and program management of intercollegiate athletics is necessary to insure that student needs are met and to enable the University, as well as the Legislature, to better plan for future funding requirements.

Testimony presented by the University reflected concern for expeditious solutions to the problems which currently beset the athletic program. The Athletic Director is presently in the midst of a comprehensive review to update a Policy and Procedure Manual and the Athletic Department's business office, together with the Manoa Budget Office, is conducting a budget review. The University anticipates the completion of these internal reviews by June 30, 1977. In view of these current remedial efforts being demonstrated by the Athletic Department, your Committee has amended the resolution to accommodate a review, by the House Committee on Higher Education, subsequent to the completion of these University evaluations and department policy manual. Minor technical amendments have also been made to the resolution.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 67, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 67, H.D. 1.

Signed by all members of the Committee.

SCRep. 1192 Public Employment and Government Operations on H.R. No. 540

The purpose of this resolution is to request the Department of Taxation and the Office of the Legislative Reference Bureau to undertake studies of deferred compensation plans and to submit reports of their findings twenty days prior to the convening of the Regular Session of 1978. The requested studies would be two pronged:

- 1) an analysis by the Department of Taxation of the potential tax revenue implications for the State should a deferred compensation plan be effectuated, and
- 2) a review by the Legislative Reference Bureau of the following: a) deferred compensation plans presently available in Hawaii, b) digests of bills introduced in the Regular Session of 1977 relating to deferred compensation plans, and c) deferred compensation plans offered to public employees in other jurisdictions, including a discussion of the non-revenue pros and cons of the various plans.

Your Committee finds that in recent years, deferred compensation has become an increasingly popular "non-cost" fringe benefit offered to public employees in other states. Participation in these plans is voluntary and would not affect existing retirement benefits or plans, but would provide an additional source of income to participating officers and employees when they retire.

Testimony heard by your Committee indicated that the establishment of a properly designed deferred compensation plan would be beneficial not only to employees, but to the employers -- State and county governments-- as well. It would make governments more attractive as employers, while at the same time, it should tend to have the effect of lessening the pressure for increased benefits under the retirement system. Therefore, your Committee feels that the establishment of a deferred compensation plan for Hawaii's public employees is an idea which should be fully explored.

Your Committee on Public Employment and Government Operations concurs with the

intent and purpose of H.R. No. 540 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1193 Public Employment and Government Operations on H.C.R. No. 102

The purpose of this concurrent resolution is to request the Department of Taxation and the Office of the Legislative Reference Bureau to undertake studies of deferred compensation plans and to submit reports of their findings twenty days prior to the convening of the Regular Session of 1978. The requested studies would be two pronged:

- 1) an analysis by the Department of Taxation of the potential tax revenue implications for the State should a deferred compensation plan be effectuated, and
- 2) a review by the Legislative Reference Bureau of the following: a) deferred compensation plans presently available in Hawaii, b) digests of bills introduced in the Regular Session of 1977 relating to deferred compensation plans, and c) deferred compensation plans offered to public employees in other jurisdictions, including a discussion of the non-revenue pros and cons of the various plans.

Your Committee finds that in recent years, deferred compensation has become an increasingly popular "non-cost" fringe benefit offered to public employees in other states. Participation in these plans is voluntary and would not affect existing retirement benefits or plans, but would provide an additional source of income to participating officers and employees when they retire.

Testimony heard by your Committee indicated that the establishment of a properly designed deferred compensation plan would be beneficial not only to employees, but to the employers -- State and county governments-- as well. It would make governments more attractive as employers, while at the same time, it should tend to have the effect of lessening the pressure for increased benefits under the retirement system. Therefore, your Committee feels that the establishment of a deferred compensation plan for Hawaii's public employees is an idea which should be fully explored.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.C.R. No. 102 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1194 Finance on S.C.R. No. 13

Your Committee agrees that the expense of acquiring comprehensive medical care service has been constantly increasing, making it difficult for residents of our State to afford these services.

There exists in Hawaii a significant "gap group", a majority of which consists of persons who are low income yet who do not qualify for medical assistance from the State, Medicare, Medicaid, and who are not eligible for coverage by prepaid health plans.

Your Committee recognizes the need to assess the services available to persons who compose this gap group.

Your Committee on Finance concurs with the intent and purpose of S.C.R. No. 13 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1195 Finance on H.R. No. 375

The purpose of this resolution is to request the Legislative Auditor to conduct a financial, management, and program audit of the Department of Land and Natural Resources.

A financial audit of the Department of Land and Natural Resources is presently being

conducted. In addition, a management and program audit of the land management division of the department is already on-going.

Your Committee agrees that the scope of this audit should be limited to a management and program audit of the State Parks and Forestry Divisions of the Department of Land and Natural Resources.

Your Committee has considered this matter under H.C.R. No. 55 (see House Standing Committee Report 1052).

Your Committee on Finance concurs with the intent and purpose of H.R. No. 375, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1196 Finance on H.R. No. 677

The purpose of this resolution is to request the Department of Taxation along with the Department of Regulatory Agencies and the Office of Consumer Protection, as well as representatives of labor and management to initiate a study to determine if tax revenues are being lost by the practices of certain construction workers.

Your Committee agrees that there are individuals who are skilled craftsmen, who may or may not be licensed, are performing construction work for cash. This work is usually performed after regular working hours and on weekends. Most of the work is done for homeowners who pay for such services in cash at the insistence of the construction worker. These cash payments are often not reflected in tax returns. It is estimated that lost tax revenues amount to \$720,000 per year.

Your Committee agrees that these operations may be in disregard of laws and regulations relating to the operation of a business.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 677 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1197 Finance on H.R. No. 678

The purpose of this resolution is to request that the Legislative Reference Bureau study the litigation of environmental issues and review the current provisions for standing to bring suit and the time limits within which they are permitted. This resolution also requests that the Legislative Reference Bureau report on this matter, together with any conclusions and recommendations.

Your Committee agrees that litigation ensuing from the numerous environmental statutes and regulations constitutes a real social cost.

Your Committee further agrees that input to this study from the construction industry, environmental organizations, and the general public in the study is necessary.

Your Committee on Finance is in accord with the intent and purpose of H.R. No. 678, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1198 Finance on H.R. No. 531

The purpose of this resolution is to request the State Department of Transportation to conduct an analysis of traffic conditions along the Kalaniana'ole Highway in the Southeast Oahu area, to serve as a data base line for future development and use of the Kalaniana'ole Highway.

Your Committee agrees that the manifold problems are most likely to be resolved, or at least reduced to acceptable dimensions, through the cooperative efforts of the State of Hawaii and the City and County of Honolulu, but that there is no current data base line for purposes of comparison with past and future usage and travel conditions. This resolution seeks to supply that data base line for future planning.

This request is not intended to delay, impede, or obstruct planned improvements to Kalaniana'ole Highway. This is, rather, an effort in support of subsequent improvements and productive use of the highway.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 531, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1199 Finance on H.C.R. No. 99

The purpose of this concurrent resolution is to request the State Department of Transportation to conduct an analysis of traffic conditions along the Kalaniana'ole Highway in the Southeast Oahu area, to serve as a data base line for future development and use of the Kalaniana'ole Highway.

Your Committee agrees that the manifold problems are most likely to be resolved, or at least reduced to acceptable dimensions, through the cooperative efforts of the State of Hawaii and the City and County of Honolulu, but that there is no current data base line for purposes of comparison with past and future usage and travel conditions. This concurrent resolution seeks to supply that data base line for future planning.

This request is not intended to delay, impede, or obstruct planned improvements to Kalaniana'ole Highway. This is, rather, an effort in support of subsequent improvements and productive use of the highway.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 99, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1200 Public Employment and Government Operations on H.R. No. 410

The purpose of this resolution is to request the executive departments to review and report on their vendor payment processes. All executive departments, except the Department of Accounting and General Services, are to submit a report on the following:

- (1) A general discussion of their procurement and payment processes and decisions;
- (2) A description of their use of imprest funds or petty cash transactions;
- (3) The average number of days required for their Summary Warrant Vouchers to reach the Department of Accounting and General Services; and
- (4) Any recommendations to make the vendor payment process faster and more efficient.

The Department of Accounting and General Services is to submit a report on the following:

- (1) A description of its vendor payment process;
- (2) The average number of days the process takes;
- (3) Recommendations of management changes and practices, statutory amendments, and changes of the practices of user departments to effectuate a vendor payment process which will take thirty days.

Additionally, the Department of Accounting and General Services, the University of Hawaii, the Department of Education, and the Department of Health are to report on the actions taken on the recommendations of the Legislative Auditor. If no actions have been taken, the departments are to submit information on the reasons for the lack of response.

The problem of insuring timely payment to vendors doing business with the State has been a concern of this legislature for some time. At the request of the legislature, in 1971 the Legislative Auditor performed an audit of the vendor payment processes of four executive departments --the Department of Accounting and General Services, the University of Hawaii, the Department of Education, and the Department of Health--

and found that the average payment process time in 1969-70 was forty-nine days, and that approximately thirty percent of the payments were made after the sixty day statutory deadline. Finding deficiencies in the vendor payment processes of the four departments, the Legislative Auditor recommended changes, including the shortening of the payment process to thirty days.

The Legislative Auditor performed a follow-up review of the four departments in 1976 and found that no significant improvements had been made in their vendor payment procedures since the 1971 audit.

In testimony before your Committee, the Department of Accounting and General Services asserted its commitment to making payments within two weeks of receiving vouchers from the operating departments, and stated that continuing refinements were being made to meet this objective. The Department testified, however, that improvements were needed in the portion of the vendor payment process which occurs before the voucher is received by the Department, that is, in the vendor payment process of the operating departments. At present, no uniform procedure for vendor payments is prescribed for the operating departments, and this lack of standards may be a contributing factor to inefficiency.

Your Committee feels that, given the findings of the Legislative Auditor's 1976 review, the vendor payment process deserves further consideration by the Legislature. The vendor payment procedures of the operating departments must be examined. The success of the refinements being made within the Department of Accounting and General Services should be monitored. And the extent to which the Auditor's recommendations are being implemented must be determined.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 410 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1201 State General Planning and Water, Land Use, Development and Hawaiian Homes on S.C.R. No. 79

The purpose of this concurrent resolution is to request the Board of Land and Natural Resources to expedite final action on the master plan and initiate proceedings for the incremental acquisition of lands for the Makena-LaPerouse State Park.

Your Committees find that there is a need for parks and recreational facilities in the central leeward area of Maui. Approximately \$1,395,000 was appropriated by the Seventh and Eighth Legislatures for the master planning and incremental land acquisition and construction of the Makena-LaPerouse State Park.

Since the finalized master plan will soon be submitted, the Board of Land and Natural Resources is requested to expedite development and construction of the Makena-LaPerouse State Park.

Your Committee on State General Planning and your Committee on Water, Land Use, Development, and Hawaiian Homes concur with the intent and purpose of S.C.R. No. 79 and recommend its adoption.

Signed by all members of the Committee.

SCRep. 1202 Culture and the Arts (H.R. No. 75)

Your Committee on Culture and the Arts pursuant to H.R. No. 75 adopted by the Regular Session of 1977, and directed to review the progress of the State Foundation on Culture and the Arts in implementing the recommendations of the 1976 Management Audit of the State Foundation on Culture and the Arts and report its findings and recommendations to the House before the end of the Regular Session of 1977, begs leave to report as follows:

Committee Approach

Your Committee held public hearings during the 1977 legislative session for the purpose of reviewing and discussing the progress of the State Foundation on Culture and the Arts (SFCA) in implementing the recommendations of the 1976 audit. Participants in this review included the State Foundation on Culture and the Arts, and the Department

of Accounting and General Services.

Background

Act 269, Session Laws of Hawaii 1965, established a temporary State Foundation on Culture and the Arts for the purpose of promoting and developing the culture and the arts of Hawaii, and receiving and administering federal funds from a newly created National Endowment of the Arts program. This act assigned the foundation with certain broad responsibilities to:

- (1) promote public awareness and appreciation of culture and the arts in Hawaii;
- (2) preserve and enhance the culture of the various ethnic groups in Hawaii;
and
- (3) facilitate the opportunities for all people to participate in cultural and artistic programs and activities.

In 1967 Act 298, SLH 1967, established the art-in-state buildings program which required that one percent of appropriations for new state buildings be set aside for the acquisition of works of art. The Act also required the State Comptroller and the SFCA be responsible for selecting, commissioning, and accepting works of art that would be placed in the new state buildings.

Act 192, SLH 1970, gave the foundation permanent status and placed the foundation in the Department of Budget and Finance for administrative purposes.

In its attempt to fulfill its responsibilities, the State Foundation has focused its efforts on the implementation of the following two programs:

- (1) the art-in-state buildings program which sets aside funds for the commissioning and acquisition of works to be displayed in new State buildings; and
- (2) the grants-in-aid program which selects and awards federal and state funds to community groups and special projects that promote the awareness and development of the culture and arts of Hawaii.

In 1975, the House of Representatives adopted H.R. No. 647 requesting the Legislative Auditor to conduct a management and financial audit on the SFCA. This request stemmed from legislative concerns over the operation of the State Foundation and, in particular, the management of the art-in-state buildings program. The report submitted by the Legislative Auditor cited the following deficiencies in the SFCA operations along with recommendations for corrective action:

- (1) the State Foundation did not adequately develop those plans, programs, policies and criteria that would assist the foundation in achieving its goals and fulfilling its responsibilities. This deficiency stemmed in part from inadequate staffing. The auditor also noted that the foundation would hire additional staff in the next fiscal year to assist it in meeting its goals and objectives. In addition, the auditor recommended the foundation develop management and financial policies and plans for its programs, and managerial staff and planning capabilities;
- (2) the Commission on the State Foundation on Culture and the Arts, which is a nine-member appointed body responsible for the state's culture and the arts program, did not assume an active role in directing the operations of the foundation. In establishing this commission, it was clearly the Legislature's intention that the commission be more than an advisory body and that it would play an active role in planning, directing, and managing the state's culture and arts. The auditor recommended that the commission take an active role in planning and implementing the State Foundation's programs;
- (3) The foundation was criticized for the lack of formal guidelines in the art-in-state buildings program for the selection, display, inventory, and disposition of portable works of art such as paintings, sculptures, and wall hangings. The auditor recommended that the foundation establish guidelines and make works of art more accessible and available to the public;
- (4) The administration of contracts for commissioned works of art acquired through the art-in-state buildings program has been lax and the commission has not played an active role in the selection of such works of art. The auditor recommended a formal procedure for the commissioning of these art works. He also recommended the commission

be more active in the selection of commissioned works of art;

(5) Absence of a proper and consistent interpretation of the arts-in-state buildings law resulted in questionable practices by the State Foundation in handling funds for the program. To correct this deficiency, the auditor recommended that: (1) the two agencies responsible for implementation of this law--the State Foundation and the Department of Accounting and General Services--develop a consistent method in computing the amount of funds to be set aside from each capital improvement project; and (2) both agencies develop formal guidelines to insure a consistent interpretation and use of the funds acquired through the art-in-state buildings law; and

(6) The State Foundation lacked policies, criteria and procedures in the review and awarding of funds under its grants-in-aid program. This resulted in grants being awarded in an arbitrary, inconsistent and discriminatory fashion. The auditor recommends that the State Foundation, in consultation with community art groups, establish formal policies and rules for this program.

Findings

Your Committee has found that since the completion of the audit, the State Foundation has initiated efforts to implement the recommendations of the auditor. Specifically, the SFCA has begun to: (1) reorganize its programs to provide greater accountability of its operations; (2) develop guidelines for the selection, inventory, display and disposition of art works; and (3) establish procedures that will provide for greater commission and public participation in the formulation of SFCA policies and guidelines. The State Foundation provided your Committee with a formal timetable to complete the implementation of the Legislative Auditor's recommendations. The foundation indicated that most of the recommendations will be completed by December 31, 1977, with the remainder to be completed by December 31, 1978.

Your Committee also found that the State Foundation strongly disagrees with the auditor's recommendation regarding the use of the funds set aside by the art-in-state buildings program. The vagueness of the law has contributed to conflicting interpretations on the purpose and use of these funds. The audit revealed that funds generated from appropriations for new state buildings were not being used to acquire art works for those buildings. In some instances, the funds were used to purchase works of art for existing state facilities. According to legal opinions rendered by the State Attorney General, this practice runs contrary to the law. The State Foundation, however, feels that the current law is fairly broad and does not limit the acquisition of art works for new buildings only.

Recommendations

Your Committee recommends that the progress of the State Foundation in the implementing of the auditor's recommendation be closely monitored by the Committee during the 1977 interim period to ensure continuing progress in the Foundation's program to comply with the Legislative Auditor's report.

Your Committee also recommends that the Committee work closely with the State Foundation in clarifying the existing art-in-state buildings law. It is your Committee's intention to develop clear and concise provisions regarding the computation and use of funds appropriated from this law.

Signed by all members of the Committee.

SCRep. 1203 Public Employment and Government Operations on H.C.R. No. 64

The purpose of this concurrent resolution is to request the executive departments to review and report on their vendor payment processes. All executive departments, except the Department of Accounting and General Services, are to submit a report on the following:

- (1) A general discussion of their procurement and payment processes and decisions;
- (2) A description of their use of imprest funds or petty cash transactions;
- (3) The average number of days required for their Summary Warrant Vouchers to reach the Department of Accounting and General Services; and
- (4) Any recommendations to make the vendor payment process faster and more efficient.

The Department of Accounting and General Services is to submit a report on the following:

- (1) A description of its vendor payment process;
- (2) The average number of days the process takes;
- (3) Recommendations of management changes and practices, statutory amendments, and changes of the practices of user departments to effectuate a vendor payment process which will take thirty days.

Additionally, the Department of Accounting and General Services, the University of Hawaii, the Department of Education, and the Department of Health are to report on the actions taken on the recommendations of the Legislative Auditor. If no actions have been taken, the departments are to submit information on the reasons for the lack of response.

The problem of insuring timely payment to vendors doing business with the State has been a concern of this legislature for some time. At the request of the legislature, in 1971 the Legislative Auditor performed an audit of the vendor payment processes of four executive departments --the Department of Accounting and General Services, the University of Hawaii, the Department of Education, and the Department of Health-- and found that the average payment process time in 1969-70 was forty-nine days, and that approximately thirty percent of the payments were made after the sixty day statutory deadline. Finding deficiencies in the vendor payment processes of the four departments, the Legislative Auditor recommended changes, including the shortening of the payment process to thirty days.

The Legislative Auditor performed a follow-up review of the four departments in 1976 and found that no significant improvements had been made in their vendor payment procedures since the 1971 audit.

In testimony before your Committee, the Department of Accounting and General Services asserted its commitment to making payments within two weeks of receiving vouchers from the operating departments, and stated that continuing refinements were being made to meet this objective. The Department testified, however, that improvements were needed in the portion of the vendor payment process which occurs before the voucher is received by the Department, that is, in the vendor payment procedure for vendor payments is prescribed for the operating departments, and this lack of standards may be a contributing factor to inefficiency.

Your Committee feels that, given the findings of the Legislative Auditor's 1976 review, the vendor payment process deserves further consideration by the Legislature. The vendor payment procedures of the operating departments must be examined. The success of the refinements being made within the Departments of Accounting and General Services should be monitored. And the extent to which the Auditor's recommendations are being implemented must be determined.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.C.R. No. 64 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1204 Finance on S.B. No. 1305

The purpose of this bill is to provide low and medium income renters with a State income tax credit of \$20 multiplied by the number of exemptions to which he is entitled.

The tax credit would apply to any renter whose adjusted gross income was \$20,000 a year or less and who paid more than \$1,000 in rent for the taxable year. Persons sixty-five years of age or older would be able to claim a double tax credit.

Your Committee finds that a renter's tax credit would contribute to the offsetting of the spiraling cost of housing for many of the more than 120,000 renters in the State. Such a measure is therefore desirable in that it reinforces and advances the State's commitment to adequate and affordable shelter for its people.

Your Committee notes that the effective date section of the bill has been deleted. However, your Committee does not consider this to be a defect in the bill and your Committee recommends passage of this bill with the understanding that it shall take

effect upon its approval, pursuant to the provisions of the State Constitution, Article III, Section 17.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1305, S.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1205 Finance on S.B. No. 451

The purpose of this bill is to conform the Hawaii income tax law to the recent federal changes in the area of child care expenses.

Your Committee finds that in 1976 the Hawaii legislature enacted the latest federal provisions in the child care area which allow the taxpayer to deduct household and dependent care expenses incurred for employment purposes. After adjournment of the Hawaii legislature, the Congress amended the federal provisions to delete the deduction and to institute the child care credit proposed in this bill. The new provision allows a credit of five per cent of employment-related expenses not to exceed \$2,000 for one qualifying individual and \$4,000 for two or more qualifying individuals. The expenses must be for the care of a dependent under 15, a dependent who is physically or mentally disabled, or the spouse of a taxpayer who is physically or mentally incapable for caring for himself. In addition, there is allowance made if the spouse is a student.

Your Committee heard testimony on H.B. No. 19, a companion bill to this bill on February 15, 1977. Your Committee finds that any revenue losses under this bill will be more than offset by the revenue gains from the other bills in the package of bills which conform the Hawaii income tax provisions to the federal income tax provisions. In particular, such revenues will be found with the enactment of either H.B. No. 325 or S.B. No. 453, which terminate a number of tax-shelter provisions and loopholes.

Your Committee also finds that failure to change the deduction to a credit will cause many taxpayers who do not itemize or who claim a credit for federal tax purposes to forget the deduction or to be unable to claim the allowance for employment-related expenses.

Your Committee finds that this bill will tend to encourage persons to obtain employment and to offset the expenses of providing care for persons dependent upon them for care. In this day of high unemployment any measure such as this which encourages persons to obtain employment and helps them to keep such employment is beneficial to this State.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 451, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1206 Employment Opportunities and Labor Relations and Public Employment and Government Operations on H.R. No. 552

The purpose of this resolution is to direct the Commission on Manpower and Full Employment to convene a conference of representatives from the public and private sectors to cooperatively develop assessments of short and long term manpower needs. The conference is to examine, on a continuing basis, the coordination and articulation of the State's policies and actions for achieving full employment. Particular attention is to be paid to the ramifications of the State's education and training programs. The Commission on Manpower and Full Employment is to submit a report on the results of the conference which is to include but not be limited to the following concerns:

- (1) Current assessments of short-range and long-range manpower needs for the public and private sectors;
- (2) Identification of linkages between manpower needs and programs of education and manpower training;
- (3) Establishment of an on-going mechanism to develop annual assessments of present and future manpower needs;

- (4) Provision of follow-up and evaluation procedures to ensure that Hawaii's educational systems are designed to fulfill Hawaii's present and future manpower needs.

How best the State can use its resources, particularly its educational and training programs, to achieve full employment is a critical question in this period of high unemployment. The State must make every effort to minimize the imbalance of supply and demand in certain occupations in order to maximize the utilization of Hawaii's labor force.

Before it can make meaningful decisions on coordinating training programs with manpower needs, the State must have access to accurate assessments of short and long-range manpower supply and demand. Testimony presented to your Committees indicated that such information is not currently available. It was brought to your Committees' attention that assembling such data would be a difficult process requiring the cooperation of the private and public sectors.

Your Committees believe that the compelling need for this information calls for a concerted effort by both the private and public sectors. Data and expertise must be shared and evaluated. The public and the private sectors must join forces if the State is to develop a successful program for manpower training and full employment.

The Resolution has been amended to allow the Commission flexibility in choosing the mechanism through which to develop the information and recommendations needed by the State. The original requirement that the Commission convene a conference to achieve those ends was found to be too limiting in light of the complexity of the task at hand.

Your Committees on Employment Opportunities and Labor Relations and Public Employment and Government Operations concur with the intent and purpose of H.R. No. 552, as amended herein, and recommends that it be adopted in the form attached hereto as H.R. No. 552, H.D. 1.

Signed by all members of the Committees.

SCRep. 1207 Public Employment and Government Operations on H.R. No. 156

The purpose of this resolution is to request the House Committee on Public Employment and Government Operations to review public employee health benefits and the operation and administration of the Health Fund, and to report its findings and recommendations prior to the adjournment of the Regular Session of 1977.

Upon consideration of budget testimony received by your Committee with regard to BUF 142, Group Life Insurance, Medical, Hospital and Dental Benefits, we have amended the resolution to request that the Department of Budget and Finance submit a report of the following twenty days prior to the convening of the Regular Session of 1978:

- (1) Report whether the Health Fund enrollment backlog has been eliminated;
- (2) Report whether the Health Fund's computer programs have been made fully operational and whether malfunctions have been corrected;
- (3) Report projected costs through fiscal year 1986-87; and
- (4) Describe how a consulting firm is utilized in the management of the Health Fund's employee benefit plans.

These amendments reflect two major concerns brought to the attention of your Committee with regard to the operation and administration of the Health Fund: 1) the extended time lag in processing enrollment transactions, and 2) anticipated increases in employer and employee costs.

With respect to the processing of enrollments, in July 1974, the Health Fund initiated the development of a computerized enrollment and premium payment system to cope with the escalating volume of applications to be processed and employee payroll deductions to be reconciled. However, testimony received by your Committee indicated that while major progress has been made, because of administrative processing problems and difficulty in completing the final phase of computerization, the time lag to process an enrollment application and/or to reconcile erroneous payroll data extends over a 60-day period. Your Committee feels that the Department of Budget and Finance should increase

its current efforts to assist the Health Fund, both in clearing its backlog, and in making the computer enrollment system fully operational. These accomplishments will enable the Health Fund to better carry out its stated program objective.

Due to inflationary trends, rising malpractice insurance and other health care costs, medical and dental premiums are expected to increase at an approximate rate of 15% to 20% per annum with minor improvements in benefits coverage. In view of corresponding increases in employer-employee costs, your Committee feels that legislative review of the future projected costs and of the role of consulting firms in the management of employee benefit plans is both timely and essential. House Resolution 156, as amended, requests the Department of Budget and Finance to furnish the Legislature with the information necessary for purposes of carrying out such a review.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 156, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 156, H.D. 1.

Signed by all members of the Committee.

SCRep. 1208 Housing on S.C.R. No. 139

The purpose of this concurrent resolution is to request the United States Department of Housing and Urban Development to make sufficient funds available to the City and County of Honolulu to carry out the final stages of the Kapahulu General Neighborhood Renewal Program.

Your Committee concurs with the findings stated in Senate Standing Committee Report No. 950.

Your Committee on Housing concurs with the intent and purpose of S.C.R. No. 139 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1209 Housing on S.C.R. No. 53

The purpose of this Concurrent Resolution is to urge the Hawaii Housing Authority and the Board of Land and Natural Resources to work together promptly and effectively to make public lands available to exchange for residential tracts to be converted to fee simple ownership pursuant to Chapter 516, Hawaii Revised Statutes.

Act 184 of 1975 added a provision to Chapter 516 permitting the Hawaii Housing Authority, acting in concert with the Board of Land and Natural Resources, to exchange existing public lands of equal value for residential lands to be converted through Chapter 516.

Your Committee finds that prompt utilization of the land exchange alternative of Act 184 would greatly facilitate the implementation of Chapter 516 thereby allowing a greater number of our leasehold homeowners to purchase their land in fee.

Your Committee on Housing concurs with the intent and purpose of S.C.R. No. 53 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1210 Education on H.R. No. 591 (Majority)

The purpose of this Resolution is to request the department of education to:

- 1) Identify all actions necessary and all public and private resources available to establish, operate and administer a motorcycle safety program eligible for federal, state or county certification and support;
- 2) Recommend an agency to conduct the program if the department is not the appropriate agency to do so;
- 3) Ascertain the impact of such a program on vehicular insurance rates; and

- 4) Submit a report on its findings to the Legislature no later than ten days prior to the convening of the Regular Session of 1978.

Your Committee finds that due to the rising price of gasoline and the overcrowding of streets, there is a growing number of motorcycle operators in the State of Hawaii.

Your Committee further finds that the Sons of Hawaii Motorcycle Club offers an excellent motorcycle safety program, none of whose graduates have been involved in motorcycle accidents or have been cited for moving violations during the seven year existence of the program. This program has proven itself effective in instructing motorcycle operators on the proper and safe handling of motorcycles. Therefore, your Committee feels that this type of program should be made available to more motorcycle operators, thereby making our roads and highways safer for pedestrians and motorists.

Your Committee has amended this Resolution to direct the Office of the Highway Safety Coordinator to work with the department of education and the Sons of Hawaii Motorcycle Club in developing instructional programs for motorcycle operators in the State of Hawaii. Your Committee feels that the Office of the Highway Safety Coordinator is the logical agency to coordinate efforts to provide such services since there are many motorcycle operators who are not within the scope of the present D.O.E. driver's education program.

Your Committee is in accord with the intent and purpose of H.R. No. 591, as amended, and recommends its adoption in the form attached hereto as H.R. No. 591, H.D. 1.

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

SCRep. 1211 Education on S.C.R. No. 74

The purpose of this Concurrent Resolution is to encourage the department of education to utilize the skills and talents of Hawaii's senior citizens in teaching the history of our State in the development of practical skills.

Your Committee finds that many senior citizens are willing and able to share practical skills and firsthand experiences with students, thereby enriching classroom experience. Your Committee has heard testimony that the department of education has been making use of this rich source of social and cultural history.

This Concurrent Resolution is intended to foster this by supporting past efforts and suggesting new avenues which the department might examine in enriching classroom experience with senior citizen participation. In particular, your Committee is interested in the formation of a departmental policy concerning the utilization of the skills and experiences of community resources, including senior citizens.

Your Committee on Education is in accord with the intent and purpose of S.C.R. No. 74 and recommends it be adopted.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1212 Legislative Management

Informing the House that House Resolution Nos. 734 to 742, House Concurrent Resolution No. 139, and Standing Committee Report Nos. 1204 to 1211, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 1213 State General Planning on S.C.R. No. 142

The purpose of this concurrent resolution is to request the administration to develop and implement a selective growth program and to seek legislative cooperation and support for said program. Furthermore, it seeks the cooperation of all four counties in forming and implementing growth control programs.

Testimony by the administration was in full support of S.C.R. No. 142. In his 1977 State of the State address, Governor George R. Ariyoshi expressed his administration's number one concern as being excessive growth. As the Governor declared, "If we

are not careful, overpopulation, overbuilding and overdevelopment will destroy the Hawaii that we know. . . . The problem of excessive population seems to be central to nearly every problem in our State."

Your Committee agrees that continued uncontrolled increase in the number of people in Hawaii will have an adverse impact on the full spectrum of our social, environmental and economic well-being. Therefore, your Committee finds that the time for action is now and that a selective growth program should be developed and implemented. Your Committee recommends that the primary responsibility for developing and implementing such a selective growth program be given to the Department of Planning and Economic Development to ensure coordination with the Hawaii State Plan. Such a selective growth program should be submitted to the Legislature for consideration for adoption.

Your Committee on State General Planning concurs with the intent and purpose of S.C.R. No. 142 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1214 Energy and Transportation on H.R. No. 532

The purpose of this resolution is to request the governor and the Director of Transportation to give high priority to capital improvements projects for the improvement and upgrading of highway bridges on Hawaii, Maui, and Kauai.

Your committee received testimony from the Department of Transportation supporting the intent of this resolution.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 532 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abercrombie, Mizuguchi, Peters, Suwa, Evans and Ikeda.

SCRep. 1215 Energy and Transportation on H.R. No. 336

The purpose of this resolution is to have the Department of Transportation consider the widening of the single lane area of Kamehameha Highway to enable creation of additional lanes, the use of traffic cones at peak traffic hours, and the reconfiguration of the existing southbound lanes at the approach to the current junction when ameliorating the traffic congestion at the northbound junction of Kamehameha Highway and the Mililani access road.

Your Committee finds that alternative methods are needed to alleviate this traffic congestion.

Your Committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 336 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abercrombie, Mizuguchi, Peters, Suwa, Evans and Ikeda.

SCRep. 1216 Energy and Transportation on S.C.R. No. 86

The purpose of this concurrent resolution is to request the Energy Resources Coordinator to study the impediments to the development and widespread use of the solar energy systems. The study shall include recommendations for legislative action to remove or mitigate the identified impediments and to accelerate and encourage the development and use of solar energy systems. The Energy Resources Coordinator shall submit a report of his findings and recommendations to the legislature at least twenty days prior to the convening of the Regular Session of 1978.

Your Committee on Energy and Transportation concurs with the intent and purpose of S.C.R. No. 86, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abercrombie, Mizuguchi, Peters, Suwa, Evans and Ikeda.

SCRep. 1217 Education on H.R. No. 288

The purpose of this resolution is to request the Department of Education to provide for greater teacher participation in the development and execution of the school budget.

To effectuate the purpose of this resolution, it is intended that the Department of Education ensure that:

1. Teacher recommendations on the proposed school budget and program priorities will be actively solicited and accorded due consideration, and
2. All teachers will be informed as to the allotments to their districts and schools, the departmental or grade level allotments, the specific priorities upon which the budget and allotments are based, and the general guidelines, or methods, if any, formulated by the state or district office to afford meaningful participation by teachers at the school level.

Your Committee feels strongly about the importance of giving teachers a voice in budget development and execution, for they and their students must ultimately live with whatever budgetary decisions are made. Moreover, teachers are in the best position to identify the basic and special needs of their own classrooms and to translate them into appropriate fiscal priorities. It seems only logical that teachers who are charged with the responsibility of educating the children in the schools should also have input in the budget planning and execution processes at their schools.

Testimony presented before your Committee by the Department of Education, the Hawaii State Teachers Association, the Hawaii Federation of Teachers, and teachers was unanimously supportive of the intent and purpose of this resolution. Although the Department of Education recognized the importance of providing teachers with relevant budget and allotment information and will take appropriate measures to further greater teacher participation in the future, its position on the specific role of and degree of participation by teachers was that they should be determined by each district superintendent and principal, according to the circumstances prevailing in their district or school.

Your Committee has no objection to the Department's decision to continue its present policy of decentralization in this area, provided that some general guidelines are adopted, so as to minimize the variance of teacher involvement from school to school that is the case now. Based on testimony presented particularly by the HSTA and HFT, your Committee believes that the participation of teachers in budget planning and execution should be formalized through a more systematic process. Their involvement in the preparation and execution of the school budget is essential for a better identification of funding needs and priorities.

For the purposes of clarification, your Committee has amended this Resolution to request that the department of education report on its progress to the House of Representatives 20 days prior to the convening of the 1978 legislative session.

Your Committee on Education concurs with the intent and purpose of H.R. No. 288, as amended herein, and recommends that it be adopted in the form hereto attached as H.R. No. 288, H.D. 1.

Signed by all members of the Committee.

SCRep. 1218 Energy and Transportation on H.R. No. 550

The purpose of this resolution is to request the Director of Transportation Services of the City and County of Honolulu and the Director of the State Department of Transportation to study the feasibility of providing public employees of the new Federal Building parking facilities at the Neil Blaisdell Center in conjunction with a shuttle bus service or in conjunction with a new bus route that would pass the new Federal Building.

Favorable testimony was received from both the Department of Transportation and the Department of Transportation Services.

Your committee has amended this resolution to clarify the intent and purpose.

Your committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 550, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 550, H.D. 1.

Signed by all members of the Committee except Representatives Abercrombie, Cobb, Mina, Mizuguchi, Peters, Suwa, Evans and Ikeda.

SCRep. 1219 Energy and Transportation on S.C.R. No. 138

The purpose of this resolution is to request the Department of Transportation to proceed in an expeditious manner with improvements to Kalaniana'ole Highway which would increase the capacity and improve the traffic flow of the highway.

Your Committee finds that transportation services to the area need to be expanded and immediate improvements to increase highway capacity and ease congestion problems need to be encouraged. The Department of Transportation has proposed to the 1977 Legislature a recommended course of action for which final engineering plans should be completed by mid1978.

Your Committee on Energy and Transportation concurs with the intent and purpose of S.C.R. No. 138, S.D. 1 and recommends its adoption.

Signed by all members of the Committee except Representatives Abercrombie, Cobb, Mina, Mizuguchi, Peters, Suwa and Evans.

SCRep. 1220 Energy and Transportation on S.C.R. No. 162

The purpose of this resolution is to request the Governor to issue an executive order establishing energy efficient building standards applicable to all plans and specifications for the construction of public buildings and facilities and to request a review by appropriate state agencies of all current projects under implementation as well as of any plans for future buildings and facilities to insure the inclusion of energy efficient features.

Upon hearing the subject matter, your Committee received testimony from both private and public sectors in favor of this Resolution.

Your Committee on Energy and Transportation concurs with the intent and purpose of S.C.R. No. 162, S.D. 1 and recommends its adoption.

Signed by all members of the Committee except Representatives Abercrombie, Cobb, Mina, Mizuguchi, Peters, Suwa and Evans.

SCRep. 1221 Energy and Transportation on H.R. No. 533

The purpose of this resolution is to request the Department of Transportation, in conjunction with the Department of Education to study the feasibility of implementing a "van pools" program for student transportation to help relieve present traffic congestion on Kalaniana'ole Highway.

Your committee finds that van pooling will increase the use of presently existing express and bus lanes and will help alleviate daily traffic congestion.

Your committee on Energy and Transportation concurs with the intent and purpose of H.R. No. 533 and recommends its adoption.

Signed by all members of the Committee except Representatives Abercrombie, Cobb, Mina, Mizuguchi, Peters, Suwa, Evans and Ikeda.

SCRep. 1222 Finance on S.C.R. No. 161

The purpose of this concurrent resolution is to request the office of the legislative reference bureau and the department of taxation to review the state income tax laws and to submit appropriate amendments to the chairmen of the senate ways and means and house finance committees.

Your Committee finds that the State of Hawaii adopted the federal Internal Revenue Code in 1957 for the purposes of determining gross income, adjusted gross income, and taxable income. Since that time the State has adopted amendments made by Congress to the federal code on an incremental basis. During the early years after the adoption

of the federal code, the amendments made by Congress were seldom extensive, since the federal code itself had been rewritten in 1954. Since 1968, however, Congress has made often and extensive amendments to the federal code, which for various reasons Hawaii has either not adopted or adopted after a wait of many years. The state income tax law was each year becoming less and less like the federal law upon which it was based. This year the legislature took the initiative and with the department of taxation and the private sector made a great step forward in conforming to the federal law. As a result of the accomplishments of the legislature this session, however, the state income tax law is comprised of pages and pages of references to federal public law sections which are not generally available to the public or the average tax practitioner. Your Committee finds that it is becoming more and more difficult to determine which provisions of the federal code have been adopted and which have not been adopted. For this reason your Committee concurs with the adoption of this concurrent resolution, as it has been twenty years since a good hard look was taken at our state income tax law and our method of adopting federal provisions.

This concurrent resolution posits updating the state law and a new method of adopting federal amendments by adopting all changes made each year, except for those which the legislature or the department of taxation determines would not be beneficial to the State. This method should be less cumbersome, but at the same time will maintain the State's independence from national economic directions which the State does not wish to take.

Your Committee encourages the office of the legislative reference bureau and the department of taxation to involve the Tax Foundation of Hawaii and others of the private sector who may be interested in an appropriate manner.

Your Committee on Finance concurs with the intent and purpose of S.C.R. No. 161 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1223 Finance on S.C.R. No. 86

The purpose of this concurrent resolution is to request the Energy Resources Coordinator to study the impediments to the development and widespread use of the solar energy systems. The study shall include recommendations for legislative action to remove or mitigate the identified impediments and to accelerate and encourage the development and use of solar energy systems. The energy resources coordinator shall submit a report of his findings and recommendations to the legislature at least twenty days prior to the convening of the Regular Session of 1978.

Your Committee on Finance concurs with the intent and purpose of S.C.R. No. 86 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1224 Finance on H.R. No. 532

The purpose of this resolution is to request the governor and the director of transportation to give high priority to capital improvement projects for the improvement and upgrading of highway bridges on Hawaii, Maui, and Kauai.

Many bridges on the various islands were designed for loading below present standards and there is concern regarding excess weight on the bridges. The frequency and load of the trips of cane haulers for instance, are a burden on transportation facilities. The upgrading of bridges is necessary and of importance to transportation facilities and conveniences of the general public.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 532 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1225 Finance on H.R. No. 336

The purpose of this resolution is to urge the State Department of Transportation to

devise and implement actions which will serve to ameliorate the traffic flow problems on Kamehameha Highway at the junction of the Mililani Access Road.

The daily major traffic bottleneck problem is caused by the merging of three northbound traffic lanes, one from the Mililani Access Road and two from the Kamehameha Highway, and the junction of the Mililani Access Road. The need to correct this severe traffic congestion problem warrants special study by the Department of Transportation.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 336 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1226 Judiciary on H.R. No. 659

The purpose of this resolution is to condemn the printing and distribution of T-shirts bearing the phrase "BOMB KAHOO LAWE 'OHANA," "FIREPOWER FOR FREEDOM," and the attitude of the Marine base information officer.

Your Committee, upon further consideration of the resolution, made several amendments which do not materially affect the substance of the resolution.

Your Committee also amended the resolution by deleting the paragraph which states that a question of free speech is not involved, because your Committee believes that while such conduct may be offensive to many and lacking in the basic elements of decency and good taste, it nevertheless may be protected by the provisions of the First Amendment. Accordingly, your Committee has also amended the purpose of the resolution calling for the House of Representatives to go on record to express its concern and disapproval of the tasteless and unwarranted actions of the small group of marines involved and the seemingly cavalier attitude of the Marine base information officer on a subject of deep concern to many here in Hawaii.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 659, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 659, H.D. 1.

Signed by all members of the Committee.

SCRep. 1227 Legislative Management

Informing the House that House Resolution Nos. 743 and 744, House Concurrent Resolution No. 140, Standing Committee Report Nos. 1213 to 1226 and 1228, and Conference Committee Report Nos. 45 to 51, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 1228 Culture and the Arts (H.R. No. 69)

Your Committee on Culture and the Arts pursuant to House Resolution No. 69 adopted by the Regular Session of 1977 and directed to review the operations of the Hawaii Foundation for History and the Humanities giving special attention to progress made in implementing the recommendations of the Legislative Auditor and the role of the multi-cultural center, begs leave to report as follows:

APPROACH TAKEN

Your Committee held public meetings during the 1977 legislative session to review the progress of the Hawaii Foundation for History and the Humanities in implementing the recommendations of the 1976 Management Audit of the Hawaii Foundation for History and the Humanities. The Auditor's report and a progress report submitted upon the Committee's request from the Hawaii Foundation were used as working documents.

BACKGROUND

The Hawaii Foundation for History and the Humanities was established by Act 236, Session Laws of Hawaii 1969, for the purpose of preserving and promoting activities in

the fields of history and the humanities of Hawaii. To accomplish its purpose, the Hawaii Foundation has, through Act 236, and subsequent legislative acts, been authorized to:

- . Act as a depository of funds and gifts to be held in trust for the State and the people of Hawaii.
- . Conduct research, studies and investigations in the field of ethno-history and the humanities.
- . Establish a centralized repository and information resource center and clearinghouse.
- . Establish a review board to review and nominate sites for the Hawaii and National register of historic places (Act 202, SLH 1971).
- . Develop a continuing, comprehensive museum and museum activities support program.
- . Develop, in cooperation with the State Foundation on Culture and the Arts, a plan for the creation of a State trust for historic preservation.
- . Establish a multicultural studies program to collect and preserve Hawaii social and cultural history and develop a centralized repository of multicultural materials (Act 251, SLH 1974).

In 1975, the House of Representatives adopted House Resolution 646 to request the Legislative Auditor to conduct a management and financial audit of the Foundation's operations. The audit, which was completed in March 1976, cited deficiencies in the Foundation's operations and provided recommendations to correct those deficiencies.

FINDINGS

Your Committee found that since the completion of the audit, the Hawaii Foundation has initiated action to implement some of the recommendations. However, the Foundation disagreed with the Auditor's findings on its role and responsibilities in implementing historic preservation programs. Specifically, the Foundation expressed disagreement in the following areas:

1. Research and Studies

In 1972, the Foundation's Board of Trustees established a grants-in-aid program for qualified individuals and organizations to conduct original research on the history of Hawaii, its ethnic groups, and other related subjects. The Auditor found that only eight grants of 183 grants requested were awarded between 1973 through 1975 and that the Foundation had made only minimal attempts to stimulate research and studies in the field of ethnohistory and the humanities as required by statute. To correct this situation, the Auditor recommended that the University of Hawaii be assigned the sole responsibility for administering programs in research studies and investigations in the field of ethnohistory and humanities. However, the Foundation feels that such a task should be a joint effort of the University and the Foundation to provide for an academic and personal approach in understanding Hawaii's history and culture.

2. Centralized Repository

The Foundation is responsible for maintaining a current inventory of all organizations, groups, and individuals with interests in preserving and promoting Hawaii's ethno-history. The purpose of the inventory is to facilitate cooperation and coordination among those involved in historic and cultural preservation and to prevent duplication of effort. The Auditor found that the Foundation's centralized repository and information resource center was inadequate and outdated. Other repository functions such as the receipt and dissemination of cultural materials and other information resources were nonexistent. As a result, the Auditor recommended that the information and clearinghouse responsibilities be transferred from the Foundation to the University of Hawaii and the state library system. However, the Foundation believes that such a recommendation will not effectively resolve that lack of an updated, adequate centralized repository since the present university and public library systems are overburdened and understaffed.

3. Museum Support Program

The Foundation has the responsibility to develop a continuing comprehensive museum and museum support program, which includes providing grants and technical assistance to governmental or private agencies in administering such a program.

The Auditor has recommended that this program be transferred from the Foundation to the State Foundation on Culture and the Arts. The Foundation feels that this program should remain as part of its activities. The Foundation has formed a committee to initiate a museum support program and has applied for a museum work grant with the National Endowment for the Arts.

4. Organization

The Foundation is a unique organization within the Hawaii State government structure since it is a publicly authorized non-profit corporation composed of private membership who elect a board of trustees. The trustees are responsible for carrying out legislatively mandated programs as well as special programs initiated by the Foundation. Funds to support the Foundation come from private membership dues and state and federal sources. For administrative purposes, the Foundation has been placed within the State Department of Budget and Finance.

The Auditor found that unless the Legislature is willing to permit the membership-corporation to exercise its own judgments as to programs to be implemented and the manner of its operations, the mission and objectives of the Foundation should be specifically stated rather than broadly defined. As a state agency charged with the responsibility for state programs but having attributes of a private membership organization, the Auditor felt it was unrealistic to expect the Foundation to behave and operate like any other state agency. The report concluded that any deficiencies in implementing state programs are the result of differing priorities between the Legislature and the Foundation, and that a membership-corporate entity is not the appropriate vehicle to implement a broadly defined state program. As a membership-corporation, the Auditor recommended that the Foundation should only have the responsibility of restoring, preserving, and maintaining historic sites, buildings, and objects. The Foundation believes that such a recommendation is contrary to the original intent of the law which was to preserve and perpetuate the physical, social and cultural aspects of Hawaii's history. The Foundation strongly feels that its role and responsibilities should not be curtailed and should remain as presently constituted under the law.

Your Committee found that the Hawaii Foundation has taken steps to implement the Auditor's recommendations in the following areas:

1. Multicultural Studies Program

The purpose of the multicultural studies program is to collect and preserve Hawaii's social and cultural history through oral history tapings. This program was administered by the Multi-Cultural Center. During the period the Foundation administered the program, over \$130,000 in public funds has been expended but very little of any significance had been produced. The Auditor found that the Foundations efforts to fulfill this goal have been unsystematic and unplanned. The result was a duplication of information collected; an absence of a proper inventory of oral history tapes; and tapes of poor quality. The Auditor also found that many of the high priority projects of the center were often never completed.

In January 1976, the Multi-Cultural Center reorganized as a non-profit, private corporation, independent of the Foundation and the multicultural center program became the responsibility of the newly incorporated center. Since the center has incorporated as a private organization, it will be extremely difficult for the State to require the center to take corrective action on the aforementioned deficiencies. However, the State has implemented a contract to ensure continued State proprietary rights of materials developed by the center with State assistance.

2. Hawaii Historic Places Review Board

The statutes require that the Review Board within the Foundation maintain the Hawaii Register of Historic Places, and establish and maintain a program of notification and publication regarding properties on the Register. Since 1971, the Review Board has evaluated 885 sites, and it is estimated that there are approximately 6,400 known

historical and archaeological sites. At the time of the audit, the Hawaii Register maintained by the Review Board was far from complete or up-to-date, and many owners had not been notified of the historic designation of their properties. The Auditor found that the Review Board lacks adequate staff support to carry out its functions and that the State Preservation Office staff of the Department of Land and Natural Resources should be assisting the board.

Your Committee found that the Foundation has established rules to govern the operations of the Review Board to ensure proper implementation of this program. The Foundation has also requested the Department of Land and Natural Resources to allocate a staff to assist the Review Board in its review and nomination of potential historical sites.

3. Project Proposals

The Auditor found internal duplication of efforts by the Foundation in reviewing and approving historic preservation projects. To resolve this problem, the Foundation has proposed an umbrella approach that would require all project proposals to be submitted to the Board of Trustees for review and approval. Under this approach, a proposal would be assigned to a review committee for study. Upon completion of this review, the committee would submit its findings and recommendations to the board. The board would have authority to take final action on the proposed project.

Upon reviewing this umbrella concept, your Committee found that this approach cannot be effectively implemented without definitive guidelines and policies to provide the necessary framework under which programs and criteria can be developed. These guidelines and policies are necessary to ensure that the resources allocated to the Foundation are effectively utilized.

Your Committee found that the Foundation has not taken any action to implement the Auditor's recommendation on a plan for a State Historic Preservation Trust. The Foundation is required by law to serve as a depository for donations of historic sites and to fulfill this function through the creation of a historic preservation trust. According to the report, the Foundation did not establish criteria for determining the kinds of sites it was willing to accept, the procedures for accepting these sites, and the conditions for the maintenance and management of the donated properties. In addition, it has not completed a plan for a historic preservation trust.

RECOMMENDATIONS

Your Committee on Culture and the Arts recommends that it continue to monitor the progress of the Hawaii Foundation during the 1977 interim with specific attention to the following:

1. A review of the role and responsibilities of the Foundation in implementing its statutorily mandated programs.
2. An examination of the relationship between the Foundation and agencies and groups responsible for the implementation of programs assigned to the Foundation.
3. A review of the Foundation's rules, criteria, and program priorities.
4. An examination of the "umbrella" approach proposed by the Foundation which is designed to minimize internal duplication of functions.
5. An assessment of the quasi-public structure of the Foundation for the purpose of determining the Foundation's appropriateness as a vehicle for the State's history and humanities program.

Signed by all members of the Committee.

SCRep. 1229 Finance on H.R. No. 248

The purpose of this resolution is to request a study of the advantages and disadvantages of the formation of a separate municipal or regional government form, either within or without the present City and County structure for the area comprising all or part

of the Windward side of Oahu.

The Windward side of Oahu is a highly developed and fast growing area outside the central city of Honolulu, clearly separated from central Honolulu by the Koolau mountain range. The population of the Windward area has grown from 68,281 in 1960 to 115,441 in 1975, an increase of 67 per cent while the population for the remainder of Oahu increased by 36 per cent in the same period. The population of the Windward area is also greater than that of Hawaii county. The assessed real property value of property on the Windward side is in excess of one billion dollars, with real property tax revenues of almost 16,000,000. Because of the rapid growth of the area, a study should be undertaken at this time to consider the feasibility of setting up a new governmental system for the Windward area.

Your Committee has amended the resolution by deleting all references to the Legislative Reference Bureau and replacing it with "Office of Council Services".

Your Committee on Finance is in accord with the intent and purpose of H.R. No. 248, H.D. 1, as amended herein, and recommends that it be adopted in the form attached hereto as H.R. No. 248, H.D. 2.

Signed by all members of the Committee.

SCRep. 1230 Finance on H.R. No. 427

The purpose of this resolution is to request the State Department of Accounting and General Services to initiate a study of the costs and benefits of installing solar energy systems in existing state buildings and facilities, with such study to include an assessment of the long-range benefit of such capital improvements in reducing the cost of power to run these public buildings and facilities.

Solar energy shows great promise in the areas of economy of funds and conservation of fossil fuels. Solar water heating systems have been installed in two schools on the Island of Hawaii, and plans have been made to install such systems in four Oahu schools. The University of Hawaii is also planning to install a solar water heating system in phase I of its physical education, intramural and athletic facilities.

The Department of Accounting and General Services has already initiated studies on installation of solar devices in new buildings to reduce energy costs in connection with water heating systems, and will have several installations under construction within the next year. The department has indicated that it is willing to proceed with the same type of studies in the replacement of existing water heating systems.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 427 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1231 Legislative Management

Informing the House that House Resolution Nos. 745 to 750 and Standing Committee Report Nos. 1229 to 1230, have been printed and distributed.

Signed by all members of the Committee.