

SCRep. 610 Consumer Protection and Commerce on H.B. No. 986

The purpose of this bill is to amend section 294-7, Hawaii Revised Statutes, to prevent a claimant from withholding medical bills for no-fault benefits already incurred but not paid for in order to escape the subrogation rights of the no-fault insurance carrier.

Under present law, only those no-fault benefits already paid at the time of tort liability recovery, whether by judgment or settlement, are subject to subrogation. Your Committee finds that an individual can, by withholding no-fault bills which were incurred but not yet paid until recovery pursuant to tort liability, retain the full no-fault benefits with respect to those bills and not be subject to subrogation and thereby circumvent the reach of section 294-7.

Your Committee feels that this bill will remedy this apparent loophole which permits evasion of the rights of subrogation of a no-fault insurance carrier. Your Committee also finds that this bill in no way infringes on the claimant's right to retain the entire no-fault proceeds for those benefits incurred after tort recovery.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 986 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 Larsen.

SCRep. 611 Consumer Protection and Commerce on H.B. No. 961 (Majority)

The purpose of this bill is to permit insurance companies to increase the maximum interest rate that can be charged on a policy loan from six percent to eight percent.

Under present law, the maximum interest rate that can be charged for loans made by policyholders against their policies is six percent. Your Committee finds that the majority of policyholders do not borrow on their policies and that this creates a situation where the non-borrowers are in effect subsidizing the borrowers because of the low maximum interest rate charged which reduces the earnings of the insurance companies and in turn reduces the dividends paid to policyholders.

Your Committee finds from the testimony presented that an increase in the interest rate will lower the cost of insurance to the consumer public through increased dividends caused by the higher rate of return on loans which lowers the cost of insurance, or through a direct reduction in premium rates. Your Committee also feels that the policy loan interest rate should be more closely related to interest rates in general. Your Committee is therefore in agreement with the intent of this bill to benefit consumers of insurance in general and to alleviate the disadvantage that non-borrowing policyholders now face.

Your Committee has, however, amended H.B. No. 961 to extend its date of effect to January 1, 1980 in order to ease the transition and to give prospective buyers and/or borrowers of insurance the option of purchasing and/or borrowing at the six percent rate should they desire.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 961, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 961, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Masutani.
(Representative Lee did not concur.)

SCRep. 612 Consumer Protection and Commerce on H.B. No. 1577

The purpose of this bill is to permit the disclosure of information concerning a borrower's insurance policy, by a lender to third parties provided that the use of such information is for the purpose of monitoring the borrower's maintenance of the insurance.

Under present law, disclosure of such information cannot be made until the insurance policy lapses. This bill will permit lenders to disclose information to third parties relating to a borrower's insurance policy which is required by the loan agreement to secure the loan. The use of the information is restricted to monitoring the borrower's

maintenance of the insurance.

Your Committee finds that it is necessary to monitor the borrower's maintenance of a securing insurance policy in order to avoid the situation where the policy is allowed to lapse and the loan is defaulted on by the borrower with insufficient collateral. Your Committee also finds that lenders who find it difficult and expensive to monitor each individual loan would like to delegate this function to a third party who will, in turn, inform the lender before a borrower's insurance policy lapses and said lender can make the necessary insurance arrangements to adequately secure the loan.

Your Committee is therefore in agreement with the intent of the bill to protect both the borrower and the lender. Your Committee, however, is concerned that the disclosed information be used only for the purpose intended by this bill and not for uses which the Insurance Information Protection Act was enacted to protect against and therefore incorporates the penalty provisions of Chapter 431H, Hawaii Revised Statutes, for violations thereof.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1577 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 Lee and Masutani.

SCRep. 613 Consumer Protection and Commerce on H.B. No. 1039

The purpose of this bill is to permit insurers to issue a simplified fire insurance policy form as an approved equivalent of the present required standard form.

Under present law, fire insurance policies must be written on a standard form authorized by the State of New York in 1943. The use of simplified forms for fire insurance policies is prohibited by the statutory requirement that the wording of forms be in accordance with the New York form.

Your Committee finds that this bill will permit the introduction of newer simplified and more understandable fire insurance forms and will allow the consumer to make a more informed decision concerning insurance coverage. Your Committee also finds that adequate control and regulation will be provided by the insurance commissioner who must approve all forms used for fire insurance policy writing as the equivalent for the New York standard form. Your Committee is therefore in accord with the intent of this bill to aid consumers in understanding the terms of their insurance coverage.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. 1039 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 Lee and Masutani.

SCRep. 614 Consumer Protection and Commerce on H.B. No. 931

The purpose of this bill is to amend section 440-9, Hawaii Revised Statutes, to permit the staging of boxing contests on Sundays.

Present law prohibits boxing contests from being held on Sundays. Your Committee feels that the present law no longer serves its original purpose and that allowing boxing contests to take place on Sundays will put boxing on parity with other sports which are now enjoyed by consumers on Sundays.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 931 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 615 Consumer Protection and Commerce on H.B. No. 183

The purpose of this bill is to provide a procedure by which a motion for reconsideration of a Public Utilities Commission (PUC) decision concerning water carriers can be made.

There are at present no provisions in the water carrier laws which allow affected parties to file a motion for reconsideration or rehearing with the PUC. Your Committee finds that requiring a motion for reconsideration to be filed and determined prior to appeal functions to exhaust all administrative remedies and allows the parties, the PUC, and the Supreme Court, should an appeal be taken, to narrow the issues of the areas and points in controversy.

Your Committee is in agreement with the intent and purpose of this bill but finds that certain amendments are necessary:

1. Parties have been limited by subsection (a) to one motion for reconsideration each to prevent frivolous claims intended to delay the contested rate change from taking effect.

2. A subsection 271G- (a)(2) has been added to clarify the interface of the automatic twenty day stay provision with the six month suspension period of section 271G-17(d). This new subsection provides that a change in rate, fare or charge which would otherwise go into effect by operation of section 271G-17(d) relating to unconcluded proceedings, shall not be effective if a motion for reconsideration is pending. If said motion is not determined within twenty days, the commission's final decision and order that was moved on will be effective.

3. The conditions required before an appeal can be taken, noted in subsection (b) of H.B. No. 183, are clarified by specifically denoting the circumstances under which an appeal to the State Supreme Court can be taken.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 183, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 183, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Baker.

SCRep. 616

Judiciary on H.B. No. 520

The purposes of this bill are to add family planning services to the medical care and services for which a minor may validly consent, remove the references to abortion in the definition of medical care and services, and require consultation with a minor prior to the release of information to the spouse or parent.

Your Committee finds that recently, the Supreme Court of the United States ruled that minors have a constitutional right to obtain contraceptives, thus, legally enabling them to prevent pregnancy without parental consent. Further, twenty-six states and the District of Columbia have already enacted laws similar to those presently being proposed for adoption in Hawaii; affirming the right of young people to consent for their own contraceptive care and thereby aiding in stemming the tide of the epidemic of unplanned and unwanted teenage pregnancies. In light of these developments, your Committee feels that the law should provide minors with the right to make responsible decisions regarding their reproductive lives.

This bill presently permits the treating physician to disclose information pertaining to the medical care and services of a minor patient to his spouse or parent after consulting with such minor, but only if the minor patient is diagnosed as being pregnant or afflicted with venereal disease.

However, your Committee being of the opinion that the treating physician is in the best position to determine whether or not the interest and welfare of the minor requires that the appropriate party be informed in special circumstances, has amended the bill by deleting that portion thereof which requires that the minor patient be positively diagnosed before any information can be released. Thus, as amended, this bill would allow a treating physician, at his discretion, to inform or not inform a minor's parent or spouse about the medical care and service he has rendered to such minor, regardless of the outcome of such care and service.

Further, your Committee feels that inasmuch as a guardian loves, cares, and feels for those for whom he is responsible just as much as a parent or spouse, the bill should

be amended to provide guardians with the same rights afforded to parents and spouses, i.e., to be notified by a treating physician regarding information about the health care and services administered to a minor under his care.

Finally, the term "designated surrogate" has been removed from this bill due to the fact that its definition as used in this context, is ambiguous and broad.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 520, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 520, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Masutani,

SCRep. 617

Judiciary on H.B. No. 925

The purpose of this bill is to conform the Hawaii Revised Statutes to the Constitutional Amendment to Article II of the State Constitution relating to registration of voters and voting.

This bill makes numerous housekeeping and other changes to Chapters 11 and 12 of the Hawaii Revised Statutes to effectuate the constitutional mandate that no person be required to declare a party preference or nonpartisanship as a condition of voting in any primary or special primary election.

Pursuant to the Committee of the Whole Report No. 16 of the 1978 Constitutional Convention, the bill provides for an open primary election system wherein voters are still required to vote only for the candidates of one political party or nonpartisan. It also provides that any ballot marked for candidates of more than one party or for candidates of one party and nonpartisan, will not be counted.

Your Committee finds that except for the provisions relating to the format of the primary election ballot, this bill will effectively and efficiently effectuate the amendment of Article II of the State Constitution. Under the provisions of H.B. No. 925, H.D. 1, the Chief Election Officer is permitted the discretion of determining the primary election ballot format, i.e., whether such ballot is to consist of separate ballot cards for each party, or ballot cards listing two or more party's candidates on a single card. Upon further consideration, your Committee finds that the listing of two or more party's candidates on a single ballot may increase the likelihood of voting across party lines and result in a greater number of spoiled ballots. Accordingly, your Committee has amended this bill to specify that there shall be a separate ballot for each party and a separate ballot containing the names of all nonpartisan candidates.

Your Committee has also made the following amendments to the bill which were necessitated by the amendment to require separate party and nonpartisan ballots:

(1) Part III of Chapter 12, which was repealed in section 10 of H.D. 1 and replaced with a new part, has been retained and amended to conform to the constitutional mandate that no person be required to state a party preference or nonpartisanship as a condition of voting. Further amendments to this part provide that voters shall be issued the ballots for each party and the nonpartisan ballot, and shall be entitled to select and to vote for the candidates on any one ballot.

(2) The new Part III contained in section 11 of H.D. 1 has been eliminated and its provisions included in amendments to Part II of Chapter 12.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 925, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 925, H.D. 2.

Signed by all members of the Committee except Representative Masutani.

SCRep. 618

Judiciary on H.B. No. 1496

The purpose of this bill is to provide protection by law, not presently afforded, to manufacturers, materialmen and persons constructing or repairing any real property, against an action for damages based on such construction.

Your Committee has heard testimony that the present statute provides protection to

the owner(s), lessee(s) and registered and/or duly licensed person(s) performing or furnishing professional or licensed services in the design, planning, supervision, or observation of construction of the improvement to real property. It was the belief of past lawmakers that manufacturers and materialmen reasonably constituted a separate and distinguishable class, thus, did not have to be included within the protection of the statute. Although at the time it was made, this decision was "sound", in recent court cases where statutes similar to this were tested, there have been a number of decisions holding such an exclusion to be a violation of equal protection of the law. Though these cases are few in number, they raise a question as to the validity of present law.

Your Committee feels that the intent of this bill which broadens the scope of law, making it applicable to all persons who can, by a sensible reading of the words, be brought within its ambit, is logical and reasonable. The only persons excluded would be owners in suits based on their negligent conduct in the repair or maintenance of the improvement and surveyors in suits based on their own errors in boundary surveys. These exclusions exist in the present law and are merely carried forward in this proposal.

Further, this bill also clarifies some of the problems the courts have had in interpreting the present statute by providing a definition of the terms "improvement" and "date of completion"; which period begins to run with filing of an affidavit of publication and a notice of completion with the Circuit Court.

Lastly, this proposal liberalizes the present law by extending the limitation period for an additional period of time in situations where a person is injured in the fifth or sixth year of the statutory period. Thus, if someone were injured on the last day of the six-year period, he would be granted an additional two years to file his action.

Your Committee finds that this bill will resolve the constitutional doubts that have been raised and is a non-controversial, fair and reasonable approach to the limitations problem.

Your Committee has amended this bill to correct typographical errors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1496, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1496, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Masutani.

SCRep. 619

Judiciary on H.B. No. 1634

The purpose of this bill is to amend Chapter 662, Hawaii Revised Statutes, to provide the parties to suits under the State Tort Liability Act the right to trial by jury, to clarify existing statutory language so that the State may be awarded costs in the court's discretion, and to repeal the existing section of the State Tort Liability Act which allows the court to award attorney's fees against the State in addition to the judgment.

Your Committee received testimony that jury trials are preferable to judge trials because decisions from such trials are more apt to be representative of the community at large. Further, a trial judge is often required to decide the admissibility of evidence which is clearly prejudicial and vigorous advocacy occasionally antagonizes a judge, and since he is the sole fact finder, his judgment may be influenced. Finally, a review of recent judgments indicates that judges are at least as liberal with State funds as juries, if not more so.

This bill vests in each party, the right to request a trial by jury in any action against the State. However, your Committee feels that there are many issues which can be settled more simply and expeditiously by a judge without incurring the delay and costs involved in a jury trial. On the other hand, the merits of the testimony cannot be overlooked, and therefore, your Committee has amended this bill to provide for an advisory jury and a trial by jury by consent for actions brought against the State pursuant to Chapter 662.

The bill also amends section 662-9, in order to clarify the existing statutory language, thereby resolving the question as to whether or not the State under the State Tort Liability Act can be considered a "successful claimant". It gives discretion to the judge to allow costs to the "prevailing party", thus allowing the court to award costs and fees to the State. Your Committee finds this a reasonable and acceptable resolution

of the ambiguity.

Finally, the bill deletes section 662-12 which presently allows the court to award up to 20% of the judgment for attorney fees, such sum being in addition to the judgment.

Your Committee heard testimony that because the 20% award is made over and above the judgment, it is 20% higher than would be made against any other defendant. Your Committee feels that there is no reasonable basis for such a differentiation and finds that the disallowance of such an award is desirable and necessary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1634, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1634, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Masutani.

SCRep. 620

Judiciary on H.B. No. 438

The purpose of this bill is to neutralize the present rape laws by substituting the word "person" wherever and whenever the words "male" or "female" appear in such laws.

Your Committee heard testimony that present statutes discriminate against the male offender and female victim inasmuch as they are based on the assumption that only a male can rape a female. There is no reasonable basis to distinguish between both genders. In this day of the permissive society, it is likely that a male could become the victim of a female offender.

Your Committee, recognizing the fact that a female, as well as a male, can commit the instant offenses, finds that the rape laws should be neutralized to make such laws applicable to both sexes. However, the neutralization notwithstanding, it is your Committee's express intent not to invalidate, influence, or in any way affect any case currently before the Supreme Court on appeal from a criminal prosecution arising under these statutes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 438 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 Masutani.

SCRep. 621

Judiciary on H.B. No. 1716

The purpose of this bill is to repeal the provision for the "Calabash Cousins of Hawaii" and replace it by adopting the humpback whale as the official marine mammal of the State.

Your Committee received testimony that Hawaii is the only State privileged to welcome and shelter an entire herd of humpback whales each year as they migrate to their traditional calving grounds off the island of Maui. We offer them safety within our waters, and we alone can provide the opportunity for the scientific world to study humpback whales on such an intensive scale.

Your Committee finds that the humpback whale would be a most appropriate emblem of the State of Hawaii for it was here long before the arrival of the first Hawaiians, who held it in high regard; it was an integral part of the modern history of Hawaii and is viewed by our people with respect and aloha.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1716 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 Masutani.

SCRep. 622

Judiciary on H.B. No. 1646

The purpose of this bill is to broaden driver licenses exemptions to include persons

holding valid licenses from a territory or possession of the United States, the District of Columbia and the Commonwealth of Puerto Rico.

Your Committee has received testimony that some confusion exists among driver licensing officials as to the persons to be given exemptions under section 268-105, Hawaii Revised Statutes, especially as it pertains to territories, commonwealths, and possessions of the United States.

Your Committee feels that this proposed bill resolves the above dilemma by allowing holders of valid drivers' licenses from territories and possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico to be exempt from possessing a State of Hawaii driver's license, therefore, broadening and clarifying the class of persons receiving such exemptions.

However, after investigating some of the possible ramifications of this bill, your Committee has amended this proposal by deleting the terms "territory or possession" due to the fact that territories or possessions of the United States include many underdeveloped native islands whose driving habits and standards are suspect, at best, and in the best interest and safety of the motoring public, these persons should be required to acquire a State of Hawaii driver's license prior to being permitted to operate a motor vehicle.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1646, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1646, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Masutani.

SCRep. 623 Judiciary on H.B. No. 1085

The purpose of this bill is to require the approval of the Mayor and Council of the respective Counties to adopt, amend or repeal any rule established by any county agency.

Your Committee has heard testimony that present law requires that the adoption, amendment or repeal of any rule by any county agency be subject to the approval of the Mayor. These rules and regulations when properly promulgated and within the parameters of their enabling laws, may have the force and effect of law and are extensive and persuasive, thereby, directly or indirectly affecting the members of the respective counties.

Your Committee feels our system of government is premised on the philosophy of "check and balance" whereby the one branch oversees the workings of another. Further, members of the county agencies are not elected representatives of the people, they are appointed officials of the County Government; the rules they establish may be inconsistent with the Legislative Branch of their respective counties. Therefore, in keeping with the "check and balance" concept, your Committee finds it wise that both the Executive and Legislative Branches of the counties approve rules proposed by their respective agencies.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1085 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 Masutani.

SCRep. 624 Judiciary on H.B. No. 405

The purpose of this bill is to make the defenses of self-defense and defense of other, within the meaning of the Hawaii Penal Code, affirmative defenses.

Your Committee received testimony that under present law the defenses of self-defense and defense of others are not specifically designated as affirmative defenses although traditionally they have been. A heavy burden is thereby placed on the State in criminal prosecutions, not only to prove the guilt of a defendant beyond a reasonable doubt, but also to present evidence negating these defenses should either or both be raised. This bill would place on the defendant the burden of going forward with the evidence to prove the facts constituting such defense or defenses by a preponderance of the evidence.

Your Committee finds that by specifically designating these defenses as affirmative defenses, the burden of proof would rest with the defense. Your Committee feels that placing such burden on the defendant is more reasonable than placing it on the State in light of the fact that most, if not all, of the facts relating to such a defense would be within the province of the defendant's knowledge and control and requiring him to prove such defenses by a preponderance of the evidence is fairer than requiring the State to disprove them beyond a reasonable doubt. Moreover, since a defendant in a criminal prosecution need not raise any defense at all, making these defenses affirmative defenses would not deprive a defendant of any of his guaranteed rights.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 405 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 625

Judiciary and Health on H.B. No. 1657

The purpose of this bill is to clarify and modify section 327C-1, Hawaii Revised Statutes, relating to the determination of death.

Under present law, the determination of a person's death must be made by a licensed attending physician and a consulting physician who is either a licensed neurologist or neurosurgeon, and must be evidenced by signed statements of both. This bill would eliminate the need for the consulting physician's opinion.

Your Committees heard testimony that present law has created hardship and added expense for the neighbor islands where there are presently no neurosurgeons or neurologists in practice. Further, your Committees have been informed that the criteria for brain death has been in existence for at least ten years, and that most specialists and interested physicians recognize brain death when it has occurred.

Your Committees find that repealing the requirement that the opinions of both a licensed physician and a licensed neurosurgeon or neurologist be obtained before a determination of death can be made, will alleviate the problem faced by the medical profession, especially on the neighbor islands, without jeopardizing the public health and welfare.

Your Committees have amended this bill to correct typographical errors.

Your Committees on Judiciary and Health are in accord with the intent and purpose of H.B. No. 1657, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1657, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Masutani.

SCRep. 626

Judiciary on H.B. No. 1386

The purpose of this bill is to strengthen current extortion laws in order to rectify present inadequacies with such laws.

Your Committee received testimony from the Hawaii Crime Commission that extortion is a vicious crime, one of the most reprehensible and dangerous form of crime against the person; that its investigation of extortion in Hawaii revealed that too many extortions go unreported, or if reported, unprosecuted, or if prosecuted, unconvicted; and that the current situation exists primarily because of the inadequacies with the present laws dealing with extortion and extortion-related activities. This bill would consolidate present Hawaii law dealing with extortion, section 708-830, theft by extortion, and section 707-724, criminal coercion, and Federal law, the Extortionate Credit Transaction statutes, in order to make such law simpler and more comprehensive.

Basically, the statutory scheme proposed by this bill prohibits the use of certain threats to obtain money or property, to coerce behavior by anyone, or to collect debts. It also provides for uniform penalties, based on the seriousness of the threatened injury in the extortion and the legality of the demand accompanying the threat.

Your Committee has amended the bill to refine the two degrees of extortion provided for therein to include three degrees in order that the penalties imposed are more consistent

with the current criminal coercion and theft by extortion laws. Under these amendments extorted sums may be aggregated over any 12 month period, thereby facilitating the task of proving specific extorted sums.

Extortion in the first degree has been amended to include any extortion of property or services exceeding \$200 during any 12 month period, to include single incidents of extortion of over \$200. Extortion in the second degree has been amended to include any extortion of property or services the value of which exceeds \$50 in any 12 month period. Extortion in the third degree has been added to include extortion of property and services of any value, and has been made a misdemeanor.

Finally, your Committee has amended the bill to make extortion of any degree a class A felony when a firearm, explosive or other dangerous weapon is immediately available and is physically used as part of the threat. Your Committee finds that the danger which accompanies the use of firearms or explosives, or objects which are dangerous per se, requires the heightened sanction of a class A felony. The "dangerous weapon" provision is borrowed from the criminal coercion statute and is defined in part by section 134-51 of the Hawaii Revised Statutes and the Hawaii Supreme Court has left little doubt as to the meaning of the law in its application to weapons not specifically enumerated in statutory law.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1386, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1386, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Masutani.

SCRep. 627

Judiciary on H.B. No. 1510 (Majority)

The purpose of this bill is to provide in certain circumstances for the discontinuation of medical treatment to persons who request it and who are suffering from a terminal condition, and to enable persons to request in advance that treatment or feedings be discontinued in the event of their suffering from such a condition at a future date.

Your Committee finds that the bill has the humane objective of permitting an incurably ill person to die, when he or she can no longer be restored to a meaningful existence, by permitting his or her physicians to respect the patient's wish that medical treatment be discontinued. The physician could discontinue medical treatment and feeding where a patient was suffering from a "terminal condition" as defined in this bill, where the person has executed a written directive, witnessed by two persons not related to the declarant and who would not be entitled to any portion of his estate, stating that such person requests discontinuation of medical treatment and feeding and is suffering an incurable physical illness which is expected to render the declarant incapable of a natural existence. The bill provides that the existence of a terminal condition must be certified by two physicians at least fourteen days prior to its signing. This bill thus recognizes the importance of insuring both that the expression on the part of the patient is authentic and that the findings by the physicians are well considered.

The bill provides for the revocation of the directive in certain situations or instances by the declarant, without regard to his mental state or competency; otherwise, such directive shall remain in full force for five years. If the declarant becomes comatose or is rendered incapable of communicating with the attending physician, the directive shall remain in effect for the duration of the comatose condition or until such time as he can communicate with the physician.

The bill also provides for non-liability of physicians or health facilities acting in good faith, who discontinue treatment or feeding in accordance with the patient's directive. It provides that there shall be no criminal or civil liability on the part of any person for acting on the directive without knowledge of its revocation.

The bill provides that withholding or withdrawing of life sustaining procedures does not constitute suicide, and could not, impair or invalidate life insurance; and prohibits any insurer or health care provider from requiring execution of the directive as a condition for being insured for, or receiving, health care services.

The bill makes it a misdemeanor to conceal, cancel, deface, obliterate, or damage the directive of another without such declarant's consent. Further, any person who falsifies, forges, wilfully conceals, or withholds personal knowledge of a revocation of a directive with the intent to cause a withholding or withdrawal of life-sustaining

procedures contrary to the wishes of the declarant and thereby hasten death, shall be subject to prosecution for criminal homicide.

The Director of Health is required to make necessary rules and regulations to implement the intent of this bill and the Executive Office on Aging shall adopt rules governing its selection or designation of a patient advocate or ombudsman.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1510, 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 Masutani.
(Representative Nakamura did not concur.)

SCRep. 628

Judiciary on H.B. No. 1140

The purpose of this bill is to correct errors, clarify language, correct references and delete obsolete or unnecessary provisions by amending or repealing various portions of the Hawaii Revised Statutes (H.R.S.).

Your Committee received testimony that presently there are numerous errors within the Hawaii Revised Statutes that should be corrected and clarified.

This bill does the following:

Section 1 amends H.R.S., section 1-27, to reflect the fact that replacement volumes, as well as supplements, contain statutes with chapter and section numbers assigned by the revisor of statutes. Accordingly, references to replacement volumes have been added for completeness. In addition, the section references have been changed to accord with the present numbering of the sections concerned.

Section 2 amends H.R.S., section 21-17, so as to bring the chapter reference up to date. The provisions of chapter 28 relating to the sheriff have been superseded by the provisions of chapter 601.

Section 3 amends H.R.S., section 26H-4(f), to restore language erroneously omitted in the preparation of the 1977 Session Laws Volume.

Section 4 repeals H.R.S., section 28-5.1. The provision has no present significance because section 85-10, referred to therein, has been repealed by Act 26, Session Laws of Hawaii 1972.

Section 5 amends H.R.S., section 46-6(b), by deleting the words "and facilities." Before the enactment of Act 208, Session Laws of Hawaii 1977, section 46-6 required a subdivider of land to provide land and facilities to be used for park and playground purposes in the subdivision. Act 208 eliminated all references to facilities in this connection except the one now to be deleted. Thus, this amendment merely corrects the oversight.

Section 6 amends H.R.S., section 48E-6, to correct a clerical error by substituting "indenture of mortgage" for "indenture, or mortgage".

Section 7 amends H.R.S., section 49-1, by substituting a reference to the current section defining public off-street parking facilities for the reference to the sections which were repealed by Act 173, Session Laws of Hawaii 1970. Section 49-1 is also amended by substituting "governing body" for "government body" to conform to the terminology of chapter 49.

Section 8 amends H.R.S., section 53-22, to conform to section 8 of Article VIII of the State Constitution and chapter 37 of the Hawaii Revised Statutes, relating to the budget.

Section 9 amends H.R.S., section 84-31.5, to correct an erroneous cross reference.

Section 10 amends H.R.S., section 125C-4, to supply an omission in the language. The words proposed to be inserted were contained in the original, but not the final, draft of the bill which was enacted into law. Their restoration makes the provision intelligible.

Section 11 amends H.R.S., section 128-9, to harmonize with subsequent legislation

affecting the sections referred to. In paragraph 5, references to unnecessary or obsolete provisions are deleted. In paragraph 6, a reference to the current section fixing the hours of voting is substituted for the reference to repealed sections.

Section 12 amends H.R.S., section 177-35, by deleting a reference to repealed sections.

Section 13 amends H.R.S., section 184-5, by substituting a reference to the current section for the reference to a repealed section.

Section 14 amends H.R.S., section 192-2, to reflect the effect of Act 69, Session Laws of Hawaii 1973, which substituted section 150A-6 for 150-2.

Sections 15, 16, and 17 amend H.R.S., sections 193-1, 193-13, and 193-23, respectively to eliminate obsolete references. The provisions of chapter 85 relating to personal history statements were repealed by Act 26, Session Laws of Hawaii 1972, and chapter 86 was repealed by Act 171, Session Laws of Hawaii 1970.

Section 18 amends H.R.S., section 205-16.1, to harmonize with subsequent legislation. Act 166, Session Laws of Hawaii 1978, extended for two years the expiration date of the interim policy, and Act 100, Session Laws of Hawaii 1978, repealed chapter 225 and enacted chapter 226 in substitution.

Section 19 amends H.R.S., section 206-18, to conform the cross reference to renumbering by Act 51, Session Laws of Hawaii 1970.

Section 20 amends H.R.S., section 209-5, to restore a word inadvertently omitted by Act 205, Session Laws of Hawaii 1976.

Sections 21, 22, and 23 amend H.R.S., sections 235-7(a), 237-4, and 237-23(b), respectively to conform the cross references to renumbering by Act 4, Session Laws of Hawaii 1971.

Section 24 amends H.R.S., section 237-24, to conform the cross references to current numbering and to delete (15) and renumber after (15) which was deleted by Act 204, Session Laws of Hawaii 1971. Section 237-23(a)(6) to (9) has been renumbered 237-23(a)(5) to (8) by Act 4, Session Laws of Hawaii 1971. Chapter 514 has been renumbered 514A by the revisor of statutes.

Section 25 amends H.R.S., section 266-19, to set forth therein language that formerly was incorporated by reference. This amendment is required because the section containing the incorporated language has been repealed.

Section 26 amends H.R.S., section 271-5, to fill a gap created by the repeal of section 70-1. The reference to section 4-1 and to the Honolulu district refers to the same geographical area designated the City of Honolulu by section 70-1. The effect is to nullify the repeal of 70-1 insofar as 271-5 is concerned.

Section 27 amends H.R.S., section 281-57, to correct a printing error.

Section 28 amends H.R.S., section 291-22, by substituting a reference to a specific section for an incorrect and uncertain reference.

Section 29 amends H.R.S., section 291-29, by deleting a reference to a repealed section.

Sections 30 and 31 amend H.R.S., section 291C-164, and 291C-170 to conform the terminology to that prescribed by Act 164, Session Laws of Hawaii 1970, which substituted "driver's license" for "operator's and chauffeur's license".

Section 32 amends H.R.S., section 306-4, to correct a typographical error.

Section 33 amends H.R.S., section 321-15.6(c), to correct a clerical error in the coordination of this section with section 346-94, both of which were enacted by Act 107, Session Laws of Hawaii 1978.

Section 34 amends H.R.S., section 328-10, by deleting a reference to a repealed section.

Section 35 amends H.R.S., section 353-1.4, to strike the reference to section 353-1.3, which as amended by Act 209, Session Laws of Hawaii 1977, is no longer relevant; and to restore language deleted from the section by Act 209, Session Laws of Hawaii 1977, through an error in the copying of the section.

Section 36 amends H.R.S., section 359-141, to update a cross reference. Act 224, Session Laws of Hawaii 1976, repealed section 359-61 and reenacted the provision as section 359-66.

Section 37 amends H.R.S., section 359G-1.1, to restore a definition inadvertently deleted from the section by Act 142, Session Laws of Hawaii 1978, when, through an error in the copying of the section, it failed to set forth the material.

Section 38 amends H.R.S., section 359G-4(d), to restore words inadvertently deleted from the section by Act 225, Session Laws of Hawaii 1976, while amending the section for other purposes.

Section 39 amends H.R.S., section 359G-5, by substituting a reference to the current section for the reference to a repealed section.

Section 40 amends H.R.S., section 384-3, to eliminate an unnecessary reference. Since the amendment of chapter 383 by Act 3, Session Laws of Hawaii 1969, unemployment benefits of employees are determined without regard to whether they are seasonal workers or not.

Section 41 amends H.R.S., section 392-26, to harmonize subsection (a) and (c). Act 154, Session Laws of Hawaii 1974, inserted a reference to naturopathy in subsection (a) but failed to make a corresponding change in subsection (c). This amendment corrects the oversight.

Section 42 amends H.R.S., section 445-166(a), to update a cross reference. Act 57, Session Laws of Hawaii 1972, repealed section 376-2(5) and reenacted the provision as section 396-4(b)(4).

Section 43 amends H.R.S., section 448E-4, to harmonize with section 448E-8, which as amended by Act 118, Session Laws of Hawaii 1975, provides for biennial renewal of licenses.

Sections 44 and 45 amend H.R.S., section 452-6(c) and 468-3 respectively, to give effect to Act 205, Session Laws of Hawaii 1974, which eliminated conviction of a crime per se as a disqualification from occupational licensure. Act 205 expressly deleted similar provisions from other sections of the Hawaii Revised Statutes but failed to amend these sections. Section 831-3.1(d) enacted by Act 205 provides that it prevails over all other law in the area. These sections were not in any version of the bill which became Act 205 apparently through an oversight in drafting.

Sections 46 and 47 amend H.R.S., section 484-3(a) and 485-6 respectively, to update the cross references. Chapter 514, relating to Horizontal Property Regimes, has been renumbered 514A.

Section 48 amends H.R.S., section 510-10(b), to substitute a reference to the current provisions on probate and administration of decedent's estate for the reference to the former provisions, repealed by Act 200, Session Laws of Hawaii 1976.

Section 49 amends H.R.S., section 519-2(a), to restore language inadvertently deleted by Act 242, Session Laws of Hawaii 1976, while amending the section for other purposes. As thus revised, this section will also accord with the definition of offsite improvements appearing in section 516-1(12).

Section 50 amends H.R.S., section 531-33, to restore former language inadvertently deleted by Act 144, Session Laws of Hawaii 1977, while amending the section for other purposes.

Section 51 amends H.R.S., section 560:1-401, to restore its former subsections (b) and (c), inadvertently deleted by Act 113, Session Laws of Hawaii 1978, while amending the section for other purposes.

Section 52 amends H.R.S., section 560:3-403(a), to restore language inadvertently deleted by Act 144, Session Laws of Hawaii 1977, while amending the section for other purposes.

Section 53 amends H.R.S., section 560:3-1102, to correct a clerical error.

Section 54 amends H.R.S., section 571-48, to restore language inadvertently deleted by Act 220, Session Laws of Hawaii 1978, while amending the section for other purposes.

Section 55 amends H.R.S., section 571-52.1, to clarify an ambiguous reference.

Section 56 amends H.R.S., section 572-10, to conform the section to the law relating to the age of majority. Act 2, Session Laws of Hawaii 1972, which lowered such age from twenty to eighteen, made conforming amendments throughout the Hawaii Revised Statutes, including chapter 572, but failed to amend this particular section.

Section 57 amends H.R.S., section 577A-1, to restore the definition of minor, inadvertently deleted by Act 109, Session Laws of Hawaii 1978, while amending the section for other purposes.

Section 58 amends H.R.S., section 584-14, to conform its caption to its subject matter, which has nothing to do with juries. Section 584-14 is based on section 14 of the Uniform Parentage Act which is captioned "Civil action; jury." and which contains subsection (d) relating to the subject matter of juries. In adopting the Uniform Act section as the law of this State, the Legislature deleted subsection (d) but failed to make a corresponding change in the caption of the section.

Section 59 amends H.R.S., section 605-16, to delete an obsolete provision. Chapter 729 was repealed by Act 9, Session Laws of Hawaii 1972.

Section 60 amends H.R.S., section 607-2, to update a cross reference. Act 192, Session Laws of Hawaii 1975, repealed section 28-26 and transferred the relevant provisions to section 601-36.

Section 61, 62, and 63 amend H.R.S., sections 657-32, 657-34, and 657-35, to conform them to Act 26, Session Laws of Hawaii 1973, which increased the period of adverse possession from ten to twenty years but failed to make corresponding changes in these sections.

Section 64 reenacts H.R.S., section 704-404(1), to clarify that whenever the defendant's responsibility, fitness to proceed, or physical or mental condition becomes an issue in a criminal trial, the court may, as distinguished from shall, suspend the proceedings and provide for medical examination. As originally enacted, this subsection required mandatory suspension. This was changed to a discretionary matter by Act 136, Session Laws of Hawaii 1973, which expressly substituted the word "may" for "shall". Subsequently, however, Act 54, Session Laws of Hawaii 1974, while amending subsection (2), erroneously set forth subsection (1) in its original form and not as amended. This bill reenacts the version of subsection (1) as amended by Act 136 for clarification and confirmation purposes.

Section 65 amends H.R.S., section 706-603, to restore language added by Act 179, Session Laws of Hawaii 1973, but which was unintentionally deleted by Act 54, Session Laws of Hawaii 1974, when the latter in amending the section for other purposes failed to set forth the amendments enacted by the former.

Section 66 amends H.R.S., section 712-1244(1), to restore language inadvertently deleted by Act 163, Session Laws of Hawaii 1975. The clear intent of Act 163 was to amend the opening provision of subsection (1) only, but in carrying this out, it made an error in the copying of the remaining portions of the statute and failed to set forth the provision now to be restored.

Your Committee finds that the above corrections proposed in this bill will ease and facilitate the future use of the Hawaii Revised Statutes by clarifying any ambiguities that presently exist.

Your Committee has amended this bill to correct typographical errors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1140, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Masutani.

SCRep. 629

Water, Land Use, Development and Hawaiian Affairs; and Ecology
and Environmental Protection on H.B. No. 1642

The purpose of this Act is to facilitate implementation of the Hawaii Coastal Zone Management Program (CZM) by clarifying the procedures relating to special management area

(SMA) controls and stream-lining the process by which special management area permits are administered by county authorities.

The bill amends Chapter 205A, Hawaii Revised Statutes, to acknowledge the coastal zone management area and to separate the boundaries of the SMA area from the boundaries of the CZM area. The bill would also allow the counties to amend their SMA boundaries on a voluntary rather than mandatory basis.

Chapter 205A is also amended by the bill to assign rule-making authority to the "lead agency," the department of planning and economic development, in order to specify and clarify the objectives and policies of the CZM Program. Additionally, the CZM area is defined to include State waters and inland areas excluding State forest reserves.

Finally, the bill amends the hearing requirement for SMA permit applications so that public hearings are required only if requested by any person or agency.

Your Committees heard testimony from the counties that giving the DPED rule-making authority which would be binding on all State and county agencies would erode the power of the counties in governing the CZM area. Thus, the bill has been amended to delete the DPED's rule-making powers and to provide instead that counties shall have rule-making powers over permit application procedures, so long as they are consistent with the objectives, policies and special management area guidelines provided in the CZM Act.

Your Committees heard testimony that present procedures regarding public hearings in connection with SMA Permit applications are adequate. Therefore, the bill has been amended to allow the county authorities to determine the conditions under which hearings must be held, instead of requiring hearings in cases where they are requested by any person or agency.

The definition of "coastal zone management area" has also been amended to include "the waters from the shoreline to the seaward limit of the state's jurisdiction." This would permit the counties to obtain jurisdiction over this area without having to amend their special management areas.

The original bill removed the requirement that SMA boundaries be reviewed and amended as necessary within two years of June 8, 1977. Your Committees have reinstated this time limitation requirement because it was felt that this was adequate time in which such a review could be conducted.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and on Ecology and Environmental Protection are in accord with the intent and purpose of H.B. No. 1642, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1642, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Crozier, Garcia and Sakamoto.

SCRep. 630

Finance on H.B. No. 1695

The purpose of this bill is to establish the "Scandinavian Centennial Commission" which shall have charge of all arrangements for the commemoration of the 100th anniversary of the first large group of Scandinavians to Hawaii.

Your Committee supports the establishment of the Scandinavian Centennial Commission but no monetary implications on the part of the State are to be inferred.

Your Committee has amended this bill to delete the requirement for Senate advice and consent as unnecessary.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1695, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1695, H.D. 1.

Signed by all members of the Committee.

SCRep. 631 Finance on H.B. No. 1162

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist not-for-profit corporations providing health care to the general public.

The 1978 Constitutional Convention provided the State with the authority to authorize the issuance of special purpose revenue bonds to assist such corporations in obtaining moneys at a reduced interest rate. This bill is a companion bill to H.B. No. 25 which provides the necessary enabling legislation for the State to issue such bonds once authorized. Article VII, section 12, of the State Constitution requires the enabling legislation and the bond authorization legislation to be in separate bills.

This bill authorizes the department of budget and finance to issue special purpose revenue bonds for the financing or refinancing of a multi-project health facility program for the following: Castle Memorial Hospital, \$5,235,000; for Kapiolani/Children's Medical Center, \$8,000,000; for Kuakini Medical Center, \$20,000,000; for Queen's Medical Center, \$20,000,000; for St. Francis Hospital, \$12,300,000; and for Wahiawa General Hospital, \$1,000,000. It is estimated that the combined interest savings of these six institutions will amount to \$1.02 million.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1162, H.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 632 Finance on H.B. No. 281

The purpose of this bill is to amend Section 103-32, Hawaii Revised Statutes, relating to the bidding and awarding of public contracts by adding a new provision whereby the contracting officer may, in the case of only one bidder, negotiate with the bidder.

Under existing law, the Department of Accounting and General Services may only negotiate with the lowest bidder to reduce the scope of work. Under this bill a contracting officer may also enter into negotiations if only one bid was received. The officer may in his discretion negotiate with such bidder to reduce the price and award the contract at the reduced price.

It is the intent of your Committee that this provision will be used when the bid exceeds available funds and your Committee has accordingly amended this bill to include such language.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 281, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 281, H.D. 2.

Signed by all members of the Committee.

SCRep. 633 Finance on H.B. No. 583

The purpose of this bill is to improve the enforcement of the statewide litter control program by redefining some terms, clarifying violations, and increasing the maximum fine for offenses.

Since the enactment of the Litter Control Act in 1977, the department of health has had the experience of implementing the Act and was therefore able to recommend amendments to it to provide a more effective framework for litter control.

Your Committee agrees that the present \$10.00 fine for litter violations is inadequate to reflect the serious concern felt by the State over the litter problem. In order to give the courts the flexibility to penalize appropriately according to the seriousness of the violation, this bill would raise the maximum fine to \$250.00. It is the hope of your Committee that the more severe penalty will deter littering.

Your Committee has amended this bill to clarify that littering is prohibited on private property when done without the consent of the owner whose interest is affected. (Page 4, lines 5 to 7).

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 583,

H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 583, H.D. 1.

Signed by all members of the Committee.

SCRep. 634

Finance on H.B. No. 9

The purpose of this bill is to authorize funds for all collective bargaining cost items and for salary increases and other adjustments for excluded officers and employees.

Your Committee finds that negotiations are currently in progress with all thirteen collective bargaining units, and should result in contracts with an expiration date of June 30, 1981. This measure is therefore a vehicle whereby the legislature may (1) make appropriations from the general fund, and (2) authorize the expenditure of federal, special, and other funds to meet collective bargaining cost items for both the executive and judicial branches. The proposal will later be supplemented by specific messages to the leadership of both houses during the present legislative session if any agreements are reached with the exclusive bargaining representatives.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for cost items in agreements negotiated with bargaining units presently undesignated and for salary increases and other adjustments for persons excluded from such units. Part II provides funds to administrative director services (JUD 201), to be allotted by the administrative director of the courts, for cost items in agreements negotiated with bargaining units presently undesignated and for salary increases and other adjustments for persons excluded from such units. Part III provides for payment of salary increases by federal, special, or other funds, depending upon the funding source of an employee's compensation. This bill also authorizes the governor (part I) and the chief justice (part II) to use such sums for salary increases for persons excluded from such bargaining units, but not to exceed or take effect earlier than increases for members of such units.

Your Committee has made nonsubstantive, technical amendments and has amended parts I and II of this bill by providing for a nominal appropriation of \$1 from each fund for each fiscal year pending the finalization of present negotiations and has amended line 6 on page 1 by inserting a reference to collective bargaining cost items to clarify the intent of part I.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 9, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 9, H.D. 2.

Signed by all members of the Committee.

SCRep. 635

Finance on H.B. No. 494

The purpose of this bill is to amend Section 359G-6, Hawaii Revised Statutes, to delete the non-competitive bidding exemption authorized to the Hawaii Housing Authority.

Standard practice in the development field in the public and the private sectors precludes the selection of architects, engineers, attorneys, and certain other professionals on a competitive basis. Expertise in these areas is hired because of quality as well as cost to ensure the best possible technical and financial arrangement for the developer. Competitive bidding is generally used in the selection of the construction contract only. It is the recommendation of this bill that a competitive bidding requirement be restricted to the area of construction contract selection.

Your Committee has amended this bill to make technical amendments to correct errors in drafting on page 2, lines 2, 3, 12 and 14, and on page 3, line 10.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 494, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 494, H.D. 2.

Signed by all members of the Committee.

SCRep. 636

Finance on H.B. No. 48

The purpose of this bill is to extend the State Comprehensive Employment and Training and State Loans for Employment components of the State program for the unemployed.

By extending the State Comprehensive Employment and Training component, continued employment can be offered at gradually reduced levels through fiscal year 1979 and 1980, thus enabling this program to phase out and release program participants onto an improving job market.

Your Committee has amended this bill by providing an appropriation of \$3,700,000 to implement the program. Your Committee stresses that of this \$3,700,000 appropriation, \$500,000 shall be used to continue the School Security Aide program. Your Committee also concurs with the \$300,000 appropriation to implement the program set forth in Part IV of the chapter created in section 1 of Act 151, SLH 1975.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 48, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 48, H.D. 2.

Signed by all members of the Committee.

SCRep. 637

Finance on H.B. No. 1200 (Majority)

The purpose of this bill is to provide that proceeds received from engaging in interstate or foreign commerce are not taxable under the general excise and use tax laws if previously exempted or excluded before April 1, 1978. The amounts are not taxable to the extent that they have previously been exempt or excluded under the U.S. Constitution or by congressional act.

Your Committee finds that the practical effect of this bill would be to exclude from general excise and use taxation stevedoring and other interstate commerce activities. Such activities and the proceeds derived from them have historically enjoyed exemption from state taxation due to judicial interpretation of the interstate commerce clause of the U.S. Constitution.

In April of 1978, however, the U.S. Supreme Court handed down a ruling which determined that states may directly tax the privilege of conducting interstate business where such taxes are fair and a relationship between the business activities being taxed and the state is established. Several months after the Court's ruling, the state department of taxation set guidelines for the taxation of stevedoring and other interstate commerce activities. Expressing concern for the economic impact of the implementation of the taxation guidelines, the governor later suspended assessment of the taxes. This bill would codify this exemption of stevedoring and related activities from taxation, notwithstanding the recent U.S. Supreme Court ruling.

Your Committee believes that the imposition of the tax on interstate commerce proceeds and activities would have a substantial impact on the state's economy as nearly all consumer goods must be imported. Due to Hawaii's remote geographic location, Hawaii residents already face high prices as a result of shipping costs. Any increase in these shipping costs will ultimately be borne by the consumers, leading to further escalation of the state's cost of living.

Whereas this bill merely codifies an existing exemption, it therefore would not reduce tax revenues.

Your Committee has amended the bill by deleting the phrase "(determined without reference to court decisions rendered thereafter)," on page 7, line 2 and again on page 8, line 1. This will ensure that regardless of any future changes in the U.S. Supreme Court's ruling, these exemptions and exclusions will remain in effect.

Your Committee has further amended the bill on page 7, lines 8 and 9 in an effort to clarify language without changing the substance of the bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1200, as amended herein, and recommends that it pass Third Reading in the form attached hereto, as H.B. No. 1200, H.D. 1.

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

SCRep. 638 Finance on H.B. No. 69 (Majority)

The purpose of this bill is to prevent any state appropriations for a county mass transit system from being used for the construction or operation of a fixed guideway system.

The City and County of Honolulu has not provided the necessary information to support retention of a \$6 million appropriation by the 1975 State Legislature for a Honolulu fixed guideway system. It is the considered opinion of your Committee that the City has had sufficient time to complete studies needed to support the proposed fixed guideway system, which has been identified by the City as a priority project.

Your Committee believes that the federal government will consider retention of this appropriation as unequivocal state support for the proposed fixed guideway despite the fact that major questions of ridership, operations and maintenance costs and means of financing remain unanswered.

Unless this appropriation is repealed, the federal government is justified in believing that the State fully supports this project, particularly since the \$6 million has remained untouched in the four years since it was appropriated. Your Committee is extremely concerned that not repealing this appropriation may result in federal action which commits the State and the County to fund what may become Hawaii's most expensive public project and which will seriously affect the State's ability to borrow funds for other projects under the newly established constitutional State debt limit.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 69, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 639 Finance on H.B. No. 1609

The purpose of this bill is to increase the public employers' monthly dental contribution from \$3.74 to \$4.18 in order to maintain the present level of benefits for the children under age 19 of state or county employee-beneficiaries.

Current Dental Plan benefits costs consist of 1) 100% payment for annual exams, semi-annual teeth cleaning, X-rays and emergency care, and 2) 60/40% co-payment for all other dental services excluding orthodontics.

In the face of continually rising premiums, additional funding is necessary to offset inflationary increases. Total cost of the \$0.44 increase per qualified enrolled dependent (from \$3.74 to \$4.18) for the fiscal biennium 1979-81 will be \$482,100, of which the state's share will be \$320,300 and the counties' share will be \$161,800.

Your Committee has amended this bill making technical changes to correct errors in the original draft.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1609 as amended herein and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1609, H.D. 1.

Signed by all members of the Committee.

SCRep. 640 Finance on H.B. No. 1099

The purpose of this bill is to increase the amount of monthly bonus currently payable to certain state retirees.

Pensioners' bonus is a benefit originally conceived in 1945 to offset the rising cost of living.

Your Committee is in agreement that the inflationary trend in today's cost of living mandates an increase in the bonus, particularly since the individuals affected were employed at low salaries to begin with. Your Committee further agrees that it would be more equitable and less costly to simply pay each retiree an additional \$50 per month, and therefore approves of the amendments proposed by this bill.

The estimated cost of this amendment is \$600,000, of which the state's share will be \$438,000 and the counties' share \$162,000.

Your Committee has amended this bill to insert the appropriate figure and the lapsing date and to make minor technical changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1099, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1099, H.D. 2.

Signed by all members of the Committee.

SCRep. 641 Finance on H.B. No. 1652

The purpose of this bill is to provide funds for the Aquaculture Loan Program.

There is appropriated out of the general revenues of the State of Hawaii the sum of \$500,000 for fiscal year 1979-80 and the sum of \$500,000 for fiscal year 1980-81 to the Hawaii Aquaculture Loan Revolving Fund. The sum appropriated shall be expended by the Department of Agriculture.

The additional appropriations are required in order to meet the recent increase in loan applications. Expansion of present funding levels will also encourage the participation of the State's private lenders in the development of aquaculture and will provide needed additional support to the increasing numbers of aquaculturists in the State.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1652 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 642 Finance on H.B. No. 638

The purpose of this bill is to provide for the celebration of the eightieth anniversary of the Okinawan people in Hawaii by creating a commission to be appointed by the Governor.

The eightieth anniversary of Okinawans in Hawaii deserve state-wide recognition. The State sponsored celebration would also be a golden opportunity for the Okinawan community to finally honor some of the surviving immigrants who came to Hawaii at the turn of the century.

Your Committee has amended this bill to delete the appropriation section and to add a revised Section 3.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 638, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 638, H.D. 2.

Signed by all members of the Committee.

SCRep. 643 Finance on H.B. No. 1406

The purpose of this bill is to provide a grant-in-aid of \$650,000 to the Hawaii Medical Association-Emergency Medical Services (HMA-EMS) program for continuing the instructional, training and re-training programs throughout the State.

Your Committee finds that the HMA-EMS program provides valuable training to professional and para-professionals in emergency medical care. The program also includes public education, research and development of information on handling emergencies. The goal of the EMS program is an improved comprehensive system of emergency medical services in Hawaii.

The HMA-EMS program is a key component in the State's medical care system as it provides vital training and re-training services to personnel involved in emergency services. Without the training, provided by EMS the quality of the State's emergency services would not be at the high level where it presently stands.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1406, H.D. 1 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Narvaes.

SCRep. 644 Finance on H.B. No. 1647

The purposes of this bill are to raise the maximum limit for the University of Hawaii research and training fund and to allow expenditures from the fund for indirect costs connected with research and training contracts and grants.

Section 304-8.1, Hawaii Revised Statutes, establishes a research and training revolving fund into which is deposited ten percent of all income up to a maximum of \$200,000 annually from all university held federal and other research and training contracts and grants.

Research at the University of Hawaii is a business operation which must be managed at the best possible level of efficiency. The moneys which are channeled into this business operation must be reflected in the services which it offers. Research overhead is a mechanism which ensures the return to the State of a portion of the actual funds expended in conducting research.

Funding for research contracts and grants is divided into two parts. The first is for direct expenses which include the salaries and fringe benefits of technicians involved in the project; supplies and equipment necessary to carry on the research project; publication and travel costs and other related expenses. Funds to support these activities are provided directly by the grants and contracts. The second part is for indirect expenses which include the numerous administrative and overhead expenses such as payroll and accounting; clerical support services; facilities and equipment maintenance and repairs; utilities and janitorial services; library facilities and services; and general office equipment and supplies.

Your Committee finds that change proposed by this bill will allow the University to more adequately support and increase the research and training effort.

Your Committee has amended this bill to delete the 10 per cent limitation (page 1, line 6) to better accomplish the purpose of this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1647, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1647, H.D. 2.

Signed by all members of the Committee.

SCRep. 645 Finance on H.B. No. 1338

The purpose of this bill is to eliminate all fees charged to the public for admission to the Waikiki Aquarium and Aquarium and to utilize monies so received for the maintenance, operation and expansion of the Aquarium.

Founded in 1904, and part of the University of Hawaii since 1919, the Waikiki Aquarium is the third oldest such institution in the United States. For the largest part of its history, the Aquarium's major objective was the exhibition of aquatic life, and display for educational purposes were minimal. In the last four years, however, education has become the major goal.

The Aquarium has a tremendous potential to offer a number of educational opportunities both for the general public and for students at all levels of the formal education system. The removal of any mandatory fees will provide all persons with an opportunity to learn about Hawaii's marine exhibits through the Aquarium.

Marine Programs of the University of Hawaii, Burton Roberts of the Friends of the Waikiki Aquarium and Spencer Tinker, former Director of the Waikiki Aquarium, reveals complete support for this proposal.

This bill will enable the Waikiki Aquarium to solicit donations and to some extent become partially self-supporting. Currently, the 25¢ entrance fee of the Aquarium generates approximately \$35,000 per year. If this fee were eliminated, donations to

the Aquarium could exceed this amount. The increased monies thus generated through donations would result in expanded expenditures for improved facilities and educational programs.

Your Committee has amended this bill to correct drafting errors on page 3, lines 5, 7, 8 and 15.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1338, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1338, H.D. 2.

Signed by all members of the Committee.

SCRep. 646

Education on H.B. No. 743 (Majority)

The purpose of this bill is (1) to amend section 298-12, Hawaii Revised Statutes, relating to penalty for persistent absense from school, so that said penalty section, which presently applies only to children of school age who persist in absenting themselves from school, will also apply to children of school age who are found outside of school grounds during school hours without a permit to leave school grounds, as provided in section 294-14 and (2) to amend section 298-14, Hawaii Revised Statutes, relating to permits to leave school grounds, so as to substitute the term "school hours" for the word "intermission" in that section.

The Department of Education, through its Assistant Superintendent for Instructional Services, testified that the Board of Education is strongly opposed to the bill because, if strictly enforced, any school age child, found outside of school grounds during school hours without the requisite permit, even if for the first time or as an initial offender, would be subject to the penalty and court-summoning procedure specified in section 298-12.

Your Committee agrees that the penalty provisions, if strictly enforced, may be too severe for first offenders. Accordingly, your Committee has amended the bill so that while the penalty and court-summoning provisions of section 298-12, will continue to apply, as presently worded, to children who persist in absenting themselves from school, such provisions will apply to children of school age, who are found outside of school grounds during school hours without a permit to leave school grounds, as provided in section 298-14, only if the district judge, in his discretion, determines that the provisions should apply in such situations. The word "may", contained in the amendment to the bill, is specifically intended to give the district judge such discretion.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 743, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 743, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
(Representatives Hagino and Marumoto did not concur.)

SCRep. 647

Ecology and Environmental Protection on H.B. No. 1528

The purpose of this Act is to regulate and control the disposal of solid waste in order to assist in the bond financing of the construction of a new facility which would incinerate waste and produce heat for electric power generation.

Landfills are proving inadequate as a method of disposing of solid waste. The trash conversion facility being planned for Oahu would serve the dual purpose of waste disposal and energy recovery. Economic feasibility depends upon a reliable supply of waste.

Your Committee therefore recommends that counties be permitted to designate the disposal site for all solid waste.

In the original conception of the solid waste conversion facility, the purpose of the project was considered to be primarily for disposal. However, the increasing uncertainty of a petroleum supply and the escalating cost increase the importance of energy-production. Your Committee recommends that the purpose section of the bill be amended to reflect this as follows:

"SECTION 1. Purpose. The purpose of this Act is to add a new section to Chapter 340A,

Hawaii Revised Statutes, to regulate and control the disposition of solid waste generated in the State. Technology and methods now exist to process and dispose of solid wastes and recover energy and material resources with commensurate environmental benefits. Furthermore, the amount of solid waste produced within some counties is adequate to sustain such processing and thus can substantially contribute to the State's energy self sufficiency by reducing our dependence on imported oil. The cost effectiveness of such processing is dependent upon the assurance over a long term of solid waste delivery. Inability to assure delivery of the required minimum tonnage to a resource recovery facility will result in penalties to the operator and increased disposal costs to the generator which could make such projects infeasible. This can be avoided by providing for positive control of all solid waste disposal."

Your Committee further recommends that, in order to allow flexibility to counties which have differing size, density, and environmental considerations, line 7, page 3, be amended by substituting ". . . may require that all solid waste. . . be disposed of. . ." for ". . . shall require. . ."

Your Committee further recommends that the last sentence in (8) page 2 be amended by removing the words "pesticide" and "hazardous waste," since the Department of Health is currently developing program alternatives for the disposal of hazardous materials.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of H.B. No. 1528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1528, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives
Crozier, Garcia and Sakamoto.

SCRep. 648

Judiciary on H.B. No. 38

The purpose of this bill is to implement the provisions of Article X, Section 2, of the Hawaii State Constitution, as that Section was amended by the Constitutional Convention of 1978 and that amendment ratified by the electorate on November 7, 1978.

As amended, Article X, Section 2, relating to the board of education, provides in pertinent part as follows:

1. There shall be a board of education composed of members who shall be elected in a nonpartisan manner by qualified voters, as provided by law, from two at-large school board districts: the first school board district comprised of the island of Oahu and the second school board district comprised of the islands of Hawaii, Maui, Lanai, Molokai, Kahoolawe, Kauai, and Niihau.

2. Each at-large school board district shall be divided into departmental school districts, as may be provided by law, with at least one board member residing in each departmental school district.

Accordingly, Article X, Section 2, as amended, requires the Legislature to: (1) fix the number of members on the Board of Education; (2) apportion the number of members between the two at-large districts; (3) establish and designate departmental school districts within the two at-large districts; (4) ensure that at least one board member resides in each departmental school district; and (5) provide for the election of board members in a nonpartisan manner.

To implement these requirements and to conform the Hawaii Revised Statutes to Article X, Section 2, as amended, H.D. 1 of the bill makes appropriate amendments to the following chapters of the Hawaii Revised Statutes:

1. Chapter 13, relating to the board of education, including the election of board members.
2. Chapter 17, relating to vacancies in certain public offices.
3. Chapter 11, relating to elections, generally.
4. Chapter 12, relating to primary elections, including board of education ballots.

5. Chapter 296, relating to the department of education, including district school advisory councils.

Under this bill, the board of education shall consist of thirteen members elected from the two at-large districts, as follows:

First school board district: the island of Oahu, comprised of the seventh through the twenty-sixth representative districts, ten members; and the

Second school board district: the islands of Hawaii, Maui, Lanai, Molokai, Kauai and Niihau, comprised of the first through the sixth and the twenty-seventh representative districts, three members.

Your Committee has retained the bill's apportionment plan allocating ten of the thirteen board seats to Oahu and three seats to the Neighbor Islands. In deciding to retain such apportionment plan, your Committee wishes to make clear that it is aware of and took into consideration the "one man, one vote" principle, or the principle of equal representation for equal numbers of people, enunciated by the U.S. Supreme Court, pursuant to the Equal Protection Clause of the United States Constitution, in Wesberry v. Sanders, 376 U.S. 1 (1964); Reynolds v. Sims, 377 U.S. 533 (1964); Avery v. Midland County, 390 U.S. 474 (1968); Hadley v. Junior College District, 397 U.S. 50 (1970); and related cases.

While cognizant of the "one man, one vote" principle in connection with its decision making, your Committee also wishes to make clear that such decision making had to be done within the following two constraints:

1. Article X, Section 2, of the State Constitution, which constitutionally establishes two at-large school board districts, rather than a single, state-wide school board district; and

2. The guidelines established in the 1978 Hawaii Constitutional Convention's Standing Committee Report No. 39, that the board of education consist of between thirteen and nineteen members, with at least one member residing in the Neighbor Island departmental school districts of Hawaii, Maui, and Kauai. Committee Report No. 39 also states that "A board which is any larger than twenty would be unwieldy and prevent the effective operation and management of the public school system."

Your Committee believes that within the foregoing constraints, it has provided for a school board apportionment plan which satisfies the "one man, one vote" constitutional requirement.

Your Committee has reviewed a number of other apportionment plans based on state-wide voter registration figures for the 1978 General Election. These apportionment plans would have provided for a fifteen member board with eleven members allocated to the first at-large school board district and four members allocated to the second at-large district; a seventeen member board with a thirteen to four allocation; and a nineteen member board with a fifteen to four allocation.

Computations show that the apportionment plan calling for a thirteen member board, with a ten to three allocation, would result in what may be described as "a deviation from the one man, one vote principle" of .75% over-representation of the first at-large school board district and 2.50% under-representation of the second at-large district, for a total deviation of 3.25%. Over-representation refers to a situation where each board member represents a lesser number of registered voters than he would if each board member represented an equal number of registered voters on a statewide basis. Under-representation refers to the converse situation where each board member represents a greater number of registered voters than he would if each board member represented equal numbers of registered voters on a statewide basis.

Computations show that an apportionment plan calling for a 17-member board, with a thirteen to four allocation, would result in the lowest deviation among the four apportionment plans considered: .16% over-representation of the first at-large school board district and .54% under-representation of the second at-large district, for a total deviation of .70%.

According to computations considered by your Committee, while the thirteen to four (17-member) apportionment plan would result in the lowest deviation, the ten to thirteen (13-member) apportionment plan results in the second lowest deviation among the four plans considered.

Your Committee firmly believes, as does the Hawaii State Board of Education as reflected in its testimony before this Committee, that a smaller board composed of 13 members rather than a larger board of 17 members, would be more conducive to the efficient and effective operation and management of the public school system. Relatedly, the 1978 Constitutional Convention's Standing Committee Report No. 39 expressed "the need for a relatively small board which would be able to act quickly and decisively."

Your Committee believes that a 13-member board, with a ten to three allocation, complies with the spirit and intent of the "one man, one vote" principle which has been said not to require "mathematical exactness or precision", Reynolds v. Sims, *supra*, at 577, Wesberry v. Sanders, *supra*, at 18; and with the spirit and intent of Article X, Section 2, of the Hawaii State Constitution as amended in 1978 and as that intent is expressed in the 1978 Constitutional Convention's Standing Committee Report No. 39.

Your Committee, in its deliberations as to the apportionment plan for the board of education, was also acutely aware of the unique, multi-island nature of the State and of the 1978 Constitutional Convention's intent as expressed in the previously cited committee report, that the present composition of the board, which has no member residing in the County of Maui or the County of Kauai, should be changed so that there is at least one member residing in each of the three Neighbor Island counties of Maui, Kauai, and Hawaii.

Under this bill, as required by Article X, Section 2, of the State Constitution, each at-large school board district is divided into seven departmental school districts established or designated in terms of specified representative districts, with at least one member residing in each departmental school district. Under the H.D. 2 version of this bill being reported out by your Committee, one member of the board must reside in each of the seven departmental school districts.

The rationale for this constitutionally mandated residency requirement is explained thusly in the aforementioned Constitutional Convention Standing Committee Report No. 39: "...to establish a framework for the board which would provide for the election of members who were aware of the local needs of particular school districts and accessible to their constituents."

That committee report also explains that:

"The requirement that there be at least one member residing in each school district reflects the serious concern of your Committee that members of the board be cognizant of and responsive to the needs of students within their respective school districts. On the other hand, it is hoped that at-large elections will result in members who will have a more comprehensive view of the educational needs of the students of Hawaii."

Your Committee believes that the "departmental-district residency requirement" contained in this bill, coupled with the provision for at-large elections within the two at-large school board districts, should pass constitutional muster under the principles enunciated by the U.S. Supreme Court in Dusch v. Davis 387 U.S. 112 (1967), and Fortson v. Dorsey 379 U.S. 433 (1965).

Considering the rationale for the departmental-district residency requirement, the establishment of seven departmental school districts within the two at-large school board districts with one-member of the board of education to reside in each departmental school district--to use the words of Dusch v. Davis, *supra*, at 116-- "is not an evasive scheme to avoid the consequences of reapportionment or to perpetuate certain persons in office." The plan establishing departmental school districts, with the accompanying residency requirement, is an intelligent plan with an intelligent rationale.

Your Committee has amended the bill in the following respects:

1. Section 1 of the bill which amends section 13-1 of the Hawaii Revised Statutes establishes new provisions for the number of members on the board of education, for the apportionment of members between the first and second at-large school board districts, for the number of departmental school districts and the drawing of district lines, and for the number of members to be elected as "resident members" of departmental school districts. The number of members to be elected as "resident members" has been amended from two members each to one member each from each of the departmental school districts in the first school board district. Thus, of the ten members to be elected from the first school board district, four are required to reside in a particular departmental school district while six members are not required to meet such a residency requirement.

2. Provisions relating to election of board members were amended from election at the primary election to election at a special election held in conjunction with the general election. Your Committee believes that membership on the board of education should be determined at an election involving as large a number of voters as possible, and historically, the number of voters participating in the general election has always exceeded the number of voters participating in the primary election. Thus, by requiring the election of board members at the general election, voter participation should be greater. Also, testimony supported the later election date to give voters more time to properly assess the candidates and issues.

3. Provisions relating to the preparation of nomination papers were clarified, and the format of the school board ballot was amended to provide for an alphabetical arrangement of the names of the candidates and a grouping of candidates seeking seats requiring residency according to particular departmental school districts. An additional provision was inserted to clarify that each voter in a general election is entitled to receive the school board ballot and to vote for the number of seats available in the respective at-large school board districts.

4. Section 2 of the bill which provides for the filling of vacancies which may occur in the board of education, was amended by deleting the provision for filling of a vacancy which occurs more than 10 days before the filing date for the primary election if the remaining term does not expire at the following general election. This provision is made unnecessary by the amendment providing for the election of school board members at the general election. The remaining provisions adequately provide for the filling of a vacancy, the term of which does not expire at the next general election.

5. Section 2 of the bill also provided for an election to fill vacancies in accordance with section 13-2. The provision was amended to provide that the election for the unexpired term is to be filled in accordance with Title 2 of the Hawaii Revised Statutes relating to elections which establishes all the necessary procedures for conducting an election.

6. Section 4 of the bill provided for necessary amendments to Section 12-23, Hawaii Revised Statutes, relating to primary elections for the board of education. That section in the Hawaii Revised Statutes is repealed as it is no longer applicable because of the change in the election of board members from the primary to a special election at the general election.

7. Section 5 of the bill amending chapter 296, Hawaii Revised Statutes, was intended to redesignate the existing district school advisory councils as departmental school district advisory councils and to redefine the school districts established by the Department of Education to conform to the departmental school districts defined in Section 1 of the bill. Your Committee believes that the establishment of departmental school districts for purposes of electing members to the board of education should not be confused with nor interfere nor alter the school districts which were established by the Department of Education for administrative purposes. Accordingly, your Committee has amended Section 5 of the bill to eliminate the confusion which may result from using similar terms for dissimilar purposes. The word "board" was deleted from the phrase "school board district" used in Section 296-7 to avoid confusing the "school board district" for board of education election purposes, with the Department of Education's school board district" for administration purposes.

8. Section 5 of the bill also provided that each member of the board of education must be an ex officio non-voting member of each school district advisory council of his departmental school district, with the further provision that at-large members from the first school board district must serve as ex-officio non-voting members of each of the school district advisory councils on Oahu. Your Committee amended the section to provide that each member of the board of education shall be an ex-officio, non-voting member of the district school advisory councils in his school board district. The amendment is intended to eliminate the distinction between an at-large board member and a board member elected under the residency requirement when the members are serving on the district school advisory councils.

9. Under the bill, an individual appointed by the governor to serve as a member of the district school advisory council was required to be a registered voter in the departmental school district to which he is appointed. Your Committee amended that provision to provide that the appointee be a registered voter and a resident of the school district in which he is to serve as a councilor.

10. Further amendments to the bill made by your Committee include:

- (a) a requirement that Part I of chapter 92 be applicable to all meetings of the council;
- (b) an amendment to the provisions relating to "educational districts" to make it clear that they are not to apply to school districts established by the Department of Education for administrative purposes; and
- (c) a provision which makes the effective date of the Act as to sections 13-1 and 13-2 of the Hawaii Revised Statutes to be November 4, 1980, the date of the next general election.

The many amendments made to the bill by your Committee are indicative of the effort your Committee has expended in assuring that the requirements of the Constitution as amended by the 1978 Constitutional Convention are adhered to without severely disrupting existing and established administrative procedures and practices that your Committee believes are not violative of the intent and the spirit of the Constitution.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 38, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 38, H.D. 2.

Signed by all members of the Committee except Representatives Baker, Garcia, Masutani and Nakamura.

SCRep. 649

Judiciary on H.B. No. 293

The purpose of this bill is to provide for greater flexibility in the Hawaii Revised Statutes relating to the disposition of convicted defendants, to ensure that such disposition is as just and fair as possible.

Your Committee has amended the bill to make the unlawful entering or remaining upon commercial premises after reasonable warning to leave, criminal trespass in the second degree.

Under present law, entering or remaining unlawfully in commercial premises is simple trespass, a violation. This bill would make such an act criminal trespass in the second degree, a petty misdemeanor.

Your Committee received testimony that present law makes it extremely difficult for retailers and shopping centers to remove from their premises, solicitors and demonstrators who are harassing or inconveniencing customers or causing loss of sales, because being that such persons can only be charged with simple trespass, a violation, the police will not place them under physical arrest without a penal summons being first obtained. Since the obtaining of such a summons is a lengthy, time-consuming process, in effect there is nothing the merchant or retailer can presently do.

Making the entering or remaining unlawfully in commercial premises criminal trespass in the second degree would effectively give retailers a means to remove undesirables because it would allow the police to place them under physical arrest, criminal trespass in the second degree being a petty misdemeanor. The amended bill's effectiveness notwithstanding, however, your Committee recognizes its possible conflict with legitimate union activities and the exercise of free speech, being fully cognizant that under certain conditions demonstrating in or upon commercial premises is constitutionally protected. However, your Committee feels that inasmuch as these conditions have been sufficiently delineated by the U.S. Supreme Court in Amalgamated Food Employees Union Local 590 vs. Logan Valley Plaza, Inc. and Lloyd Corporation, Ltd. vs. Tanner, and being that the U.S. Constitution and the U.S. Supreme Court's interpretation thereof is as much the law of the land as Hawaii's statutes, the rights of unions and individuals will be fully protected, the possible conflict with the amended bill's provision notwithstanding.

Accordingly, your Committee finds that making the entering or remaining unlawfully in commercial premises a petty misdemeanor is an effective solution to the problem faced by retailers, giving them the means to take timely action to protect their interests, while at the same time not infringing upon the rights of unions and individuals to exercise their rights under the State and U.S. Constitutions.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 293, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 293, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 650 Public Employment and Government Operations on H.B. No. 44
(Majority)

The purpose of this bill is to give preferential treatment to participants in the State Comprehensive Employment and Training Act (SCET) and the Comprehensive Employment and Training Act (CETA) public service employment programs in obtaining permanent civil service positions. It mandates the director of personnel services to promulgate rules to implement the objective of the bill.

The basic intent of the SCET and CETA public service employment programs is to provide unemployed and under-employed individuals with transitional employment which would assist these persons in obtaining unsubsidized, full-time jobs. Your Committee finds, however, that despite satisfactory on-the-job performance, some program participants have difficulty obtaining permanent civil service positions because they are unable to compete with other applicants on written examinations.

Under the present recruitment system, all applicants on an open competitive examination are ranked according to their scores and the top five applicants are referred to the appointing authority for an interview. The granting of preference, e.g., four points added to the exam score, may enable more SCET and CETA participants to rank among the top five applicants, giving them a better chance of being selected for a position.

In granting such preference to these applicants, the intent of your Committee is not to violate the spirit of the merit principle, but rather to recognize the experience and training gained through public service employment.

House Bill No. 44 establishes the minimum requirements for preference eligibility as being: (1) one year satisfactory performance in either SCET or CETA public service employment programs, and (2) achievement of a passing grade on an open competitive examination in those classifications related to the participant's public service employment experience.

Your Committee intends that the Department of Personnel Services will through rules and regulations, determine to what extent the preference is given. It is the Committee's intent that the preference shall not be equal to that granted veterans.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.B. No. 44, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 44, H.D. 2.

Signed by all members of the Committee.
(Representatives Hagino, Masutani, Ikeda and Marumoto did not concur.)

SCRep. 651 Finance on H.B. No. 20

The purpose of this bill is to set forth a budgetary process as required by the State Constitution amendments of 1978.

This bill addresses management and procedure matters concerning general fund appropriations. Your Committee reviewed this bill together with other related bills and after due consideration your Committee agreed to completely revise this bill.

The bill, as amended, provides that appropriations and proposed appropriations from the state general fund shall be based on the change in the index. This bill establishes the total state personal income as the index.

The governor will be required to submit a plan of proposed expenditures consisting of the executive budget and estimates of the judicial and legislative budgets to the legislature with proposed expenditures from the general fund increased or decreased from the preceding year depending on the change in the index. The governor may propose expenditures in excess of the change in the index by setting forth the dollar amount, the rate in excess thereof, and the reasons therefor.

The legislature cannot make appropriations from the general fund which increase or decrease them from the preceding year depending on the change in the index, but allows appropriations in excess thereof, if the legislature passes them by a 2/3 vote

of the members of each house, sets forth the dollar amount and the rate of the excess, and the reasons therefor.

The director of finance is to determine the change in the index on a fiscal year basis, to inform the legislature and the governor, and to publish in the newspapers the rate of change and maximum dollar amount that may be appropriated from the general fund.

The change in the index is defined to be the average percentage change in state personal income in the three calendar years immediately preceding the session of the legislature making the appropriations.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 20, as amended herein, and recommends that it pass Second Reading in the form attached hereto, as H.B. No. 20, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 652

Finance on H.B. No. 18

The purpose of this bill is to establish a council on revenues as is required by Article VII, section 7, of the State Constitution. The council is to prepare revenue estimates of the state government and to report the estimates to the governor and the legislature.

Your Committee views the operations of the council as being similar to the governor's revenue estimating committee. With the council placed in the department of taxation, for administrative purposes, that department will continue to be largely responsible to the council and to which other departments and agencies should furnish any assistance needed to prepare the revenue estimates. As to the representative from the university, it is the understanding of your committee that the president of the university will designate a member from the department of economics to serve on the council.

Your Committee has amended the bill to:

(1) Provide that subsection (a) establishes membership on the council totaling thirteen to include the directors of taxation, finance, and planning and economic development and the president of the University of Hawaii, or their designees; two members from the private sector to be appointed by the governor; and three each to be appointed by the President of the Senate and the Speaker of the House of Representatives. These members shall select the thirteenth member who shall serve as chairperson. Two-year terms are established for council members.

(2) Add a new subsection (b) requiring the council to report to the governor and the legislature at least four times each year on June 1, September 10, January 10, and March 15. The council's estimates are made public. Public notice is required if the governor or the legislature proposes appropriations in excess of the estimates.

(3) Redesignate subsection (b) as subsection (c) and provide that the council shall be assigned to the department of taxation for administrative purposes rather than budget and finance.

(4) Add a new section 2 to the bill appropriating \$1,000 for the purposes of the Act to provide for the reimbursement of council member expenses.

(5) Add a new section 3 stating the effect of underscoring the bill.

(6) Renumber section 2 to section 4 to conform to the previous amendments.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 18, as amended herein, and recommends that it pass Second Reading in the form attached hereto, as H.B. No. 18, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 653

Finance on H.B. No. 23

The purpose of this bill is to rewrite the provisions of chapter 39, Hawaii Revised Statutes, concerning revenue bonds and the determination of exclusions from the total indebtedness of the State and certification thereof, and to repeal that part concerning

anti-pollution revenue bonds in order to bring these statutory provisions into conformity with the 1978 constitutional amendments.

Your Committee heard testimony from the department of budget and finance in favor of this bill but recommended that your Committee await changes to be proposed by the staff of the department in cooperation with bond counsel. The department has submitted its recommended changes which have been reviewed by bond counsel and the office of the legislative reference bureau. Your Committee has reviewed these changes and has amended the bill.

Sections 1 to 9 of the bill amend certain sections of part III, chapter 39, Hawaii Revised Statutes, concerning revenue bonds. These sections of the bill have been slightly rewritten to provide for the establishing of a loan program instead of providing for entering into a loan program and for the establishment, operation, and administration of such loan programs where appropriate instead of providing only for the administration thereof. A new definition of loan program has been added to define it as the activities or policies undertaken by a department to provide assistance to the members of the general public by making or causing loans to be made for such purposes as authorized by law. Provision has been made to allow revenue bonds to be secured by a pledge of all or a portion of undertakings, mortgages, or other obligations held by a department as security for a loan made under a loan program. A provision has been added to provide that any interest in property provided or given as security for a loan shall not be property of the department for the purposes of exemption from taxation. A provision has been added that nothing shall require the department to elect to redeem or prepay revenue bonds being refunded which were issued in a form known as term bonds. Finally, changes in language were made for grammatical and technical reasons.

Due to the number of changes both technical and substantive to part IV, chapter 39, Hawaii Revised Statutes, dealing with the determination of exclusions from the total indebtedness of the State and certification thereof that part has been repealed and a new part IV added. In rewriting that part the following major changes were made:

(1) The old state debt limit statement has been written to reflect the changes in the constitution. The statement was a statement concerning the total indebtedness of the State. The 1978 amendments to the constitution change the debt limit from one based on outstanding indebtedness to one based on debt service as a function of revenues. The new state debt limit statement is a statement evidencing the power of the State to issue general obligation bonds and concerns the total principal and interest payable in the current, and each future, fiscal year on all outstanding general obligation indebtedness which include reimbursable general obligation bonds and other outstanding general obligation bonds. This new state debt limit statement provides, in a manner similar to the old statement, the method of computing the power to issue debt based on debt service. Provisions are added to provide for the exclusion or inclusion of the principal or interest on bonds under which the State incurs a contingent liability as a guarantor. These new bonds are excluded under the constitution if the principal amount of such bonds does not exceed seven per cent of outstanding general obligation bonds not otherwise excluded.

Supporting schedules are required as necessary, including a supporting schedule with a finding and determination of net general fund revenues for each of the preceding three fiscal years. Additional supporting statements are required, as may be necessary, concerning bonds constituting instruments of indebtedness under which the State incurs a contingent liability as a guarantor, the total principal amount of all outstanding general obligation indebtedness, and the total principal amount of all outstanding general obligation indebtedness which may be excluded from debt limit determinations.

(2) A new section is added to provide for a statement regarding the total outstanding indebtedness of the State and exclusions therefrom which is required by section 13 of article VII of the constitution. This new section sets forth the method of making the determination required, for supporting schedules regarding reimbursable general obligation bonds issued for an undertaking, improvement, or system, and supporting schedules in regard to allowable exclusions for bonds constituting instruments of indebtedness under which the State incurs a contingent liability. The section provides for submission to the attorney general and the comptroller for concurrence as to the matter therein and provides for their disagreement.

(3) The remaining provisions of the old part IV have been rewritten or rearranged to reflect the 1978 constitutional amendments.

A new part has been added providing for a statement on special purpose revenue

bonds requiring the governor to inform the legislature as required by the constitution concerning the purpose for which the bonds were authorized, the person with whom the State or department contracted and who is obligated, the amount authorized and issued, and any other desirable information.

Another new part has been added to assist the legislature in making the declaration of findings required by section 13, article VII, of the constitution regarding the fact that bonds authorized by the legislature will not cause the debt limit to be exceeded at the time of issuance.

Your Committee has added a section to indicate the effect of underscoring and bracketing in the bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 23, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 23, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 654 Finance on H.B. No. 1639

The purpose of this bill is to appropriate funds for adjustments authorized by chapter 89C for state officers and employees excluded from collective bargaining.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for adjustments authorized by chapter 89C for state officers and employees (other than those covered in Part II of the bill) excluded from collective bargaining. Part II provides funds to administrative director services (JUD 201), to be allotted by the administrative director of the courts, for adjustments authorized by chapter 89C to be made by the chief justice for officers and employees excluded from collective bargaining. Part III provides for payment of cost adjustments by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee has made nonsubstantive, technical amendments and has amended parts I and II of this bill by providing for a nominal appropriation of \$1 from each fund for each fiscal year pending the finalization of present negotiations.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1639, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1639, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 655 Finance on H.B. No. 1630

The purpose of this bill is to appropriate funds for collective bargaining cost items.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for all cost items in agreements negotiated with units 1-11 and 13. Part II provides funds to administrative director services (JUD 201), to be allotted by the administrative director of the courts, for all cost items in agreements negotiated with units 1, 3, 4, 9, 10, and 13. Part III provides for payment of salary increases by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee has made nonsubstantive, technical amendments and has amended parts I and II of this bill by providing for a nominal appropriation of \$1 from each fund for each fiscal year pending the finalization of present negotiations.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1630, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 656 Finance on H.B. No. 14

The purpose of this bill is to implement the provisions of Article VII, Section 3, of the State Constitution to provide for a tax review commission.

This bill establishes a six-member commission to be appointed by the Governor, with a staff of employees exempt from the civil service and compensation laws, to conduct a systematic review of the State's tax structure. The commission is to serve for a period of two years or until completion of its duties and is to be appointed every five years beginning in 1980.

Your Committee agrees that the commission should give due consideration to state-county relationship. Your Committee further agrees that the commission should report its evaluation to the Legislature and be available to the Legislature before it dissolves.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 14, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 14, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 657 Finance on H.B. No. 275

The purpose of this bill is to increase the solar tax credit from 10 per cent to 20 per cent.

There is presently a state income tax credit for a solar device in an amount not to exceed 10 per cent of the total cost of the device provided that the device is erected and placed in service after December 31, 1974 but before December 31, 1981.

Your Committee agrees that Hawaii's near total dependence on imported petroleum to supply our energy needs makes this State vulnerable to any disruption of petroleum supplies. Since oil reserves are finite and the cost of oil will increase, it is imperative that Hawaii develops its indigenous energy sources.

(1) This bill amends section 235-12, Hawaii Revised Statutes to extend the expiration date of December 31, 1981 to December 31, 1985.

(2) The definition of a "solar energy device" is amended to include wind energy devices.

Your Committee has amended this bill to make technical style changes.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 275, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 275, H.D. 2 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 658 Finance on H.B. No. 130

The purpose of this bill is to make an appropriation for the vehicle emissions inspection program of the Department of Transportation.

In order to assess both the energy efficiency of automobiles and the level of noxious, environmentally harmful emissions, the Department of Transportation and the Department of Health jointly sponsored a three-year voluntary infrared emission testing pilot program as a diagnostic procedure to measure vehicle carbon monoxide (CO) and hydrocarbon (HC) pollutant levels starting in 1975. Seven thousand vehicles were tested under this program.

Your Committee agrees that the benefits of such a permanent program would include reduced fuel consumption, reduced air pollution, mass participation in energy conservation, and the stimulation of the automobile repair and parts industry.

Your Committee approves the appropriation of \$35,000 to provide funding for a more comprehensive study of the Department of Transportation's infrared vehicle emissions inspection program.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 130, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 659

Finance on H.B. No. 1026

The purpose of this bill is to grant specific and separate authorization to finance capital investment projects and appropriations which have been made or will be made by the legislature.

For many years the legislature has enacted numerous acts during each session which appropriate funds for program and projects and authorize the issuance of general obligation bonds to finance the appropriations. Attaching such a bond authorization to each Act is not necessary under the requirements of Article VII, Section 13, of the Constitution of the State of Hawaii. The appropriate and efficient means of meeting the State's responsibility for the issuance of general obligation bonds is to grant specific and separate authorization each fiscal year to finance capital investment projects and appropriations which have been made or will be made by the legislature.

The bill has been amended by lapsing all authorizations to issue general obligation bonds for which no bonds were issued as of July 1, 1979 and providing that the \$300,000,000 general obligation bonds authorized in this bill may be used to finance the appropriations made by the legislature as of July 1, 1979.

The total amount of principal and interest estimated for the general obligation bonds authorized by this bill, estimated for all general obligation bonds previously authorized but unissued, and calculated for all general obligation bonds issued and outstanding, will not cause the debt limit of the State established by Article VII, Section 13, of the State Constitution to be exceeded at the time the bonds authorized in this bill are issued.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1026, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1026, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 660

Finance on H.B. No. 1

The purpose of this bill is to provide appropriations for the fiscal biennium, 1979 to 1981.

In deliberating on this bill and other bills which affect state finances, your Committee was faced with a number of major policy issues, some of which are the result of the constitutional amendments approved by the voters in the 1978 general election, others which have emerged in the light of new conditions and events, and still others which are essentially old issues but which have been given inadequate attention by the State. It would be instructive, therefore, to summarize these major policy issues so that the appropriation and program decisions made in this bill can be placed in their proper perspective and so that the next and ensuing sessions of the legislature and the state administration will have some guidelines as to the policies that must be developed and the issues that must be resolved.

This committee report is in two parts. Part I summarizes the major policy issues which affect state finances. Part II is an overview of the budget.

I. MAJOR POLICY ISSUES

General Fund Appropriations Limitation

One of the new requirements of the 1978 State Constitution is the establishment of a general fund appropriations limitation. No specific limitation is expressed in the Constitution itself. Rather, the Constitution requires the legislature to establish the limitation. Specifically, the legislature is required to establish a general fund appropriation ceiling which will limit the rate of growth of general fund appropriations to the estimated rate of growth of the State's economy. Therefore, it is ultimately the legislature's

responsibility to determine what type of measure would reflect the rate of growth of the economy.

Because the economic measure selected will have far reaching effects on budgeting and appropriation policies for years to come, it merits careful review. Some have suggested that general fund appropriations be limited by the rate of growth of total state personal income. Some have suggested that gross state product be used as the economic measure. Others have suggested that the State devise its own econometric model to measure growth. It is not certain at this time that agreement will be reached as to the measure to be used. Nonetheless, your Committee believes that some form of limitation, formal or informal, should guide the making of general fund appropriations as finally agreed to by both houses of the legislature and that this limitation be made known at the time of final passage of the general appropriations bill.

In any event, it is your Committee's intent that a general fund appropriations limitation will be formally adopted by the legislature in time for it to apply to all phases of the very next executive budget and appropriations cycle. It should be noted that the general fund limitation applies not only to appropriations made by the legislature but to the budget and financial plan submitted by the governor. However, the constitutional amendment was ratified at a time when the legislature was not in session, and the result is that there was no means by which the executive budget and other spending proposals submitted to this session of the legislature could have been constrained by any legislatively imposed limitation. Notice to the governor by the 1980 session as to what the limitation will be for general fund budgeting purposes will bring all aspects of the budgeting and appropriations process under the controls required by the Constitution.

Your Committee is aware that there is potentially a large loophole in the constitutional spending limitation. Because the Constitution applies the limitation only to general fund appropriations, there is the possibility that revenues could be earmarked for additional special funds and escape the limitation. However, your Committee is determined that the spending limitation not be circumvented and that, if any special funds are created in the future, they must be for a legitimate purpose and not for the purpose of undermining a policy approved by the people.

Debt Limitation

A change which has had an immediate impact on how your Committee has proceeded with capital improvement appropriation decisions is the constitutional change which was made to the State's legal debt limit. Previously, the debt limit was based on a limitation on the amount of general obligation bonds which the legislature could authorize. It was based on a formula which limited the total amount of authorized bonds to a multiple of 3.5 times the average of the general fund revenues for the three preceding fiscal years. In terms of a dollar ceiling, this meant a legal debt limit of some \$2.3 billion when the legislature met last session.

Instead of a limitation on total authorizations, the new debt limit places a limitation on annual debt service--the amount required to pay principal and interest--for general obligation bonds. There is a specific limitation which will govern the maximum amount for debt service up to June 30, 1982. Until June 30, 1982, debt service in the current or any future year, calculated at the time the bonds are issued, cannot exceed 20 percent of the average of general fund revenues in the three preceding fiscal years. After June 30, 1982, the debt service limitation drops to 18.5 percent and will remain at that lower level.

In addition to the new debt service limitations, there are two other major considerations which affect debt policy. One consideration is the amount of bonds which the State can issue without adverse effects on either the marketability of the bonds or on the State's credit rating. The State administration has informed your Committee that the amount of bonds which the State can issue and plans to issue is \$150 million annually, an amount which is expected to result in aggregate debt service costs which will be under the legal debt limit both before and after June 30, 1982.

The second major consideration is a constitutional requirement which is in addition to the basic limitation on the debt service of all bonds issued. While the new debt limit does not place a direct limitation on the amount of bonds which can be authorized, the legislature will be required after July 1, 1980 to include in every law authorizing the issuance of bonds a declaration of findings. The declaration must find that the debt service estimated for the bonds authorized in that law, plus the debt service estimated for all bonds which have been previously authorized but are still unissued, plus the debt service calculated for all outstanding bonds, will not cause the constitutional

debt limit to be exceeded at the time of issuance.

This means, in effect, that while the legislature is not restricted in the amount of bonds which it can legally authorize in this session or in the 1980 session, it will be faced with the problem of controlling authorizations in the 1981 legislative session. The policy issue that this additional provision raises is whether the legislature should begin controlling its authorizations now so that some kind of margin is available in the 1981 legislative session to make appropriations necessary to continue the capital improvements program. Your Committee believes that fiscal responsibility and a rational and realistic capital improvements program require that controls should immediately be exercised.

With all of the foregoing considerations, your Committee recommends that legislative policy on appropriations for capital improvements should proceed as follows. First, it should appropriate in this bill capital improvement funds for only the first year of the next biennium. This is because there is great uncertainty of the status of previous capital improvement appropriations which have not yet been expended or encumbered. Current agency capital improvements expenditure plans submitted to your Committee are very likely to be overly ambitious for they were prepared by the individual agencies without regard to the overall constraint of the limited amount of bonds the State can issue. Some of these appropriations will be cancelled on June 30, 1980, an action required by the Constitution for all unencumbered appropriations. Other appropriations will have been expended or encumbered. However, of this backlog of some \$1 billion in prior appropriations, the administration has provided no information as to how much will be expended and encumbered by June 30, 1980 and how much is expected to be lapsed. It is likely that some unencumbered appropriations will have to be reauthorized in the 1980 session to prevent their cancellation on June 30, 1980. All this must be taken into account in making capital improvement appropriations for the biennium, but authoritative information from the Department of Budget and Finance is not yet available. The prudent course, then, is to use restraint and make only those appropriations which are immediately required for fiscal year 1979-80, and to defer to the 1980 session the decision as to which new additional appropriations are required along with which prior appropriations need to be reauthorized.

Second, in making new capital improvement appropriations requiring general obligation bond financing, the legislature should limit its aggregate appropriations to about \$150 million, including those capital improvement needs which the legislature has identified but which have not been included in the executive budget.

Third, a limitation must be placed on the amount of appropriations which the administration can encumber as of June 30, 1980, in order to ensure that a margin will be available in the 1981 session for additional appropriations necessary for continuity of the capital improvements program.

The three elements identified above have been incorporated in this bill and should provide the controls necessary to begin redeveloping the capital improvements budgeting, appropriations, and implementation process along the lines intended by the Constitution.

However, in order for the legislature to develop its debt policy beyond the policy incorporated in this bill, it needs to have information by the 1980 session which only the executive agencies can provide. Therefore, the director of finance is directed to coordinate the preparation of a report to be submitted to the 1980 session and which will include the following information: (1) As to appropriations made in prior legislative acts for which direct general obligation bonds are the source of financing and which are unencumbered or unexpended as of July 1, 1979, (a) the amount of such appropriations; (b) the amount estimated to be expended by June 30, 1980; (c) the amount estimated to be encumbered as of June 30, 1980; (d) the amount estimated to be lapsed on June 30, 1980; (e) the aggregate amount which will be requested to be reauthorized by the 1980 legislative session and a listing of individual projects and specific appropriations supporting that amount; (2) As to appropriations made by the 1979 session of the legislature for which direct general obligation bonds are the source of funding, (a) the amount estimated to be expended by June 30, 1980; (b) the amount estimated to be encumbered as of June 30, 1980; and (c) the amount estimated to be unencumbered and unexpended as of June 30, 1980.

With the foregoing information and together with the requests for new appropriations for fiscal year 1980-81, the legislature will be in a better position to determine the level and kinds of capital improvement decisions to be made in the 1980 legislative session and whether it can safely do so without jeopardizing authorizations which may be required in the 1981 session.

It is necessary in this session, and it will be necessary in the sessions ahead, to move cautiously in the authorization of general obligation bond financing and to conserve general obligation credit, not only because of the effect on the legal debt limit but because of the administration's \$150 million limitation on annual issuance. Your Committee has taken the position that, where self-sustaining enterprises are in sound financial condition and have a proven record of being able to market revenue bonds, such bonds should be authorized and issued. For this reason, with respect to the state airports system, where the administration has proposed that general obligation reimbursable bonds be used to finance certain projects, your Committee has changed the source of funding to revenue bond financing.

Other Constitutional Considerations

Standards for grants to private organizations. The legislature has been aware of the growing number of requests for public financial support of the programs conducted by private organizations. Many of these programs are worthwhile, but there have been no standards by which these programs can be assessed. In response to this problem which was presented to the 1978 constitutional convention by legislative leaders, the Constitution now reads: "No grant of public money or property shall be made except pursuant to standards provided by law."

The required standards have been established in a proviso in this bill. Each appropriation intended for a private organization to carry out a program, which is finally agreed to by both houses, will have been reviewed pursuant to those standards. It is your Committee's belief that the standards included in the bill will adequately serve as transitional standards until the matter can be studied by an appropriate interim committee and more definitive standards are formulated and enacted to bring all aspects of the budgeting, appropriations, and budget implementation process under the controls required by the Constitution.

Transfer of mandated programs to the counties. The Constitution now provides that, if any new program or increase in the level of service under an existing program shall be mandated to any of the political subdivisions by the legislature, it shall provide that the State share in the cost. Your Committee does not find that any legislation needs to be provided for this particular requirement at this time, although the implications of the amendment need to be analyzed against specific situations.

Statewide Accounting System

The problem of a statewide accounting system is as old as statehood and, although it has been studied and restudied at least since 1963, its development has been imperceptible. Once again, a state administration has indicated that it wishes to proceed with developing a statewide accounting system and, while your Committee agrees that such a system is badly needed and long overdue, it is determined that the latest effort, for which the administration has requested close to \$1 million over the next two years, will not go by the wayside as did previous ill-fated, aborted projects.

In 1963, the firm of Cresap, McCormick and Padgett recommended the establishment of a uniform accounting system and a central accounting service which would maintain and produce the accounting reports for all departments and agencies in sufficient detail so that duplicate accounting systems at the departmental levels would be unnecessary. The central accounting agency would also interpret, analyze, and report financial status in detail for all departments of the state government.

The recommendations were soundly conceived but nothing happened. Development of a new accounting system soon got bogged down in a struggle between the department of accounting and general services and the then developing statewide information system (SWIS) as to which agency had primary jurisdiction over designing the new system. A 1969 audit found the accounting system in pretty much the same state as the Cresap study had found it.

In the early 1970's, the administration commissioned another study to be done by IBM Corporation. However, this project never got much beyond the stage of surveying the accounting and financial information needs of the various agencies. In the meanwhile, it became apparent that conflict continued between the systems accounting division of DAGS and the B&F's EDP division, the successor agency to SWIS. There the matter stood until last year when still another study was commissioned, this time by the CPA firm of Peat, Marwick, Mitchell & Company.

The firm has completed a systems requirement analysis, and the system design,

development, and implementation phases are to follow. Generally, it can be said that the development of the statewide accounting system is now at the comparable stage following the IBM's information needs survey in the early 1970's. The next phase, system design, is where interagency conflict previously emerged, and it is less than certain, given the experience of the previous 16 years, that whatever system is designed will be agreed to by the principal agencies involved and be accepted for implementation.

The investment that the State will be making and the urgency for the project to be carried out through fruition require that extraordinary project policy direction be provided and project management controls be exercised. Therefore, your Committee recommends that, in addition to whatever technical group is assigned to work on the project, a high-level steering committee, composed of officials at the cabinet or sub-cabinet level, be appointed by the governor. The steering committee is to monitor all phases of the project through implementation, provide policy direction, and settle any disputes which might arise.

Your Committee is recommending that appropriations be included for the development of the statewide accounting system but only with the understanding that the project will be under close project direction and project controls. The steering committee is to submit a report to the 1980 session of the legislature on the status of the project, the work required to complete its remaining phases, and an updated timetable for the project.

Consultant Services

The experience with the development of the statewide accounting system illustrates still another problem: the use of consultant services by state agencies. The issue of improving the system for the contracting of consultants for architectural and engineering services has received attention in this session of the legislature. The issue of the use of consultants for special studies, systems analysis, master plans, and the like is of a somewhat different order, but it deserves attention no less.

It has often happened that consultant studies go nowhere or that they badly miss the mark. When these situations occur, the primary responsibility rests with the government agency contracting for the study. Often, the agency itself is unclear as to what the study should be all about.

The starting point for the use of a consultant on a study should be the preparation of detailed and explicit project specifications. These specifications should include: the specific objectives of the project; the nature and scope of the project; the tasks to be performed; the specific concerns to be investigated; the facts to be gathered and the questions to be answered; the desired approach in performing the work; the practical, legal, and political limitations or constraints, if any, on the work to be undertaken; the form in which a report on the project is to be submitted; and the form and content of the proposal to be submitted in response to the specifications. Specifications for studies should also include the dates of proposal submission, contract award, project commencement and termination; procedures for submission of work papers and progress reports; and requirements for a preliminary draft and final report.

Proposals in response to the specifications should be solicited from as many consultants as possible. The specifications should describe what the proposal should contain, including the consultant's description of the firm's qualifications; the approach, method, and procedure the consultant intends to take and the standards which will be used; the resources the consultant intends to commit, including name and qualification, scope of work, and the amount of time to be devoted by each member of the consultant's team; the estimate of the time to be required to complete the work; and the cost of the work by appropriate cost elements (e.g., salaries, rental of equipment, travel, printing).

Proposals received by the agency should be evaluated against specific criteria derived from such general standards as the following: the degree to which each proposal complies with the specifications; the qualification and competency of each prospective consultant as shown by its organization, its staff capabilities, its past experience, and its reputation; the competencies that each prospective consultant intends to commit to the work; the approach, methods, and procedures that each prospective consultant intends to follow; the depth to which each prospective consultant proposes to conduct the various phases of the study; the time within which the study will be completed; and the costs and anticipated benefits of each proposal. From the foregoing general standards, more specific criteria should be developed for each proposed study, and various elements of the proposal should be measured quantitatively against those criteria. The proposals should then be ranked before a final selection is made.

Consultant contracts should contain the provisions of the specifications and accepted proposal. Furthermore, the contract should contain provisions to safeguard against cost over-runs, such as specifying when periodic payments are to be made for the work performed or as costs are incurred, a ceiling as to the total amount to be paid, and the withholding of final payment until a report is submitted which is acceptable to the agency.

Your Committee believes that some uniform system for the selection and use of consultants on studies, along the lines suggested here, should be developed and enforced among the agencies. It could be done by legislation, but it would be preferable to do it administratively. Therefore, your Committee recommends to the governor that he direct that an appropriate system for consultant studies be developed and implemented.

Employee Retirement System

By its sheer size and importance to so many people, the State's employee retirement system, with over 50,000 active members and 13,000 retirees and with \$1 billion in investments, should be periodically reviewed from a policy perspective.

A number of policy issues have emerged, which your Committee believes should be further examined by the board of trustees of the retirement system. These issues include the following:

- (1) Whether the system should be redesigned around the principle that retirement benefits from the state retirement system added to the benefits of the social security system should be not more than 100 percent of the employee's final take-home pay.
- (2) Whether the current rate of assumed earnings of the system should be raised to some higher rate.
- (3) Whether the benefits for (a) ordinary disability and (b) service connected disability are adequate, inadequate, or more than adequate, taking into account other compensation systems.
- (4) Whether state and employee contributions to the system should be reduced in view of rising and uncontrollable social security contributions.

Your Committee requests that the Board of Trustees submit a report in the 1980 session on the foregoing issues and other issues which the Board believes should be brought to the attention of the legislature.

The Budgeting System

It is now nearly a decade since the Executive Budget Act of 1970 was enacted and, with it, the development and installation of planning-programming-budgeting. The fact that the budget documents, which should be the most important recurring documents of the state government, have been little used in recent years by the legislature and have little impact on appropriation decisions should be of some concern to the executive branch.

There are several reasons, some of which have been pointed out previously by the legislature, why the budget documents as submitted have sunk to such a low order of importance.

First, program cost data is sometimes incorrect and often suspect. Moreover, there is no way by which legislative committees can test the reasonableness of the cost data without asking for all of the supporting cost details.

Second, program effectiveness measures are often irrelevant and, when relevant, their data appears to be artificial and inflated. Thus, what was to have been one of the key elements of the budgeting system--the ability to determine whether a program was achieving its intended objectives--is rendered meaningless.

Third, the program plans from one biennial budget to the next are often virtually carbon copies. Seldom are program issues discussed in any meaningful way. Summaries of analysis, when these are provided, often do not relate to actual analysis.

Fourth, even though there have been a number of new programs and significant changes to programs proposed over the years, there has been little evidence that program

analysis has been conducted.

The department of budget and finance, as the agency responsible for preparing the executive budget, has made progress in developing its computer-based budget format, but it should be aware that other improvements must be made if the budget documents are not to fall into complete disuse.

Your Committee recommends to the director of finance the following:

- (1) With respect to personnel services costs, there should be some supporting data in the program plan concerning such aspects as the kinds and number of positions in the program and their costs.
- (2) Effectiveness measures and data prepared by the agencies should be reviewed for relevance and accuracy.
- (3) Higher standards should be applied to the preparation of program plans.
- (4) The agencies should be required to do program analysis before any resources are proposed for a new program or to increase the size of an ongoing program.

Legislative Oversight of Executive Agencies

A basic function of state legislatures is to oversee the executive branch of government. The legislature has a responsibility to review and evaluate state government programs to see how they are being implemented and to assure that public resources are being conserved through efficient government operations.

Among the major ways that the Hawaii state legislature has exercised oversight over the activities of the executive branch has been through (1) review of executive programs and agencies through the appropriations process; (2) review of specific concerns by standing and interim committees; and (3) financial, management, and program audits by the legislative auditor.

Recent responses by agencies to the audits conducted by the auditor require some comment. It is the practice of the auditor to transmit a copy of the preliminary report of the audit to the agencies affected by the examination. It is also the practice of the auditor to invite the agencies to comment on the recommendations made and to publish the responses of the agencies in their entirety as part of the audit report. In this way, the legislature as well as the public are informed as to which recommendations are agreed to by the agencies and which are not.

Such a written record as to how the agencies view the specific recommendations greatly facilitates identifying areas of agreement and areas of dispute. However, executive agencies have been responding in a very cursory way to audit recommendations as, for example, in the school bus transportation audit where, after seven weeks of review, three agency heads submitted a one-page response without commenting on the specific recommendations.

The audit of the Hawaii Foundation for History and the Humanities is another example where an executive agency has not seriously responded to the legislature's concern for more efficiency in the management and operations of state government.

In 1975, the House of Representatives adopted H.R. No. 646 requesting the Legislative Auditor to conduct a management and financial audit of HFHH to determine the effectiveness, efficiency and adequacy of the management, organization, financial record keeping, expenditures, and operations of the Foundation (House Standing Committee Report No. 800, April 7, 1975).

The audit, completed in March 1976, generally found that the foundation had not effectively implemented the programs over which it had statutory responsibility and that progress has been extremely slow in meeting legislative expectations in virtually all areas. In reviewing the 1976 Audit's findings and recommendations and as a result of public hearings held in 1977 on this matter, the legislature found that: a depository of funds and gifts to the State had not been established; a plan for a State trust for historic preservation in cooperation with the State Foundation on Culture and the Arts has not been developed; a comprehensive museum and museum activities support program has seen minimal efforts and the centralized repository and information resource center and clearinghouse has not been fully realized.

Your Committee seriously considered dissolving the Hawaii Foundation for History and the Humanities and its accompanying responsibilities and duties. However, your Committee has deferred this decision until the 1980 legislative session, in order to grant the Foundation additional time to address itself to the specific recommendations contained in the legislative auditor's report.

In the future, agencies which are audited and have the opportunity to comment on the audit recommendations will be expected to provide specific responses on their agreements and disagreements and where they disagree, an explanation for the disagreement. And where the agencies do not take the audit recommendations seriously, the legislature will take stronger steps to ensure that its concern for more efficient government operations is not ignored.

II. BUDGET OVERVIEW

The general fund appropriations provided for in this bill are within the ceiling of the executive budget. Your Committee has included a number of special program appropriations, and these too, when added to the appropriations for executive budget programs, fall under the level of the executive budget. Given the generally conservative approach to the budget, your Committee is reasonably confident that the general fund appropriations level would fall below whatever ceiling might be established as a result of relating appropriations to the rate of growth of the State's economy.

With respect to capital improvement appropriations, as related in Part I of this committee report, one of the policies which should be pursued is to hold appropriations for projects which require general obligation bond financing close to the \$150 million annual bond issuance level planned by the administration. The capital improvement appropriations in this bill for both executive budget projects and legislative general improvement projects, together with the judiciary's capital improvement appropriations which will be provided for in another bill, are below the annual \$150 million bond issuance level as well as the executive's request of \$153 million in general obligation bond financing for the first year of the ensuing biennium.

Your Committee's general approach to the making of program appropriations has been to review the recommendations of the subject matter committees, to assess the accuracy of the cost estimates for the various programs, and in some cases, to hold the appropriation to a lower level than that requested by the department.

In the latter situation, an example is the request of the Department of Education for a substantial increase in counselor positions. Your Committee decided to provide additional counselor positions so that each school will have at least one counselor or half-time counselor position. However, it does not believe that counselor positions should be increased to the extent requested by the department. The DOE should instead develop a program whereby teachers can be first-line counselors, a proposal made years ago in DOE's master plan but never executed. Your Committee expects such a program to be developed and that it be done in consultation with the collective bargaining unit.

Other changes involve changes in programming, such as deferring the appropriations for the Barbers Point deep draft harbor. In addition, some sources of financing have been changed, as in the case of the State Capitol, where major repairs to the roof and reflecting pool were intended to be funded through the general fund but are determined by your Committee to be more appropriately funded through general obligation bond financing. Your Committee is familiar with the issue of cash vs. bond financing but believes that extensive repair work costing in excess of \$1 million that would enhance the life of a capital facility ought to be funded by the bond fund.

The priorities of the governor as presented in the executive budget have been carefully reviewed by your Committee and, by and large, your Committee agrees that appropriations should be made to those areas of concern and emphasis expressed by the governor. These appropriations include the following:

Fiscal Year	
1979-80	1980-81

Improve the quality of lower education
by upgrading the skills of teachers;
providing additional teachers and
assistants for special education and
bilingual students; providing speech

	Fiscal Year	
	1979-80	1980-81
and hearing therapists for all eligible students; testing a teacher evaluation system; and increasing the staff to diagnose handicapping conditions.	\$ 2,948,714	\$ 4,921,204
Improve the environment of schools by providing staff for safety and security purposes.	710,256	4,921,204
Modernize existing hospital facilities, provide a new Hilo hospital, and improve medical services by increasing the nursing staff and other related activities.	16,475,289	1,737,401
Improve the mental health program by increasing the staff at the Community Health Centers on the neighbor islands and for the diagnosis, treatment, and consultation of children with emotional problems.	1,900,000	2,000,000
Agriculture and home loans for the Hawaiians.	2,900,000	
Acquisition of park lands at Makena La Perouse, Maui, and Kaena Point, Oahu.	1,450,000	
Development of agricultural parks on Hawaii at Lalamilo, Panaewa, and Ke-ahole, and on Oahu at Kahuku, Waimanalo, and Waianae and developing better production forecasting for agricultural products.	4,350,000	
Kakaako District development.	2,062,143	204,324
Development of an International Trade Center within the Aloha Tower complex.	8,500,000	
Alleviation of traffic congestion on Oahu by improving Puuloa Road, Liliha Street, Kalaniana'ole Highway, and Ft. Weaver Road.	1,973,000	
Implementation of the state general plan.	258,395	212,688
Funds for the Hawaii Natural Energy Institute, staff for planning and management of energy projects and modification of facilities to conserve energy.	2,611,000	602,000

In addition to those executive priorities of the governor for which appropriations have been provided, your Committee has determined that there are a number of legislative priorities for which appropriations should also be made. One of the most pressing priorities is the issuance of special purpose revenue bonds to help finance facilities for not-for-profit corporations that provide health care services to the general public. These special purpose revenue bonds will provide lower interest costs for hospital capital improvement projects. This effort will help to bring health costs more in line with the general economy, and will result in slower rises in hospital charges. These appropriations contained in a separate bill include: Castle Memorial Hospital, \$5,235,000; Kapiolani/Children's Medical Center, \$8,000,000; Kuakini Medical Center, \$20,000,000; Queen's Medical Center, \$20,000,000; St. Francis Hospital, \$12,300,000; and Wahiawa General Hospital, \$1,000,000.

Other priority appropriations contained in this bill or authorized in separate bills include the following:

	Fiscal Year	
	1979-80	1980-81
Funds for individual schools, based on a formula of \$2000 per school and \$3.50 per student, to be expended for the special needs of each school.	\$ 1,035,918	\$ 1,029,022
School bus aides to assist special education students.	96,212	101,022
Tuition waivers for those summer school students who are economically disadvantaged.	115,200	115,661
Half-time student activities coordinators for each high school.	217,227	216,158
Additional funds to strengthen after-hours security and student safety for the UH system.	139,502	143,210
Continuation for another year of the State Comprehensive Employment and Training Program.	4,000,000	
Authorization of revenue bonds for the Hawaii Housing Authority for housing loans and for the conversion of residential leaseholds to fee simple ownership.	200,000,000	
Additional funds for the agricultural loan program.	1,525,000	
Additional occupational and physical therapists to assist special education students through the sensory deficiency program.	350,897	337,290
Emergency medical services for the counties of Kauai and Hawaii.	462,628	

	Fiscal Year	
	1979-80	1980-81
Funds to the Hawaii Medical Association-Emergency Medical Services program for continuing the instructional, training and re-training programs throughout the State.		\$ 650,000
Marketing program to promote Hawaii as a site for regional headquarters for multinational corporations.		100,000

There are a number of uncertainties that might have some impact on the budget, and these fall in the lower education program area. While your Committee believes that special education is being funded at the appropriate level, it is uncertain how the federal government might view the matter in the context of the requirements of Public Law 94-142. In addition, there is the reported deficit in the teachers salary account of DOE and, more recently, discussion of an anticipated shortfall in impact aid funds from the federal government. These conditions have not yet been fully validated or clarified.

In summary, in spite of several uncertainties, your Committee believes that the budget recommended by this bill as well as the appropriations recommended in other separate bills are within the revenue resources of the State as currently estimated and are within the fiscal capacity of the State to undertake over the next fiscal biennium.

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

Signed by all members of the Committee.

SCRep. 661

Finance on H.B. No. 25 (Majority)

The purpose of this bill is to provide enabling legislation for the issuance of special purpose revenue bonds for not-for-profit corporations providing health care facilities to the general public.

Your Committee finds that enabling the State to issue special purpose revenue bonds for not-for-profit corporations providing health care to the general public is in the public interest. The cost of providing health care in this State has continually risen during the last decade. By allowing the State to issue special purpose revenue bonds to assist such health care providers, the cost of building health care facilities will be reduced since the interest on special purpose revenue bonds providing financing for such health care facilities is exempt from taxation by the state or federal government. By being exempt from taxation, interest may be obtained at a lower level and health care will be provided the general public at the same level for a lower price.

Your Committee finds that the issuance of special purpose revenue bonds under the Constitution does not constitute part of the state-funded debt and that such bonds will not count against the state debt ceiling. Your Committee further finds that under Article VII, section 12, of the State Constitution, special purpose revenue bonds are not secured either directly or indirectly by the credit of the State, nor may any revenues or taxes of the State be used as security or to pay for such bonds. Testimony was introduced indicating that the issuance of such bonds has not in other states and will not in this State affect the credit rating of the State, but that such bonds are sold based on the credit rating of the not-for-profit corporations for whom facilities will be funded by special purpose revenue bonds.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 25, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 662

Finance on H.B. No. 1252

The purpose of this bill is to strengthen the State's agricultural loan program. Included are clarification of the purpose and intent of the program, addition of the farm credit banks and private lenders from whom loans must be rejected before State loans are authorized, establishment of \$10,000,000 as the aggregate ceiling for the State's contingent liability for insurance of private lenders' loans, raising of interest rates, raising of the loan limit for operating loans, and providing funds for consultative services from the agricultural loan reserve fund. Additionally, to strengthen the agricultural loan program, this bill appropriates \$25,000 for consultative services and \$1,500,000 to the agricultural loan revolving fund of which \$750,000 will be expended for the new farmer program.

Your Committee agrees with the general purpose and intent of the program and the amendments proposed in this bill will tend to broaden the economic base of the State.

Your Committee has amended this bill to make technical amendments.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1252, H.D. 1, as amended herein and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1252, H.D. 2.

Signed by all members of the Committee.

SCRep. 663

Finance on H.B. No. 137

The purpose of this bill is to stimulate Hawaii's fishing industry by expanding the fishing vessel loan program.

The future of Hawaii's commercial fishing industry lies in the development of the vast fishing resources in the northwest Hawaiian chain as well as the western and central Pacific areas through the use of long range fishing vessels, the average cost of which is estimated at \$500,000 per vessel.

One of the major problems on the establishment of a modern long range fishing fleet in Hawaii has been the lack of capital. Although there is a Hawaiian Fisheries Development Master Plan underway, it should be noted that without immediate financial assistance, Hawaii's commercial fishing industry will not be able to develop its share of the ocean's resources and compete with west coast and foreign vessels whose operations are also cognizant of the same potential fishing resources.

Your Committee has amended this bill by reducing the appropriation to \$1,500,000.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 137, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 137, H.D. 2.

Signed by all members of the Committee.

SCRep. 664

Finance on H.B. No. 553 (Majority)

The purpose of this bill is to ensure the provision of adequate health facilities in the State. The purpose of the bill has been amended to provide enabling legislation to allow counties to issue special purpose revenue bonds for not-for-profit corporations providing health care facilities to the general public.

Your Committee finds that enabling the counties to issue special purpose revenue bonds for not-for-profit corporations providing health care to the general public is in the public interest. The cost of providing health care in this State has continually risen during the last decade. By allowing the counties to issue special purpose revenue bonds to assist such health care providers, the cost of building health care facilities will be reduced since the interest on special purpose revenue bonds providing financing for such health care facilities is exempt from taxation by the state or federal government. By being exempt from taxation, interest may be obtained at a lower level and health care will be provided the general public at the same level for a lower price.

Your Committee finds that the issuance of special purpose revenue bonds under the Constitution does not constitute part of the county-funded debt and that such bonds

will not count against the county debt ceiling. Your Committee further finds that under Article VII, section 12, of the State Constitution, special purpose revenue bonds are not secured either directly or indirectly by the credit of the counties, nor may any revenues or taxes of the counties be used as security or to pay for such bonds. Testimony was introduced indicating that the issuance of such bonds has not in other states and will not in this State affect the credit rating of the counties, but that such bonds are sold based on the credit rating of the not-for-profit corporations for whom facilities will be funded by special purpose revenue bonds.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 553, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 665

Finance on H.B. No. 1663

The purpose of this bill is to amend the State's vocational rehabilitation law, which is codified in chapter 348, Hawaii Revised Statutes, towards the following general purposes:

(1) Conforming its provisions to the Federal Vocational Rehabilitation Act so that the State may continue to qualify for federal funding for vocational rehabilitation services; and

(2) Expressing a general limitation on the amount of services which the State may provide for vocational rehabilitation.

The conforming amendments are made because the State's rehabilitation law is outdated in light of several amendments to the Federal Vocational Rehabilitation Act. As stated previously, these amendments are necessary for the continuance of state eligibility for federal funds.

The amendments expressing general limitations on the amount of services which the State may provide are made to limit the statutory responsibility of the State. Currently, the state vocational rehabilitation law is relatively open ended and provides no parameters of the State's responsibility. The amendments made with respect to this purpose generally provide that the State shall provide vocational rehabilitation services only within the limits of the funding available. These amendments are made to address the fiscal condition of the State.

Your Committee realizes that great discretion is placed upon the State in this area, but believes that services shall be provided towards the greatest benefit of the eligible handicapped.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1663, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 666

Finance on H.B. No. 1531

The purpose of this bill is to provide Alu Like, Inc. with \$100,000 in appropriations pursuant to the State matching fund requirement of the Native Americans Act of 1978.

Alu Like, Inc. is a private, non-profit organization that has for the past three years, received federal funds to address some of the identified needs of Native Hawaiians in the State of Hawaii. In order to receive the federal funds, at least \$200,000 per year in FY 1977 and FY 1978 has been needed in matching funds. Of that amount, Alu Like obtained approximately \$100,000 from private sources and received \$100,000 from the State each year. It is estimated that the State's appropriation of \$100,000 for FY 1978 has brought a return of \$4 million in new money for the economy.

Your Committee has amended this bill to insert the date when funds shall lapse.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1531, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1531, H.D. 1.

Signed by all members of the Committee.

SCRep. 667 Finance on H.B. No. 1183

The purpose of this bill is to provide an income tax credit for employment service fees for individuals who pay their own fees and employers who pay such fees for persons they subsequently employ.

Your Committee has amended the bill to limit the credit to fees paid by the individual taxpayer and to provide that if a credit is claimed for such employment fees no deduction may be claimed for such fees from adjusted gross income.

Your Committee is in accord with the intent and purpose of H.B. No. 1183, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1183, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 668 Consumer Protection and Commerce on H.B. No. 173 (Majority)

The purpose of this bill is to provide that consumer retail liquor prices not be statutorily set at a minimum level.

Under present law, a schedule of minimum consumer resale prices must be filed with the liquor commission by a manufacturer or wholesaler. Such prices are mandated to be uniform throughout the State and retail sellers are prohibited from selling liquor at prices below said minimum.

Your Committee feels that the present law results in higher prices for consumers by eliminating price competition among retailers. Additionally, your Committee feels that the anti-competitive and antitrust implications of the present law may detract from Hawaii's antitrust law policy.

While in accord with the intent and purpose of the bill, your Committee also feels that requiring the posting of wholesale liquor prices with the liquor commission and requiring that the wholesaler must sell at the posted price is in derogation of antitrust policy. For this reason, your Committee has amended the bill to include the repeal of Hawaii Revised Statutes, section 281-43.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 173, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 173, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Dods.
(Representative Nakamura did not concur.)

SCRep. 669 Judiciary on H.B. No. 926

The purpose of this bill is to provide for mandatory sentences of persons convicted of operating a motor vehicle while under the influence of intoxicating liquor and provide the district judges with the authority to limit the use of such person's license to and from work and medical care or to limit the hours of its use.

Your Committee has heard testimony that drunk driving is Hawaii's greatest highway killer and present death tolls are running at a record rate. Yet, under present law, your Committee heard that convicted offenders have been receiving varying sentences of monetary fines, but more often than not, no license suspensions.

Your Committee feels that there is a need for stiffer penalties for the offense of "driving under the influence" to aid in curbing drastic increases in traffic deaths in the State.

Your Committee finds that requiring the district judges to impose a minimum fine and license suspension for repeat offenders as this bill provides, will go far in protecting the law abiding motorist by motivating such offenders to seriously consider the personal value of the driving privilege.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 926 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, Garcia, Masutani and Nakamura.

SCRep. 670

Judiciary on H.B. No. 1671

The purpose of this bill is to provide for the imposition of voluntary spending limits on campaign expenditures.

Your Committee heard testimony that presently the law does not provide for any limitations on moneys that can be expended on political campaigns. With the ever increasing inflation rate and utilization of various media techniques and facilities, the costs of election campaigns have been soaring over recent years.

Your Committee feels that there is a need for campaign expenditure limitations, but that compulsory limitations on campaign expenditures are not advisable due to the fact that such limitations may be constitutionally infirm. It is further felt that legislation should not be proposed merely to explore and test the scope of the Constitution, especially where limits on spending can be legislated in a constitutional manner. Accordingly, your Committee finds that voluntary spending limits on campaigns, wherein each candidate may voluntarily agree to limit his own expenditures, is in keeping with the constitutional guidelines, in the best interest of the public, and necessary to ensure the integrity of our democratic political process. Moreover, your Committee finds that requiring the publication of names of all those candidates who refuse to limit their expenditures will provide sufficient incentive for candidates to so limit their expenditures.

Your Committee has amended the bill by inserting specific monetary amounts for the limitations provided in the bill for the various elected offices or the combinations thereof.

In addition, your Committee has amended the bill by adding a new part to be placed in Chapter 11 of the Hawaii Revised Statutes providing for the establishment of a campaign fund to be used for the partial public financing of campaigns for the Office of Governor of the State pursuant to the amendment to Article II of the State Constitution.

To remedy the unhealthy influence of money in politics and to restore competition in political campaigns, your Committee supports a program of limits on contributions and expenditures, and a mixed system of public and private financing of campaigns for the Office of Governor.

Limits along with disclosure constitute primary weapons against the reality or appearance of improper influence stemming from the dependence of candidates on large campaign contributions. Adequate public funding facilitates political competition and reduces the dependence on large contributions.

The U.S. Supreme Court issued its decision in Buckley, et. al. v. Valeo, et. al., 424 U.S. 1 (1976) wherein it ruled that the spending limits imposed by the federal law were invalid unless coupled with the voluntary acceptance of public funds. Crucial to your Committee's initial consideration of this bill was the apparent conflict between the mandates of the Buckley decision and the constitutional amendment. Accordingly we have approached the problem in the following manner:

1. Public Funding. To encourage candidates to accept spending limits and establish broad-based support, a reasonable, attractive formula based on matching private contributions with public funds must be established. The maximum amount your Committee feels compelled to match dollar for dollar towards a gubernatorial campaign is \$135,000 in public funds. If a candidate can meet a qualifying threshold of over \$25,000 in qualifying contributions (\$100 or less) the candidate would be eligible to receive public funds matching the qualifying contributions and all others up to the maximum of \$135,000. This maximum constitutes a total for primary and general elections combined.

Because, in terms of votes cast, the gubernatorial and lieutenant governor candidates running on the same ticket in the general election are considered one candidate, the same advantages and restrictions are applied to lieutenant governor candidates in the general election whose running mates have qualified for public funding. They must

adhere to the spending limits imposed on the gubernatorial candidate but also, contributions to their campaigns may be matched if the gubernatorial candidate has not matched the maximum \$135,000.

2. Campaign Expenditure Limitations. The Constitutional Convention expressed great concern over the depletion and damage of public confidence in our political process by its domination by money. It indicated its concern that the high cost of running for office generates pressures to raise inordinate sums and that such pressure has caused widespread public belief that public officials once elected cannot have "the flexibility to act in a manner detrimental to the interest of their powerful backers". It indicated its concern that the high cost of campaigns also effectively discourages individuals from participating as candidates because it engenders the belief that "the political process is the exclusive domain of the rich."

Your Committee recommends spending limits for those accepting public funds as a balance between a candidate's right of free and adequate expression and the upholding of the public's confidence in our political process. To this end, your Committee has provided:

- (A) That no candidate accepting public funds can incur campaign expenses for the primary and general elections combined in excess of \$500,000;
- (B) For the \$500,000 limit to be increased by 5% yearly, on a compounded basis, beginning in 1979, to adjust for inflation;
- (C) That each candidate may discount expenditures made solely for the solicitation of contributions as long as those expenditures do not amount to more than 20% of the total spending limit;
- (D) For discretion to be given to a candidate to determine how he will apportion the \$500,000 spending limit between the primary and general elections, provided that no more than sixty percent of the total limit is spent on either election;
- (E) For a specific definition of a qualified campaign expense;
- (F) That candidates not accepting public funds will not be held to the spending limits; and
- (G) That a candidate's personal expenditures are limited to \$50,000, are considered a receipt, and will not qualify for matching funds.

3. Hawaii State Campaign Fund. Public funds to partially finance the gubernatorial campaign are to be generated by a voluntary tax check-off of \$1 from individuals whose state income tax liability for a taxable year is \$1. This monetary public referenda on the support for the concept of public financing will be deposited in the Hawaii State Campaign Fund.

All fines collected because of violations to this new part of Chapter 11, or money returned from candidates will escheat to the fund.

If the amount collected in the above two manners are insufficient to partially finance the gubernatorial campaigns of qualifying candidates, the legislature will be called upon to appropriate from general fund revenues, but at no time will funds collected for the Hawaii State Campaign Fund revert to the general fund.

Your Committee feels it is crucial to the long range success of public financing with its eventual extension to other political campaigns to establish a fund based on the voluntary participation by taxpayers. Support for the fund should grow as understanding of the benefits of public financing are made apparent to constituencies.

Your Committee feels that the likelihood of needing general fund appropriations is minimal but that the emergency provision is necessary to assure those who work to qualify for public financing that their efforts will not be shortchanged--especially in the initial fund-building years.

Naturally the final test of the success of public financing support will depend on the conviction of taxpayers and voters that runaway spending can be curbed and that the influence of the public is more in balance with that of wealthy special interests.

4. Campaign Spending Commission--Authority and Responsibility. Your Committee believes that the Campaign Spending Commission already established under Chapter 11 should be given authority to administer and enforce the provisions of this new part. Accordingly, the Commission is given added authority to subpoena and audit as deemed necessary, to certify candidates' eligibility, and to participate in judicial proceedings related to carrying out the provisions of this new part.

Disclosure, accountability, and honesty are important to public confidence in the political process. However, when public funds are introduced as a means of reforming the process, it becomes absolutely vital that the law ensure compliance and provide for sanctions against those who fail to comply. As a further means of guaranteeing accountability, the Commission is required to submit a full report to the legislature following each election setting forth all information relevant to the public funds of campaigns, including a financial report and reasons for any payments required from candidates. Copies of this report shall be made available in sufficient numbers for the public. In each aspect of public financing your Committee deems it absolutely necessary to keep the public informed on the uses and, if any, abuses of its money.

5. Penalties. As a corollary to the power given to the Campaign Spending Commission, violations of any aspect of this new part must be firmly dealt with and the misuse of public funds be considered a serious offense. Accordingly, your Committee has provided that candidates who have received more public funds than they are entitled to shall return them immediately upon notification.

Further, candidates found guilty of spending public funds on unqualified expenditures are required to repay the fund 300 times the amount of the unauthorized spending. Those who violate any provision of the new part are required to pay to the fund the full amount illegally received. Any violation involving \$100 or more is made a misdemeanor.

6. Contribution Limitations. Your Committee has amended the present campaign spending law in order to include contribution limits for all candidates in all campaigns. Unlike spending limits, there are no constitutional obstacles to establishing contribution limits. The U.S. Supreme Court in Buckley found the \$1,000 contribution limitation imposed by the Federal law to be valid. The limits were found valid because they served the purpose of limiting "the actuality and appearance of corruption resulting from large individual financial contributions." The Court noted that the integrity of our political system of representative democracy is undermined to the extent that large contributions are given to secure political quid pro quo from public officials.

Although the limits outlined by your Committee does not alone provide adequate controls over campaign abuses, the blockage of overly-generous contributions may provide a partial brake to spiralling campaign costs.

More specifically, your Committee has provided for the following limits:

- (A) \$2,000 on all personal and political action committees;
- (B) \$20,000 on all political parties; and
- (C) \$12,000 on each member of a candidate's immediate family.

Further, earmarked funds via political parties is required to be reported as individual contributions by the candidate, contributions by a minor are counted against the overall limit of the minor's parent, and no person or political action committee, may make contributions which are excepted from the definition of a contribution contained in section 11-191. These amounts constitute an attempt to encourage broad support from the community, limit the influence of wealthy interests, and yet allow generous contributions from those willing and able to give such amounts.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1671, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1671, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Masutani.

SCRep. 671

Judiciary on H.B. No. 421

The purpose of this bill is to make the motion for the-Deferred Acceptance of a Guilty (DAG) plea allowable only prior to trial and to disallow a defendant to whom a DAG

plea has been granted from applying for expungement of his official criminal record pursuant to section 831-3.2, Hawaii Revised Statutes.

Your Committee received testimony that many individuals have caused the State to proceed through an entire trial and, subsequent to the presentation of the defense case, enter a plea of guilty and ask for and receive a DAG plea.

Further, testimony received indicates that present law fails to establish a means by which records of persons previously granted DAG pleas can be used in determining their prior criminal activities since current law compels expungement of all official recordations relating to such arrests after a written request by the defendant. Conceivably, therefore, a person could be given a DAG plea on numerous occasions, establishing a "clean" record each time.

Your Committee finds that allowing DAG pleas only prior to trial would certainly eliminate a considerable amount of extra costs and would provide for a more meaningful plea bargaining arrangement. However, with respect to repealing the expungement provision of section 853-1, your Committee feels that this would defeat the whole purpose for providing for a DAG plea in the first instance, viz., to give to the first time, accidental or situational offender a record free from criminal conviction.

Accordingly, your Committee has amended this bill by restoring the expungement provision of section 853-1, which the original bill would have repealed.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 421, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Garcia.

SCRep. 672

Water, Land Use, Development and Hawaiian Affairs; Judiciary;
Finance; and Public Employment and Government Operations
on H.B. No. 890

The purpose of this bill is to implement Article XII, Sections 4, 5, and 6 of the Constitution of the State of Hawaii as amended by the Constitutional Convention of 1978, ratified by the electorate, and pertaining to Hawaiian Affairs.

Article XII, Section 4, establishes that the lands granted to the State of Hawaii by Section 5 (b) of the Admission Act and pursuant to Article XVI, Section 7, of the State Constitution (excluding therefrom lands defined as "available lands" by Section 203 of the Hawaiian Homes Commission Act, 1920, as amended) shall be held by the State as a public trust for native Hawaiians and the general public.

The Admission Act, among other things, granted to the State of Hawaii, effective upon its admission to the Union, the United States' title to all of the public lands and other public property. In Section 5 (f) of the Admission Act, the United States mandated that those public lands granted at the time of the Act or later conveyed to the State be held as a public trust. The United States named five purposes for which the public trust was to be held by the State. They are:

- (1) Support of the public schools and other public educational institutions;
- (2) The betterment of the conditions of native Hawaiians, as defined in the Hawaiian Homes Commission Act, 1920, as amended;
- (3) The development of farm and home ownership on as widespread a basis as possible;
- (4) The making of public improvements; and
- (5) The provision of lands for public use.

Section 5 (f) of the Admission Act further stated that: "such lands, proceeds, and income shall be managed and disposed of for one or more of the foregoing purposes in such manner as the constitution and laws of said State may provide..."

The State's practice prior to the constitutional amendment, had been to channel the benefits of the public land trust, by and large, to the department of education. The

Constitutional Convention adopted a more restrictive version of the Admission Act public trust in Section 4 of Article XII. Section 4 specifically states that the public trust lands shall be held by the State as a public trust for native Hawaiians and the general public.

Sections 5 and 6 of Article XII establish an Office of Hawaiian Affairs, a nine member board of trustees who shall be Hawaiians elected by Hawaiians, and set forth the powers of the board of trustees. Included in the powers of the board is the management and administration of all income and proceeds from that pro rata portion of the trust referred to in section 4 of this article for native Hawaiians.

Your Committees have amended the bill in several respects as follows:

- (1) Definitions. This section has been enlarged for the purposes of clarity. Included in the section are the words "Hawaiian" and "native Hawaiian". The original definition in H.B. No. 890 was taken from Section 7 of Article XII, and that section was found by the Supreme Court, in *Kahalekai v. Doi*, ___ Haw. ___ (1978), not to have been validly ratified by the electorate. Based on testimony received, your Committees have amended the definitions by relying, for the definition of "native Hawaiian", on the definition contained in the Hawaiian Homes Commission Act, 1920, as amended, (which is the definition used in Section 5 (f) of the Admission Act), and changing the definition of "Hawaiian" to be "any descendant of the aboriginal people inhabiting the Hawaiian Islands previous to 1778".
- (2) Director; appointment. Here the bill has been amended by making the salary of the director comparable to that of a director under section 26-52. Your Committees feel that this change allows the director to participate in any salary changes made to the statute by the legislature instead of tying his salary to a specific dollar figure.
- (3) Assistant; staff. This section has been changed to provide certain employee benefits to officers and employees hired to carry out the functions of the office, even though such employees may be hired by the director without regard to chapters 76 and 77.
- (4) Board of trustees; number; composition. H.B. No. 890, as originally written, stated that out of the nine members to be elected, five shall be residents of the island of Oahu. This section has been amended so that Hawaii, Maui, Molokai, Kauai, and Oahu will each have at least one representative, residing on that island. This conforms the section to Article XII, section 5.
- (5) Qualifications of board members. This section has been amended to provide that where residency on a particular island is a requirement, a candidate must reside on the island from which he is seeking election or appointment.
- (6) Qualification of voters; registration. Your Committees have created a new section which provides for qualification and registration of voters.
- (7) Election of board members. This section has been added to the bill, and it provides that board members are to be elected in a special election held in conjunction with the general election in every even numbered year. Your Committees feel that having an election for the board every two years will stimulate interest in the Office. This section also includes provisions for the preparation of nomination papers and for the form of the ballot.
- (8) Term of office; vacancies. This section, originally section -7, has been amended by providing that the term of office of board members elected in 1980 shall be four years, for those four members elected with the highest number of votes, and two years, for the remaining members. The purpose of this amendment was to alleviate concern expressed by your Committees that the island of Oahu, with the highest population of all the islands, might dominate the board if five members were to serve for four year terms. With this change, your Committees feel that there would be a better mixture between the islands of members sitting on the board at any one time.

This section has also been amended to provide that the governor, rather than the chief justice of the supreme court, shall appoint a successor to a vacancy if the board itself has not appointed a successor within thirty days after the occurrence of a vacancy. Your Committees also noted that among other qualifications that the board might consider in appointing a successor,

it might consider appointing the candidate with the next highest number of votes in the election.

- (9) Organization; quorum; meeting. This section, originally section -9, has been amended to provide a two year term for officers, to coincide with the elections, and by providing for quorum requirements and meetings.
- (10) Compensation; expense. This is a new section added to the bill, and it provides for compensation and expenses of the board. Compensation here includes transportation fares between islands and per diem personal expenses for board members, to be used for board and lodging while attending board meetings on an island other than the island in which their board districts are located.
- (11) Office of Hawaiian affairs; established. This section has been renumbered and amended to provide that the office of Hawaiian affairs shall be attached to the governor's office for administrative purposes only. This amendment was suggested for the purpose of channeling funds to the office.
- (12) Board of trustees; powers and duties. This section has been renumbered and by enumerating the powers of the board to make them more clear.
- (13) Purposes of office. This section has been renumbered and a new paragraph has been included which is aimed at bettering the conditions of native Hawaiians. This paragraph contains language concerning the Admission Act.

This section has been further amended by deleting paragraphs (3) and (4), which stated that the office would have, among its purposes, advising the governor on new legislation and serving as a member of advisory board and regulatory panels of state agencies. Your Committees felt that this language could be interpreted to mandate the governor and advisory and regulatory boards and panels to include the office in its membership. As each of these bodies has the independent power to include extra members, your Committees feel that this language is unnecessary.

- (14) Suits. This section has been renumbered and has been amended by inserting language suggested by the Attorney General's Office. It was felt by your Committees that the office should be responsible for its own acts and omissions.
- (15) Gifts. This section has been renumbered and changed by providing that the annual report should be given to the legislature as well as to the governor.
- (16) Appropriations; accounts; reports. This section has been renumbered, and amended to provide that the board shall submit a proposed budget for the office not less than twenty days before the legislature convenes in every odd-numbered year. Your Committees have also included provisions for budget review by the legislature, and that the implementation of the budget of the office shall be subject to post-audits by the legislative auditor, who shall report his findings and recommendations to the legislature as provided in chapter 23. Your Committees did not include a date for the ending of the office's fiscal year, feeling that that determination should be left to the board.
- (17) Your Committees have further amended the bill by revising certain sections of Chapters 11 and 12 of Title 2, Elections. Section 11-1 is amended by inserting the definition of "Hawaiian". It was felt by your Committees that it was unnecessary to include the definition of "native Hawaiian" as "Hawaiian" is a more inclusive definition, and includes "native Hawaiian".
- (18) Section 11-15, Application to register, has been amended by providing that any person eligible to and desiring to register as a voter for the election of members of the board of trustees for the Office of Hawaiian Affairs shall make and subscribe to an application in the form of an affidavit, stating that he is a Hawaiian and stating certain other information already required of prospective voters in the State.
- (19) Section 11-25, Challenging on election day, provides for challenges to voters in the election of members of the board of trustees of the Office of Hawaiian Affairs on the grounds that the voter is not Hawaiian, in much the same manner that challenges are presently made to voters in State elections.

- (20) Your Committees have provided that the number of signers of nomination papers for members of the board of trustees of the Office of Hawaiian Affairs shall be the same, twenty-five signatures, as are required for other statewide officers such as the board of education, members of Congress, the governor, and the lieutenant governor.
- (21) Your Committees have amended the appropriations section of the bill by inserting the sum of \$150,000 to fund the Office of Hawaiian Affairs for the eight months beginning after the election in November of 1980 and continuing through June 30, 1981. Your Committees have inserted the sum of \$170,000 to be expended by the lieutenant governor to conduct the 1980 election for board members of the Office of Hawaiian Affairs. Your Committees have inserted a lapsing date for the appropriations, which is to be June 30, 1981.

Your Committees on Water, Land Use, Development and Hawaiian Affairs, Judiciary, Finance, and Public Employment and Government Operations are in accord with the intent and purpose of H.B. No. 890, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 890, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Sakamoto and Medeiros.

SCRep. 673 Judiciary on H.B. No. 1382

The purpose of this bill is to include in the definition of terroristic threatening, a threat to commit a felony criminal offense and to provide exceptions for which such an offense shall be considered a class C felony.

Your Committee has heard testimony that terroristic threatening is a serious problem that is very difficult to prove and prosecute because it usually involves only words and psychological rather than physical harm. In many instances, threats have involved the use of firearms, explosives, or other dangerous weapons yet, regardless of this fact, under current law all threats of a terroristic nature are considered misdemeanors, punishable by a maximum penalty of one year in jail and a \$1,000 fine.

Your Committee feels that although words rather than actual physical harm are involved, the psychological trauma resulting from such threats and the possibility that harm may actually occur justifies criminal prosecution. More severe penalties should be instituted when a pattern of conduct of terroristic threats directed at one or more persons is established, when threats are directed at a public official, or when dangerous weapons or explosives are used in connection therewith because the mere presence of a weapon in the possession of the offender is traumatic in itself and would present an imminent danger to the victim. There is a likelihood that in the event the victim resisted to the demands or threats of the offender, the offender may elect to utilize his weapon.

Your Committee finds that raising the offense of terroristic threatening in certain circumstances from a misdemeanor to a class C felony will provide an incentive for vigorous prosecution and will act as a deterrent against such offenses from occurring in the future.

Your Committee has amended the bill by making some nonsubstantive style changes in subsection (2) of section 707-715 in order to clarify the intent of the bill with respect thereto.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1382, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1382, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Garcia.

SCRep. 674 Judiciary on H.B. No. 102

The purpose of this bill is to statutorily incorporate the Constitutional amendment to Section 12 of Article XVI of the Hawaii Constitution providing that title to or an interest in real property of more than five acres shall not be subject to adverse possession and that a person may bring an adverse possession action not more than once in 20 years.

Under present law, real property of any size is subject to an adverse possession claim and there is no limitation on the number of adverse possession actions a person may bring.

Your Committee finds that statutorily incorporating this specific Constitutional amendment is of particular importance because inasmuch as Hawaii is the only state with a provision related to adverse possession in its Constitution, your Committee foresees a very distinct possibility that the availability of legal counsel notwithstanding, affected or interested persons may not be aware of their rights or the limitations thereon without express language in the statutes related thereto.

Your Committee feels, however, that the bill is ambiguous as written and recommends several amendments for the purpose of clarification. Specifically, your Committee amended the following sections of the Hawaii Revised Statutes contained in the bill:

(1) Section 657-31, to make clear that the limitation on the right to bring an action to recover possession of land does not apply to land parcels of more than five acres.

(2) Section 669-1(a) to make clear that the general rule regarding the object of an action to quiet title remains the same.

(3) Section 669-1(b) to make clear that an action for the purpose of establishing title to real property, brought by a person who has been in adverse possession, may be brought only as to parcels of five acres or less.

In addition, your Committee recommends that the provision of the bill excepting rights which matured prior to November 11, 1978 be incorporated directly into the statutes which limit those rights to ensure clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 102, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 102, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 675

Education on H.B. No. 1656

The purpose of this Act is to amend section 298-26, Hawaii Revised Statutes, relating to unauthorized vehicles parked on school grounds, so that unauthorized vehicles parked not only on school, but also on public library, grounds may be towed away at the vehicle owner's expense or the owner or driver of the vehicle arrested upon complaint of the person in charge of the school or library.

The Department of Education, through its Assistant Superintendent, Office of Public Library Services, testified in support of the bill for the following reasons:

1. Unauthorized vehicles parked on library property deprives library users of sufficient parking spaces.

2. Such unauthorized parking may cause problems involving life and property whenever fire trucks, ambulances, and police vehicles do not have free or easy access to library grounds.

3. The bill, if enacted, should discourage loitering on library grounds and parking areas, especially during the evenings, and should help prevent security problems such as vandalism, arson, and theft of library property.

Your Committee has amended the bill in the following respects:

1. In Section 1 of the bill, the word "or" has been substituted for the word "and", after the word "school", in both the section heading at line 3 and in the text of the statutory section at line 5.

With respect to the text, the first sentence now reads: "Any unauthorized vehicle parked on school or [not "and"] public library grounds may be towed away...." This amendment makes it clear that a vehicle need not be physically parked at the same time on both school and public library grounds in order for the statute to apply.

2. Section 298-26, as presently worded, provides for a maximum fine of \$50 upon

conviction. While the bill would have increased the maximum fine to \$500, and while the Department of Education supported the increase for the reasons that (a) a higher fine will help minimize unauthorized parking and (b) \$500 is the maximum fine which may be imposed upon a person convicted of a violation or a petty misdemeanor, pursuant to section 706-640(4) of the Penal Code, your Committee believes that such a maximum fine is excessive in relation to the offense.

Accordingly, your Committee has retained the present \$50 maximum fine by amending the fine provision in the bill to read "\$50" instead of "\$500."

To make it clear that the \$500 maximum fine authorized by section 706-640(4) of the Penal Code does not apply to violations of section 298-26, your Committee has added the words, "Notwithstanding any provision to the contrary in the Penal Code or any other law", to lines 9-10 of the bill containing the conviction and fine provisions.

Your Committee, however, is aware of Penal Code section 706-640(6), relating to fines not exceeding "Any higher or lower amount specifically authorized by statute". It is also aware, however, of Penal Code section 701-102(3) which provides in pertinent part to the effect that the Penal Code provisions relating to authorized fines are "applicable to offenses defined by other statutes" (unless the Code otherwise provides).

3. Certain technical amendments have been made to the bill. The article or word "the" has been added where appropriate, and the Ramseyer provision has been inserted as Section 2, thereby necessitating the renumbering of the effective date section as Section 3.

Your Committee is in accord with the intent and purpose of H.B. No. 1656, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1656, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 676

Ocean and Marine Resources on H.B. No. 1355

The purpose of this bill is to amend Section 188-35 of the Hawaii Revised Statutes to extend the current seaward boundary delinierating the area of Pokai Bay within which the taking of "fish" is limited to hook-and-line, crab net and hand net methods to include the waters of the new Waianae Small Boat Harbor and the Waianae Regional Park.

Testimony before your Committee by the Department of Land and Natural Resources in support of this bill reveals that the inclusion of the new Waianae Small Boat Harbor and Waianae Regional Park area under Section 188-35, Hawaii Revised Statutes would essentially enlarge the area where, except for year-around pole-and-line fishing, crab netting and hand netting for bait shrimp, other types of fishing methods including netting are prohibited. This will also eliminate any potential conflict among recreational pole-and-line fishermen and users of other types of fishing gear.

Your Committee finds that the setting aside of areas for pole-and-line fishing enhances and maximizes fishing opportunities for the ever increasing number of recreational anglers, including our senior citizens and young people, who need to be provided with relatively safe and protected waters.

Your Committee further finds that the area proposed by the extended boundary would serve to protect such species as halalu and mullet from mass capture by large nets.

Your Committee amended this Bill to provide a more accurate description of the boundaries surrounding the expanded limited fishing area to read as follows:

"including the Pokai Boat Harbor and the Waianae Small Boat Harbor delineated on the seaward boundary by a straight line drawn from Kaneilio Point to Lahilahi Point with the northwestern boundary to be delineated by a straight line extending from the southernmost tip of the point immediately seaward of Waianae High School on a southwest azimuth to the intercept of the seaward boundary extending from Kaneilio Point to Lahilahi Point",

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1355, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1355, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Anderson.

SCRep. 677 Finance on H.B. No. 660

The purpose of this bill is to amend chapter 235, Hawaii Revised Statutes, by adding a new part which imposes a tax on gains from the sale or exchange of real property.

In recent years, Hawaii has been subject to a rapid escalation of land values which has had many undesirable effects on certain sectors of the population. Many prospective homebuyers not eligible for conventional mortgages, but with incomes too high for publicly sponsored housing programs are unable to purchase a suitable residence.

The increase in land value has also resulted in rapidly escalating rental costs, and has generated a favorable climate for landlords to sell rental units to speculators and developers. Evictions preceding the sale and rehabilitation of rental units have been common, and relocation of displaced renters is costly, leading to less preferred dwellings or higher rents.

A primary cause of increases in the cost of housing is speculation. Speculation can be deterred by imposing a tax on gains realized from the sale or exchange of real property, which your Committee believes is an equitable means of recapturing socially created land values.

Your Committee agrees that rental agreements and options on rental agreements should be subject to a gains tax, as speculation occurring in this sector of the market also contributes to the inflation of land value.

This tax on capital gains does not apply to a foreclosure sale or a sale occurring because the taxpayer is forced to leave the State where retaining ownership would result in hardship not self-created.

Your Committee has amended this bill by increasing the holding period to two years from one year by making adjustments to the table on page 5. With only a one-year holding period, well-capitalized speculators may avoid the tax by holding the property for the required period while individuals without such financial resources would be exposed to the tax.

In effect, a shorter holding period would protect the "professional speculator". A two-year holding period, your Committee believes, would more effectively curb speculation as it would no longer be economically advantageous to hold the property solely for the purpose of evading the tax.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 660, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 660, H.D. 2 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 678 Finance on H.B. No. 1606

The purpose of this bill is to change the public employer's monthly contribution to the Health Fund.

Your Committee is in agreement that such a change in funding methods is necessary because of the inflationary increase in premiums over the years. The Medical Plan was established in 1962 with an employer contribution of \$3 for the Self Only Plan and \$10 for the Family Plan. The rates have since increased to \$11 for single coverage and \$34.50 for family coverage. Similarly, the Children's Dental Plan was established in 1966 with an original contribution of \$1.40 per child. In order to maintain the current level of dental benefits the rate has been raised to \$3.74. Under present law the covered employee pays the balance and is responsible for any increased amounts whenever the respective carriers raise their premiums.

This bill proposes to alleviate the increased financial burden that has been on employees as premiums have continued to rise over the years.

Your Committee has amended this bill to adjust the dollar monthly contribution of the employer for the Medical Plan at \$12.44 for the Self Only Plan and \$39.66 for the

Family Plan, and to set the dental health contribution at \$4.18 for each child eligible for benefits. Your Committee has also added an appropriation of \$1,133,980 (FY 79-80) and \$1,145,607 (FY 80-81) as the State's share for implementing this bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1606, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1606, H.D. 2.

Signed by all members of the Committee.

SCRep. 679 Finance on H.B. No. 705

The purpose of this bill is to provide benefit rate adjustments to employees who are deemed to be permanently totally disabled. These adjustments will apply only to awards entered on or after January 1, 1979 and will take effect on January 1, 1980 and on January 1 of each year thereafter.

Presently, the Workers' Compensation Law contains no provision for adjustment of weekly benefit payments once they are awarded. Benefit payments are based on rates or the time of injury and remain frozen at the same amount.

Under this bill, recipients would be receiving benefits on a more current standard and at the same level as workers who are injured at a later date.

Your Committee has amended this bill by deleting all references to death benefits.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 705, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 705, H.D. 1.

Signed by all members of the Committee.

SCRep. 680 Finance on H.B. No. 515

The purpose of this bill is to provide union representation for part-time employees.

Pursuant to HRS 89-6(c) public employee unions may presently represent only those part-time employees who work 20 or more hours per week.

Part-time teachers in Unit 5 are the only public employees currently working half-time or more who are not represented by an employee organization. This is because, unlike the other twelve units, half-time for a teacher is 17.5 hours as opposed to 20 hours.

This bill provides that employees may be represented by a union so long as they work one-half of a full-time equivalent of a 40-hour week.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 515, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 681 Health on H.B. No. 521

The purpose of this bill is to amend Chapter 321, Sections 201 and 202, Hawaii Revised Statutes, to expand the types of enclosed public places where smoking is prohibited.

The department of health testified that the department "has been especially concerned with the problem of smoking, often called the leading preventable cause of death in the United States today. The hazards, unfortunately, are not confined to the smokers themselves, but extend to the innocent bystander". The department further testified that severe attacks may be triggered in persons suffering from chronic lung diseases who are exposed to such smoke in a confined area.

Your Committee received additional testimony in support of the bill from the American Cancer Society relative to lung cancer being the highest cause of cancer deaths in the United States. Of particular concern is the effect of the inhalation of tobacco combustion

products in smoke-filled atmospheres by a non-smoker. The Cancer Society testified that "This type of exposure is, in a sense, "smoking" because the non-smoker breathes many of the same components of tobacco smoke that the smoker does. It is also "involuntary" because it is an unavoidable consequence of breathing in a smoke-filled environment."

Your Committee on Health is concerned with achieving a balance of rights of smokers and non-smokers and has therefore amended the statutes to add to those areas owned and operated by the State where smoking is currently prohibited the following:

- (1) State and school libraries, and
- (2) Auditoriums and classrooms of school buildings.

Your Committee has further amended the statutes to prohibit smoking (1) in any government operated bus used by the public, and (2) in public areas of government operated health care facilities, including waiting rooms, reception areas, dining facilities and auditoriums of hospitals, nursing homes, care homes, and clinics. Your Committee also provided designated smoking areas as an added exception.

Your Committee deleted the sections of H.B. No. 521 which placed limitations on smoking in department stores, restaurants, bars or taverns, retail stores, pharmacies and other places having public access areas.

Your Committee made various technical and clarifying amendments.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 521, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 521, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 682 Corrections and Rehabilitation on H.B. No. 1015 (Majority)

The purpose of this bill is to remove from the exclusive jurisdiction of the Family Court, minors between the ages of fourteen and eighteen who are alleged to have committed serious crimes, or juveniles with multiple offense histories.

Statistics show that minors who commit serious crimes tend to commit similar offenses after they become adults and, thus, become part of the Hawaii State Prison population.

Your Committee believes that minors who commit serious crimes in the category of Class A or B felonies and who are repeat offenders, as more fully explained below, should not be automatically released from custodial supervision after they reach legal age. If minors are treated as adults when they commit serious crimes, either the circuit courts or the adult corrections system can continue supervision over them after they become adults and, thus, prevent further criminal activities.

However, your Committee believes that jurisdiction over juvenile offenders by the circuit courts should not apply to persons who are fourteen or fifteen years of age, but rather that such jurisdiction should be limited to any person who is alleged to have committed a Class A or Class B felony, as defined in the Penal Code, between his seventeenth and eighteenth birthdays and who has a record with the Family Court, or other equivalent court, showing in essence that the person was previously found responsible or admitted responsibility for two or more violations of any federal, state, or local law or municipal ordinance.

Accordingly, your Committee has amended Section 2 of this bill so as to delete the proposed new section 571- , and substituting in lieu thereof an appropriate amendment to section 571-11 (1), Hawaii Revised Statutes, which incorporates the provisions and intent expressed in the preceding paragraph.

Under the amendment, a juvenile offender who commits or is alleged to have committed a Class A or B felony, while seventeen years of age, and who has a record with the Family Court, or other equivalent court, of two or more violations of law, will be treated as an adult in the first instance. The Family Court will continue to exercise exclusive original jurisdiction over all other juvenile offenders or all alleged offenders who are below the age of eighteen years.

In sentencing minors who commit serious crimes, the circuit court judges may still

exercise discretion and prescribe alternatives other than imprisonment in the Hawaii State Prison. For example, the judges may sentence a seventeen year old minor to the custody of the Hawaii Youth Correctional Facility and, upon reaching the age of eighteen, place him on probation with supervision or, if necessary, transfer him to the adult correctional system.

Your Committee on Corrections and Rehabilitation is in accord with the intent and purpose of H.B. No. 1015, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1015, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 683 Finance on H.B. No. 850

The purpose of this bill is to provide benefit rate adjustments for employees who have been totally and continuously disabled for over two years whenever the statutory maximum weekly compensation rate is changed. This bill would provide economic relief to totally disabled workers who receive low weekly compensation benefits based on previously legislated maximum benefit rates.

The present workers' compensation law contains no provision for adjustment of weekly benefit payments for totally disabled workers. Considering today's economy, a totally disabled worker who was injured many years ago would be in need of financial assistance.

Your Committee believes that injured workers are entitled to relief.

Your Committee has amended the bill by deleting all references to death benefits.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 850, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 850, H.D. 1.

Signed by all members of the Committee.

SCRep. 684 Consumer Protection and Commerce and Transportation on
H.B. No. 1432

The purpose of this bill is to clarify requirements for issuance of moped operator licenses and motor vehicle safety.

Your Committees notes that according to Department of Transportation (DOT) testimony, a number of persons who desire to use a moped have no need or desire to operate a motor vehicle and consequently have no need to obtain a motor vehicle driver's license. Requiring these people to obtain a motor vehicle license is considered to be unrealistic. There are also a number of young people whose parents would permit them to operate a moped but do not want them to obtain a motor vehicle driver's license.

Your Committees agree with the DOT and recommend that anyone applying for a driver's license solely to operate a moped, may use a moped to meet the licensing requirements in Section 286-102 and shall be licensed the same as motor scooters.

Section 1 item 1 is amended as follows:

"Possesses a valid driver's license of any category listed in section 286-102 provided that if he applies for a driver's license solely to operate a moped, he may use a moped to meet the licensing requirements in Section 286-102 and shall be licensed in the same category as motor scooters. After meeting the licensing requirements, he shall also be licensed to operate motor scooters."

Your Committees also recommend a mechanism for motor vehicle safety requirements be included herein.

For the purpose of consistency your Committees recommend that this Act be further amended as follows:

Section 1 item (2) omitted

Section 2 omitted

Section 3 and 4 be changed to Section 2 and 3

Your Committees on Consumer Protection and Commerce and Transportation are in accord with the intent and purpose of H.B. No. 1432, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1432, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Garcia.

SCRep. 685

Finance on H.B. No. 1222

The purpose of this bill is to carry out the provisions of Section 12 of Article VII of the State Constitution which establishes procedures for the authorization of special purpose revenue bonds to assist utilities serving the general public. The Constitution provides that the legislature may enact enabling legislation to authorize the department of budget and finance to issue special purpose revenue bonds.

The 1978 Constitutional Convention approved the authorization and issuance of special purpose bonds without being chargeable against the debt limit, if the legislature determines the bonds to be in the public interest for four separate categories including utilities serving the general public.

The constitutional amendment specifies that no special purpose bonds can be secured, directly or indirectly, by the general credit, revenues or taxes of the issuer. The enterprise for which the bonds are issued must be solely responsible for making payment on the bonds. This constitutional language also prohibits the use of public funds, directly or indirectly, to pay the principal and interest on any special purpose revenue bonds. Thus, the issuing jurisdiction is prohibited from incurring even a "moral obligation" in the event of default on the bonds.

This bill adds a new chapter to the Hawaii Revised Statutes which would authorize the issuance of special purpose revenue bonds by the state department of budget and finance to assist utilities serving the general public to obtain lower cost, tax exempt financing in connection with the issuance of special purpose revenue bonds. This bill sets forth detailed procedures governing the issuance of the bonds, including safeguards to insure that the State incurs no cost, direct or indirect, in connection with the bonds.

This bill would authorize the department of budget and finance, by appropriate action (2/3 vote) of the legislature, to issue special purpose revenue bonds to assist gas and electric utilities in Hawaii in obtaining lower cost bond financing for land and facilities. The assistance would be by the issuance of tax exempt revenue bonds, the proceeds of which would be loaned to the electric or gas utility. Tax exempt bonds can be sold to investors at a lower interest rate, possibly as much as three per cent less than taxable bonds. This savings in interest cost would be reflected in the electric or gas rates established by the public utilities commission in rate case proceedings. Since the public utilities commission already allows the utility to charge rates which cover its capital costs, the ratepayer ends up paying these capital costs. Therefore, a reduction in the capital costs is of benefit to the ratepayer rather than to the stockholders of the utility.

The special purpose revenue bonds cannot be secured directly or indirectly by the general credit of the county or by any revenues or taxes of the State but, rather, solely by the utility (technically, the security is the receipts derived from payments made by the utility to cover the payments of interest and principal due on the bonds). In accordance with Article VII, Section 12 of the Constitution, this bill provides specifically that no moneys other than such receipts of revenues shall be applied to the payment of the bonds. This guarantees that the bonds are constitutionally prohibited from being even a moral obligation of the State. Thus, needed utility facilities can be provided at no cost, direct or indirect, to the State and at significantly lower cost to the ratepayers. This benefit comes because Congress has exempted from federal income taxation the interest on bonds issued by public bodies for providing facilities for the "local" furnishing of electric energy or gas, which has been defined as facilities which are part of a system providing service to the general public of not more than two contiguous counties.

By reason of its unique geography and the fact that none of Hawaii's counties are "contiguous" (because of their three-mile boundaries from shore), Hawaii fits into

this federal Internal Revenue Service definition particularly well. On the other hand, it can't be emphasized enough that Hawaii's geographical location penalizes us by precluding interconnection with national or regional electric grid systems or gas pipeline systems. Being unable to interconnect with these national grid systems results in increases in the local cost of energy. The use of special revenue bonds, as described, would significantly help to offset this disadvantage.

Before any bonds can be issued, specific authorization is required for each project or multi-project program by a separate general law by a two-thirds vote of the legislature. Thus, continuing reviews will take place for each project or multi-project program. Therefore, the state can limit or stop the use of special purpose bonds if in its judgment any problems arise with respect to the amount of such bonds being issued or any other problems.

Your Committee has amended this bill by making several style changes throughout the bill including redesignating the new sections. New language has been added to redesignated sections -6, -9, -10, and -17.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1222, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 686

Finance on H.B. No. 1223

The purpose of this bill is to carry out the provisions of Section 12 of Article VII of the State Constitution which establishes procedures for the authorization of special purpose revenue bonds to assist utilities serving the general public. The Constitution provides that the legislature may enact enabling legislation to authorize the political subdivisions to issue special purpose revenue bonds.

The 1978 Constitutional Convention approved the authorization and issuance of special purpose bonds without being chargeable against the debt limit, if the legislature determines the bonds to be in the public interest and for four separate categories including utilities serving the general public.

The constitutional amendment specifies that no special purpose bonds can be secured, directly or indirectly, by the general credit, revenues or taxes of the issuer. The enterprise for which the bonds are issued must be solely responsible for making payment on the bonds. This constitutional language also prohibits the use of public funds, directly or indirectly, to pay the principal and interest on any special purpose revenue bonds. Thus, the issuing jurisdiction is prohibited from incurring even a "moral obligation" in the event of default on the bonds.

This bill adds a new chapter to the Hawaii Revised Statutes which would authorize the issuance of special purpose revenue bonds by the counties to assist utilities serving the general public to obtain lower cost, tax exempt financing in connection with the issuance of special purpose revenue bonds. This bill sets forth detailed procedures governing the issuance of the bonds, including safeguards to insure that the county incurs no cost, direct or indirect, in connection with the bonds.

This bill would authorize the counties, by appropriate action (2/3) vote of their respective governing bodies, to issue special purpose revenue bonds to assist gas and electric utilities in Hawaii in obtaining lower cost bond financing for land and facilities. The assistance would be by the issuance of tax exempt revenue bonds, the proceeds of which would be loaned to the electric or gas utility. Tax exempt bonds can be sold to investors at a lower interest rate, possibly as much as 3 per cent less than taxable bonds. This savings in interest cost would be reflected in the electric or gas rates established by the Hawaii Public Utilities Commission in rate case proceedings. Since the Hawaii Public Utilities Commission already allows the utility to charge rates which cover its capital costs, the ratepayer ends up paying these capital costs. Therefore, a reduction in the capital costs is of benefit to the ratepayer rather than to the stockholders of the utility.

The special purpose revenue bonds cannot be secured directly or indirectly by the general credit of the county or by any revenues or taxes of that county but, rather, solely by the utility (technically, the security is the receipts derived from payments made by the utility to cover the payments of interest and principal due on the bonds.)

In accordance with Article VII, Section 12 of the Constitution, this bill provides specifically that no monies other than such receipts of revenues shall be applied to the payment of the bonds. This guarantees that the bonds are constitutionally prohibited from being even a moral obligation of the counties. Thus, needed utility facilities can be provided at no cost, direct or indirect, to the county and at significantly lower cost to the ratepayers. This benefit comes because Congress has exempted from federal income taxation the interest on bonds issued by public bodies for providing facilities for the "local" furnishing of electric energy or gas, which has been defined as facilities which are part of a system providing service to the general public of not more than two contiguous counties. By reason of its unique geography and the fact that none of Hawaii's counties are "contiguous" (because of their 3-mile boundaries from shore), Hawaii fits into this Federal Internal Revenue Service definition particularly well. On the other hand, it can't be emphasized enough that Hawaii's geographical location penalizes us by precluding interconnection with national or regional electric grid systems or gas pipeline systems, Being unable to interconnect with these national grid systems results in increases in the local cost of energy. The use of special purpose revenue bonds, as described, would significantly help to offset this disadvantage.

Before any bonds can be issued, specific authorization is required for each project or multi-project program by a 2/3 vote of the applicable county council. Thus, continuing reviews will take place for each project or multi-project program. Therefore, the county can limit or stop the use of special purpose bonds if in its judgment any problems arise with respect to the amount of such bonds being issued or any other problems.

Your Committee has amended this bill by making style changes throughout the bill, including redesignating the new sections. New language has been added to redesignated Sections -6, -9, -10, and -17.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1223, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 687 Consumer Protection and Commerce and Transportation on
H.B. No. 1667

The purpose of this bill is to modify the definition of "motor carrier" to include certain private carriers of passengers, and to provide the Department of Transportation with a means to enforce compliance with the motor carrier safety law and rules and regulations adopted as authorized.

There are certain passenger carrying activities being conducted by motor vehicle in furtherance of commercial enterprises which cannot be classified as common carrier or contract carrier operations and, therefore, are without supervision with respect to the safety of this type of operation. The enactment of this bill would insure that this type of passenger carrying activity would be subject to the same safety criteria as common and contract passenger carriers by motor vehicle.

Your Committees on Consumer Protection and Commerce and Transportation is in accord with the intent and purpose of H.B. No. 1667, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Aki, Baker, de Heer, Garcia, Kiyabu, Larsen, Machida, Nakamura, Marumoto and Medeiros.

SCRep. 688 Legislative Management

Informing the House that House Resolution Nos. 474 to 521, House Concurrent Resolution Nos. 103 to 121, and Standing Committee Report Nos. 440 to 687, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 689

Higher Education and Agriculture on H.R. No. 244

The purpose of this resolution is to urge the University to accord the highest possible priority to providing resources for expansion of the University of Hawaii, Hilo, College of Agriculture.

Your Committees find that Hawaii's agriculture is, at its present value, worth \$373 million and that there was a 14 per cent increase from the previous year, and that it is anticipated that this trend will so continue for the foreseeable future. In addition, your Committees believe that in order to sustain and accelerate the growth of the agriculture industry, it will require a greater number of highly trained agriculture technicians and agriculturists.

Your Committees heard testimony from the Hawaii Farm Bureau Federation and the Acting Chancellor, University of Hawaii at Hilo, in support of this resolution.

From testimony presented by the Acting Chancellor, University of Hawaii at Hilo, your Committees have learned: (a) that the continued development of the College of Agriculture will receive the highest institutional priority; (b) that the College of Agriculture is now only in its fourth year in operation. Its development has been somewhat slower than originally hoped, but there are factors other than resource allocation which have contributed to this; (c) the Manoa based Hawaii Agriculture Experiment Station has been extremely helpful in working with the college to develop cooperative research opportunities for the faculty; and (d) despite its present problems, the college is on its way to achieving the goals and objectives intended by the Legislature when it passed Act 191 in 1974. Notwithstanding these facts, your Committees express great concern that research and education are an integral part of agricultural development, and that it is imperative that the University of Hawaii, Tropical Agriculture of the Hilo campus emphasize instruction relevant to the needs of the State.

Your Committees on Higher Education and Agriculture concur with the intent and purpose of H.R. No. 244 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 690

Water, Land Use, Development and Hawaiian Affairs; and
Agriculture on H.R. No. 286

The purpose of this resolution is to request the establishment of a 1,000 acre agricultural park in Kilauea, Kauai.

Mr. Rodney Yadao, Chairman of the Economic Development Committee, Kauai County Council, in testimony stated that the "Agricultural Conceptual Plan" for the Kilauea Region should be utilized as a starting point towards a planned agricultural complex whereby the economic benefits to the State and County may be of tremendous potential. Your Committees also learned that the Kauai County Council has gone on record in support of an agricultural plan and establishing an agricultural park or parks on Kauai. Also, serious concern was expressed that the agricultural land value is now \$20,000 to \$40,000 per acre and the precious agricultural lands are being forever lost to the development of country estates.

The Department of Agriculture in its testimony stated that it is actively seeking the establishment of an agricultural park in Kilauea, planning on the basis of a 200 acre agricultural park. Even at 200 acres, the major obstacle has been the acquisition of land for such purposes. Your Committees have learned at present that the department is in communication with two Kilauea landowners who have expressed willingness to work with the State in establishing an agricultural park. Your Committees also learned that the Department of Land and Natural Resources has been kept informed of the situation and is ready to assist in the land acquisition when the assessment and evaluation of the project is completed.

Notwithstanding these facts, your Committees express great concern that recent years have witnessed the emergence of agriculture as an important industry with great potential for further growth and development, and yet agricultural lands have not been available to the farmers.

Your Committees request that the State Board of Land and Natural Resources and the State Department of Agriculture make every reasonable effort to establish an agricultural park at Kilauea, Kauai, provided the acreage should initially consist of 200 acres

with provision for expanding the acreage as additional lands and funding resources become available

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Agriculture concur with the intent and purpose of H.R. No. 286 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 691 Water, Land Use, Development and Hawaiian Affairs; and
Agriculture on H.R. No. 290

The purpose of this resolution is to request the Department of Land and Natural Resources to streamline the processing of expired pasture leases and to consider granting longer lease extensions where such extensions appear to be justified.

The Department of Land and Natural Resources in its testimony stated that it agrees with the intent of the resolution and will make every effort to process the sale of new pasture leases as rapidly as possible. It should be noted, however that the statutes do not allow the terms of pasture leases to be extended. Only intensive agriculture and special livestock leases are afforded this privilege. Thus, when a pasture lease expires and it is resold at public auction, there is no guarantee the current lessee will be the successful bidder for the new lease. About all the Department can do in this situation is to try to sell the new lease as well before the expiration of the current one as it can (two years before expiration of the current lease is the legal limit). This way the lessee will at least know ahead of time whether he will be able to continue when his lease expires. Notwithstanding these facts, your Committees believe that the Department of Land and Natural Resources should re-evaluate the sections which involve the leasing of pasture lands and propose necessary amendments to expedite the intent and purpose of this resolution.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Agriculture concur with the intent and purpose of H.R. No. 290 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 692 Water, Land Use, Development and Hawaiian Affairs; and
Agriculture on H.R. No. 289

The purpose of this resolution is to request the department of land and natural resources to commence appropriate improvements and expansion of the Lalamilo Irrigation System in Waimea, Hawaii.

The Hawaii Farm Bureau Federation in its testimony stated that the resolution will be advantageous for the agricultural industry for the following reasons: (1) the improvement and expansion of the Lalamilo irrigation system demonstrates and reaffirms the State's interest in supporting diversified agricultural industry; and (2) it makes available reasonably priced water of adequate quality for agricultural production.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Agriculture concur with the intent and purpose of H.R. No. 289 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 693 Health; and Public Assistance and Human Services on H.R.
No. 105

The purpose of this resolution is to request the appropriate House standing committees to review the issue of terminal vocational rehabilitation patients in the State's vocational rehabilitation services program. Present statutes provide that only handicapped individuals who may be reasonably expected to engage in "remunerative" occupations are to be provided vocational rehabilitation services by the State. However, a number of individuals, known as "terminal vocational rehabilitation patients," are included in these programs although they cannot be rehabilitated in sufficient degree to gain employment.

Your Committees find that there is a need to review the inclusion of "terminal vocational rehabilitation patients" in the State's program, but believe that this responsibility should be delegated to the State Department of Social Services and Housing (DSSH) which has primary authority in this matter. Your Committees have amended this resolution accordingly and have also made the following substantive changes:

(1) The findings and recommendations of the DSSH are to be submitted twenty days prior to the convening of the Regular Session of 1980, rather than prior to the adjournment of the 1979 Regular Session, to permit sufficient time for review; and

(2) A clause requesting the DSSH to take immediate appropriate action to resolve this matter has been inserted between the second and third "BE IT RESOLVED" clauses to ensure that the issue will be addressed promptly and that its resolution will not be delayed until the 1980 Regular Session.

Your Committees on Health, and Public Assistance and Human Services concur with the intent and purpose of H.R. No. 105, as amended herein, and recommend its referral in the form attached hereto as H.R. No. 105, H.D. 1, to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 694

Housing on H.R. No. 252

The purpose of this resolution is to request that the House Housing Committee review the amount and type of funds expended for land banking, the operations of existing land banking projects, the Hawaii Housing Authority's (HHA) plans to utilize "banked" lands, and all other appropriate concerns relative to land banking.

A report prepared for the HHA by a private consulting firm, indicates that land banking investments should be reduced in order to enable the Authority to recoup DURF funds committed in land investments and to increase the amount of money available for short-term loans and subsidies. Your Committee finds that the Housing Committee should review the HHA's plans and activities in public land banking.

Your Committee has amended this resolution to require the House Housing Committee to report its findings and recommendations twenty days prior to the opening of the 1980 Regular Session, rather than prior to the adjournment of the 1979 Regular Session. This amendment allows the Committee time during the interim period to conduct a more thorough review.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 252, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 252, H.D. 1.

Signed by all members of the Committee.

SCRep. 695

State General Planning on H.R. No. 69

The purpose of this resolution is to request the appropriate House standing committee to review the 1978 constitutional amendment relating to the management of population growth in order to assess its meaning and impact and to determine what state action is necessary to implement the amendment.

Your Committee finds that additional time is needed to adequately review and examine the 1978 Constitutional Amendment relating to the management of population growth. Therefore, your Committee has amended this resolution to provide for further study of this matter by including the following:

BE IT RESOLVED by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that the Speaker of the House of Representatives appoint an interim committee during the 1979 legislative interim to review the 1978 constitutional amendment relating to the management of population growth, in order to assess its meaning and impact and to determine what state action is necessary to implement it; and

BE IT FURTHER RESOLVED that the interim committee report its findings and recommendations to the House of Representatives prior to the start of the 1980 Regular Session; and

Your Committee on State General Planning concurs with the intent and purpose of H.R. No. 69, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 69, H.D. 1.

Signed by all members of the Committee.

SCRep. 696

State General Planning on H.R. No. 65

The purpose of this resolution is to review the Priority Directions, Part III of Act 100, SLH 1978 and the report submitted to the legislature by the Department of Planning and Economic Development suggested that the legislature consider revising the Priority Directions to deal with other issues raised by the general public such as crime, taxes, health care, and education. The report indicated that the public seemed to believe that these are major issues and that more should be done to rectify them. However, the Department of Planning and Economic Development feels that the feasibility of including some of these issues as part of the priority directions will require further study.

Your Committee finds that the issues derived from the informational workshops and household surveys conducted by the Department of Planning and Economic Development need further study. Therefore, your Committee has amended this resolution to include the following:

BE IT RESOLVED by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that the Speaker of the House of Representatives appoint an interim committee during the 1979 legislative interim to work with the Department of Planning and Economic Development to determine the feasibility of revising the priority directions to include the major concerns identified by the public informational workshops and the statewide surveys; and

BE IT FURTHER RESOLVED that the interim committee submit their finding and recommendations to the House of Representatives prior to the start of the 1980 Regular Session; and

Your Committee on State General Planning concurs with the intent and purpose of H.R. No. 65, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 65, H.D. 1.

Signed by all members of the Committee.

SCRep. 697

State General Planning; and Education on H.R. No. 29

The purpose of this resolution is to review the Department of Education's progress in developing the education functional plan required by the Hawaii State Planning Act, Act 100, SLH 1978.

Testimony submitted by Emiko Kudo, Deputy Superintendent of the Department of Education reports that their department's main efforts will be directed at updating their existing "Master Plan for Public Education in Hawaii," a plan that was completed one year after the 1967 "State of Hawaii General Plan Revision Program." In further discussions with the Department of Education, your Committees found that the matter of vocational education was not properly considered, and recommended to the Department of Education that the education functional plan place emphasis on vocational education.

Your Committees further feel that the Department of Education should submit the scope of work on the functional plan to the House of Representatives prior to the adjournment of the Regular Session of 1979; and that the Speaker of the House of Representatives should appoint an interim committee during the 1979 legislative interim to work with the Department of Education in developing the education functional plan, and that the interim committee should submit their findings and recommendations to the House of Representatives prior to the start of the 1980 Regular Session. This resolution has been appropriately amended to reflect these recommendations.

Your Committees on State General Planning and Education concur with the intent and purpose of H.R. No. 29, as amended herein and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 29, H.D. 1.

Signed by all members of the Committees.

SCRep. 698

State General Planning; and Higher Education on H.R. No. 36

The purpose of this resolution is to review the University of Hawaii's progress in developing the higher education functional plan required by the Hawaii State Planning Act 100, SLH 1978.

Testimony presented by Fujio Matsuda, President of the University of Hawaii, indicated that the University of Hawaii is currently in the process of preparing the functional plan for public higher education in the State of Hawaii. This plan will be a comprehensive analysis of projected needs for public higher education in the State of Hawaii and will describe how the State will meet those needs within the constraints of resources, facilities, population growth and changing societal demands. In addition, the functional plan will reflect the State Postsecondary Education Commission's "Master Plan for Secondary Education in Hawaii" and the proposed update to the State Master Plan for Vocational Education. Both of these documents focus on goals and objectives for their respective areas of responsibility, and will serve as input to the state higher education functional plan along with the program plans and mission statements of the various components of the University of Hawaii.

Your Committees find that additional information is needed in order to properly assess the progress being made of the functional plan and have amended this resolution to request the University of Hawaii to present to the House of Representatives with a scope of work on the functional plan prior to the adjournment of the 1979 Regular Session. Your Committees have also amended the resolution to provide for further study of this matter during the 1979 legislative interim.

Your Committee on State General Planning and Higher Education concurs with the intent and purpose of H.R. No. 36, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 36, H.D. 1.

Signed by all members of the Committees.

SCRep. 699

Education on H.R. No. 341

The purpose of this resolution is to request the Office of the Legislative Auditor to update that portion of the 1971 audit report dealing with centralized food preparation.

At the time of the 1971 audit, there were 13 centralized food preparation kitchens which served an additional 16 schools. Currently, there are 25 preparation kitchens which serve 44 schools. By 1981, there will be 26 preparation kitchens which will serve 48 schools.

The Department of Education testified in strong support of the resolution. They reported that the Legislative Auditor's analysis and recommendations in 1971 contributed to the effectiveness of the school food service programs. The Department feels that an updated objective analysis and re-evaluation of centralized food preparation would be of value, especially since an estimated one-third of all schools are currently being serviced by centralized operations.

Your Committee on Education concurs with the intent and purpose of H.R. No. 341 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 700

Education on H.C.R. No. 56

The purpose of this concurrent resolution is to request the Office of the Legislative Auditor to update that portion of the 1971 audit report dealing with centralized food preparation.

At the time for the 1971 audit, there were 13 centralized food preparation kitchens which served an additional 16 schools. Currently, there are 25 preparation kitchens which serve 44 schools. By 1981, there will be 26 preparation kitchens which will serve 48 schools.

The Department of Education testified in strong support of the concurrent resolution. They reported that the Legislative Auditor's analysis and recommendations in 1971 contributed to the effectiveness of the school food service programs. The Department feels that an updated objective analysis and re-evaluation of centralized food preparation would be of value, especially since an estimated one-third of all schools are currently being serviced by centralized operations.

Your Committee on Education concurs with the intent and purpose of H.C.R. 56 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 701 Legislative Management

Informing the House that House Resolution Nos. 522 to 534, House Concurrent Resolution Nos. 122 to 124, and Standing Committee Report Nos. 689 to 700, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 702 Employment Opportunities and Labor Relations on H.R. No. 281

The purpose of this resolution is to study the feasibility of establishing a state fund or a state fund program which allows private insurers to compete for workers' compensation.

The workers' compensation law provides compensation to workers or their dependents for injuries or disease suffered from accidents arising out of and in the course of employment. This coverage is currently covered by employers taking out insurance policies with private insurers.

Due to the complexity of this study, your committee amended the resolution as follows:

- 1) To have a three phase study to include legal feasibility, assessment and design, and technical study;
- 2) The legal feasibility should be determined before further indepth study is initiated;
- 3) That the Legislative Reference Bureau may use funds up to \$15,000 from Act I of the Regular Session of 1979 to conduct the study;
- 4) That the Department of Labor and Industrial Relations and all other agencies of the State and several counties are requested to fully cooperate and assist the office of the Legislative Reference Bureau; and
- 5) That additional copies be sent to the Governor, to each mayor and to each director or chief administrator of the State.

Your Committee on Employment Opportunities and Labor Relations concurs with the intent and purpose of H.R. No. 281, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 281, H.D. 1.

Signed by all members of the Committee.

SCRep. 703 Employment Opportunities and Labor Relations on H.C.R. No. 39

The purpose of this concurrent resolution is to study the feasibility of establishing a state fund or a state fund program which allows private insurers to compete for workers' compensation.

The workers' compensation law provides compensation to workers or their dependents for injuries or disease suffered from accidents arising out of and in the course of employment. This coverage is currently covered by employers taking out insurance policies with private insurers.

Due to the complexity of this study, your committee amended the concurrent resolution

as follows:

- 1) To have a three phase study to include legal feasibility, assessment and design, and technical study;
- 2) The legal feasibility should be determined before further indepth study is initiated;
- 3) That the Legislative Reference Bureau may use funds up to \$15,000 from Act I of the Regular Session of 1979 to conduct the study;
- 4) That the Department of Labor and Industrial Relations and all other agencies of the State and several counties are requested to fully cooperate and assist the office of the Legislative Reference Bureau; and
- 5) That additional copies be sent to the Governor, to each mayor and to each director or chief administrator of the State.

Your Committee on Employment Opportunities and Labor Relations concurs with the intent and purpose of H.C.R. No. 39, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 39, H.D. 1.

Signed by all members of the Committee.

SCRep. 704

Ecology and Environmental Protection on H.R. No. 157

The purpose of this resolution is to request the appropriate House standing committees to formulate possible alternative funding strategies other than the general fund to finance the State's litter control program.

The State Litter control program has been funded since its establishment in 1977 by the general fund augmented by State Comprehensive Employment Training funds and private donations. In view of the State's fiscal constraints, your Committee feels that it would be desirable to investigate the possibility to using other revenue sources to continue the effort to control litter.

Your Committee feels that the time allotted to submit findings and recommendations should be extended to allow for a thorough review and therefore recommends that the last two lines on page 1 be amended to read: ". . .prior to the start of the regular 1980 session."

Your Committee on Ecology and Environmental Protection concurs with the intent and purpose of H.R. No. 157, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 157, H.D. 1.

Signed by all members of the Committee except Representative Garcia.

SCRep. 705

Water, Land Use, Development and Hawaiian Affairs; and
Agriculture on H.R. No. 292

The purpose of this resolution is to request the State and other government entities to accelerate programs for the continuing development of agricultural water resources and systems in Hawaii County.

The Department of Land and Natural Resources in its testimony stated that previous legislative CIP appropriations to the department's water development program have initiated and/or implemented several projects in the County of Hawaii to develop new sources and improve water systems for agriculture. Some of these projects are: (1) the extension of the County's Pahoa water system to serve the Pahoa agricultural park; (2) the Kahaluu Shaft water source development and system improvements to make water available for Keahole agricultural park; (3) drilling and testing of a deep well at Okoe, South Kona (presently under contract) to determine the availability of ground water for agricultural use; and (4) extension of the Hilo water system to serve the proposed Panaewa agricultural Park (presently under study).

Your Committees find that for the Department of Land and Natural Resources as a part of the administrative budget under LNR 161, Water Development and Irrigation Services Program, a CIP request of \$400,000 was budgeted for the County of Hawaii for FY 1979-81. Also, there is a balance of \$4,671,600 from an appropriation under Act 218/74, item A-1, Water Resource Development for Agriculture, Statewide, which will lapse on June 30, 1979. Your Committees recommend that the above CIP request be funded and that the June 30, 1979 lapsing date be amended to read June 30, 1981 for the \$4,671,600 balance so that we can carry out the intent of this resolution.

Your Committees find that the Committee on Finance is the proper Committee to render such a decision.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Agriculture concur with the intent and purpose of H.R. No. 292 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 706

Agriculture on H.R. No. 153

The purpose of this resolution is to request the appropriate House standing committee convene a special task force made up of representatives of government and diversified agriculture to carefully and comprehensively review the performance of the agricultural associations currently in existence and to ascertain the factors which are impeding their effectiveness.

The Department of Planning and Economic Development in its testimony stated it works with associations and cooperatives in developing product promotion plans for promotion of agricultural products. Nevertheless, producers have been reluctant to pursue formation of cooperatives because of initial financial requirements and the inability to control finances, and the lack of a thorough understanding of the nature of a cooperative and the cost of competent managers.

Your Committee finds it gratifying to know that various government agencies of the state agricultural cooperatives and associations are the key to the viability, if not survival, of specific commodities, and potentially to the entire diversified agriculture industry.

Your Committee has heard testimony from the Department of Planning and Economic Development and Hawaii Farm Bureau Federation in support of this resolution.

Your Committee recommends that the first "Be it Resolved" paragraph be amended to read as follows:

"Be It Resolved by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that the special task force be composed of representatives of the Governor's Agriculture Coordinating Committee; University of Hawaii, College of Tropical Agriculture and Human Resources; Department of Agriculture; Department of Planning and Economic Development; Hawaii Farm Bureau Federation; diversified agricultural industry; and the county representatives representing agricultural economic development of their counties; to carefully and comprehensively review the performance of the agricultural associations currently in existence and to ascertain the factors which are impeding their effective performance, and to ascertain factors in the continuing tendency of farmers and others in industry to refrain from active and constructive participation in agricultural associations.

Your Committee also amended the first "Be it Further Resolved" paragraph to read as follows:

"Be It Further Resolved that the Governor's Agriculture Coordinating Committee submit a report of its findings, together with any recommendations by October 1, 1979; and

Your Committee on Agriculture concurs 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 except Representative Garcia.

SCRep. 707

Agriculture on H.R. No. 145

The purpose of this resolution is to study the feasibility of establishing centralized farmers markets, flower and nursery products markets, and agricultural marshalling areas near waterfronts and airports.

It is a known fact that inadequate interstate and overseas transportation services and systems have become a major obstacle to the orderly growth of diversified agriculture. Currently, as far as your Committee can determine, there is no well organized, coordinated effort to improve the less than satisfactory surface and air transportation and handling of perishable agricultural products to the Honolulu market or to overseas destinations.

Your Committee recognizes that the unloading of perishable agricultural commodities from barges arriving from neighbor islands is often delayed; that the scheduling of flights and lift capacity at Hilo airport is often inadequate; that marshalling and proper storage facilities at strategic shipping points for the Honolulu and overseas markets for all locally produced commodities including fruits and vegetable, livestock and nursery products in the Honolulu area and key location on the neighbor islands are lacking, and that additional feed storage facilities on the waterfront for all major islands with supplemental storage on farm sites are also lacking. Your Committee believes that the proposed study should investigate and analyze all of the foregoing problems and obstacles and relate them to the planned growth of marketing of diversified agriculture commodities.

Your Committee believes that all unused state lands and facilities adjacent to or near the waterfront and airport should be considered for possible use for marshalling, grading and packing, storage, consolidation and wholesaling of fresh and processed Hawaiian agricultural products. The results of the study should provide the necessary planning and management tools to coordinate needed up-grading of our interstate and overseas transportation services and systems and support the planned growth and marketing of diversified agriculture.

Your Committee recommends that the first "Be It Resolved" paragraph be amended to read as follows:

"Be It Resolved by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that the special task force be composed of representatives of the Governor's Agriculture Coordinating Committee; University of Hawaii, College of Tropical Agriculture and Human Resources; Department of Agriculture; Department of Planning and Economic Development; Hawaii Farm Bureau Federation; Department of Land and Natural Resources; Department of Transportation; diversified agricultural industry; and the county representatives representing agricultural economic development of their county are requested to examine the feasibility of establishing centralized farmers markets, and agricultural marshalling areas near waterfronts and airports; and"

Your Committee also recommends that the first "Be It Further Resolved" paragraph to be amended to read as follows:

"Be It Further Resolved that the Department of Transportation submit a report of its findings, together with any recommendation by October 1, 1979; and"

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 145, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 145, H.D. 1.

Signed by all members of the Committee except Representative Garcia.

SCRep. 708

State General Planning; and Water, Land Use, Development and
Hawaiian Affairs on H.R. No. 332

The purpose of this resolution is to request the Director of the Department of Planning Economic Development to undertake studies and make recommendations on how to best implement a land banking program.

The 1978 Constitutional Convention amended Article XI, section 4 of the Hawaii State Constitution to provide the State with the authority to acquire interests in real property to control future growth, development and land use within the State. In relation to

this amendment, the concept of land banking was discussed. Land banking refers to the acquisition of land for the specified purpose of asserting the State's ownership interests in shaping the growth and development of entire regions, in advance of any immediate need for a particular use.

In order to determine the most appropriate way to implement the constitutional amendment, your Committees believe that it is necessary to conduct a feasibility and planning study for a public land banking system. This study should be conducted by the Director of Planning and Economic Development, in his capacity as the chairman of the Hawaii State Plan policy council.

Testimony by the Director of the Department of Planning and Economic Development supports the passage of H.R. No. 332, but feels that \$60,000 is needed to conduct the study. Your Committees recognize the limited funding and manpower constraints under which agencies such as the DPED are being requested to conduct additional tasks. However, in view of the State's austere fiscal conditions, your committee suggests that the DPED explore other alternative financial resources available to the DPED, especially federal funding through the Coastal Zone Management Program, to conduct the feasibility study for a land banking program.

Your Committees on State General Planning, and Water, Land Use, Development, and Hawaiian Affairs concur with the intent and purpose of H.R. No. 332 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 709 State General Planning; and Water, Land Use, Development and
Hawaiian Affairs on H.R. No. 185

The purpose of this resolution is to request the review of the progress of the Department of Land and Natural Resources in developing the functional plan for historical preservation required by the Hawaii State Planning Act, Act 100, SLH 1978.

Testimony presented by the Chairman of the Board of Land and Natural Resources indicates that the historic sites staff have only recently begun working on the functional plan. In recent months, the historic sites staff efforts have been directed to fulfilling the archaeological contract with the U.S. Navy relating to Kahoolawe Island and on the preparation and submission of the State's Annual Plan for Historic Preservation to the federal government which is necessary for continued participation in the federal grants-in-aid program. The goals and objectives of the annual plan have been structured to conform with the goals, objectives, policies, priority directions and implementing actions of the Hawaii State Plan.

Your Committees find that the historic preservation functional plan must be in compliance with the Hawaii State Planning Act, Act 100, SLH 1978 by 1980 and that emphasis should be placed on using the County General Plans as a basis for functional plan preparation. Your Committees further find that additional information and time is needed in order to properly assess the progress being made on the functional plan. Therefore, your committees have amended this resolution to request the Department of Land and Natural Resources to present to the House of Representatives a scope of work on the functional plan prior to the adjournment of the 1979 Regular Session and to provide for further study of this matter during the 1979 legislative interim.

Your Committees on State General Planning and Water, Land Use Development and Hawaiian Affairs concur with the intent and purpose of H.R. No. 185, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 185, H.D. 1.

Signed by all members of the Committees.

SCRep. 710 State General Planning; and Water, Land Use, Development and
Hawaiian Affairs on H.R. No. 179

The purpose of this resolution is to request the review of the progress of the Department of Land and Natural Resources in developing the functional plan for conservation lands required by the Hawaii State Planning Act, Act 100, SLH 1978.

Testimony presented by the Chairman of the Board of Land and Natural Resources

indicates that the basis of the conservation lands functional plan will be comprised of the Hawaii State Plan, County General Plan, existing statutes, the Department of Land and Natural Resources Conservation District Plan which was adopted by the Board of Land and Natural Resources on August 12, 1977, and departmental Regulation No. 4 which was adopted by the Board on March 23, 1978. The Department has established a resource committee which is comprised of technical experts whose programs either directly or indirectly affect conservation district lands. Using this data base, the resource committee is reviewing and updating, where possible, those areas graphically displayed within the plan. The resource committee also reviewed the state goals, objectives and policies of the State Plan, and is presently reviewing the location of major facilities on conservation lands as well as the implementation priorities which are considered applicable to conservation district lands.

It was further stated that the establishment of an advisory committee as required by Act 100, SLH 1978 will provide the department with well balanced views in the formulation of the Conservation Lands Functional Plan. Its membership is comprised of lay representatives from all of the counties, large and small businesses, labor, environmental interest groups, the legal profession, State and County agencies, and will also include users of Conservation lands such as hunters.

Your Committees find that additional information and time is needed in order to properly assess the progress being made on the functional plan. Therefore, your committees have amended this resolution to request the Department of Land and Natural Resources to submit to the House of Representatives a scope of work on the functional plan prior to the adjournment of the 1979 Regular Session and to provide for further study of this matter during the 1979 legislative interim.

Your Committees on State General Planning, and Water, Land Use, Development, and Hawaiian Affairs concur with the intent and purpose of H.R. No. 179, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 179, H.D. 1.

Signed by all members of the Committees.

SCRep. 711

State General Planning; and Water, Land Use, Development and
Hawaiian Affairs on H.R. No. 176

The purpose this resolution is to request the review and evaluation of the progress of the Department of Land and Natural Resources in developing the recreation functional plan required by the Hawaii State Planning Act, Act 100, SLH 1978.

Testimony presented by the Chairman of the Board of Land and Natural Resources indicates that the "State Comprehensive Recreation Plan" (SCORP) is being developed as the state functional plan for recreation. In the past, SCORP was developed pursuant to federal requirements in order to become eligible for matching federal funds under the United States Land and Water Conservation Fund Program. The overall objectives of the SCORP are to identify and assess Hawaii's present and future outdoor recreation requirements and to provide guidelines for an action program of acquisition and development of needed sites and facilities. The specific objectives are to measure present and potential demand for outdoor recreational activities in Hawaii, to compare these demands with the existing and planned supply of outdoor recreational facilities, to identify probable deficiencies that may exist in providing areas and facilities; and to prepare guidelines for a comprehensive program to acquire and develop needed areas and facilities for outdoor recreational activities. Since the program was initiated in October 1965, 84 outdoor recreation projects with matching federal funds totaling \$18.9 million have been approved.

Your Committees find that additional time and information is needed in order to properly assess and evaluate the progress being made on the recreation functional plan. Your Committees have amended this resolution to request the Department of Land and Natural Resources to present to the House of Representatives a scope of work on the functional plan prior to the adjournment of the 1979 Regular Session and have provided for the further study of this matter during the 1979 legislative interim.

Your Committees on State General Planning, and Water, Land Use Development and Hawaiian Affairs concur with the intent and purpose of H.R. No. 176, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 176, H.D. 1.

Signed by all members of the Committees.

SCRep. 712

State General Planning; and Water, Land Use, Development and
Hawaiian Affairs on H.R. No. 175

The purpose of this resolution is to request the review and evaluation of the progress of the Department of Land and Natural Resources in developing the water resources functional plan required by the Hawaii State Planning Act, Act 100, SLH 1978.

Testimony presented by the Chairman of the Board of Land and Natural Resources indicated that the work on the functional plan commenced in early October 1978, with the designation of a project manager. Under his direction, project staff have been organized and preparations have been made for the selection and appointment of members to the functional plan advisory committee and it is anticipated that the Governor will appoint the members in the near future. A work plan was developed, which touched upon the purpose, organization, approach, coordination, scope and work elements of the study leading to the formulation of the plan. While consideration will be given to all practical aspects of water use such as municipal, agricultural, outdoor recreation, water quality, instream values, and aquaculture, emphasis will be placed on the "priority directions" section of the Hawaii State Planning Act.

Your Committees find that in order to properly assess and evaluate the progress being made on the functional plan additional information and time is needed. Your Committees have amended this resolution to request the Department of Land and Natural Resources to present to the House of Representatives their scope of work on the functional plan prior to the adjournment of the 1979 Regular Session and to provide for further study of this matter during the 1979 Legislative interim.

Your Committees on State General Planning, and Water, Land Use Development and Hawaiian Affairs concur with the intent and purpose of H.R. No. 175, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 175, H.D.1.

Signed by all members of the Committees.

SCRep. 713

State General Planning and Health on H.R. No. 100

The purpose of this resolution is to review the Department of Health's progress in developing the health functional plan required by the Hawaii State Plan, Act 100, SLH 1978.

Testimony submitted by George Yuen, Director of the Department of Health recommends that the functional plan for health have two parts: The first part will address general health, including food protection and occupational health and safety, and will be done by the State Health Planning and Development Agency (SHPDA). The second part will address environmental quality management and will be developed by the Environmental Protection and Health Services Division of the Department of Health. The Department of Health has also reported that it will have some difficulty in meeting the 1980 submittal deadline for the functional plan.

In order to more comprehensively evaluate the progress and problems in developing the health functional plan and to facilitate its preparation and submittal to the 1980 Legislature, your Committees have amended this resolution to include the following:

BE IT RESOLVED that the Department of Health submit a status report on the formulation of the health functional plan which should include the scope of work on the project to the House of Representatives prior to the adjournment of the 1979 Regular Session; and

BE IT FURTHER RESOLVED by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that the Speaker of the House of Representatives appoint an interim committee during the 1979 legislative interim to review the Department of Health's progress in developing the health functional plan required by the state plan, including the anticipated date of its submission to the legislature, its interface with the state health plan approved by the federal Department of Health, Education, and Welfare, and the manner in which the various health program plans will be integrated in and/or coordinated with the health functional plan; and

BE IT FURTHER RESOLVED that the interim committee submit their findings and recommendations to the House of Representatives prior to the start of the 1980 Regular Session; and

BE IT FURTHER RESOLVED that certified copies of this resolution be transmitted to the Speaker of the House of Representatives.

Your Committees on State General Planning and Health concur with the intent and purpose of H.R. No. 100, as amended herein and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 100, H.D. 1.

Signed by all members of the Committees.

SCRep. 714

State General Planning and Finance on H.R. No. 66

The purpose of this resolution is to request the appropriate House standing committees to review the State budgetary system, which consists of the program appropriations process, the capital improvement project appropriations process, and the budgetary review process, with the purpose of determining how the system can best conform with the provisions of the Hawaii State Planning Act, and to submit their findings and recommendations prior to the adjournment of the 1979 legislative session.

Testimonies submitted by Eileen Anderson, Director, Department of Budget and Finance, and Hideto Kono, Director, of the Department of Planning and Economic Development both support H.R. No. 66.

Your Committees find that additional time is needed to conduct a thorough review and accordingly have amended the resolution to provide that the review is to be conducted by a House interim committee, to be appointed by the Speaker, which committee is to report its findings and recommendations to the Legislature prior to the convening of the Regular Session of 1980.

Your Committees on State General Planning and Finance concur with the intent and purpose of H.R. No. 66, as amended herein, and recommend that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 66, H.D. 1.

Signed by all members of the Committees.

SCRep. 715

Ecology and Environmental Protection; and Public Employment and Government Operations on H.R. No. 271

The purpose of this resolution is to request the Department of Accounting and General Services to develop and implement a waste paper recovery program in Honolulu's major State office buildings.

Successful wastepaper recovery programs are already being carried on at the Kalaninimoku Building and at the U. of H. Manoa campus. Your Committees feel that the recycling of the large amounts of paper generated by government work would provide a good example to the public and add to the general fund. Further, it would reduce the use of resources, conserve energy, reduce disposal costs, and lessen the pressure on limited landfill areas.

In oral testimony during the Committee discussion, the representative of the Department of Accounting and General Services concurred with the opinion of your Committees that it would be feasible to (a) implement the program gradually and (b) use existing personnel and facilities.

Your Committees on Ecology and Environmental Protection and Public Employment and Government Operations concur with the intent and purpose of H. R. No. 271 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Garcia.

SCRep. 716

Legislative Management

Informing the House that House Resolution Nos. 535 to 546, House Concurrent Resolution Nos. 125 to 130, and Standing Committee Report Nos. 702 to 715, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 717

Education on H.R. No. 27

The purpose of this resolution is to provide for a review of the 1978 State constitutional amendment relating to the Hawaiian Education Program and to determine the need for legislation and budgetary requirements to implement such a program.

Your Committee finds that the 1978 constitutional amendment entitled "Article X, Section 4, Hawaiian Education Program" requires the State to establish and implement the Hawaiian Education Program and that such implementation should consider the need for adoption of a curriculum, budgetary requirements and other concerns relating to the development of the Hawaiian Education Program.

The Department of Education testified that they concur with the purpose of this resolution and would cooperate in providing appropriate information to the legislature in its review of implementing the 1978 constitutional amendment on Hawaiian Education.

Your Committee finds that it would be more appropriate to have the Department of Education (DOE), rather than a House standing committee, to review the necessary requirements to implement the Hawaiian Education Program. Therefore, your Committee recommends that this resolution be amended to have the DOE review and determine necessary requirements to implement the 1978 State constitutional amendment on the Hawaiian Education Program and to report its findings and recommendations to the House of Representatives sixty days prior to the convening of the 1980 regular legislative session.

Your Committee on Education concurs with the intent and purpose of H.R. No. 27, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 27, H.D. 1.

Signed by all members of the Committee.

SCRep. 718

Ocean and Marine Resources on H.R. No. 278

The purpose of this House Resolution is to request President Carter to invoke the Pelly Amendment to the Fishermen's Protective Act to prevent the illegal slaughter of whales.

Your Committee finds worldwide populations of Humpback Whales have come under heavy pressure from human occupation of their territories and exploitation of their numbers for centuries. The result of this exploitation has placed these creatures near the brink of extinction.

Your Committee further finds that the practice of "pirate whaling" by those who have no regard for the regulations of the International Whaling Commission may irretrievably decimate the remaining populations of Humpback Whales throughout the world.

Your Committee recognizes that Hawaii is uniquely blessed with the annual migration of a population of endangered Humpback Whales to their traditional calving grounds in the protected seas off Maui and that their presence is so strongly felt and appreciated by the people of Hawaii that they have been designated as Hawaii's marine mammal.

Your Committee has amended this Resolution to be consistent with its purpose and adds President Carter's name to the "BE IT FURTHER RESOLVED" section in order for him to receive a duly certified copy.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 278 as amended herein, and recommends its adoption in the form attached hereto as H.R. 278, H.D. 1.

Signed by all members of the Committee except Representative Garcia.

SCRep. 719

Ocean and Marine Resources on H.C.R. No. 37

The purpose of this House Resolution is to request President Carter to invoke the Pelly Amendment to the Fishermen's Protective Act to prevent the illegal slaughter of whales.

Your Committee finds worldwide populations of Humpback Whales have come under

heavy pressure from human occupation of their territories and exploitation of their numbers for centuries. The result of this exploitation has placed these creatures near the brink of extinction.

Your Committee further finds that the practice of "pirate whaling" by those who have no regard for the regulations of the International Whaling Commission may irretrievably decimate the remaining populations of Humpback Whales throughout the world.

Your Committee recognizes that Hawaii is uniquely blessed with the annual migration of a population of endangered Humpback Whales to their traditional calving grounds in the protected seas off Maui and that their presence is so strongly felt and appreciated by the people of Hawaii that they have been designated as Hawaii's marine mammal.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.C.R. No. 37 as amended herein, and recommends its adoption in the form attached hereto as H.C.R. 37, H.D. 1.

Signed by all members of the Committee except Representative Garcia.

SCRep. 720 Energy on H.R. No. 160

The purpose of this resolution is to request a review, by the appropriate House standing committees, of the State Energy Office's state building energy audit and the progress in implementing measures to conserve energy in state office buildings.

The State Energy Office has completed energy audits of seventeen state buildings and formulated recommendations designed to reduce energy consumption in each of the audited buildings.

The Department of Accounting and General Services submitted testimony which included a schedule for completion of on-going projects to implement the energy audit recommendations, the funding requirements for projects not yet initiated due to lack of funds, and a schedule for completion of projects for which funding has been included as part of the department's current budget request. While some progress has been made in implementing the conservation recommendations, your Committee feels a review is still warranted.

Your Committee amended the resolution by providing that the Committee on Energy is the appropriate House Committee.

Your Committee on Energy concurs with the intent and purpose of H.R. No. 160, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 160, H.D. 1.

Signed by all members of the Committee except Representative Garcia.

SCRep. 721 Housing on H.R. No. 241

The purpose of this resolution is to request that the implementation of the National Flood Insurance Act be deferred.

Your Committee finds that certain economic, technical and administrative problems perceived in the Act and its regulations should be clarified or resolved prior to implementation of any rules and regulations in the counties.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 241, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 722 Higher Education on H.R. No. 380

The purposes of this resolution are to commend, to recognize, to assign a top priority status, and to request conversion of the Women's Studies Program into a permanent program at the University of Hawaii.

The most conspicuous signs of the women's movement on university campuses are

the women's studies courses and programs that have mushroomed during the past several years. This proliferation suggests an attempt to reform college curricula to gain some intellectual control of the complex society in which we live by focusing the learning process on connections and interrelationships rather than on separate disciplines.

Women's Studies at the University of Hawaii, Manoa, began with a few scattered courses on women in the Fall of 1971. A legislative commitment to ensure the program's future resulted in an appropriation of \$50,000 (Act 218, Session Laws of Hawaii 1974) for the establishment of a Women's Studies Program during fiscal year 1974-75. A program proposal for women's studies was approved by the Board of Regents in April of 1975 and the provisional program began in the Fall of that year.

In 1977-78, the Women's Studies Program began to undergo an in-depth review which is still in progress. Upon completion, the University will decide on whether the program will become permanent.

At a public hearing held by your Committee on February 28, 1979, the Dean of the College of Arts and Sciences, University of Hawaii, Manoa, spoke of the program's success in light of the budgetary constraints faced by the University during the period of the program's development.

Your Committee finds that women's studies programs are an important intellectual base of the women's movement integrating knowledge and action within a network of change.

Though mindful of the fiscal austerity of the State, your Committee believes, nonetheless, that programs effecting institutional changes that are consonant with our transitional society require permanent organizational structures.

Your Committee concurs with the intent and purpose of H.R. No. 380 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 723

Higher Education and Agriculture on H.R. No. 351

The purpose of this resolution is to establish a resource program for Agricultural Cooperative Associations.

Your Committees heard testimony that the College of Tropical Agriculture and Human Resources (CTAHR) is currently providing a resource program for cooperative associations.

CTAHR closely monitors cooperative activities and workshops where emphases are on international and local cooperative interests. CTAHR itself conducts seminars and workshops and invites specialists in the field of cooperative education.

CTAHR has other programs for cooperative which provide educational information on cooperative organizations, marketing and feasibility analysis for commodity organizations in nursery, protea, aquaculture (prawn farming), and bananas. The planning and execution of the resource program for cooperatives involve the input and participation of interests representing diversified agriculture in Hawaii.

Your Committees feel that CTAHR has a viable working resource program for agriculture cooperative associations and therefore has adopted the recommendation of the Dean of CTAHR by amending the resolution in the following manner:

1. Amend the title to read: "REQUESTING A REPORT ON THE EXTENT AND EFFECTIVENESS OF THE COLLEGE OF TROPICAL AGRICULTURE AND HUMAN RESOURCES PROGRAM FOR AGRICULTURE COOPERATIVE ASSOCIATIONS.";

2. Amend the third "WHEREAS" to read: "WHEREAS, many have voiced the opinion that the future of Hawaiian diversified agriculture will be determined to a large extent by strong agriculture cooperatives so vitally needed to synchronize the production, processing, transportation, and marketing of diversified agricultural commodities; and";

3. Add a fourth "WHEREAS" to read: "WHEREAS, the College of Tropical Agriculture and Human Resources is conducting a resource program for agricultural cooperatives engaged in Hawaiian diversified agriculture; now, therefore,";

4. Amend the "BE IT RESOLVED" to read: "BE IT RESOLVED by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that the Hawaii Institute for Tropical Agriculture and Human Resources of the College of Tropical Agriculture and Human Resources of the University of Hawaii report on the extent and effectiveness of their resource program for cooperative associations; and";

5. Delete the first "BE IT FURTHER RESOLVED"; and

6. Amend the second "BE IT FURTHER RESOLVED" to read: "BE IT FURTHER RESOLVED that the requested report shall be submitted by the Hawaii Institute for Tropical Agriculture and Human Resources of the College of Tropical Agriculture and Human Resources of the University of Hawaii prior to the convening of the Regular Session of 1980; and" .

Your Committees on Higher Education and Agriculture are in accord with the intent and purpose of H.R. 351, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 351, H.D. 1.

Signed by all members of the Committees.

SCRep. 724 Higher Education and Agriculture on H.R. No. 285

The purpose of this resolution is to urge the College of Tropical Agriculture at the University of Hawaii at Manoa and the College of Agriculture at the University of Hawaii at Hilo to establish intern work-experience programs in their respective agricultural curricula.

Your Committees find that a curriculum, which is designed to develop practical knowledge and skills to complement the academics, better prepares students for a vocation.

At present, the agricultural curricula at the Manoa and Hilo campuses of the University of Hawaii utilize laboratory farms and provide some private sector internships where students can gain practical experience in agriculture. These programs, however, are neither structured nor supervised.

To establish a well-structured, fully supervised, and accountable program requires considerable additional resources and/or the support and cooperation of employers in the private sector. For example, at universities where such programs exist, the faculty-student ratio varies between 1 to 10 and 1 to 5 with consideration given to insurance, accommodations, and travel funds.

Your Committees on Higher Education and Agriculture concur with the intent and purpose of H.R. No. 285 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Garcia.

SCRep. 725 Transportation on H.R. No. 334

The purpose of this resolution is to request a study of lighter-than-air vehicles.

Your Committee notes that according to the Department of Planning and Economic Development (DPED) studies for transportation vehicles and systems for interisland service have been primarily the responsibility of the Department of Transportation (DOT). Your Committee agrees with DPED and recommends that DOT play the lead role in the study in conjunction with DPED, and that appropriated funds shall be expended by DOT.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 334, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 334, H.D. 1.

Signed by all members of the Committee.

SCRep. 726 Transportation on H.R. No. 91

The purpose of this resolution is to establish an interim subcommittee of the House

Committee on Transportation to review the implementation of the 1995 Honolulu Harbor Master Plan.

Your Committee finds that improvements to Honolulu Harbor contained in the Honolulu Harbor Master Plan have priority over all other harbor projects in the State. Implementation of the Honolulu Harbor Master Plan will require analysis and legislative oversight particularly regarding the efficient relocation of harbor users and Sand Island residents; the construction of a second bridge at Sand Island; the consideration of more intensive uses for the Sand Island container handling facility; and the coordination of Honolulu Harbor and waterfront redevelopment efforts with other elements of the 1995 Honolulu Harbor Master Plan. Sufficient funds must be available for implementation of the master plan to proceed on schedule with minimum disruption of the harbor's commercial activities and to maximize the harbor's commercial use.

Testimony received from the State Department of Transportation supported adoption of this resolution. In order to allow adequate time for reviewing the implementation of the 1995 Honolulu Harbor Master Plan and to identify future funding requirements to achieve maximum commercial use of Honolulu Harbor, your Committee recommends amending this resolution to extend the deadline for the Committee to submit a report of its review from the adjournment of the Regular Session of 1979 to the convening of the Regular Session of 1980.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 91, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 91, H.D. 1.

Signed by all members of the Committee.

SCRep. 727 Consumer Protection and Commerce on H.R. No. 460

The purpose of this resolution is to establish a study group chaired by the motor vehicle insurance commissioner to examine the sales of no-fault insurance in relation to other classes of insurance.

Your Committee finds that a practice exists in the insurance industry where insurance companies establish informal guidelines which encourage agents to sell no-fault insurance, which can be considered as the least profitable class of policies sold by insurance companies, in a predetermined ratio with other classes of insurance. This practice may be in violation of section 294-9, Hawaii Revised Statutes, which requires acceptance of all applications for no-fault insurance.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 460 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 728 Consumer Protection and Commerce on H.C.R. No. 79

The purpose of this concurrent resolution is to request the Department of Budget and Finance to identify ways by which the rentor may benefit by the accrual of interest on rental deposits.

Your Committee is aware that a major portion of Hawaii's population are rentors and that the typical amount requested for security deposit is a month's rent. While your Committee would hesitate to impose further bookkeeping responsibilities upon the landlord, it is in accord with the intent of this concurrent resolution to allow the rentor some return on his money.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.C.R. No. 79 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 729 Legislative Management

Informing the House that House Resolution Nos. 547 to 552, House Concurrent

Resolution Nos. 131 to 136, and Standing Committee Report Nos. 717 to 728, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 730

Housing on H.R. No. 414

The purpose of this resolution is to request the Honorable Patricia M. Harris of HUD to expedite the adoption of the essential regulations implementing FHA Section 240 at the earliest possible date.

Your Committee finds that in order to combat the artificial inflation of residential land values, the State of Hawaii enacted a program enabling Hawaii residents to convert the title of their residential properties from leasehold to fee simple, and that this program can directly benefit from the insured loan limit increase for FHA Section 240 as enacted by the Congress and approved by the President.

Specifically, the Hawaii Housing Authority, designated to implement and administer the leasehold conversion program, now has close to 4000 individual conversion cases in progress, with a possible ultimate total in excess of 25,000. Your Committee finds that the FHA Section 240 insured loan program will be essential to assure the availability of the substantial funding from financial institutions required to implement these conversions.

The FHA insured loan section 240 revised loan maximum of \$30,000 will allow substantial investment funding from outside the state through the mechanism of a "secondary market", essential to the originating lenders in making the necessary loans to leaseholders who wish to convert to fee simple. However, because the early adoption by HUD of regulations to implement this program is necessary to permit originating lenders to accept applications, it is essential that such regulations be promulgated at the earliest possible date.

Your Committee on Housing concurs with the intent and purpose of H.R. No. 414 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 731

Housing on H.C.R. No. 117

The purpose of this concurrent resolution is to request the Honorable Patricia M. Harris of HUD to expedite the adoption of the essential regulations implementing FHA Section 240 at the earliest possible date.

Your Committee finds that in order to combat the artificial inflation of residential land values, the State of Hawaii enacted a program enabling Hawaii residents to convert the title of their residential properties from leasehold to fee simple, and that this program can directly benefit from the insured loan limit increase for FHA Section 240 as enacted by the Congress and approved by the President.

Specifically, the Hawaii Housing Authority, designated to implement and administer the leasehold conversion program, now has close to 4000 individual conversion cases in progress, with a possible ultimate total in excess of 25,000. Your Committee finds that the FHA Section 240 insured loan program will be essential to assure the availability of the substantial funding from financial institutions required to implement these conversions.

The FHA insured loan section 240 revised loan maximum of \$30,000 will allow substantial investment funding from outside the state through the mechanism of a "secondary market", essential to the originating lenders in making the necessary loans to leaseholders who wish to convert to fee simple. However, because the early adoption by HUD of regulations to implement this program is necessary to permit originating lenders to accept applications, it is essential that such regulations be promulgated at the earliest possible date.

Your Committee on Housing concurs with the intent and purpose of H.C.R. No. 117 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 732

Youth and Elderly Affairs on H.R. No. 426

The purpose of this resolution is to request the State and County governments to use part of the federal revenue-sharing funds which they receive for services they provide elderly persons. State and local governments have considerable discretion over the expenditure of revenue-sharing funds. It is the feeling of your Committee that services to the elderly need to be improved and expanded. This resolution contributes to this end by urging the State and local governments to set aside a percentage of federal revenue-sharing funds for services to the elderly at least equal to the percentage of elderly in the total population of the particular jurisdiction. Thus, for example, if the elderly constitute ten percent (10%) of the total population of a county, your Committee's intent is that at least ten percent (10%) of the county's share of federal revenue-sharing funds should be expended on services to the elderly.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of H.R. No. 426 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 733 Water, Land Use, Development and Hawaiian Affairs; and
Agriculture on H.R. No. 293

The purpose of this resolution is to request the Department of Water Supply of the County of Hawaii to give the highest possible priority in its water system development program to construct a water reservoir at Waiakea-Uka, Hawaii.

The Hawaii Farm Bureau Federation in its testimony stated that the resolution will be advantageous for the agriculture industry for the following reasons: (1) construction of a reservoir at Waiakea-Uka would encourage additional farming activities, especially in the upper areas of Waiakea-Uka; and (2) such a reservoir would enable a higher productive yield with less problems, financially and productively, to the farmer.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Agriculture concur with the intent and purpose of H.R. No. 293 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 734 Agriculture on H.R. No. 233

The purpose of this resolution is to request members of Hawaii's Congressional delegation to take whatever action is possible at the federal level to assist the sugar industry in Hawaii.

It is a known fact that since the termination of the United States Sugar Act in 1974, virtually all sugarcane producers in Hawaii and in the continental United States have sustained continuing financial setbacks. Your Committee finds that with no effective limit on imports of sugar from abroad, the United States price sank, in 1975-76, to the low world price level and has stayed there ever since.

The Hawaii Sugar Planters' Association in its testimony stated that Senators Inouye and Matsunaga and Congressmen Akaka and Heftel have worked, and are working diligently and effectively, to obtain the passage of sugar legislation in the United States Congress.

Hearings have been started and a session is being held by the House of Representatives Committee on Agriculture, of which Representative Akaka is a member.

Representative Akaka and Heftel are sponsors of the bill introduced by Representative Ullman of Oregon and Foley of Washington, which is the subject of the hearings.

Legislation has also been introduced in the United States Senate and has been referred to the Committee on Finance, Subcommittee on Tourism and Sugar, of which Senator Matsunaga is Chairman. We understand that Senator Matsunaga intends to schedule hearings by his subcommittee later this month.

Your Committee finds that there is a need for federal legislation to enact a new sugar act along with other federal initiatives to protect our important domestic sugar industry with due consideration to the unique problems and needs confronting Hawaii's sugarcane growers.

Your Committee heard testimony from several sources including the Hawaii Sugar

Planters' Association, the College of Tropical Agriculture and Human Resources, the Department of Agriculture, and the Hawaii Farm Bureau Federation. All testimony received strongly supports the intent and purpose of this resolution.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 233 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 735 Agriculture on H.R. No. 297

The purpose of this resolution is to request Hawaii's delegation to the Congress of the United States to sponsor and support the enactment of legislation which will enable Hawaii's farmers engaged in agricultural production on leasehold lands in Hawaii to qualify for loans under the "Farm Ownership Plan" of the federal Farmers Home Administration.

Your Committee finds that in Hawaii and throughout the nation, the Farmers Home Administration offers a wide range of credit programs for rural people. These programs help make it possible for farm families, rural communities, families in need of better housing, and rural free enterprises to help themselves. In addition, your Committee learned that Congress has passed and President Carter has signed a new law, the Agricultural Credit Act of 1978, containing improvements in the farm, community, and business-industrial credit programs available through Farmers Home Administration. Notwithstanding these facts, your Committee expressed grave concern because Hawaii farmers on leasehold lands are unable to obtain Farmers Home Administration loans under the Farm Ownership Plan, and are being discriminated against because of Hawaii's unique land tenure situation.

Testimony presented by the Hawaii Farm Bureau Federation respectfully urges that a bill be enacted in Congress directing the Agriculture Department of the Farmers Home Administration to permit farmers on leasehold lands in Hawaii to be able to obtain Farmers Home Administration loans under the Farm Ownership Plan.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 297 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 736 Youth and Elderly Affairs on H.R. No. 390

The purpose of this resolution is to request the Executive Office on Aging, Office of the Governor, State of Hawaii to work with concerned persons and groups in the State to establish a food-service program which would provide elderly persons food at costs considerably lower than retail grocery stores offer.

Such a program has been operating successfully in California for several years and your Committee believes that program offers a useful model for developing a similar program in Hawaii.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of H.R. No. 390 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 737 Transportation on H.R. No. 473 (Majority)

The purpose of this resolution is to request the Department of Transportation (DOT) to develop a general aviation airport at Poamoho, Oahu.

Your Committee finds that the development of a general aviation airport on Oahu to relieve air traffic congestion at the Honolulu International Airport (HIA) has been a public issue too long. Your Committee is in agreement with the Department of Transportation and representatives of HIA users that because of the increasing number of general aviation aircraft operating from HIA, the danger of a serious aircraft accident occurring at HIA increases daily.

Your Committee believes that planning for a general aviation reliever airport should proceed without delay and agrees with the Department of Transportation's statement that "At the present time, the Poamoho Site, which has the lowest environmental impact, is considered to be a satisfactory location for the early development of an airfield for general aviation in central Oahu."

Your Committee therefore recommends that the Department of Transportation consider a general aviation airfield at Poamoho, Oahu, including the conduct of public hearings, and has amended this resolution accordingly.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 473, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 473, H.D. 1.

Signed by all members of the Committee.
(Representatives Hagino, Kiyabu and Masutani did not concur.)

SCRep. 738 Transportation on H.C.R. No. 102 (Majority)

The purpose of this concurrent resolution is to request the Department of Transportation (DOT) to develop a general aviation airport at Poamoho, Oahu.

Your Committee finds that the development of a general aviation airport on Oahu to relieve air traffic congestion at the Honolulu International Airport (HIA) has been a public issue too long. Your Committee is in agreement with the Department of Transportation and representatives of HIA users that because of the increasing number of general aviation aircraft operating from HIA, the danger of a serious aircraft accident occurring at HIA increases daily.

Your Committee believes that planning for a general aviation reliever airport should proceed without delay and agrees with the Department of Transportation's statement that "At the present time, the Poamoho Site, which has the lowest environmental impact, is considered to be a satisfactory location for the early development of an airfield for general aviation in central Oahu."

Your Committee therefore recommends that the Department of Transportation consider a general aviation airfield at Poamoho, Oahu, including the conduct of public hearings, and has amended this resolution accordingly.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 102, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 102, H.D. 1.

Signed by all members of the Committee.
(Representatives Hagino, Kiyabu and Masutani did not concur.)

SCRep. 739 Legislative Management

Informing the House that House Resolution Nos. 553 to 566, House Concurrent Resolution No. 137, and Standing Committee Report Nos. 730 to 738, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 740 Consumer Protection and Commerce on H.R. No. 204

The purpose of this resolution is to prevent the drastic reduction in Hawaii's supply of capital which would result if Congress were to impose additional reserve requirements on state-chartered banks.

Your Committee finds that state-chartered banks are a major source of capital in Hawaii and believes that if Congress were to impose reserve requirements in addition to those already imposed by the State, there would be a drastic reduction in Hawaii's supply of capital which would, in turn, cause severe hardship for the Hawaiian economy.

Furthermore, your Committee agrees with testimony presented by the Hawaii Bankers Association which requests that this resolution be amended to refer to legislation currently

being considered by the 96th Congress and that certified copies of this resolution be transmitted to the respective chairmen of the United States Senate and House Banking Committees, and has therefore, amended this resolution accordingly.

Your Committee has further amended H.R. No. 204 to include technical, non-substantive changes.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.R. No. 204, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 204, H.D. 1.

Signed by all members of the Committee.

SCRep. 741

Consumer Protection and Commerce on H.C.R. No. 22

The purpose of this concurrent resolution is to prevent the drastic reduction in Hawaii's supply of capital which would result if Congress were to impose additional reserve requirements on state-chartered banks.

Your Committee finds that state-chartered banks are a major source of capital in Hawaii and believes that if Congress were to impose reserve requirements in addition to those already imposed by the State, there would be a drastic reduction in Hawaii's supply of capital which would, in turn, cause severe hardship for the Hawaiian economy.

Furthermore, your Committee agrees with testimony presented by the Hawaii Bankers Association which requests that this concurrent resolution be amended to refer to legislation currently being considered by the 96th Congress and that certified copies of this concurrent resolution be transmitted to the respective chairmen of the United States Senate and House Banking Committees, and has therefore, amended this concurrent resolution accordingly.

Your Committee has further amended H.C.R. No. 22 to include technical, non-substantive changes.

Your Committee on Consumer Protection and Commerce concurs with the intent and purpose of H.C.R. No. 22, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 22, H.D. 1.

Signed by all members of the Committee.

SCRep. 742

Employment Opportunities and Labor Relations on H.R. No. 309

The purpose of this resolution is to have the Hawaii State Occupational Information Coordinating Committee (HSOICC) broaden the representative base through an advisory committee structure.

The major role for HSOICC is to increase the awareness of occupational information availability; to provide a forum for the interaction between schools, vocational and rehabilitation counselors, CETA Prime Sponsors, Employment Service offices, and others interested in occupational data needs and uses; to standardize terminology and definitions across the occupational data systems of the various state and local organizations and agencies; to eliminate duplicative occupational data efforts and fill data gaps; to develop and implement a coordinated Hawaii Occupational Information System which can be readily accessible to users, including consumers, trainers, counselors and curriculum planners; and to provide training in the use of occupational data.

HSOICC was established by Title II (Vocational Education) of the Education Amendments of 1976 (Public Law 94-482) and strengthened by the CETA Reauthorization of 1978 (Public Law 95-93). As a result of the legislation and pursuant to an agreement with the National Occupational Information Coordinating Committee (NOICC), the state of Hawaii has officially established the Hawaii State Occupational Information Coordinating Committee. An interagency agreement between the State Board for Vocational Education; Department of Labor and Industrial Relations; Department of Social Services and Housing-Division of Vocational Rehabilitation; and the State Manpower Services Council-Department of Labor and Industrial Relations, Office of Manpower Planning, has been agreed to with NOICC and signed as the principal agents of HSOICC.

Your Committee amended the resolution by deleting several of the participating agencies

and included the "public sector and any other interested agency or organization." This would be within the federal guidelines and allow for a managable and workable advisory committee.

Your Committee on Employment Opportunities and Labor Relations concurs with the intent and purpose of H.R. No. 309, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 309, H.D. 1.

Signed by all members of the Committee.

SCRep. 743 Employment Opportunities and Labor Relations; and Public
Employment and Government Operations on H.R. No. 224

The purpose of this resolution is to request the members of Hawaii's Congressional delegation to support the passage of federal legislation establishing reemployment rights for federal employees who are ordered to National Guard duty by their governor

At present the Federal legislation provides reemployment rights to guardsmen and military reservists only when called to active duty in a national emergency by the President of the United States. Further federal legislation also provides job protection when guardsmen or military reservists are required to perform annual active training and monthly unit training.

The state law presently grants reemployment rights to state employees who have been ordered into active National Guard duty by the Governor; however, federal employees are not given the same reemployment rights in this situation.

Besides the fifteen days of annual training required of all guard persons, members of the guard have been ordered to State military active duty by the Governor on thirteen separate operations/missions during the past five years. They have been called on for disaster assistance, law enforcement and various other humanitarian missions. These missions required placing on State military active duty anywhere from two to one hundred fifty individuals at any given time.

Your Committees on Employment Opportunities and Labor Relations and Public Employment and Government Operations concur with the intent and purpose of H.R. No. 224 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 744 Employment Opportunities and Labor Relations; and Public
Employment and Government Operations on H.C.R. No. 23

The purpose of this resolution is to request the members of Hawaii's Congressional delegation to support the passage of federal legislation establishing reemployment rights for federal employees who are ordered to National Guard duty by their governor.

At present the federal legislation provides reemployment rights to guardsmen and military reservists only when called to active duty in a national emergency by the President of the United States. Further federal legislation also provides job protection when guardsmen or military reservists are required to perform annual active training and monthly unit training.

The state law presently grants reemployment rights to state employees who have been ordered into active National Guard duty by the Governor; however, federal employees are not given the same reemployment rights in this situation.

Besides the fifteen days of annual training required of all guard persons, members of the guard have been ordered to State military active duty by the Governor on thirteen separate operations/missions during the past five years. They have been called on for disaster assistance, law enforcement and various other humanitarian missions. These missions required placing on State military active duty anywhere from two to one hundred fifty individuals at any given time.

Your Committees on Employment Opportunities and Labor Relations and Public Employment and Government Operations concur with the intent and purpose of H.C.R. No. 23 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 745 Transportation on H.R. No. 456

The purpose of this resolution is to request that the Department of Transportation review the proposals put forth to level the peak loads on our highways and report to the Tenth Legislature of the State of Hawaii, Regular Session 1980, if any such system is practical and how it could be implemented.

Your Committee finds that peak load leveling would improve traffic flow and a highway load condition advisory system would benefit motorists in choosing the time and route for their trips.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 456 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 746 Transportation on H.C.R. No. 36

The purpose of this concurrent resolution is to request that the Department of Transportation review the proposals put forth to level the peak loads on our highways and report to the Tenth Legislature of the State of Hawaii, Regular Session 1980, if any such system is practical and how it could be implemented.

Your Committee finds that peak load leveling would improve traffic flow and a highway load condition advisory system would benefit motorists in choosing the time and route for their trips.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 36 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 747 Transportation on H.R. No. 388

The purpose of this resolution is to request the appropriate House Committee to conduct a study of lighter-than-air vehicles and report its findings and recommendations for legislative action to the legislature thirty days prior to the 1980 Regular Session.

Your Committee notes that according to the Department of Transportation (DOT) the scope of the study to be conducted will require highly specialized knowledge and experience in a field that has had no local application thus far. The Department recommends the study be adequately funded to assure obtaining the best available expertise on the subject. The DOT does not feel this capability presently exists within the various departments of the State.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 388 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 748 State General Planning and Energy on H.R. No. 159

The purpose of this resolution is to request the review of the progress on the formulation of the energy functional plan required by the Hawaii State Planning Act, Act 100, SLH 1978.

According to the testimony presented by Hideto Kono, Director, Department of Planning and Economic Development (DPED) the advisory committee for the energy functional plan is being appointed by the Governor and a preliminary outline of the plan is being prepared by the DPED. Since the plan would address both alternative energy development and energy conservation, the Governor's Advisory Committee on Alternate Energy Development and the Hawaii Energy Conservation Council will also be consulted during plan formulation. At the present, state, county, federal and private funds have been allocated to the development of the indigenous energy resources on which Hawaii will depend on for energy self-sufficiency. For planning purposes, there is also a need for a comprehensive comparative assessment of alternate energy supply systems that could be developed and commercialized over the next two decades. This need will be filled by the new

Hawaii Integrated Energy Assessment project which is funded by the U.S. Department of Energy. The Hawaii Integrated Assessment Project will provide key state and county decision-makers with detailed information vital to effective alternate energy resources planning. Alternatives and strategies for decision-making will be identified and an analysis made of the potential impacts. Environmental, social and health impacts will be considered, conservation measures will be included, capital investment and employment and other economic factors taken into account.

In addition, the U.S. Congress has under consideration a proposed State Energy Management Partnership Act which would require each State to establish a state energy plan. This legislation is being closely monitored so that Hawaii's energy functional plan will also meet federal requirements.

Your Committees find that additional time and information is needed in order to properly assess the progress being made on the energy functional plan. Your committees have thus amended this resolution to request the Department of Planning and Economic Development to submit to the House of Representatives a scope of work on the functional plan prior to the adjournment of the Regular Session of 1979 and to provide for further study of this matter during the 1979 legislative interim.

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

Signed by all members of the Committees.

SCRep. 749 Ecology and Environmental Protection; and Water, Land Use,
Development and Hawaiian Affairs on H.R. No. 466

The purpose of this resolution is to request that the appropriate House standing committees review the available materials on deposit and return legislation and recommend to the House, prior to the 1980 session, their recommendations on the feasibility of mandating such legislation in Hawaii.

Your Committees feel that the Legislature should have a thorough empirical basis for making decisions on the establishment of a deposit and return system in Hawaii. Among recent factors which would influence these decisions are the implications of the opening of the Reynolds Metals Company and also the completion of surveys by Dr. Hugh Folk (for the Department of Planning and Economic Development) on the impact of deposit and return legislation in Hawaii and by the Institute of Applied Research (for the Department of Health) on the progress of the State Litter Control program.

Your Committees feel that a careful review of this information and any other relevant new testimony during an interim hearing will allow the committees to make the necessary objective recommendations to the 1980 Regular Session.

For reasons of efficiency, your Committees recommend that the resolution be amended by requesting the Speaker to appoint an interim committee to conduct the review. Paragraph 5, page 1, would read:

"BE IT RESOLVED by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that the Speaker shall appoint an interim committee during the 1979 legislative interim to review information. . ." Paragraph 1, page 2 would be amended as follows: "BE IT FURTHER RESOLVED that the House interim committee submit its findings and recommendations. . ."

Your Committees on Ecology and Environmental Protection and Water, Land Use, Development and Hawaiian Affairs concur with the intent and purpose of H.R. No. 466, as amended herein, and recommend that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 466, H.D. 1.

Signed by all members of the Committees except Representative Toguchi.

SCRep. 750 Consumer Protection and Commerce on H.R. No. 275

The purpose of this resolution is to request Congress to retain the exemption accorded by the Airline Deregulation Act of 1978 to interisland routes from automatic air carrier

entry into interisland market competition.

Your Committee finds that allowing automatic market entry into interisland routes by air carriers may produce predatory practices to the economic detriment of the existing carriers who presently service all routes. Your Committee also finds that the allowance of rate reduction under the Act without CAB approval may provide consumers the protection that was intended by Congress.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.R. No. 275 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 751

State General Planning; Public Employment and Government Operations; and Water, Land Use, Development and Hawaiian Affairs on H.R. No. 67

The purpose of this resolution is to request the appropriate House standing committees to review the laws relating to the functions and duties of the Department of Planning and Economic Development and to report their findings and recommendations to the legislature prior to the adjournment of the 1979 Regular Session.

The Hawaii State Government Reorganization Act of 1959, Act 1, Second Special Session of 1959, created a Department of Economic Development and a Department of Planning and Research. Act 2, SLH 1963, merged these two departments into a single entity, the present Department of Planning and Economic Development (DPED).

Since 1963, with the assignment of many additional programs and functions, the responsibilities of the DPED have undergone substantial change. These include, but are not limited to, such functions as: serving as the lead agency for the Hawaii State Plan and the Hawaii Coastal Zone Management Program, serving as the State's advocate in proceedings before the Land Use Commission, serving as the Energy Resources Coordinator, administering fishing vessel loan programs, serving as tourism coordinator, and administering energy conservation and management programs.

The enactment of new statutory provisions affecting DPED has resulted in the need to clarify and to resolve conflicts between or among these statutory provisions. This is particularly true in the case of statutory provisions dealing with statewide planning and implementation.

It is unlikely that the task can be completed before the end of the current session. Accordingly, your Committees have amended this resolution to request the Department of Planning and Economic Development to review the statutory provisions in the Hawaii Revised Statutes relating to its functions and duties and to report its findings and recommendations at least twenty calendar days prior to the start of the 1980 Regular Session.

Your Committees on State General Planning, Public Employment and Government Operations and Water, Land Use Development and Hawaiian Affairs concur with the intent and purpose of H.R. No. 67, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 67, H.D. 1.

Signed by all members of the Committees.

SCRep. 752

Agriculture and State General Planning on H.R. No. 143

The purpose of this resolution is to have appropriate Committees of the House of Representatives review the efforts of the Agriculture Coordinating Committee in establishing priorities for commodity groups in tandem with the mandated review of the functional plan for agriculture prepared by the Department of Agriculture and to have a report submitted by such committees incorporating their findings and recommendations.

The Department of Agriculture in its testimony stated that it is working on the development of the functional plan for agriculture in coordination with other state agencies, the counties, the federal government, and private agricultural industry representatives. The development of the action plan phase of this functional plan will involve considerable use of the various commodity analysis group documents as technical resources. It further stated that more time is necessary to meet the mandate of the resolution.

Your Committees find that the dove-tailing of the industry commodity analysis and the compilation of bottlenecks, identified by the commodity groups, in order of priority, into the functional plan for agriculture would provide the necessary effectiveness and credence to the functional plan for agriculture.

Your Committees, upon consideration, have amended the resolution as follows:

- (a) amended the "Be It Resolved" clause to read, "Be It Resolved by the House of Representatives of the Tenth State Legislature of the State of Hawaii, Regular Session of 1979, that the Department of Agriculture, Governor's Agriculture Coordinating Committee, College of Tropical Agriculture and Human Resources, Department of Planning and Economic Development, agricultural industry and county representatives, review the efforts of the Agriculture Coordinating Committee in establishing commodity priorities in tandem with the mandated review of the "Functional Plan for Agriculture", and
- (b) amended the first "Be It Further Resolved" clause, by extending the submission date of the report to 20 days prior to the convening of the Regular Session of 1980.
- (c) inserted an additional "Be It Further Resolved" clause requesting the department of agriculture to submit its finding and recommendation to the House of Representatives 20 days prior to the convening of the Regular Session of 1980.

Your Committees on Agriculture and State General Planning concur with the intent and purpose of H.R. No. 143, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 143, H.D. 1.

Signed by all members of the Committees.

SCRep. 753 Corrections and Rehabilitation on H.R. No. 131

The purpose of this resolution is to request appropriate House Standing Committees to review the laws and policies relating to the confidentiality of juvenile offender records.

Your Committee finds that information sharing within the State Juvenile Justice System can be of significant benefit to all agencies dealing with juvenile offenders. However, a review of the laws and policies relating to juvenile offender records is needed before a centralized juvenile information system can be considered.

Your Committee has amended this resolution to state that the Department of the Attorney General shall review the laws and policies relating to the confidentiality of juvenile offender records instead of the appropriate House Standing Committees.

Your Committee has further amended this resolution by requiring the Department of the Attorney General to submit its findings and recommendations relating to the confidentiality of juvenile records to the House of Representatives prior to the convening of the Regular Session of 1980.

Your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.R. No. 131, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 131, H.D. 1.

Signed by all members of the Committee.

SCRep. 754 Transportation on H.R. No. 85

The purpose of this resolution is to request the appropriate state agencies to assess the safety problems at the Honolulu International Airport caused by the mix of general aviation aircraft with commercial and military aircraft as well as by other factors. This assessment should also include an investigation of the availability of federal assistance which may be used to rectify these safety problems. These findings and recommendations should be submitted to the Legislature at least twenty days prior to the Regular Session of 1980.

Your Committee notes that the Department of Transportation (DOT), has started an

update of the master plan for Honolulu International Airport. The new project will require two years to complete and is scheduled for final approval in early 1981. A major consideration of the master plan study is the mix of air traffic and optimum use of the existing airspace and airfield. Safety is the prime consideration in planning and designing of all airport facilities.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 85 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 755 Transportation on H.R. No. 92

The purpose of this resolution is to request the Department of Transportation (DOT) to review the present status of the State highway system. This review includes determining the improvements that may be necessary for the system to promote the efficient, economical, safe, and convenient movement of people and goods.

To allow adequate time for reviewing the present status of the State highway system, your Committee recommends amending this resolution to extend the submittal deadline of DOT's review from the adjournment of the Regular Session of 1979 to the adjournment of the Regular Session of 1980.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 92 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 92, H.D. 1.

Signed by all members of the Committee.

SCRep. 756 Youth and Elderly Affairs on H.R. No. 343

The purpose of this resolution is to mandate the Committee on Youth and Elderly Affairs, House of Representatives, State of Hawaii, to review the desirability and feasibility of limiting or freezing increases of real property taxes on homes owned and occupied by persons on fixed incomes.

Your Committee has amended H.R. No. 343 to: (1) extend the deadline for a report of its findings and recommendations from the end of this session to twenty days prior to the Regular Session of 1980, and (2) clarify the purpose and intent of the resolution by tightening the phrasing and terminology of the text.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of H.R. No. 343, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 343, H.D. 1.

Signed by all members of the Committee.

SCRep. 757 Youth and Elderly Affairs and Education on H.R. No. 238

The purpose of this resolution is to request the Office of Children and Youth, State of Hawaii, to study the need for after-school programs for elementary school-aged children and to determine the resource requirements for a similar study of intermediate and high school-aged children and to report its findings and recommendations to the Legislature prior to the 1980 Regular Session.

Your Committees have amended the resolution to make it clear that the requested study only deals with elementary-aged children and the needs of older children may await a future assessment, the necessary resources for which are to be determined by the Office of Children and Youth.

Your Committees on Youth and Elderly Affairs, and Education are in accord with the intent and purpose of H.R. No. 238, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 238, H.D. 1.

Signed by all members of the Committees.

SCRep. 758

Youth and Elderly Affairs and Education on H.C.R. No. 24

The purpose of this concurrent resolution is to request the Office of Children and Youth, State of Hawaii, to study the need for after-school programs for elementary school-aged children and to determine the resource requirements for a similar study of intermediate and high school-aged children and to report its findings and recommendations to the Legislature prior to the 1980 Regular Session.

Your Committees have amended the concurrent resolution to make it clear that the requested study only deals with elementary-aged children and the needs of older children may await a future assessment, the necessary resources for which are to be determined by the Office of Children and Youth.

Your Committees on Youth and Elderly Affairs, and Education are in accord with the intent and purpose of H.C.R. No. 24, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 24, H.D. 1.

Signed by all members of the Committees.

SCRep. 759

Employment Opportunities and Labor Relations on H.R. No. 45

The purpose of this resolution is to request Congress to increase funds so the vocational/social rehabilitation services in Hawaii may receive adequate funding.

The State of Hawaii provides vocational rehabilitation services to people suffering from congenital health or injury disability so that they may obtain or return to gainful employment or to attain the optimum level of personal or social functioning within the limitation of their handicapping condition.

The major source of funds to provide this assistance is the Vocational Rehabilitation Act of 1973, as amended, and Title XX-Social Security Act. However funds have been very limited and only 10% of the persons needing vocational/social rehabilitation assistance can be serviced.

Your Committee has amended the resolution by broadening the title to include the Vocational Rehabilitation Act and Social Rehabilitation and by including information presented in testimony by the Department of Social Services and Housing.

Your Committee on Employment Opportunities and Labor Relations concurs with the intent and purpose of H.R. No. 45, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. 45, H.D. 1.

Signed by all members of the Committee.

SCRep. 760

Employment Opportunities and Labor Relations on H.C.R. No. 7

The purpose of this concurrent resolution is to request Congress to increase funds so the vocational/social rehabilitation services in Hawaii may receive adequate funding.

The State of Hawaii provides vocational rehabilitation services to people suffering from congenital health or injury disability so that they may obtain or return to gainful employment or to attain the optimum level of personal or social functioning within the limitation of their handicapping condition.

The major source of funds to provide this assistance is the Vocational Rehabilitation Act of 1973, as amended, and Title XX-Social Security Act. However funds have been very limited and only 10% of the persons needing vocational/social rehabilitation assistance can be serviced.

Your Committee has amended the concurrent resolution by broadening the title to include the Vocational Rehabilitation Act and Social Rehabilitation and by including information presented in testimony by the Department of Social Services and Housing.

Your Committee on Employment Opportunities and Labor Relations concurs with the intent and purpose of H.C.R. No. 7, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. 7, H.D. 1.

Signed by all members of the Committee.

SCRep. 761

Employment Opportunities and Labor Relations on H.C.R. No. 49

The purpose of this concurrent resolution is to have the Hawaii State Occupational Information Coordinating Committee (HSOICC) broaden the representative base through an advisory committee structure.

The major role for HSOICC is to increase the awareness of occupational information availability; to provide a forum for the interaction between schools, vocational and rehabilitation counselors, CETA Prime Sponsors, Employment Service offices, and others interested in occupational data needs and uses; to standardize terminology and definitions across the occupational data systems of the various state and local organizations and agencies; to eliminate duplicative occupational data efforts and fill data gaps; to develop and implement a coordinated Hawaii Occupational Information System which can be readily accessible to users, including consumers, trainers, counselors and curriculum planners; and to provide training in the use of occupational data.

HSOICC was established by Title II (Vocational Education) of the Education Amendments of 1976 (Public Law 94-482) and strengthened by the CETA Reauthorization of 1978 (Public Law 95-93). As a result of the legislation and pursuant to an agreement with the National Occupational Information Coordinating Committee (NOICC), the state of Hawaii has officially established the Hawaii State Occupational Information Coordinating Committee. An interagency agreement between the State Board for Vocational Education; Department of Labor and Industrial Relations; Department of Social Services and Housing-Division of Vocational Rehabilitation; and the State Manpower Services Council-Department of Labor and Industrial Relations, Office of Manpower Planning, has been agreed to with NOICC and signed as the principal agents of HSOICC.

Your Committee amended the concurrent resolution by deleting several of the participating agencies and including the "public sector and any other interested agency or organization." This would be within the federal guidelines and allow for a manageable and workable advisory committee.

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

Signed by all members of the Committee.

SCRep. 762

Education and Agriculture on H.R. No. 350

The purpose of this resolution is to designate the McKinley High School "Fairgrounds" as the permanent site of the annual state farm fair and commending McKinley High School for supporting the State Farm Fair.

The Hawaii Farm Bureau Federation has been using the McKinley High School grounds for its annual state farm fair for the past four years because of its central location.

Your Committees find that McKinley High School has proven to be an exceptionally suitable site given its central location and the excellent cooperation and assistance rendered by the staff and students of McKinley High School.

Your Committees also find that the facilities at McKinley High School were constructed primarily for the OIA athletic program and the restoration of the field and facilities have been inadequate after the state farm fair.

Both Department of Education and the Hawaii Farm Bureau Federation testified in support of this resolution.

Your Committees have amended this resolution by inserting an additional "BE IT FURTHER RESOLVED" clause requesting the Hawaii Farm Bureau Federation or any other user to return these fields and other facilities to their original state after use.

Your Committee on Education and your Committee on Agriculture concur with the intent and purpose of H.R. No. 350, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 350, H.D. 1.

Signed by all members of the Committees.

SCRep. 763

Finance on H.R. No. 244

The purpose of this resolution is to urge the University to accord the highest possible priority to providing resources for expansion of the University of Hawaii, Hilo, College of Agriculture.

The estimated worth of Hawaii's agriculture is approximately \$373 million. The annual increase has been about 14 per cent, and it is anticipated that this trend will continue for the foreseeable future.

In order to sustain and accelerate the growth of the agriculture industry, it will require a greater number of highly trained agriculture technicians and agriculturists, and the continued development of the College of Agriculture at Hilo should receive the highest institutional priority while the college is on its way to achieving the goals and objectives intended by the Legislature when it passed Act 191 in 1974. Your Committee agrees that it is imperative that the University of Hawaii at Hilo, College of Tropical Agriculture give greater emphasis to expansion of its program.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 244 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 764

Finance on H.C.R. No. 61

The purpose of this concurrent resolution is to request that the Peacesat office study the feasibility of other nations in the Pacific Basin to support regular operations of a satellite system; to seek financial support from national and international sources; and to provide necessary interactive audio, visual, data communication needs and resources for such a system.

The Peacesat experiment, which links Hawaii and fifteen other nations in the Pacific Basin, has been successfully used for educational courses, health services, epidemic control, agricultural and scientific communications. With the aid of the NASA satellite, development of these terminal satellite systems for the smaller populations and low income areas has opened new horizons. The benefits of this communication service have been numerous and should be encouraged. This study would further ensure development of this international educational satellite system.

This concurrent resolution requests a two-year study to be transmitted to the legislature at least 30 days prior to the convening of the 1981 legislative session.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 61, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 765

Finance on H.R. No. 296

The purpose of this resolution is to request the Department of Education and the community colleges of the University of Hawaii system to proceed without delay to develop an integrated and comprehensive agricultural education program for interested students contemplating careers in agriculture to earn a degree or certificate as a "Certified Agricultural Technician".

Your Committee agrees that in order to sustain and accelerate the growth of Hawaii's agriculture industry it will require a greater number of highly trained agriculture technicians.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 296 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 766

Higher Education on H.R. No. 37

The purpose of this resolution is to request the House Higher Education Committee

to review the recommendations contained in the 1973 legislative auditor's report on the University of Hawaii's faculty workload to assess the degree of conformity in spirit and actual compliance by the University of Hawaii.

An audit of the University of Hawaii's faculty workload was conducted prior to the Regular Session of 1973. At that time, Standing Committee Report No. 525-73 stressed that the audit's recommendation be taken both in the context of a "constrained State fiscal situation" and in view of the transitory nature of the State's budgeting system. In other words, the Programming, Planning and Budgeting System (PPBS), defined in Act 185 of Session Laws of Hawaii, 1970, provided the opportunity for greater accountability in terms of inputs and outputs thereby effecting a direct though distinct connection between fiscal policy and human services.

The data base for the 1973 audit on faculty workload and PPBS assumed a similar methodology which, in essence, differed from the University's methodology in measuring and quantifying faculty workload. Whatever policies and practices governing faculty workload which existed, could not be articulated by the University with any clarity or consistency given the difference between the data base used in the study and the methodology of the University's management procedures at that time.

Since then, a computerized reporting procedure on workloads, overloads, and stipends has been developed, so that data can be produced with greater efficiency and effectiveness. Moreover, the University is now within the provisions of Act 185, SLH 1970, thus enabling the University to respond with greater accountability and in like manner to legislative reviews.

Your Committee finds that while the methodological difference between the University and the data base used in the audit has been resolved, there is still need for clear and consistent articulation of University policies.

Joint testimony presented to your Committee by the University administration, the faculty, and the University of Hawaii Professional Assembly (UHPA) assured your Committee that considerable progress is being made in defining what constitutes "teaching", "research", and "service" and in clarifying relative priorities as to the functions of each. A joint faculty and administration committee is in the process of articulating management policies with a view towards the dual objectives of effectiveness in accomplishing the educational mission and of efficiency in the utilization of resources.

Your Committee agrees with the University administration and faculty in that there is a need to determine which aspects of the faculty workload issue are subject to collective bargaining and that the articulation described above could assist in this determination.

Your Committee has amended the resolution to reflect the wishes of both the University and your Committee for an internal resolution of this issue. The amendments are as follows:

The fourth "WHEREAS" clause has been revised to read: "WHEREAS, since 1973 the Legislature has not had a definitive report which details the progress made to meet the recommendations in the auditor's report and incorporates changes brought about by the advent of collective bargaining, by administrative efforts, by the effects of declining budgets and by more efficient management procedures; now therefore,".

The fifth "WHEREAS" clause has been omitted.

The "BE IT RESOLVED" clause is amended to read: "BE IT RESOLVED by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that the University of Hawaii review the 1973 Audit of the University of Hawaii Faculty Workload recommendation with the provisions and policies regarding workload and prepare a report for review by the House Higher Education Committee prior to the beginning of the 1980 session; and".

The first "BE IT FURTHER RESOLVED" clause is amended accordingly: "BE IT FURTHER RESOLVED that the University determine the feasibility of developing a University of Hawaii faculty utilization plan to include an inventory of academic effort by department and academic areas within each department or school.".

The date in the second "BE IT FURTHER RESOLVED" clause has been changed from 1979 to 1980.

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

No. 37, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 37, H.D. 1.

Signed by all members of the Committee.

SCRep. 767 Legislative Management

Informing the House that House Resolution Nos. 567 to 579, House Concurrent Resolution Nos. 138 and 139, and Standing Committee Report Nos. 740 to 766, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 768 Transportation on H.R. No. 308

The purpose of this resolution is to request that the Director of Measurement Standards conduct a study relating to the availability and permissibility of the use of existing scales for truck weight enforcement and to submit a report of his findings and recommendations to the Legislature prior to the convening of the Regular Session of 1980.

Your Committee notes that the Department of Transportation (DOT) agrees with the intent of this resolution and that according to DOT, the effectiveness of the truck weight enforcement program would be greatly improved if privately owned and operated scales could be used to enforce the vehicle weight laws.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 308 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 769 Transportation on H.R. No. 82

The purpose of this resolution is to request the Department of Transportation to review the state's bridge replacement program and to give special consideration to sources of funding for the program and the legal issues related to accidents or mishaps which may occur on "state bridges" which may be unsafe.

Your Committee notes that the Department of Transportation testified that Hawaii's bridges were rated by the State on the Federal Highway Administration's bridge sufficiency rating program. The department stated that there is a pressing need for the repair or replacement of those 107 bridges in the State of Hawaii rated 50 or below (on a scale of 1 to 100). Any structure with a sufficiency rating lower than 50 is eligible to be replaced with federal-aid bridge replacement and rehabilitation funds. The estimated cost of replacing the 107 bridges is \$78,000,000, with the cost of acquiring additional rights of way cost not included.

Your Committee notes that the Department of Transportation also testified that \$2.3 million in federal aid will be made available to Hawaii in the next fiscal year (1979-80) for the replacement of bridges.

In order to allow adequate time for reviewing the State of Hawaii Bridge Replacement Program, your Committee recommends amending this resolution to extend the deadline for the department to submit a report of its review of the bridge replacement program from the adjournment of the Regular Session of 1979 to the convening of the Regular Session of 1980.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 82, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 82, H.D. 1.

Signed by all members of the Committee.

SCRep. 770 Public Employment and Government Operations on H.R. No. 324

The purpose of this resolution is to request review of present state recruitment and hiring practices to determine the need for greater coordination between state agencies,

thereby ensuring the greatest effectiveness and efficiency in the recruitment of personnel.

Testimony from the Department of Personnel Services and the Department of Health indicated that there currently exists a shortage of qualified professionals in the health care field, particularly in rural communities throughout the State. To alleviate the situation, the County/State Hospital Division recently undertook a comprehensive recruitment campaign by placing advertisements in various local and Mainland newspapers and professional journals.

Other efforts to obtain qualified medical personnel are continuing at the present time with close coordination between federal, state and county agencies. For example, the Department of Personnel Services with the assistance of the Department of Labor is in the process of hiring Canadian nurses, and with the Governor's approval several of the nurse classes were declared to be in the shortage category, thereby enabling the Department of Personnel Services to recruit at above the minimum salary range.

To further identify and resolve these problems, a task force consisting of representatives from the Department of Personnel Services, the Department of Health, the University of Hawaii, the Department of Regulatory Agencies, and the Department of Budget and Finance has recently been created and is now meeting to discuss and formulate appropriate corrective measures. Action taken to date includes the amendment of licensing regulations to facilitate the hiring of experienced nurses and the introduction of various legislative measures recommended for adoption this session. The task force is also examining other areas such as increased clinical training for nurses.

Your Committee is encouraged by this cooperative effort to alleviate the current problem and believes the role of the task force should be further expanded. House Resolution 324 has therefore been amended to request the task force to review present state recruitment and hiring practices to determine the need for greater coordination between the Department of Budget and Finance, the Department of Personnel Services, and other state agencies to ensure the greatest efficiency and effectiveness. The resolution has been further amended to request the task force to make recommendations as to long range plans in this area, including proposed remedial legislation if necessary.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.R. No. 324, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 324, H.D. 1.

Signed by all members of the Committee.

SCRep. 771

Education on H.R. No. 305

The purpose of this resolution is to request the Department of Education to examine and assess its effectiveness in meeting the special needs of students in the smaller rural schools, particularly in regards to excursions.

Your Committee recognizes that no child should be deprived of his or her right of access to enriching cultural and educational experiences because of his or her environmental or economic conditions, and feels that all feasible steps on the part of the Department of Education should be taken to overcome the physical barriers and restraints which hinder the cultural and educational experiences from being transported to or made accessible to the children of the State of Hawaii.

The Department of Education testified that they concur with the intent of the resolution. They reported that various programs and services, which are aimed at maximizing student experiences, are presently accessible to all schools. They indicated that if the legislature provides additional funds for excursions, priority can be given to small rural schools by the greatest educational needs.

Your Committee recommends that the resolution be amended to have the Department of Education report its findings and recommendations to the House of Representatives sixty days prior to the convening of the 1980 legislative session rather than prior to the adjournment of the 1979 legislative session.

Your Committee on Education concurs with the intent and purpose of H.R. No. 305, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 305, H.D. 1.

Signed by all members of the Committee.

SCRep. 772 Education on H.R. No. 28

The purpose of this resolution is to request that a review of the 1978 constitutional amendment, which extends the powers of the Board of Education in the area of internal management and organization of the public school system, be made in order to assess the impact of the amendment, and to determine if any legislation is required to carry out the mandate of the amendment.

The Board of Education testified in support of the resolution. The Hawaii State Teachers Association also testified in support of the resolution, and indicated that it would provide any assistance that it can to fulfill the mandate of the resolution.

Your Committee finds that it would be more appropriate to have the Legislative Reference Bureau, rather than a House standing committee, to review the 1978 constitutional amendment relating to the extended powers of the Board of Education. Therefore, your Committee has amended the resolution so as to request the Legislative Reference Bureau to conduct the study on the constitutional amendment described in this resolution. The resolution is also amended to specify that the Legislative Reference Bureau report its findings and recommendations to the State House of Representatives 60 days prior to the convening of the 1980 regular session, instead of prior to the adjournment of the 1979 regular session. The resolution is also amended so as to transmit certified copies of this resolution, as amended, to the Legislative Reference Bureau instead of to the chairmen of the appropriate standing committees.

Your Committee on Education concurs with the intent and purpose of H.R. No. 28, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 28, H.D. 1.

Signed by all members of the Committee.

SCRep. 773 Education on H.R. No. 32

The purpose of this resolution is to explore new alternatives to develop effective community awareness and public relations programs which can inform the public of the successes in the public education programs and increase community participation in our schools.

Your Committee finds that Hawaii's unique history and multi-ethnic heritage, the literary and knowledgeability of our citizens is comparable to any major state in the nation. This has been due to Hawaii's centralized, statewide public school system and the dedicated efforts of teachers and administrators. Frequently, public attention focuses on the negative rather than the positive aspects of our school system and thereby overlooks those successful students and programs that are working very well. Your Committee believes that efforts should be directed at keeping the public accurately informed about our educational programs and at recognizing the successes of our schools.

Your Committee finds that it would be more appropriate to have the Department of Education (DOE) and the Hawaii Public Broadcasting Authority (HPBA), rather than a House standing committee, to explore alternatives to develop effective community and public awareness programs to better inform the public on the successes in public education programs. Therefore, your Committee has amended this resolution to have the DOE and the HPBA to explore alternatives for effective community awareness and public relations programs for schools and to report their findings and recommendations to the State House of Representatives sixty days prior to the convening of the 1980 regular legislative session.

Your Committee on Education concurs with the intent and purpose of H.R. No. 32, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 32, H.D. 1.

Signed by all members of the Committee.

SCRep. 774 Health and Consumer Protection and Commerce on H.R. No. 322

The purpose of this resolution is to request the State Board of Nursing to continue

accrediting education programs which issue Associate of Science Degrees in Nursing.

Your Committees find that the continued accreditation of both a two-year program and a four-year program provides an alternative for Hawaii's citizens aspiring to be registered nurses without reducing the quality of nursing care in Hawaii.

Your Committees further find that the accreditation of only a four-year nursing program may result in limiting access to nursing training and thereby decrease the supply of registered nurses particularly for the county/state hospital system as well as contribute to the increasing cost of hospital care.

Your Committees have amended the resolution by adding several clauses and a resolve to the effect that the University of Hawaii School of Nursing and the University of Hawaii Community College System be involved with the Board of Nursing in strengthening standards of training, promoting transfer of nursing students from the two-year program into the four-year program, making recommendations regarding the extension of the two-year program into rural areas of the State where such programs are currently unavailable and reporting findings and recommendations to the Legislature twenty days prior to the convening of the 1980 Regular Session.

Your Committees on Health and Consumer Protection and Commerce concur with the intent and purpose of H.R. No. 322, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 322, H.D. 1.

Signed by all members of the Committees.

SCRep. 775 Legislative Management

Informing the House that House Resolution Nos. 580 to 583, House Concurrent Resolution Nos. 140 and 141, and Standing Committee Report Nos. 768 to 774, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 776 Public Employment and Government Operations on H.C.R. No. 86

The purpose of this concurrent resolution is to request the Hawaii Congressional delegation to support state-federal data sharing with the National Conference of State Legislatures (NCSL).

Your Committee finds that the Hawaii State Legislature has been an active member of the NCSL and has benefited from its information documents and its lobbying efforts.

A proposed exchange between the Congressional Research Service (CRS) and the computer files of the NCSL would have allowed research information to be shared between the state and federal legislative branches, thus reducing duplication of effort in preparing policy research documents.

Last Congressional session, however, the Joint Committee on the Library defeated NCSL efforts to effect such a sharing of information and instead recommended that any further action be determined by the forthcoming report of the Congressional Policy Group on Information and Computers. Your Committee believes that as the free and open exchange of information among levels of government fosters the coordination of programs and policies, any formal guidelines in this report permitting access to federal computer files should also include provisions for sharing by the NCSL.

H.C.R. No. 86 therefore urges the Hawaii Congressional delegation to support the efforts of the National Conference to establish formal state-federal data sharing.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.C.R. No. 86 and recommends it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 777 Public Employment and Government Operations on H.R. No. 57

The purpose of this resolution is to request review of, and necessary action on, the studies and recommendations of the Government Organization Commission (GOC).

Your Committee finds that pursuant to Act 148 of the Session Laws of Hawaii 1975, a government organization commission was created to study and report on the organization, responsibilities, services, activities, and functions of all state and county agencies for the purpose of limiting expenditures and eliminating duplication and overlapping of services, activities, and functions.

The Commission submitted a report of its findings to the Ninth Legislature wherein a number of proposals were made, including (1) the establishment of an Executive and Career Management Performance Evaluation and Compensation Plan, (2) the delineation of state-county functions on the basis of which level can handle a particular job the best, (3) the creation of a Council on Revenues which would evaluate revenue estimates annually and establish a revenue ceiling as a framework within which the Legislature could formulate its programs and (4) the restructuring of the executive branch.

As the findings and recommendations of the Commission require extensive hearings and review by the Legislature, H.R. No. 57 requests the House Committee on Public Employment and Government Operations, in conjunction with other appropriate House standing committees, to review the studies and recommendations of the Government Organization Commission, provide for input from all agencies and branches of government and the public, and determine appropriate legislative action concerning the studies and recommendations of the Government Organization Commission.

The resolution further requests that this review be conducted during the 1979 legislative session and during the interim period between the 1979 and 1980 legislative sessions.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 57 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 778

Public Employment and Government Operations on H.R. No. 339

The purpose of this resolution is to request Hawaii's Congressional delegation to work toward establishing direct inexpensive data information and communication links with Washington, D.C.

Your Committee finds that the State is responsible for providing services mandated by the federal government in accordance with federal regulations, and that to properly provide these services, current and timely data are required for maximum efficiency and effectiveness.

Your Committee further finds that because Hawaii is a great distance from the nation's capital in Washington, D.C., difficulties occur in the conveyance and receipt of data. Although the federal government has a regional center in San Francisco, Federal Region IX, the service it renders is less than satisfactory, and therefore your Committee believes greater coordination and more timely information is needed by the State to operate its federal programs and monies efficiently and effectively.

House Resolution 339 thus requests the members of Hawaii's Congressional delegation to work with the appropriate federal agencies toward the establishment of direct inexpensive data information and communication links with Washington, D.C. The resolution also requests the Legislative Auditor, in the capacity of liaison between the Legislature and the federal government, and the Hawaii Office of Federal Programs Coordinator to assist the members of Hawaii's Congressional delegation in this task.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.R. No. 339 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 779

Public Employment and Government Operations on H.C.R. No. 62

The purpose of this concurrent resolution is to request Hawaii's Congressional delegation

to work toward establishing direct inexpensive data information and communication links with Washington, D.C.

Your Committee finds that the State is responsible for providing services mandated by the federal government in accordance with federal regulations, and that to properly provide these services, current and timely data are required for maximum efficiency and effectiveness.

Your Committee further finds that because Hawaii is a great distance from the nation's capital in Washington, D.C., difficulties occur in the conveyance and receipt of data. Although the federal government has a regional center in San Francisco, Federal Region IX, the service it renders is less than satisfactory, and therefore your Committee believes greater coordination and more timely information is needed by the State to operate its federal programs and monies efficiently and effectively.

House Resolution 339 thus requests the members of Hawaii's Congressional delegation to work with the appropriate federal agencies toward the establishment of direct inexpensive data information and communication links with Washington, D.C. The resolution also requests the Legislative Auditor, in the capacity of liaison between the Legislature and the federal government, and the Hawaii Office of Federal Programs Coordinator to assist the members of Hawaii's Congressional delegation in this task.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.C.R. No. 62 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 780

Public Employment and Government Operations on H.R. No. 464

The purpose of this resolution is to request the Office of the Legislative Reference Bureau to perform a study of existing data and information resource sharing systems and programs.

Your Committee finds that the Office of the Legislative Reference Bureau is one of the principal agencies of the legislative branch of the State of Hawaii.

The function of the Legislative Reference Bureau is to facilitate and enhance legislative decision-making. This is accomplished by providing research and reference services which include the drafting of bills, resolutions, and related legislative measures; the performance of studies during the legislative interim; the provision of selected library services through the Bureau's library; and statute revision and bill publication.

Your Committee further finds that as there exists great value in rapid access to data and information vital to legislative decision-making, implementation and utilization of automatic data processing systems will vastly increase the efficiency and effectiveness of data and information programs and services essential for legislative purposes.

Your Committee therefore believes that in addition to increased efficiency and effectiveness, it is likely that the strengthening and expansion of automatic data processing systems as now exist in support of the operations of the Hawaii State Legislature will result in cost savings by eliminating duplication and obsolete or inefficient data and information programs. H.R. No. 464 accordingly requests the Legislative Reference Bureau to perform a study of existing data and information resource sharing systems and programs, giving special consideration to the data and information bases which could be incorporated into the daily operations of the Bureau.

Sophisticated, effective and efficient automatic data processing equipment and systems and associated software programs have become available at surprisingly low cost. For example, there are existing networks for the sharing and exchanging of data and information through such entities as Legitech, New York Times Service, Electronic Information Exchange System, and National Technical Information Services, and thus expansion of the automatic data processing capability of the Legislative Reference Bureau should markedly strengthen the capacity of the state legislature.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.R. No. 464 and recommends it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 781 Public Employment and Government Operations on H.C.R. No. 96

The purpose of this concurrent resolution is to request the Office of the Legislative Reference Bureau to perform a study of existing data and information resource sharing systems and programs.

Your Committee finds that the Office of the Legislative Reference Bureau is one of the principal agencies of the legislative branch of the State of Hawaii.

The function of the Legislative Reference Bureau is to facilitate and enhance legislative decision-making. This is accomplished by providing research and reference services which include the drafting of bills, resolutions, and related legislative measures; the performance of studies during the legislative interim; the provision of selected library services through the Bureau's library; and statute revision and bill publication.

Your Committee further finds that as there exists great value in rapid access to data and information vital to legislative decision-making, implementation and utilization of automatic data processing systems will vastly increase the efficiency and effectiveness of data and information programs and services essential for legislative purposes.

Your Committee therefore believes that in addition to increased efficiency and effectiveness, it is likely that the strengthening and expansion of automatic data processing systems as now exist in support of the operations of the Hawaii State Legislature will result in cost savings by eliminating duplication and obsolete or inefficient data and information programs. H.C.R. No. 96 accordingly requests the Legislative Reference Bureau to perform a study of existing data and information resource sharing systems and programs, giving special consideration to the data and information bases which could be incorporated into the daily operations of the Bureau.

Sophisticated, effective and efficient automatic data processing equipment and systems and associated software programs have become available at surprisingly low cost. For example, there are existing networks for the sharing and exchanging of data and information through such entities as Legitech, New York Times Service, Electronic Information Exchange System, and National Technical Information Services, and thus expansion of the automatic data processing capability of the Legislative Reference Bureau should markedly strengthen the capacity of the state legislature.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of H.C.R. No. 96 and recommends it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 782 Public Employment and Government Operations on H.R. No. 389

The purpose of this resolution is to request review of the appropriateness of the compensation plan structures for blue-collar and white-collar public employees in relation to the collective bargaining law.

Your Committee finds that pursuant to sections 77-5 and 77-13, Hawaii Revised Statutes, the compensation of blue-collar and white-collar public employees is structured by salary levels and steps, and that this plan has since been modified in practice as a result of collective bargaining.

The original compensation structures contemplated a step-by-step increase in salary. Under collective bargaining, however, increases in compensation have been by certain percentages or dollar amounts, and such increases often do not coincide with the salary steps of the compensation plans in Chapter 77, Hawaii Revised Statutes. The effect is that some individuals covered by collective bargaining are now presently in-between or off-step under these structures.

New legislation has therefore been proposed attempting to update and revise the existing plans to reflect the impact of collective bargaining. Specifically, the proposed measures have advocated a compression approach by reducing the five step salary range for blue-collar positions and the ten step salary range for white-collar positions to three steps. It will take one year of satisfactory service to move from the first to the second

step and five years to move to the last step.

The Hawaii Government Employees Association testified in support of the revision, but also expressed concern over specifics such as bonuses, the negotiability of raises, the number of incremental and longevity steps that should remain, and the appropriate number of years required to move between steps.

Your Committee is in agreement that further study is necessary to fully determine the ramifications of any proposed change to the existing compensation structure. H.R. No. 389 therefore requests the House Public Employment and Government Operations Committee, the House Finance Committee and the Senate to jointly review the appropriateness of the compensation plan structures for blue-collar and white-collar public employees in relation to the collective bargaining law, including, but not limited to:

(1) Proposals to revise the structure of the compensation schedules and their impact on each bargaining unit.

(2) The impact of the proposals on the position classification plan, career ladder provisions, and other personnel plans and policies, and

(3) Implementation procedures to convert from the present structure to a revised compensation structure.

Your Committee has amended the resolution to include the Senate Committee on Human Resources and the Senate Committee on Ways and Means in the study. As there are important considerations which directly affect major components of the civil service system and have significant impact upon all public employees, the resolution has also been amended to request the Legislature to utilize the State Department of Personnel Services, the Departments of Personnel Services of the counties of Oahu, Kauai, Maui and Hawaii, and the public employee unions as resources. Allowing these bodies to participate in the review will hopefully result in a better understanding of and a narrowing of differences on the subject.

Furthermore the last two paragraphs, concerning the submission of findings and recommendations and the transmittal of the resolution, have been amended to include the Senate and the appropriate Senate standing committees.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 389 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 389 H.D. 1.

Signed by all members of the Committee.

SCRep. 783

Public Employment and Government Operations on H.C.R. No. 72

The purpose of this concurrent resolution is to request review of the appropriateness of the compensation plan structures for blue-collar and white-collar public employees in relation to the collective bargaining law.

Your Committee finds that pursuant to sections 77-5 and 77-13, Hawaii Revised Statutes, the compensation of blue-collar and white-collar public employees is structured by salary levels and steps, and that this plan has since been modified in practice as a result of collective bargaining.

The original compensation structures contemplated a step-by-step increase in salary. Under collective bargaining, however, increases in compensation have been by certain percentages or dollar amounts, and such increases often do not coincide with the salary steps of the compensation plans in Chapter 77, Hawaii Revised Statutes. The effect is that some individuals covered by collective bargaining are now presently in-between or off-step under these structures.

New legislation has therefore been proposed attempting to update and revise the existing plans to reflect the impact of collective bargaining. Specifically, the proposed measures have advocated a compression approach by reducing the five step salary range for blue-collar positions and the ten step salary range for white-collar positions to three steps. It will take one year of satisfactory service to move from the first to the second step and five years to move to the last step.

The Hawaii Government Employees Association testified in support of the revision, but also expressed concern over specifics such as bonuses, the negotiability of raises, the number of incremental and longevity steps that should remain, and the appropriate number of years required to move between steps.

Your Committee is in agreement that further study is necessary to fully determine the ramifications of any proposed change to the existing compensation structure. H.C.R. No. 72 therefore requests the House Public Employment and Government Operations Committee, the House Finance Committee and the Senate to jointly review the appropriateness of the compensation plan structures for blue-collar and white-collar public employees in relation to the collective bargaining law, including, but not limited to:

- (1) Proposals to revise the structure of the compensation schedules and their impact on each bargaining unit.
- (2) The impact of the proposals on the position classification plan, career ladder provisions, and other personnel plans and policies, and
- (3) Implementation procedures to convert from the present structure to a revised compensation structure.

Your Committee has amended the concurrent resolution to include the Senate Committee on Human Resources and the Senate Committee on Ways and Means in the study. As there are important considerations which directly affect major components of the civil service system and have significant impact upon all public employees, the concurrent resolution has also been amended to request the Legislature to utilize the State Department of Personnel Services, the Departments of Personnel Services of the counties of Oahu, Kauai, Maui and Hawaii, and the public employee unions as resources. Allowing these bodies to participate in the review will hopefully result in a better understanding of and a narrowing of differences on the subject.

Furthermore the last two paragraphs, concerning the submission of findings and recommendations and the transmittal of the concurrent resolution, have been amended to include the Senate and the appropriate Senate standing committees.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.C.R. No. 72 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 72, H.D. 1.

Signed by all members of the Committee.

SCRep. 784

Higher Education on H.R. No. 367

The purpose of this resolution is to recognize the efforts of the Associated Students of the University of Hawaii at Manoa to conduct a faculty evaluation on the Manoa Campus.

In the Fall of 1978, the ASUH implemented its faculty evaluation project which called for the evaluation of 200-250 instructors on the Manoa Campus. In an attempt to determine those characteristics that were most significant in defining "effective teaching", a criterion survey was conducted of over 2,900 undergraduate students. With professional assistance from the University Evaluation Office, the results of this criterion survey became the basis for the evaluation questionnaire.

In testimony presented to your Committee, the ASUH underscored its determination to implement a system of mandatory faculty evaluation and public disclosure of the results in order for students to intelligently select courses. According to the ASUH, the intelligent selection of courses by individual students requires information which includes teaching styles and methods of individual instructors.

The faculty evaluation now conducted by the University is voluntary and students have no access to the evaluation results.

Differences among the Faculty Senate, the University of Hawaii Professional Assembly (UHPA), and the ASUH arose over the methodology and quantifying variables used in the first evaluation project. Since then, representatives of the three organizations have met to discuss the various evaluation systems now being utilized at other colleges and universities in the United States in hopes of finding an agreed upon solution.

In acting upon this Resolution, your Committee wishes to underscore its belief that teaching evaluation is not intended as a punitive measure. Rather, teaching evaluations are a means of allowing students to exercise greater personal responsibility in determining their individual learning needs, given the additional information.

Your Committee on Higher Education concurs with the intent and purpose of H.R. No. 367 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 785 Youth and Elderly Affairs on H.R. No. 365

The purpose of this resolution is to request the private sector of the Hawaiian economy to expand voluntarily its already commendable efforts to provide goods and services to elderly persons at the lowest possible prices.

Your Committee has amended the resolution in minor matters of style.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of H.R. No. 365, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 365, H.D. 1.

Signed by all members of the Committee.

SCRep. 786 Youth and Elderly Affairs on H.R. No. 364

The purpose of this resolution is to commend those Hawaii business entities providing purchase discount programs for senior citizens.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of H.R. No. 364 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 787 Finance on H.R. No. 290

The purpose of this resolution is to request the Department of Land and Natural Resources to streamline the processing of expired pasture leases and to consider granting longer lease extensions where such extensions appear to be justified.

Present statutes do not allow the terms of pasture leases to be extended. Only intensive agriculture and special livestock leases are afforded this privilege. Thus, when a pasture lease expires and it is resold at public auction, there is no guarantee the current lessee will be the successful bidder for the new lease. There is little that can be done so that a current lessee will know ahead of time whether he will be able to continue. Your Committee agrees that the Department of Land and Natural Resources should re-evaluate the laws which involve the leasing of pasture lands and propose necessary amendments to expedite the intent and purpose of this resolution and your Committee has amended this resolution to express this need. Your Committee has also amended this resolution to clarify the concern over month-to-month extensions.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 290 as amended herein and recommends its adoption in the form attached hereto as H.R. No. 290, H.D. 1.

Signed by all members of the Committee.

SCRep. 788 Finance on H.C.R. No. 8

The purpose of this House Concurrent Resolution is to request the Department of Planning and Economic Development (DPED) to review the laws relating to the functions and duties of DPED and to submit its findings and recommendations to the Legislature prior to the 1980 Regular Session.

Your Committee finds that DPED has been assigned many programs and functions through the enactment of numerous pieces of legislation. These include, but are not

limited to, such functions as: serving as the lead agency for the Hawaii State Plan and the Hawaii Coastal Zone Management Program, serving as the State's advocate in proceedings before the Land Use Commission, serving as the Energy Resources Coordinator, administering fishing vessel loan programs, serving as tourism coordinator, and administering energy conservation and management programs.

Over a period of time, the enactment of new statutory provisions affecting DPED may have resulted in conflicting, ambiguous and obsolete laws causing confusion for the department as well as the general public.

Your Committee believes that in order to insure current, consistent and unambiguous laws to guide the department, DPED should conduct a review of the laws relating to the functions and duties assigned to it.

Your Committee on Finance concurs with the intent and purpose of H.C.R. No. 8 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 789 Finance on H.R. No. 291

The purpose of this resolution is to request appropriate officials of the University of Hawaii to authorize the establishment of an advisory committee with broad representation to include farmers and others directly engaged in agricultural production to assess the adequacy of agricultural curriculum offerings in tropical agriculture at the Manoa and Hilo campuses.

It has been alleged that generally the existing advisory committees upon appointment are nonfunctional. To overcome this situation, selection of appropriate members must be carefully screened to assure that members will actively participate at meetings to enhance the agriculture industry and agriculture educational programs.

Your Committee supports the establishment of a single statewide advisory committee composed of representatives from faculty members of Hilo and Manoa campuses, affected community colleges, the Hawaii Farm Bureau Federation, the Department of Agriculture, agri-business, farmers, students in agriculture, the U.S. Department of Agriculture Soil Conservation Service and related agencies.

Your Committee has amended this resolution to clarify that the report be submitted to the House of Representatives through the Board of Regents.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 291, H.D. 1 as amended herein and recommends its adoption in the form attached hereto as H.R. No. 291, H.D. 2.

Signed by all members of the Committee.

SCRep. 790 Agriculture on H.R. No. 237

The purpose of this resolution is to request the Executive Branch of the State of Hawaii to continue to support the sugar industry with all means practicable to ensure its stability and continuity.

The Department of Agriculture in its testimony stated that since October, 1976, the Agricultural Loan Division has been working closely with private lenders to continue financing the independent sugar cane growers. The Board of Agriculture has approved 707 insured loans totaling \$3,448,925, which enabled private lenders to extend \$4,598,017 in loans to independent sugar growers. As of January 31, 1979, the Board of Agriculture has approved 206 direct loans totaling \$794,224 under Act 19 loans. The Division has received and is currently processing 278 applications for \$1,165,773 for the 1977 harvest deficit. These loans have kept over 7,400 acres of agricultural land in sugar production.

Your Committee has learned that the Department of Agriculture, in cooperation with the College of Tropical Agriculture, is conducting a study of the independent sugar cane growers in the Hilo Coast Processing Cooperatives to assess their economic status. Also being studied is the feasibility of alternative crops which may be raised in the Hilo Coast area. Your Committee further learned that the Department of Agriculture has been assisting in a effort to obtain clearance in the using of pesticides in sugar

cane fields.

Your Committee has heard testimony from several sources including the Department of Agriculture, the Hawaii Sugar Planters' Association, the Hawaii Farm Bureau Federation, and the College of Tropical Agriculture and Human Resources. All testimony received strongly supports the intent and purpose of this resolution.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 237 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 791 Agriculture on H.R. No. 288

The purpose of this resolution is to request the legislative and executive branches of the County of Hawaii to consider the promulgation of building codes which will provide an exception with respect to farm storage facilities.

The Hawaii Farm Bureau Federation in its testimony stated that the resolution will be advantageous for the agricultural industry for the following reasons: (1) the establishment of less stringent building code requirements for farm storage facilities in the County of Hawaii would greatly relieve the financial burden of the farmers; and (2) the exception would permit farmers to use native building materials such as ohia and eucalyptus as inexpensive substitutes to ease cost of maintaining farm operations.

Your Committee on Agriculture concur with the intent and purpose of H.R. No. 288 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 792 Agriculture on H.R. No. 230

The purpose of this resolution is to mandate the Governor's Agriculture Coordinating Committee to develop a logo for use in identifying agricultural commodities produced in Hawaii and to develop plans necessary to the implementation of the logo.

The Department of Agriculture in its testimony stated that the resolution will be advantageous for the agriculture industry for the following reasons: (1) Such a logo would be important in helping to identify locally-produced products that are exported to overseas markets, particularly those products that do not presently have a distinguishing produced-in-Hawaii logo. Also, most major exporters of Hawaiian products use logos of their own design to emphasize the Hawaii origin of their products (for example, macadamia nuts, ornamental plants and flowers, and jams and jellies). (2) The department believes that an equally important use of a standard, produced-in-Hawaii logo is in the local market, where its use would help to increase consumer awareness of locally-produced commodities versus imports. In this regard, the development of a local product promotion program should go hand-in-hand with the creation of the logo. Because the various locally-produced commodities, such as vegetables, meat products and processed foods, have different marketing needs, a local commodity promotion program should recognize and fulfill those needs, as well as promote the use of a logo to help identify island products.

The Department of Planning and Economic Development in its testimony stated that it, in its 23 years of promotion efforts and work with logos, has found that a universal Hawaii identification logo can only be used in conjunction with an adequate method of product quality control and a system of policing producers. It further added that an agreement on a logo is always a tedious matter in which there is invariably disagreement. It involves design and art for which there are invariably individual tastes. Corporations, large and small, spend an inordinate amount of time agreeing on a logo. Obtaining agreement on a single logo for the entire agricultural industry for Hawaii would be difficult and its general use, unless mandatory, is questionable.

Your Committee has heard testimony from several sources including the chairperson of the Governor's Agriculture Coordinating Committee, the Hawaii Farm Bureau Federation, the Department of Planning and Economic Development, and the Department of Agriculture. All testimony received strongly supports or expresses general accord with the intent and purpose of this resolution.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 230 and recommends its adoption.

Signed by all members of the Committee except Representative Garcia.

SCRep. 793

Agriculture on H.C.R. No. 25

The purpose of this resolution is to mandate the Governor's Agriculture Coordinating Committee to develop a logo for use in identifying agricultural commodities produced in Hawaii and to develop plans necessary to the implementation of the logo.

The Department of Agriculture in its testimony stated that the resolution will be advantageous for the agriculture industry for the following reasons: (1) Such a logo would be important in helping to identify locally-produced products that are exported to overseas markets, particularly those products that do not presently have a distinguishing produced-in-Hawaii logo. Also, most major exporters of Hawaiian products use logos of their own design to emphasize the Hawaii origin of their products (for example, macadamia nuts, ornamental plants and flowers, and jams and jellies). (2) The department believes that an equally important use of a standard, produced-in-Hawaii logo is in the local market, where its use would help to increase consumer awareness of locally-produced commodities versus imports. In this regard, the development of a local product promotion program should go hand-in-hand with the creation of the logo. Because the various locally-produced commodities, such as vegetables, meat products and processed foods, have different marketing needs, a local commodity promotion program should recognize and fulfill those needs, as well as promote the use of a logo to help identify island products.

The Department of Planning and Economic Development in its testimony stated that it, in its 23 years of promotion efforts and work with logos, has found that a universal Hawaii identification logo can only be used in conjunction with an adequate method of product quality control and a system of policing producers. It further added that an agreement on a logo is always a tedious matter in which there is invariably disagreement. It involves design and art for which there are invariably individual tastes. Corporations, large and small, spend an inordinate amount of time agreeing on a logo. Obtaining agreement on a single logo for the entire agricultural industry for Hawaii would be difficult and its general use, unless mandatory, is questionable.

Your Committee has heard testimony from several sources including the chairperson of the Governor's Agriculture Coordinating Committee, the Hawaii Farm Bureau Federation, the Department of Planning and Economic Development, and the Department of Agriculture. All testimony received strongly supports or expresses general accord with the intent and purpose of this resolution.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 25 and recommends its adoption.

Signed by all members of the Committee except Representative Garcia.

SCRep. 794

Water, Land Use, Development and Hawaiian Affairs; and
Agriculture on H.R. No. 294

The purpose of this resolution is to request the Board of Land and Natural Resources to exercise its powers to employ methods of agricultural land disposition through means other than public auction. A report is requested prior to adjournment of the 1979 session.

The Department of Land and Natural Resources in its testimony stated that there are two basic methods of making agricultural land dispositions without going to public auction; by drawing or by development of an agricultural park. In both methods, the lease rental rate is set by appraisal and is not subject to bid. The Board intends to utilize both these methods in as many instances as it possibly can. As an example, it has already used the agricultural park method at Pahoa on the Big Island and intend to do so again in disposing of the second increment of farm lots there. The same method is planned for disposition of lots in the Ke'ahole agricultural park, which is under construction. The feasibility of developing agricultural parks at Waimanalo and Kahuku on Oahu, Kilauea on Kauai and Panaewa on Hawaii is under examination. In short, the Board already is doing what the resolution requests. Notwithstanding these facts, your Committees believe that the Department of Land and Natural Resources should continue to find alternate means to dispose of public lands for agricultural purposes.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Agriculture concur with the intent and purpose of H.R. No. 294 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 795 Water, Land Use, Development and Hawaiian Affairs; and
Agriculture on H.C.R. No. 41

The purpose of this resolution is to request the Board of Land and Natural Resources to exercise its powers to employ methods of agricultural land disposition through means other than public auction. A report is requested prior to adjournment of the 1979 session.

The Department of Land and Natural Resources in its testimony stated that there are two basic methods of making agricultural land dispositions without going to public auction; by drawing or by development of an agricultural park. In both methods, the lease rental rate is set by appraisal and is not subject to bid. The Board intends to utilize both these methods in as many instances as it possibly can. As an example, it has already used the agricultural park method at Pahoa on the Big Island and intend to do so again in disposing of the second increment of farm lots there. The same method is planned for disposition of lots in the Ke'ahole agricultural park, which is under construction. The feasibility of developing agricultural parks at Waimanalo and Kahuku on Oahu, Kilauea on Kauai and Panaewa on Hawaii is under examination. In short, the Board already is doing what the resolution requests. Notwithstanding these facts, your Committees believe that the Department of Land and Natural Resources should continue to find alternate means to dispose of public lands for agricultural purposes.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Agriculture concur with the intent and purpose of H.C.R. No. 41 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 796 Water, Land Use, Development and Hawaiian Affairs; and
Agriculture on H.R. No. 295

The purpose of this resolution is to commend the Board of Land and Natural Resources for its efforts in seeking improvements to the Waimanalo Irrigation System and urges the Board to intensify its efforts to upgrade the capability of the irrigation system.

The Department of Land and Natural Resources in its testimony stated that it is working together with the Department of Agriculture on the development of an agricultural park at Waimanalo and that it is recognized that improvement of the existing water system is a necessity if the State desires to maintain and preserve the land for agricultural production. The department has recently hired a consultant who, among other things, is commissioned to make a study on the availability of water from the Maunawili Watershed and to formulate a plan and cost estimates to develop irrigation water for Waimanalo.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Agriculture concur with the intent and purpose of H.R. No. 295 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 797 Water, Land Use, Development and Hawaiian Affairs; and
Agriculture on H.C.R. No. 42

The purpose of this concurrent resolution is to commend the Board of Land and Natural Resources for its efforts in seeking improvements to the Waimanalo Irrigation System and urges the Board to intensify its efforts to upgrade the capability of the irrigation system.

The Department of Land and Natural Resources in its testimony stated that it is working together with the Department of Agriculture on the development of an agricultural park at Waimanalo and that it is recognized that improvement of the existing water system is a necessity if the State desires to maintain and preserve the land for agricultural production. The department has recently hired a consultant who, among other things, is commissioned to make a study on the availability of water from the Maunawili Watershed and to formulate a plan and cost estimates to develop irrigation water for Waimanalo.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Agriculture concur with the intent and purpose of H.C.R. No. 42 and recommend its adoption.

Signed by all members of the Committees.

SCRep. 798

Legislative Management

Informing the House that House Resolution Nos. 584 to 587, House Concurrent Resolution Nos. 142 and 143, and Standing Committee Report Nos. 776 to 797, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 799

Youth and Elderly Affairs on H.R. No. 255

The purpose of this resolution is to urge the Department of Social Services and Housing to increase payments provided to private care homes and adult family boarding homes for domiciliary care of persons who, because of economic, mental or social conditions, require some form of daily care.

In the opinion of your Committee the care provided by care homes and adult family boarding homes is an essential part of the services provided persons in distress. These homes provide a relatively low cost housing alternative to institutionalization which is always an expensive process.

According to the Department of Social Services and Housing some two hundred bed spaces in care homes and adult family boarding homes have been lost in the last year. This is due, to some extent, to the fact that payments for care do not adequately reflect the costs of care including a reasonable reward to the providers of care.

The Hawaii Legislative Auditor has examined the level of payments and found it inadequate. The Department of Social Services and Housing is currently examining the costs of domiciliary care to provide a base for making payments for care reasonably related to costs plus an adequate reward to providers of care sufficient to encourage them to continue to provide services.

This resolution is an expression of the intent of the House of Representatives that payments be raised to a level sufficient to provide domiciliary care facilities to those persons needing them.

Your Committee has amended H.R. No. 255 by deleting the next to the last paragraph setting forth a proposed minimal monthly payment to providers of domiciliary care, preferring to leave the determination of reasonable monthly payments to the discretion of the Department of Social Services and Housing.

Your Committee on Youth and Elderly Affairs concurs with the intent and purpose of H.R. No. 255, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 255, H.D. 1.

Signed by all members of the Committee.

SCRep. 800

Ecology and Environmental Protection (Majority)

The purpose of this resolution is to request that the House Committees on Ecology and Environmental Protection and Judiciary review the environmental rights amendment to the Hawaii Constitution passed by the Constitutional Convention of 1978 and make recommendations to the 1979 session of the legislature concerning the legislature's responsibility to provide reasonable limitation and regulation of the right to sue for a clean and healthful environment.

The 1978 Constitutional Convention in Committee Proposal 17 amended the State Constitution to give each person the right to a clean and healthful environment along with the right to enforce this right through legal proceedings, subject to reasonable limitations and regulation as provided by law. The accompanying Standing Committee Report 77 states that the legislature may reasonably so limit and regulate.

In H. R. 158 your Committee, recognizing the potentially conflicting interpretations

of the scope of the new section, recommends an intensive study of the intent of the section and of policy considerations which would affect legislative decisions to limit and regulate the Constitutional amendment.

Your Committee heard testimony which pointed out that the legislature may reasonably limit and regulate the Constitutional right and recommends that the resolution be amended in paragraphs 2 and 3, page 1, and in paragraph 2, page 3, to clarify the possibility of alternative choices.

Because of the complexity of the issues, your Committee feels that the review should be conducted during the interim rather than during the 1979 session.

Your Committee further recommends that the interim committee be given flexibility to examine any issues which they deem appropriate. Therefore, reference in the resolution to specific policy issues has been deleted.

In addition, the word "equitable" is inserted in the third "WHEREAS" in line 4, page 1, to indicate the desire of your Committee that the Constitutional rights of all persons receive due attention.

Your Committee on Ecology and Environmental Protection concurs with the intent and purpose of H. R. No. 158, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto, as H. R. No. 158, H.D. 1.

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

SCRep. 801 Education and Culture and the Arts on H.R. No. 412

The purpose of this resolution is to request the Department of Education to conduct a study of all existing performing arts programs and to make recommendations regarding the enhancement and expansion of such programs.

Your Committees find that the performing arts is a labor-intensive and clean-growth industry. Since a primary task of schools is to provide students with the training, knowledge, and skills to pursue relevant and viable future careers, performing arts programs should be made available and encouraged in both elementary and secondary schools.

The Department of Education testified in support of the intent and purpose of the resolution. However, they reported that in order for the Department to complete a comprehensive study by 1980, they will need the cooperation of other organizations and agencies that provide performing arts activities, and the availability of manpower to conduct the study.

The Hawaii State Theatre Council, the Hawaii Music Educators Association, and the Musicians' Association of Hawaii also testified in support of the resolution, and presented background information on their organization's objectives concerning performing arts programs. The organizations stressed the need for expanding performing arts programs, made suggestions for implementing or improving various programs, and indicated that they would assist in fulfilling the intent of the resolution.

Your Committee on Education and your Committee on Culture and the Arts concur with the intent and purpose of H.R. No. 412, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 802 Education and Culture and the Arts on H.C.R. No. 82

The purpose of this concurrent resolution is to request the Department of Education to conduct a study of all existing performing arts programs and to make recommendations regarding the enhancement and expansion of such programs.

Your Committees find that the performing arts is a labor-intensive and clean-growth industry. Since a primary task of schools is to provide students with the training, knowledge, and skills to pursue relevant and viable future careers, performing arts

programs should be made available and encouraged in both elementary and secondary schools.

The Department of Education testified in support of the intent and purpose of the concurrent resolution. However, they reported that in order for the Department to complete a comprehensive study by 1980, they will need the cooperation of other organizations and agencies that provide performing arts activities, and the availability of manpower to conduct the study.

The Hawaii State Theatre Council, the Hawaii Music Educators Association, and the Musicians' Association of Hawaii also testified in support of the concurrent resolution, and presented background information on their organization's objectives concerning performing arts programs. The organizations stressed the need for expanding performing arts programs, made suggestions for implementing or improving various programs, and indicated that they would assist in fulfilling the intent of the concurrent resolution.

Your Committee on Education and your Committee on Culture and the Arts concur with the intent and purpose of H.C.R. No. 82, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 803 Agriculture; and Water, Land Use, Development and Hawaiian Affairs on H.R. No. 150

The purpose of this resolution is to request the State and County agencies to accelerate the implementation of agricultural parks throughout the state.

The Department of Agriculture in its testimony stated that it has met with the Chairman of the Board of Land and Natural Resources to discuss the working arrangements between the two departments so as to expedite the development of agricultural parks throughout the state. Presently the two departments are finalizing a memorandum of understanding to clearly delineate the complex responsibilities of each department.

Your Committees find it gratifying to know that the Departments of Agriculture and Land and Natural Resources are making sincere efforts in seeking improvements to accelerate the establishment of agricultural parks in the state. Notwithstanding these facts, there is serious concern that state and county agencies need to accelerate the implementation of agricultural parks at strategic locations throughout the State to encourage the development of agricultural industry.

Your Committees have heard testimony from the Department of Agriculture and Hawaii Farm Bureau Federation in support of this resolution.

Your Committees on Agriculture and Water, Land Use Development and Hawaiian Affairs concur with the intent and purpose of H.R. No. 150 and recommend its adoption.

Signed by all members of the Committees except Representative Garcia.

SCRep. 804 Energy; and Ecology and Environmental Protection on H.R. No. 393

The purpose of this resolution is to request the House of Representatives to endorse a state-wide observation of Earth Day on Friday, April 27, 1979.

The observance of Earth Day will be celebrated by an environmental fair on the University of Hawaii Manoa campus. This educational event will feature exhibits and speakers on developments in areas such as renewable energy technologies, aquaculture, conservation practices, transportation and health.

Representatives from all sectors of the community -- government, business, university and citizen advocacy groups -- will be participating.

The first Earth Day was observed on April 22, 1970 nationally, and in Hawaii specifically, by proclamation of then Governor, John Burns. Since 1970, Earth Day has been observed less formally. Your Committees are in agreement with University of Hawaii testimony that it is fitting that formal observation be instituted again. Earth Days serve as convenient reminders of the need for the management of environmental quality and natural resources.

Your Committees on Energy and Ecology and Environmental Protection are in accord with the intent and purpose of H.R. No. 393, and recommends its adoption.

Signed by all members of the Committees except Representatives Garcia and Toguchi.

SCRep. 805 Energy; and Ecology and Environmental Protection on H.C.R. No. 74

The purpose of this resolution is to request the Tenth Legislature to endorse a state-wide observation of Earth Day on Friday, April 27, 1979.

The observance of Earth Day will be celebrated by an environmental fair on the University of Hawaii Manoa campus. This educational event will feature exhibits and speakers on developments in areas such as renewable energy technologies, aquaculture, conservation practices, transportation and health.

Representatives from all sectors of the community -- government, business, university and citizen advocacy groups -- will be participating.

The first Earth Day was observed on April 22, 1970 nationally, and in Hawaii specifically, by proclamation of then Governor, John Burns. Since 1970, Earth Day has been observed less formally. Your Committees are in agreement with University of Hawaii testimony that it is fitting that formal observation be instituted again. Earth Days serve as convenient reminders of the need for the management of environmental quality and natural resources.

Your Committees on Energy and Ecology and Environmental Protection are in accord with the intent and purpose of H.C.R. No. 74, and recommends its adoption.

Signed by all members of the Committees except Representatives Garcia and Toguchi.

SCRep. 806 Corrections and Rehabilitation on H.C.R. No. 31

The purpose of this house concurrent resolution is to request the Legislative Auditor to conduct a complete, fiscal management and program audit of all State agencies and private organizations administering programs involved with juvenile justice prevention, treatment and rehabilitation.

Your Committee believes that because of the rapidly rising rehabilitation costs of juvenile offenders, alleged to be the highest per capita cost in the nation, a re-evaluation of the entire process is in order to ensure that the best interests of the juvenile offenders and the public are being served. An audit conducted by the Legislative Auditor encompassing all agencies involved in juvenile justice prevention, treatment and rehabilitation would provide the information necessary for a complete re-evaluation of the entire system.

Your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.C.R. No. 31 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Uechi.

SCRep. 807 Ocean and Marine Resources; and Water, Land Use, Development and Hawaiian Affairs on H.R. No. 174

The purpose of this House Resolution is to request a review of existing fish and game regulations and develop recommendations to strengthen penalties and improve enforcement.

The primary purpose of fish and game laws and regulations is to provide for the protection of the State's fish and wildlife resources and their habitats and to regulate the consumptive and non-consumptive uses of these resources through such measures as open and closed seasons, bag limits, size limits, license and/or permit requirements, closed and open areas, and establishment of sanctuaries and refuges. The penalties established under these laws are designed to serve as a deterrent to violations of these measures.

Your Committees find that the penalties imposed by the courts under current laws are not severe enough to discourage persons from violating our fish and game laws. Since the penalties imposed are generally at minimum level, there is very little deterring effect on violators or potential violators.

Your Committees further find that there is a need to have fish and game regulations reviewed, recoded and consolidated and to have penalties restructured in order to provide a deterrent to violators and potential violators.

Your Committees made the following amendments to this House Resolution:

- (1) amended the title to specify the Department of Land and Natural Resources as the state agency designated to review existing fish and game regulations.
- (2) amended the "BE IT RESOLVED" section to request the Department of Land and Natural Resources to review existing fish and game regulations and develop recommendations to strengthen penalties and to improve enforcement.
- (3) amended the "BE IT FURTHER RESOLVED" section to specify the Department of Land and Natural Resources report their findings and recommendations to the Legislature twenty days prior to the convening of the 1980 Regular Session.
- (4) amended the second "BE IT FURTHER RESOLVED" section to designate that certified copies be sent to the Speaker of the House and the Chairman of the Board of the Department of Land and Natural Resources.
- (5) amended the spelling of the word "Wailua" to Waialua.

Your Committee on Ocean and Marine Resources and the Committee on Water, Land Use, Development and Hawaiian Affairs concur with the intent and purpose of H.R. No. 174, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 174, H.D. 1.

Signed by all members of the Committees.

SCRep. 808

Ocean and Marine Resources; and Water, Land Use, Development and Hawaiian Affairs on H.C.R. No. 10

The purpose of this House Concurrent Resolution is to request a review of existing fish and game regulations and develop recommendations to strengthen penalties and improve enforcement.

The primary purpose of fish and game laws and regulations is to provide for the protection of the State's fish and wildlife resources and their habitats and to regulate the consumptive and non-consumptive uses of these resources through such measures as open and closed seasons, bag limits, size limits, license and/or permit requirements, closed and open areas, and establishment of sanctuaries and refuges. The penalties established under these laws are designed to serve as a deterrent to violations of these measures.

Your Committees find that the penalties imposed by the courts under current laws are not severe enough to discourage persons from violating our fish and game laws. Since the penalties imposed are generally at minimum level, there is very little deterring effect on violators or potential violators.

Your Committees further find that there is a need to have fish and game regulations reviewed, recoded and consolidated and to have penalties restructured in order to provide a deterrent to violators and potential violators.

Your Committees made the following amendments to this House Resolution:

- (1) amended the title to specify the Department of Land and Natural Resources as the state agency designated to review existing fish and game regulations.
- (2) amended the "BE IT RESOLVED" section to request the Department of Land and Natural Resources to review existing fish and game regulations and develop recommendations to strengthen penalties and to improve enforcement.

- (3) amended the "BE IT FURTHER RESOLVED" section to specify the Department of Land and Natural Resources report their findings and recommendations to the Legislature twenty days prior to the convening of the 1980 Regular Session.
- (4) amended the second "BE IT FURTHER RESOLVED" section to designate that certified copies be sent to the Speaker of the House and the Chairman of the Board of the Department of Land and Natural Resources.
- (5) amended the spelling of the word "Wailua" to Waialua.

Your Committee on Ocean and Marine Resources and the Committee on Water, Land Use, Development and Hawaiian Affairs concur with the intent and purpose of H.C.R. No. 10, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 10, H.D. 1.

Signed by all members of the Committees.

SCRep. 809 Health on H.R. No. 538

The purpose of this resolution is to recognize March 23-April 4, 1979 as a time for the celebration of wellness throughout the State.

The celebration of wellness seeks to involve the whole community in actively participating in the improvement of one's "whole being"--i.e., the physical, mental, emotional and spiritual aspects. Private and public organizations are co-sponsoring Wellness Celebration programs free to the general public throughout the State during this time.

Your Committee believes that such "wellness" programs are beneficial for all people involved and encourages its support.

Your Committee concurs with the intent and purpose of H. R. No. 538 and recommends its adoption.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 810 Health on H.C.R. No. 128

The purpose of this concurrent resolution is to recognize March 23-April 4, 1979 as a time for the celebration of wellness throughout the State.

The celebration of wellness seeks to involve the whole community in actively participating in the improvement of one's "whole being"--i.e., the physical, mental, emotional and spiritual aspects. Private and public organizations are co-sponsoring Wellness Celebration programs free to the general public throughout the State during this time.

Your Committee believes that such "wellness" programs are beneficial for all people involved and encourages its support.

Your Committee concurs with the intent and purpose of H.C.R. No. 128 and recommends its adoption.

Signed by all members of the Committee except Representative Ushijima.

SCRep. 811 Finance on S.B. No. 1096

The purpose of this bill is to appropriate funds for collective bargaining cost items.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for all cost items negotiated with unit 1. Part II provides funds to administrative director services (JUD 201), to be allotted by the administrative director of the courts, for all cost items negotiated with unit 1. Part III provides for payment of salary increases by federal, special, or other funds, depending upon the funding source of an employee's compensation:

Your Committee agrees that this bill should be acted upon to comply with all necessary legislative procedures and to provide a legislative vehicle, if necessary, for approving

final appropriation; therefore, your Committee has made nonsubstantive, technical amendments and has amended parts I and II of this bill by providing for a nominal appropriation from each fund for each fiscal year pending the finalization of present negotiations.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1096, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1096, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 812 Finance on S.B. No. 1097

The purpose of this bill is to appropriate funds for collective bargaining cost items.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for all cost items negotiated with unit 2. Part II provides for payment of salary increases by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee agrees that this bill should be acted upon to comply with all legislative procedures and to provide, if necessary, a legislative vehicle, for approving final appropriations; therefore your Committee has made nonsubstantive, technical amendments and has amended part I of this bill by providing for a nominal appropriation from each fund for each fiscal year pending the finalization of present negotiations.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1097, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1097, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 813 Finance on S.B. No. 1098

The purpose of this bill is to appropriate funds for collective bargaining cost items.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for all cost items negotiated with unit 3. Part II provides funds to administrative director services (JUD 201), to be allotted by the administrative director of the courts, for all cost items negotiated with unit 3. Part III provides for payment of salary increases by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee agrees that this bill should be acted upon to comply with all necessary legislative procedures and to provide a legislative vehicle, if necessary, for approving final appropriation; therefore, your Committee has made nonsubstantive, technical amendments and has amended parts I and II of this bill by providing for a nominal appropriation from each fund for each fiscal year pending the finalization of present negotiations.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1098, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1098, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 814 Finance on S.B. No. 1099

The purpose of this bill is to appropriate funds for collective bargaining cost items.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for all cost items negotiated with unit 4. Part II provides funds to administrative director services (JUD 201), to be allotted by the administrative director of the courts, for all cost items negotiated with unit 4. Part III provides for payment of salary increases by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee agrees that this bill should be acted upon to comply with all legislative procedures and to provide a legislative vehicle, if necessary, for approving final appropriation; therefore, your Committee has amended parts I and II of this bill by providing for a nominal appropriation from each fund for each fiscal year pending the finalization of present negotiations.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1099, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1099, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 815 Finance on S.B. No. 1100

The purpose of this bill is to appropriate funds for collective bargaining cost items.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for all cost items negotiated with unit 5. Part II provides for payment of salary increases by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee agrees that this bill should be acted upon to comply with all legislative procedures and to provide a legislative vehicle, if necessary, for approving final appropriation; therefore, your Committee has amended part I of this bill by providing for a nominal appropriation from each fund for each fiscal year pending the finalization of present negotiations.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1100, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1100, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 816 Finance on S.B. No. 1101

The purpose of this bill is to appropriate funds for collective bargaining cost items.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for all cost items negotiated with unit 6. Part II provides for payment of salary increases by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee agrees that this bill should be acted upon to comply with all legislative procedures and to provide a legislative vehicle, if necessary, for approving final appropriation; therefore, your Committee has amended part I of this bill by providing for a nominal appropriation from each fund for each fiscal year pending the finalization of present negotiations.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1101, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1101, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 817 Finance on S.B. No. 1102

The purpose of this bill is to appropriate funds for collective bargaining cost items.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for all cost items negotiated with unit 7. Part II provides for payment of salary increases by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee agrees that this bill should be acted upon to comply with all legislative

procedures and to provide a legislative vehicle, if necessary, for approving final appropriation; therefore, your Committee has amended part I of this bill by providing for a nominal appropriation from each fund for each fiscal year pending the finalization of present negotiations.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1102, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1102, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 818 Finance on S.B. No. 1103

The purpose of this bill is to appropriate funds for collective bargaining cost items.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for all cost items negotiated with unit 8. Part II provides for payment of salary increases by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee agrees that this bill should be acted upon to comply with all legislative procedures and to provide a legislative vehicle, if necessary, for approving final appropriation; therefore, your Committee has amended part I of this bill by providing for a nominal appropriation from each fund for each fiscal year pending the finalization of present negotiations.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1103, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1103, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 819 Finance on S.B. No. 1104

The purpose of this bill is to appropriate funds for collective bargaining cost items.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for all cost items negotiated with unit 9. Part II provides funds to administrative director services (JUD 201), to be allotted by the administrative director of the courts, for all cost items negotiated with unit 9. Part III provides for payment of salary increases by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee agrees that this bill should be acted upon to comply with all legislative procedures and to provide a legislative vehicle, if necessary, for approving final appropriation; therefore, your Committee has amended parts I and II of this bill by providing for a nominal appropriation from each fund for each fiscal year pending the finalization of present negotiations.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1104, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1104, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 820 Finance on S.B. No. 1105

The purpose of this bill is to appropriate funds for collective bargaining cost items.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for all cost items negotiated with unit 10. Part II provides funds to administrative director services (JUD 201), to be allotted by the administrative director of the courts, for all cost items negotiated with unit 10. Part III provides for payment of salary increases by federal, special, or other funds, depending upon

the funding source of an employee's compensation.

Your Committee agrees that this bill should be acted upon to comply with all legislative procedures and to provide a legislative vehicle, if necessary, for approving final appropriation; therefore, your Committee has amended parts I and II of this bill by providing for a nominal appropriation from each fund for each fiscal year pending the finalization of present negotiations.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1105, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1105, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 821 Finance on S.B. No. 1108

The purpose of this bill is to appropriate funds for collective bargaining cost items.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for all cost items negotiated with unit 13. Part II provides funds to administrative director services (JUD 201), to be allotted by the administrative director of the courts, for all cost items negotiated with unit 13. Part III provides for payment of salary increases by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee agrees that this bill should be acted upon to comply with all legislative procedures and to provide a legislative vehicle, if necessary, for approving final appropriation; therefore, your Committee has amended parts I and II of this bill by providing for a nominal appropriation from each fund for each fiscal year pending the finalization of present negotiations.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1108, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1108, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 822 Finance on S.B. No. 1742

The purpose of this bill is to appropriate funds for adjustments authorized by chapter 89C for state officers and employees excluded from collective bargaining.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for adjustments authorized by chapter 89C for state officers and employees (other than those covered in Part II of the bill) excluded from collective bargaining. Part II provides funds to administrative director services (JUD 201), to be allotted by the administrative director of the courts, for adjustments authorized by chapter 89C to be made by the chief justice for officers and employees excluded from collective bargaining. Part III provides for payment of cost adjustments by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee agrees that this bill should be acted upon to comply with all legislative procedures and to provide a legislative vehicle, if necessary, for approving final appropriation; therefore, your Committee has amended parts I and II of this bill by providing for a nominal appropriation from each fund for each fiscal year pending the finalization of present negotiations.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1742, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1742, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 823 Finance on S.B. No. 1106

The purpose of this bill is to appropriate funds for collective bargaining cost items.

Part I provides funds to program planning, analysis, budgeting (BUF 101), to be allotted by the director of finance, for all cost items negotiated with unit 11. Part II provides for payment of salary increases by federal, special, or other funds, depending upon the funding source of an employee's compensation.

Your Committee agrees that this bill should be acted upon to comply with all legislative procedures and to provide a legislative vehicle, if necessary, for approving final appropriation; therefore, your Committee has amended part I of this bill by providing for a nominal appropriation from each fund for each fiscal year pending the finalization of present negotiations.

Your Committee on Finance is in accord with the intent and purpose of S.B. No. 1106, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1106, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 824 Legislative Management

Informing the House that House Concurrent Resolution Nos. 588 to 610, Standing Committee Report Nos. 144 to 149, and Conference Committee Report Nos. 799 to 823, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 825 Judiciary on H.R. No. 133

The purpose of this resolution is to request the Office of the Legislative Reference Bureau, in cooperation with the Judiciary, to study the feasibility and desirability of (1) adopting a rule of awarding attorney's fees, court costs, and other litigation expenses to the prevailing party; (2) awarding attorney's fees to the prevailing defendant only if the action filed is frivolous; and (3) setting statutory guidelines to determine whether an action is frivolous; and to submit its findings and recommendations prior to the convening of the Regular Session of 1980.

Your Committee finds that court costs and attorney's fees appear to be especially burdensome and inequitable when the party bearing such costs is the prevailing party or is the defendant in a frivolous action. Under present law, the prevailing party has to bear the costs of attorney's fees even if the action brought against the party was frivolous, and such a result may not only be inequitable, but detrimental to the efficient use of and the public's access to the judicial system.

Your Committee feels that a study such as the one recommended in this resolution is necessary in order that any modification of the present statutory scheme be as efficient and as effective as possible.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 133 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 826 Higher Education and Agriculture on H.R. No. 330

The purpose of this resolution is to request a study on the feasibility of establishing a taro processing plant on Kauai by the following agencies: the College of Tropical Agriculture and Human Resources (CTAHR) of the University of Hawaii; the State Department of Agriculture; the State Department of Planning and Economic Development; the Agriculture Coordinating Committee, Office of the Governor; the Office of Economic Development, County of Kauai; and entities in the private sector.

The resolution requests further that CTAHR coordinate the study and recommends, in the event the establishment of a processing plant is justified, that the following be

included:

1. the proposed location of such a facility;
2. a description of the processing activities of the plant; and
3. resource requirements for establishing a taro processing plant.

At a public hearing held on March 7, 1979, testimony in support of the resolution from the Dean of CTAHR of the University of Hawaii indicated that in 1977 Hawaii produced 7.9 million pounds of taro on 470 acres with a farm value of one million dollars. Kauai, with 43 percent of the State's taro acreage, produced 61 percent of the farm yield.

The Director of Kauai County's Office of Economic Development and the Hawaii Farm Bureau Federation also supported the resolution and added that the climate and land on Kauai are conducive to taro farming. This, together with Kauai's declining sugar and pineapple activity, has had a noticeable effect on the expansion of taro as an industry on Kauai.

In written testimony, the Chairperson of the State Board of Agriculture supported the notion that a taro processing facility, if deemed feasible, should be located near the principal production area. This would save on the cost of transportation and storage.

Your Committees believe that, in order for taro to reach its full potential within the State's diversified agricultural market, a comprehensive analysis of the developing industry must be conducted together with a prioritized plan of action which includes crop production, processing, and marketing.

The Department of Agriculture has not, to date, conducted any studies on the taro industry. Current CTAHR studies relate only to the production aspect of the industry without regard to any one particular island.

Your Committees expressed concern over the restrictiveness of the study. While your Committees recognize the significance of taro to Kauai, they are cognizant, too, of its industrial potential to the State. Your Committees have therefore amended the title and body of this Resolution to expand on the scope of the Study by deleting the words "on Kauai" and by including "crop production, processing, and marketing" as aspects of the industry to be covered in the study.

The amended title of this Resolution shall read as follows: "REQUESTING A STUDY ON THE TARO INDUSTRY TO DETERMINE THOSE METHODS WHICH ARE BEST SUITED FOR TARO."

Your Committees on Higher Education and Agriculture concur with the intent and purpose of H.R. No. 330, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 330, H.D. 1.

Signed by all members of the Committees except Representative Sakamoto.

SCRep. 827

Finance on H.R. No. 380

The purposes of this resolution are to commend, to recognize, to assign a high priority status, and to request conversion of the Women's Studies Program into a permanent program at the University of Hawaii.

The Women's Studies Program is an effective, academically sound, interdisciplinary program providing a focus in the state of Hawaii for the systematic study of women -- their history, their work, their roles and their status in diverse classes, cultures and societies. Since its official inception at the University in the Spring of 1975, the Women's Studies Program has offered a variety of courses which analyze anthropological, biological, economic, historical, literary, political and sociological phenomena as they relate to the lives of women.

Your Committee has amended this resolution whereby the Women's Studies Program would be assigned a high priority as opposed to "top priority" by the University.

Your Committee concurs with the intent and purpose of H.R. No. 380, as amended herein, and recommends its adoption as H.R. No. 380, H.D. 1.

Signed by all members of the Committee.

SCRep. 828

Finance on H.R. No. 351

The purpose of this resolution is to request the Hawaii Institute for Tropical Agriculture and Human Resources (CTAHR) of the University of Hawaii to submit a report to the legislature on the extent and effectiveness of their resource program for cooperative associations.

The College of Tropical Agriculture and Human Resources is currently providing a resource program for cooperative associations. CTAHR closely monitors cooperative activities and workshops where emphases are on international and local cooperative interests. It also conducts seminars and workshops of its own and invites the participation of specialists in the field of cooperative education.

CTAHR has other programs for cooperatives which provide educational information on cooperative organizations, marketing and feasibility analysis for commodity organizations in nursery, protea, aquaculture (prawn farming), and bananas. The planning and execution of the resource program for cooperatives involve the input and participation of interests representing diversified agriculture in Hawaii.

Your Committee believes that CTAHR has a viable working resource program for agriculture cooperative associations which play an important role in the state's goal of advancing diversified agriculture. Therefore, your Committee agrees that a report such as is requested by this resolution would be valuable.

Your Committee concurs with the intent and purpose of H.R. No. 351, H.D. 1 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 829

Finance on H.R. No. 285

The purpose of this resolution is to urge the College of Tropical Agriculture at the University of Hawaii at Manoa and the College of Agriculture at the University of Hawaii at Hilo to establish intern work-experience programs in their respective agricultural curricula.

Your Committee agrees that a curriculum which is designed to develop practical knowledge and skills to complement the academics better prepares students for a vocation.

At present, the agricultural curricula at the Manoa and Hilo campuses of the University of Hawaii utilize laboratory farms and provide some private sector internships where students can gain practical experience in agriculture. These programs, however, are neither structured nor supervised.

Your Committee understands that to establish a well-structured, fully supervised, and accountable program, considerable additional resources and/or the support and cooperation of employers in the private sector are required. For example, at universities where such programs exist, the faculty-student ratio varies between 1 to 10 and 1 to 5 with consideration given to insurance, accommodations, and travel funds.

Your Committee agrees however, that the University of Hawaii should attempt to expand and improve its intern work experience programs within available resources.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 285 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 830

Finance on H.R. No. 271

The purpose of this resolution is to request the Department of Accounting and General Services to develop and implement a waste paper recovery program in Honolulu's major State office buildings.

Successful waste paper recovery programs are already being carried on at the Kalanimoku

Building and at the University of Hawaii. Expansion of the programs to recycle large amounts of paper generated by government work would provide a good example to the public and add to the general fund. Further, it would reduce the use of resources, conserve energy, and reduce disposal costs.

Your Committee agrees that this waste paper recovery program needs the full support of the State administration and therefore your Committee has added a new "BE IT RESOLVED" clause to this effect.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 271 as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 271, H.D. 1.

Signed by all members of the Committee.

SCRep. 831 Finance on H.R. No. 153

The purpose of this resolution is to request a special task force made up of representatives of government and diversified agriculture to carefully and comprehensively review the performance of the agricultural associations currently in existence and to ascertain the factors which are impeding their effectiveness.

The Governor's Agriculture Coordinating Committee, since its establishment in late 1976, has been engaged in coordinating the work in the area of agriculture being performed by the various government agencies and private industry. Because Hawaii's agricultural community for the large part consists of a great number of small farms which are scattered throughout the State, in many cases far removed from potential buyers with limited access to transportation, development of our diversified agricultural industry can go forward more effectively through the formation of associations or cooperatives.

Your Committee agrees that an evaluation of the performance of agricultural associations and identification of their concerns would aid in assisting associations to form cooperatives where this type of structure would be helpful.

Your Committee on Finance concurs with the intent and purpose of H.R. No. 153, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 832 Corrections and Rehabilitation on H.R. No. 480

The purpose of this resolution is to commend the Leo Clubs of Hawaii for collecting used books and magazines for use by inmates in the Hawaii State Prison.

The Leo Clubs of Hawaii, under the auspices of Lions International District 50, is a student organization dedicated to community service. Your Committee finds that the Leos, in a joint venture coordinated by the Leilehua High School Chapter, collected 11,420 used books and magazines for the prison library in November of 1978.

Your Committee believes that such worthy community service projects and the efforts of these young students should be duly recognized and publicly acknowledged. Thus, your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.R. No. 480 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 833 Corrections and Rehabilitation on H.R. No. 258

The purpose of this resolution is to request the Legislative Auditor to conduct a complete, fiscal management and program audit of all State agencies and private organizations administering programs involved with juvenile justice prevention, treatment and rehabilitation.

Your Committee believes that because of the rapidly rising rehabilitation costs of juvenile offenders, alleged to be the highest per capita cost in the nation, a re-evaluation of the entire process is in order to ensure that the best interests of the juvenile offenders and the public are served. An audit conducted by the Legislative Auditor encompassing

all agencies involved in juvenile justice prevention, treatment and rehabilitation would provide the information necessary for a complete re-evaluation of the entire system.

Your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.R. No. 258 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 834

Employment Opportunities and Labor Relations on S.B. No. 1737

The purpose of this bill is to amend the Workers' Compensation Law to provide a means to settle disputes between employers or insurance carriers and employees on entitlement to temporary total disability benefits and to provide penalties when such benefits are unilaterally terminated without good reason.

Chapter 386 presently requires an employer or insurance carrier to pay temporary total disability benefits promptly as they accrue unless the right thereto is controverted by the employer or insurance carrier when it files its initial report. The law, however, does not now provide adequate means to promptly determine an injured employee's right to temporary total disability compensation when there is an actual dispute on his continued right to such benefits. The statute also fails to provide adequate penalties for a unilateral termination of the benefits without good reason.

S.B. No. 1737, S.D. 2, proposes to amend Chapter 386 by providing a procedure which would enable an injured worker to have a prompt determination on his right to the benefits if he disagrees with the opinion of the employer or insurance carrier that his temporary total disability has ceased. It also provides penalties where none are now imposed for unilateral terminations of temporary total disability benefits without good reason.

Your Committee agrees that S.B. No. 1737, S.D. 2, would improve the administration of the Workers' Compensation Law and would help injured workers. Your Committee, however, has some misgivings about the new terminology the bill would employ as the pertinent criterion to determine entitlement to temporary total disability benefits, "medical stabilization". An injured worker could reach a point of "medical stabilization" without being able to resume any kind of work. Stability from a medical standpoint is actually only one of the factors to be considered in a determination of when temporary total disability is at an end. As temporary total disability under the Workers' Compensation Law is related to employability by definition, we believe it advisable to retain inability to resume work as the primary basis for entitlement to such benefits. We have, therefore, amended S.B. No. 1737, S.D. 1, by deleting the phrase "medical stabilization" from Sections 1 and 4 of the bill and by making entitlement to the benefits depend primarily on an ability to resume work.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of S.B. No. 1737, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1737, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 835

Transportation and State General Planning on S.B. No. 758

The purpose of this bill is to amend Section 279A-4, Hawaii Revised Statutes, to modify the composition of the statewide transportation council.

The specific modification increases the number of members on the statewide transportation council from twelve to thirteen members and makes the new member the chairman of the board of agriculture. Your Committees find that the chairman of the Board of Agriculture will help to project the concerns of Hawaii's Agricultural industry.

Your Committees note that the Department of Transportation is in concurrence with this bill.

Your Committees on Transportation and State General Planning are in accord with the intent and purpose of S.B. No. 758, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 836 State General Planning and Public Employment and Government
Operations on S.B. No. 1764

The purpose of this Act is to remove the State Immigrant Services Center from the administration of the State Commission on Manpower and Full Employment and to place it under the Office of the Governor.

Your Committees find that while the present organizational arrangement has worked well, there has been some concern that the identity of the Immigrant Services Center has often been obscured under the present organizational arrangement. Furthermore, transfer of the Commission for administrative purposes to the Department of Labor and Industrial Relations as currently proposed under H.B. No. 1758-79 H.D. 2, may complicate the situation. Placing the Center under the Governor's Office would facilitate a higher level of coordination among all State agencies providing services to immigrants and Indo-Chinese refugees in the areas of education and training, health, housing, employment, and social adjustment.

Your Committees also feel that the State Immigrant Services Center's purpose is not to provide direct services. Your Committees feel that the Center report back to the 1980 Legislature the appropriate State department that the Center could be placed under to best serve the need and purpose of the Immigrant population.

Your Committees on State General Planning and Public Employment and Government Operations are in accord with the intent and purpose of S.B. No. 1764, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Hagino.

SCRep. 837 Education on S.B. No. 28

The purpose of this bill is to implement Article X of the State of Hawaii Constitution, as amended by the 1978 Hawaii Constitutional Convention, by amending section 296-2, Hawaii Revised Statutes, relating to the Department of Education, the Board of Education, and the Superintendent of Education.

The bill would allow the Board of Education to make policies and to exercise control over the public school system, as provided by law, and would give jurisdiction over the internal organization and management of the public school system to the Board of Education, as provided by law.

The Board of Education testified in strong support of the bill.

Your Committee on Education is in accord with the intent and purpose of S.B. No. 28, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 838 Education on S.B. No. 1373 (Majority)

The purpose of this bill is to appropriate additional monies to the Department of Education and thereby allowing the Department of Education to balance its operating budget for fiscal year 1978-79.

The Department of Education reported that there is insufficient funds to pay for all the positions authorized and needed to provide basic services. They indicated that the salary shortage is due to: (1) shortage in the amounts appropriated for pay raises, (2) special education enrollment exceeding their budgeted projection, and (3) difficulty of generating sufficient salary savings to cover the turnover savings deducted in advance. Their projected shortage is \$1.8 million.

Your Committee has learned, however, that the Governor is presently not convinced that a deficit would actually occur as of June 30, 1979.

Your Committee agrees that the amount of the deficit is not clear at present and may be reduced to \$2.

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

1373, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 839 Public Employment and Government Operations on S.B. No. 46

The purpose of this bill is to amend the Uniform Act on Status of Convicted Persons, Chapter 831, Hawaii Revised Statutes, by providing that any person convicted of an act, attempt or conspiracy to forcefully or violently overthrow the state or federal government shall be disqualified from public office or employment.

Your Committee finds that pursuant to a 1978 constitutional amendment, Article XVI, Section 3 of the Hawaii State Constitution now provides for the disqualification of any public official or employee who is convicted of an act or an attempt to overthrow or conspire with others to overthrow the state or United States governments by force or violence. Its intent was to require conviction of the crime and to eliminate any administrative determination of whether or not an act or attempt to overthrow the government had been committed.

This bill conforms the appropriate sections of the Hawaii Revised Statutes to the constitutional amendment. Testimony received from the State Attorney General's office indicated that there were no legal objections to the proposed measure.

For purposes of clarifying that the person convicted is also disqualified from public office as well as employment, your Committee has amended Section 3 of the bill by adding the phrase "public office or" after the word "from" on page 2, line 20.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of S.B. No. 46, S.D. 2 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 46, S.D. 2, H.D. 1 and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 840 Public Employment and Government Operations; and Housing
on S.B. No. 1483

The purpose of this bill is to pursue the goal established by the United States Department of Housing and Urban Development (HUD) that 25 percent of the Hawaii Housing Authority's work force be comprised of persons residing in housing projects maintained or operated by the Authority.

Your Committees find that the intent of this bill can be followed more closely if the provision for the number of persons employed by the Authority under the tenant hire program is changed from not more than twenty-five to not more than twenty-six percent. This would allow the Authority greater flexibility in meeting the goal of 25 percent established by HUD.

Your Committees have amended page 7, line 17 of the bill by changing "twenty-five" to "twenty-six".

Your Committees on Public Employment and Government Operations and Housing are in accord with the intent and purpose of S.B. No. 1483, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1483, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 841 Judiciary and Consumer Protection and Commerce on S.B.
No. 87

The purpose of this bill is to provide for legislative review of executive rules and regulations in order to determine whether such rules or regulations violate the intent and purpose of the statutes under which they were promulgated.

Your Committees find that the promulgation of unnecessary or poorly drafted rules and regulations create vast amounts of work which needlessly inconvenience whomever they affect. This bill would eliminate any contrary or unnecessary rules which violate the law under which they were adopted by allowing the Legislature to subsequently amend a statute so as to clarify its intent and thereby invalidate such nonconforming rules or regulations if it found such rules and regulations to be contrary to legislative intent.

Your Committees amended this bill by providing for the establishment of a uniform format and index for executive rules which is to be published in such a manner so as to ensure maximum citizen access and use. This amendment, your Committees feel, should further serve to minimize unnecessary rules and also facilitate use and identification of such rules by state agencies and interested members of the public.

Your Committees on Judiciary and Consumer Protection and Commerce are in accord with the intent and purpose of S.B. No. 87, S.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 87, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Garcia.

SCRep. 842

Health on S.B. No. 1771

The purpose of this bill is to amend the definition of the term "developmental disabilities"; to change the name of the agency responsible for coordinating services to developmentally disabled persons from the State Planning and Advisory Council on Developmental Disabilities to the State Planning Council; to revise the makeup of the Council and requirements for membership on the Council; and to specify submission of the Council's annual report before the Legislature convenes.

Your Committee on Health has given careful consideration to the intent and purpose of this bill and made the following amendments:

1. The name of the agency has been amended to be the State Planning Council on Developmental Disabilities to lessen any possible confusion with any other state planning council,
2. Line 12, page 2 has been amended to specify that the State Council exists within the Department of Health for administrative purposes only to bring page 2 in conformance with page 4 of the bill,
3. Line 21, page 5 and line 2, page 6 have been amended to read, "Review and comment upon",
4. Line 3, page 7 has been amended to read, "Monitor, evaluate and comment upon implementation plans",
5. Line 9, page 7 has been amended to change the word "decentralization" to "deinstitutionalization of Waimano",
6. Subsection (3)(C), page 7, has been amended to provide that the State Council monitor the implementation of the individualized habilitation plans for each resident transferred from Waimano and deleted the reference to program equivalency since the program requirements may be quite different for persons living in the community,
7. The make up of the State Council has been amended to provide for a Council of fifteen rather than seventeen members to maximize the effectiveness of the Council and at the same time provide sufficient community and governmental representation on the Council,
8. Page 9, lines 12 and 13 have been amended to read "higher education training facilities, and local agencies or nongovernmental agencies or groups concerned with services",
9. The word "consumer" has been inserted preceding the word "persons" on line 16, page 9, to insure that Council members who are persons with developmental disabilities or their parents will be consumers rather than providers of services, and

10. A technical amendment was made on page 10 by deleting lines 6 and 7.

Your Committee on Health wishes to enhance the implementation of the Developmental Disabilities Act and finds that the amendments to the law recommended above will facilitate that purpose.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1771, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1771, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 843 Health on S.B. No. 1611

The purpose of this Act is to amend the Hawaii Revised Statutes to require that every applicant for a marriage license receive serologic testing for rubella. The Department of Health will also be responsible for the follow up and immunization of those women found to be susceptible to rubella.

The required testing would provide valuable information to those women of child-bearing age to enable them to make an informed decision regarding immunization.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1611, S.D. 2 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 844 Health on S.B. No. 1540

The purpose of this Act is to require the Department of Health, when considering future purchases of equipment, to study possible cost savings of leasing equipment versus outright purchase of such equipment.

Your Committee finds that the leasing option has enabled the Department of Health to replace essential obsolete equipment which normally could not be done under outright purchase due to lack of sufficient equipment funds. This has resulted in cost saving and improvement in services.

Your Committee further finds that the Department of Health will continue to consider the options of leasing or purchasing taking the following factors into consideration:

1. Cost benefit analysis of lease vs. purchase.
2. Availability of cash for immediate purchase.
3. Likelihood of technical obsolescence prior to the end of the useful life of the item and the availability of technical upgrade of leased or purchased equipment.

Your Committee has amended the bill by making a technical change to line 4, page 1, which does not affect the substance of the bill.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1540, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1540, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 845 Health on S.B. No. 1537

The purpose of this Act is to clarify prior appropriations for Children's Hospital by recognizing the change of the facility's name to Kapiolani Children's Medical Center, the relocation of the facility to its new quarters, and the intent to use such funds for planning, construction, and equipment at its present facility.

Your Committee finds that this bill would amend Act 226 by correcting references to Children's Hospital to Kapiolani Children's Medical Center. This change is in keeping with the Center's recent facility move and name change.

The bill further amends Act 226 by allowing equipment costs to be included in the appropriation.

Your Committee on Health is in accord with the intent and purpose of S.B. No. 1537 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 846 Public Assistance and Human Services on S.B. No. 31

The purpose of this bill is to replace the term "money payments" as it relates to the public assistance laws of the State with the term "financial assistance".

The amendments of this bill conform present statutes with the language used in Article IX, section 3, of the Constitution of the State of Hawaii which was recently ratified by the electorate.

Your Committee on Public Assistance and Human Services is in accord with the intent and purpose of S.B. No. 31, S.D. 2 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 847 Water, Land Use, Development and Hawaiian Affairs; and
Agriculture on S.B. No. 1389

The purpose of this bill is to extend the lapsing date of Act 82, Session Laws of Hawaii 1973, from June 30, 1979 to June 30, 1980.

Act 82, Session Laws of Hawaii 1973, appropriated \$4.1 million to the Kauai Task Force for the purpose of planning and developing sound agricultural and other economic alternatives to fill the void created by the closing of the Kilauea Sugar Company and the last pineapple cannery on Kauai. This bill would extend the lapsing date of the Act to allow the Kauai Task Force to continue its study of agricultural development projects which may be beneficial to Kauai's future growth and development.

Your Committees on Water, Land Use, Development and Hawaiian Affairs and Agriculture are in accord with the intent and purpose of S.B. No. 1389, S.D. 1 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 848 Agriculture; and Public Employment and Government Operations
on S.B. No. 1409

The purpose of this bill is to amend section 164-1, Hawaii Revised Statutes, to modify the composition of the governor's agriculture coordinating committee.

The specific modification deletes the administrative director to the governor as a member; includes a special assistant for agriculture, office of the governor, as a member who shall also be the chairperson; increases the number of farmer members from two to three with the provision that farmer members shall be appointed subject to the advice and consent of the senate. In addition, representatives of the counties were included as ex-officio non-voting members.

The Governor's Agriculture Coordinating Committee in its testimony stated that since its inception, the Committee has been sending a copy of the minutes of each meeting and notices of meeting to each of the counties that has an economic development office. Therefore, these counties have been kept apprised of the proceedings of the Committee.

Your Committees, upon consideration have amended this bill as follows:

- (a) deleted the ex-officio non-voting members of each county.

- (b) deleted the appointment provision of section 26-34 for the three farmers.
- (c) Amended Section 2, to read: "There is appropriated out of the general revenues of the State of Hawaii the sum of \$, or so much thereof as may be necessary, for the purposes relating to the special assistant for agriculture, office of the governor, and for additional travel related requirements."
- (d) Amended Section 3, to read: "The sum appropriated shall be expended by the governor's agriculture coordinating committee for the purpose of this Act. Any unexpended or unencumbered balance of any appropriation made by this Act as of the close of business on June 30, 19 shall lapse into the general fund."
- (e) Added new Section 4, to read: "The statutory material to be repealed is bracketed. New material is underscored."
- (f) Added new Section 5, to read: "This Act shall take effect upon its approval."

Your Committees on Agriculture and Public Employment and Government Operations are in accord with the intent and purpose of S.B. No. 1409, S.D. 1 as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1409, S.D. 1, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Garcia.

SCRep. 849 Agriculture; and Water, Land Use, Development and Hawaiian Affairs on S.B. No. 77

The purpose of this bill is to authorize the department of agriculture to manage, operate, and coordinate the agricultural parks program and to establish a revolving fund for purposes directly related to the operation of the system.

Your Committees find that a clear delineation of authority and responsibility is necessary because of the current confusion over whether the department of land and natural resources has jurisdiction over state lands of which agricultural parks are a part.

In addition to providing the department of agriculture with necessary powers, there is established a revolving fund to permit the department of agriculture to operate the agricultural parks system within its own revenue and expenditure constraints.

Your Committees have amended this bill by increasing the appropriation amount from \$50,000 to \$100,000.

Your Committees on Agriculture and Water, Land Use, Development and Hawaiian Affairs are in accord with the intent and purpose of S.B. No. 77, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 77, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Garcia.

SCRep. 850 Housing on S.B. No. 849

The purpose of this bill is to amend Chapter 235, Hawaii Revised Statutes, by adding on a new part which imposes a tax on gains from the sale or exchange of real property.

In recent years, Hawaii has experienced a rapid escalation of land values which has had the effect of pricing increasing numbers of prospective local homebuyers out of the housing market. Numerous factors contribute to the critical residential housing shortage and skyrocketing inflation of housing prices in the state. One such contributing factor is speculative buying and selling practices.

Your Committee finds that while normally the taxing power of the state is utilized as a means of generating revenues, it can also serve a useful function as a tool to achieve public policy goals. Your Committee believes that speculation in the housing market can be deterred by imposing a tax on gains realized from the sale or exchange of rights to real property, and that this is an equitable means of recapturing socially created land values.

After receiving testimony from various representatives of the private construction and housing development industry, your Committee has made the following amendments to S.B. No. 849, S.D. 1:

1. Redefined the tax so as to apply to gains from the sale or exchange of "rights to real property" rather than to "real property" itself. Your Committee feels that most of the true speculative activity which contributes to rising housing prices involves so-called "paper transactions". Typically, a speculator buys and sells a contract right to real property between the time a developer must satisfy the pre-sale requirements of his project in order to obtain financing, and the time of completion of the project. Frequently, such a speculator, in contrast to a bona fide investor, has no intention of closing escrow or obtaining legal title, but reaps his profits by a quick turnover of his contract right.
2. Defined "rights to real property" as rights to apartments within the horizontal property regime created prior to completion. Your Committee finds that most of the speculation presently occurs in the condominium market rather than with single family dwellings.
3. Deleted the exemptions for taxpayers required to transfer out of the state and for foreclosures. Since the tax as revised applies to transactions involving contract rights to real property it no longer imposes the hardships as when real property is involved.
4. Clarified that the date of a sale or exchange shall be determined by an act of the seller manifesting an intent to be bound to a contract or agreement. The beginning or ending of the holding period was originally defined by the date a seller manifested an intent to accept an offer to buy. However, this definition is not sufficiently broad to cover circumstances where a contract is formed by the buyer's acceptance of a seller's offer or counter offer to sell.
5. Provided that the actual acquisition of the apartment as evidenced by the recordation of the conveyance documents with the Bureau of Conveyances does not constitute a sale or exchange of rights to real property. This amendment distinguishes and avoids penalizing a bona fide investor who actually qualifies for financing, closes escrow, and obtains legal title, thus making a valuable investment in the market and at the same time assuming a substantial risk with his investment.
6. Deleted the provision requiring the buyer to withhold part of the consideration in payment of the taxes owed by the seller. Your Committee feels that imposing a withholding requirement may be confusing to unwary buyers, and prefers to allow the State Department of Taxation to best determine how to administer the taxes. However, the seller's filing requirement is retained.
7. Deleted provisions pertaining to installment sales. This section is no longer necessary since the holding period for sales made on an installment basis is determined by an act of the seller manifesting an intent to be bound to a contract or agreement.
8. Changed the effective date of the Act from the date of its approval, to taxable years beginning after December 31, 1979. This revision allows the Department of Taxation more time to promulgate the rules and regulations necessary in administering the tax.

Your Committee on Housing is in accord with the intent and purpose of S.B. No. 849, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 849, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 851

Public Employment and Government Operations on S.B. No. 615

The purpose of this bill is to allow reemployment of pensioned patients at Kalaupapa Settlement without loss of their pensions or other benefits. Pursuant to Chapter 326, Hawaii Revised Statutes, the Department of Health may require Kalaupapa patients to perform a reasonable amount of labor or services. All such patient employees are eligible for retirement after twenty years of service and are entitled to a lifetime state pension. Present law, however, does not provide for the reemployment of these workers, and given Kalaupapa's isolation and limited population it is often difficult to fill patient employee positions once these individuals choose to retire.

Your Committee finds that these vacancies can be filled by retired patients on a part-time basis. These residents constitute a pool of readily available employees who would consider returning to work provided they would not be required to relinquish their pensions.

This bill therefore allows pensioned patients who reside at Kalaupapa Settlement to be reemployed at a maximum of nineteen hours per week without loss of the state pension which was granted to them upon their initial retirement.

Your Committee has amended the bill to more clearly reflect that these individuals are to be reemployed to fill only patient employee positions and not regular civil service ones.

Your Committee believes that enactment of this bill will serve the dual function of meeting Kalaupapa's manpower requirements while also enabling those retirees who wish to be productive to be reemployed on a part-time basis.

Your Committee on Public Employment and Government Operations is in accord with the intent and purpose of S.B. No. 615, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 615, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 852

Public Employment and Government Operations on S.B. No. 436

The purpose of this bill is to authorize the establishment of a deferred compensation plan for public officers and employees of the state and counties.

Deferred compensation is a plan whereby employees defer acceptance of a portion of their compensation until retirement, when they would most likely be subject to a lower tax burden. Funds held by the State are invested in accordance with various options permitted under the plan such as annuities, life insurance, savings accounts and mutual funds. These deferred monies and any accrued interest are not taxable until the employees actually receive them.

Participation is strictly voluntary, and the employer makes no contribution to the plan. Deferred compensation would not affect already existing retirement, pension, or social security benefits or plans, but would provide an additional source of income to participating officers and employers when they retire.

Deferred compensation for the public sector is a relatively recent phenomenon and has become, in recent years, an increasingly popular "non-cost" fringe benefit offered to public employees in other states. Mr. Donald Botelho, Chairman of the Conference of Civil Service Commissioners and Personnel Directors, submitted testimony recommending passage of this bill.

Your Committee finds that establishment of such a plan will benefit Hawaii by (1) reducing the federal tax burden upon employees, (2) retaining more monies in the local economy, and (3) generating additional state tax revenues from investments.

Some concern was expressed over the section of the bill stating that the plan shall bear all implementation and administrative costs, and the effect this would have on initial "start-up" administrative costs. Your Committee believes that as such costs are clerical and "housekeeping" in nature, they should be adequately covered by the existing operational budgets of the state and respective counties.

Your Committee has amended the section of the bill relating to the administration of the plan by (1) establishing a nine-member board, all of whom shall be appointed by the Governor, (2) requiring that four of the board members must represent employee interests, (3) specifying that if the counties elect to participate, they shall be represented on the board, and (4) providing that upon establishment of the board, two terms shall be for one year, two terms shall be for two years, two terms for three years and two terms for four years.

Your Committee on Public Employment and Government Operations is in accord with S.B. No. 436, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 436, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakamura.

SCRep. 853 Ecology and Environmental Protection on S.B. No. 1591

The purpose of this bill is to amend chapter 343, Hawaii Revised Statutes, relating to environmental assessments and statements.

The changes being made by S. B. No. 1591 are primarily housekeeping changes introduced either for clarification or in order to bring the statutes into accord with desirable regulations of the Environmental Quality Commission and with practices that have by experience been found useful in the Environmental Impact Statement system.

The one substantive change relates to revised time limits set for bringing suits in the courts for agency failures to determine whether or not an Environmental Impact Statement is required for an applicant's project.

However, your Committee heard testimony stating that the revised time limits would, in some circumstances not allow sufficient time for interested parties to receive information, analyze it, and make decisions. Therefore, your Committee recommends that the original language of Sec. 343-7 (specifying 180 days) be restored, except that the 180 day limit would be changed to 120 days.

Your Committee has also made technical changes which do not affect the substance of the bill.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of S. B. No. 1591, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as S. B. No. 1591, H. D. 1.

Signed by all members of the Committee except Representatives
Garcia, Kawakami and Uechi.

SCRep. 854 Ecology and Environmental Protection on S.B. No. 1594

The purpose of this bill is to amend Chapter 342, Hawaii Revised Statutes, to make it consistent with the requirements of the Clean Air Act Amendments of 1977 P. L. 95-95, amending Section 110(a) (2) (K) of the Clean Air Act by allowing the establishment of reasonable fees to implement and enforce permits and variances under the part relating to air pollution.

Your Committee on Ecology and Environmental Protection is in accord with the intent and purpose of S. B. No. 1594, S. D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives
Garcia, Kawakami, Uechi and Anderson.

SCRep. 855 Legislative Management

Informing the House that House Resolution Nos. 611 to 618, House Concurrent Resolution Nos. 150 to 154, and Standing Committee Report Nos. 825 to 854, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 856 Ocean and Marine Resources on H.R. No. 172

The purpose of this Resolution is to request the appropriate House standing committees to review the progress being made by the Department of Land and Natural Resources on the Development of the Hawaiian Fisheries Master Plan.

Fisheries in Hawaii has enormous potential in the relatively near future. There are considerable fishery resources within the 200 mile fisheries conservation zone surrounding the Hawaiian Islands and most of these resources are virtually untapped. This lack of local harvesting capability deprives the State of the economic benefits of industry, jobs and taxes.

Realizing the importance of the fishery potential to Hawaii, House Resolution 122, 1978, was approved requesting a State fisheries development plan be created.

Your Committee finds that, through testimony by the Department of Land and Natural Resources, copies of the Interim Fisheries Development Plan are currently available.

Your Committee further finds that preliminary drafts for most Master Plan sections will be due from the consultants in June 1979, with the complete draft in August/September. Following review by the Department of Land and Natural Resources and representatives from the fishing industry, the final Master Plan is scheduled for presentation to the Administration in November 1979, with submission to the Legislature in December, 1979.

In light of these findings, your Committee has amended the title of this Resolution to be "REQUESTING THE FINAL REPORT ON THE DEVELOPMENT OF THE HAWAIIAN FISHERIES MASTER PLAN."

Your Committee further amended this Resolution in the "BE IT RESOLVED" section to have the final report due twenty days prior to the convening of the 1980 Regular Session.

Your Committee also amended this Resolution to have a certified copy of this Resolution sent to the Chairman of the Ocean and Marine Resources Committee instead of to the Chairmen of the committees responsible for marine resource programs.

Your Committee on Ocean and Marine Resources concurs with the intent and purpose of H.R. No. 172, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 172, H.D. 1.

Signed by all members of the Committee except Representative Garcia.

SCRep. 857

Youth and Elderly Affairs and Health on H.R. No. 471

The purpose of this Resolution is to request the Director of the Department of Health to examine the feasibility of including a day care center for the elderly in the Phase II program at Kauai Veterans Memorial Hospital to serve the elderly in West Kauai.

Testimony submitted to your Committees was favorable to the Resolution. It was pointed out that there was a need for day care centers for the elderly in other areas of the State. The Hawaii Department of Social Services testified that many day care centers receive Title XX funds which are limited and other sources of funds may need to be found if additional centers are developed.

In order to address these points your Committees have amended the resolution as follows:

1. By amending the title to read: "HOUSE RESOLUTION RELATING TO THE NEED FOR ADDITIONAL DAY CARE CENTERS FOR THE ELDERLY IN THE STATE OF HAWAII."
2. By deleting throughout specific mentions of the Island of Kauai and substituting general language relative to the State as a whole.
3. By adding three new WHEREAS clauses to make it clear that the examination shall include attention to existing facilities which might be used for day care centers, the need for new facilities and programs, and the sources of funding for additional facilities or programs.
4. The BE IT RESOLVED clause was amended to add the Director of the Department of Social Services and Housing as a participant in conducting the examination.
5. Two BE IT RESOLVED clauses have been added:
 - a. The first clarifies the areas to be covered by the examination.
 - b. The second requests the cooperation of appropriate

public and private agencies in the conduct of the examination.

6. The requirement for reporting the results of the examination has been changed by deleting Kauai agencies and adding the Director of Social Services and Housing.
7. The transmittal of certified copies clause has been changed by deleting a Kauai agency from and adding the Director of the Department of Social Services and Housing to those to receive a copy.

Your Committees on Youth and Elderly Affairs, and Health concur with the intent and purpose of H.R. No. 471, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 471, H.D. 1.

Signed by all members of the Committees.

SCRep. 858

Youth and Elderly Affairs and Health on H.R. No. 321

The purpose of this Resolution is to request the Director of Social Services and the Director of Health, State of Hawaii, "to implement a statewide community education and public information program for the purpose of publicizing and disseminating information and answering public inquiries pertaining to the transitional homes and state conditional release centers program".

Testimony presented your Committees supported implementation of this program but pointed out problems in so doing. Your Committees are persuaded of the desirability of the program and agree that there are problems, including possible inadequate human and other resources, to implementation.

Your Committees have amended the Resolution as follows:

1. By changing the title to make the Resolution's request one for a status report on implementation rather than implementation itself.
2. Accordingly, the body of the Resolution has been changed to request a status report rather than implementation.
3. Three "BE IT FURTHER RESOLVED" clauses have been added:
 - a. The first spells out the subjects to be covered by the status report.
 - b. The second requests the cooperation of involved agencies in the preparation of the status report.
 - c. The third requests the status report be submitted to the Legislature twenty days before the next Regular Session.

Your Committees on Youth and Elderly Affairs, and Health concur with the intent and purpose of H.R. No. 321, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 321, H.D. 1.

Signed by all members of the Committees.

SCRep. 859

Youth and Elderly Affairs; and Employment Opportunities and Labor Relations on H.R. No. 344

The purpose of this Resolution is to request the House Committee on Youth and Elderly Affairs to review the need for special services to assist the elderly in seeking employment.

During the hearing on the Resolution your Committees were informed that present programs offer employment opportunity services to approximately 233 elderly out of a possible eligible population numbering 15-20,000 persons.

All testimony presented to your Committees favored the Resolution.

Your Committees have amended the Resolution to add, as part of the review, the examination of existing programs aiding the elderly to find employment. The Resolution has been further amended by requiring a report to the Legislature twenty days prior to the 1980 Regular Session rather than during the current session and by requiring its distribution to two additional agencies.

Your Committees on Youth and Elderly Affairs, and Employment Opportunities and Labor Relations concur with the intent and purpose of H.R. No. 344, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 344, H.D. 1.

Signed by all members of the Committees.

SCRep. 860

Public Employment and Government Operations on H.R. No. 352

The purpose of this resolution is to encourage the creation of a computerized job information system.

Your Committee finds that individuals seeking employment and employers seeking to fill vacancies currently utilize different job information resources throughout the State, and that the information at these sources is often fragmented, incomplete and out of date. Therefore, to provide up to date and accurate data regarding the current and future outlook for specific occupations and related occupational clusters, your Committee believes that a state computerized job information system should be established. Such a system would make available not only information about current and future job opportunities in the state but also general information about the current and future supply of persons seeking jobs, career information such as available training, financial costs and assistance, listing of careers related to major fields of interest, and bibliographies for further job and career research.

The system would be a central, and possibly regionalized, one where information would be easily accessible to employees, employers, job seekers, student, counselors, social services agencies, and other relevant users.

Your Committee further finds that the Department of Labor and Industrial Relations, the State Director for Vocational Education, the Office of Manpower Planning, and the Vocational Rehabilitation Division of the Department of Social Services and Housing are presently cooperating in planning for the development of such a system through their representation on the Hawaii Occupational Information Coordinating Committee (HSOICC), which in turn is charged with the responsibility for developing and implementing a statewide occupational information system (OIS). The OIS that Hawaii is developing consists of three parts:

1. An Occupational Demand component which clearly and consistently tells what the current and future picture is for employment by industry and type of occupation;
2. An Occupational Supply component which gives a similar picture regarding the number and type of workers available and being prepared for specific occupations or occupational clusters; and
3. An Information Delivery System component which can convey this picture to student, jobseekers, and career changers.

The crucial element of the overall system is the Information Delivery System which disseminates occupational information to those who need it in a timely, clear, and consistent manner. The student, the jobseeker, and the person changing careers would have up to date information about the economic outlook of an occupational area, what the available preparation avenues are, and how he or she fits into the job picture of the future. This information would be directly accessible and would fit in with the counseling and guidance function as well. Such a system would not only contain occupational data which describes working conditions, economic outlook, and preparation methods, but would include school information, programs of training, and current job opportunities and hiring practices in addition.

Testimony from HSOICC indicated that it is presently working with various technical advisory committees to develop all three components of the Hawaii OIS, and it is also working with the Hawaii Career Information System planning committee to develop a pilot demonstration project utilizing local Hawaii data.

The Department of Labor and Industrial Relations also testified in support of this resolution, and stated that as a participating member of HSOICC it is moving ahead with computerization relative to several of the above mentioned components. For example, it presently has in operation a partially automated occupational employment statistics program as well as a computerized Job Bank System, and through its Employment Security Automation Plan, it is expanding automated Job Bank and Applicant Data Systems to all areas of the state. In addition, remote display terminals have been installed in all of its Employment Service local offices to permit instantaneous access to information relevant to applicants.

Your Committee believes, however, that with the existing organizational arrangement that the HSOICC and not the Department of Labor and Industrial Relations should be the lead agency in the development of such an occupational information system. Furthermore, it would not be wise to have direct access to Job Bank data in a career information system. The cooperation of employers would be impaired if they were inundated with both serious and non-serious inquiries from across the state. There could be, however, a more general linkage between both sets of data and information. H.R. No. 352 has therefore been amended accordingly to reflect these concerns.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 352 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 352, H.D. 1.

Signed by all members of the Committee.

SCRep. 861

Public Employment and Government Operations on H.R. No. 402

The purpose of this resolution is to request review of the compensation plans covering the secretarial classes within the civil service system.

Sections 77-4 and 77-5, Hawaii Revised Statutes, presently require the Conference of Personnel Directors to biennially review all public employee compensation plans and submit tentative recommendations to the Public Employee Compensation Appeals Board (PECAB), which in turn conducts hearings on pricing appeals and makes whatever adjustments are necessary. A report setting forth the final compensation plan and the cost thereof is then submitted to the Legislature for approval.

In 1975, the Department of Personnel Services established a five level secretarial series (I to V), with salary ranges of SR 9 - 11 - 12 - 14 - 16. The conference supported this position because they believed that the scope, variety and complexity of the work requirements within the class were sufficiently distinct to warrant five levels. However, PECAB disagreed and repriced Secretary I from SR 9 to SR 10 and Secretary II from SR 11 to SR 12 while maintaining a two step differential between Secretary III, IV and V.

Subsequently in 1977 PECAB changed its position and established one step differentials between Levels I through Levels IV (SR 11 to SR 14) and a two step differential between Levels IV and V (SR 14 to SR 16).

Testimony from the State Secretaries Association and the Public Employees Management Association of Hawaii indicated these compensation plans have adversely affected the morale of all secretaries in government service in that virtually all other comparable classes in the civil service presently enjoy a two step differential between levels.

To correct this disparity, it was recommended that 1) the present five levels be reduced to four, 2) a standard two step differential be established between all levels and 3) that a two step differential between the Secretary and the Private Secretary series be maintained.

Your Committee further finds that the 1978 Legislature had adopted S.C.R. No. 114 requesting the personnel directors of the state, the judiciary and the City and County of Honolulu to "review the compensation plans covering the secretarial classes of the civil service of the State of Hawaii, the Judiciary and the City and County of Honolulu" and to submit recommendations for the timely correction of possible inequities. The report has since been completed and the following recommendations were made: 1) that the Conference of Personnel Directors and the Public Employees Compensation Appeals Board make such review of the Compensation Plans covering the secretarial classes of the State of Hawaii, Judiciary, and City and County of Honolulu as part of the forthcoming biennial review prescribed by Sections 77-4 and 77-5, Hawaii Revised

Statutes, and 2) that the report to the State Legislature setting forth the final Compensation Plan as required by Section 77-4(d) and Section 77-5(4) (B) include the results of the review of secretarial classes of the State of Hawaii, Judiciary, and City and County of Honolulu.

Your Committee has therefore amended H.R. No. 402 accordingly to incorporate these recommendations. The resolution has been further amended to request that the Conference of Personnel Directors and PECAB examine the feasibility of establishing a four level secretarial series with a standard two step differential between each level.

In so doing your Committee wishes to emphasize that the maintenance of a two SR differential between levels in the secretarial class is in keeping with the accepted standards of the overall State Compensation plans, and therefore inequity exists where a one SR differential is established for Secretarial levels I through IV, while virtually all other comparable classes in State and County government enjoy a two SR differential between levels. Any disparity in public employee compensation plans is a matter of serious concern to the Legislature, and thus your Committee intends that the joint review be conducted as expeditiously as possible so that immediate action may be taken to rectify the situation.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.R. No. 402, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 402, H.D. 1.

Signed by all members of the Committee.

SCRep. 862

Public Employment and Government Operations on H.C.R. No. 76

The purpose of this concurrent resolution is to request review of the compensation plans covering the secretarial classes within the civil service system.

Sections 77-4 and 77-5, Hawaii Revised Statutes, presently require the Conference of Personnel Directors to biennially review all public employee compensation plans and submit tentative recommendations to the Public Employee Compensation Appeals Board (PECAB), which in turn conducts hearings on pricing appeals and makes whatever adjustments are necessary. A report setting forth the final compensation plan and the cost thereof is then submitted to the Legislature for approval.

In 1975, the Department of Personnel Services established a five level secretarial series (I to V), with salary ranges of SR 9 - 11 - 12 - 14 - 16. The conference supported this position because they believed that the scope, variety and complexity of the work requirements within the class were sufficiently distinct to warrant five levels. However, PECAB disagreed and repriced Secretary I from SR 9 to SR 10 and Secretary II from SR 11 to SR 12 while maintaining a two step differential between Secretary III, IV and V.

Subsequently in 1977 PECAB changed its position and established one step differentials between Levels I through Levels IV (SR 11 to SR 14) and a two step differential between Levels IV and V (SR 14 to SR 16).

Testimony from the State Secretaries Association and the Public Employees Management Association of Hawaii indicated these compensation plans have adversely affected the morale of all secretaries in government service in that virtually all other comparable classes in the civil service presently enjoy a two step differential between levels.

To correct this disparity, it was recommended that 1) the present five levels be reduced to four, 2) a standard two step differential be established between all levels and 3) that a two step differential between the Secretary and the Private Secretary series be maintained.

Your Committee further finds that the 1978 Legislature had adopted S.C.R. No. 114 requesting the personnel directors of the state, the judiciary and the City and County of Honolulu to "review the compensation plans covering the secretarial classes of the civil service of the State of Hawaii, the Judiciary and the City and County of Honolulu" and to submit recommendations for the timely correction of possible inequities. The report has since been completed and the following recommendations were made: 1) that the Conference of Personnel Directors and the Public Employees Compensation Appeals Board make such review of the Compensation Plans covering the secretarial classes of the State of Hawaii, Judiciary, and City and County of Honolulu as part of

the forthcoming biennial review prescribed by Sections 77-4 and 77-5, Hawaii Revised Statutes, and 2) that the report to the State Legislature setting forth the final Compensation Plan as required by Section 77-4(d) and Section 77-5(4) (B) include the results of the review of secretarial classes of the State of Hawaii, Judiciary, and City and County of Honolulu.

Your Committee has therefore amended H.C.R. No. 76 accordingly to incorporate these recommendations. The concurrent resolution has been further amended to request that the Conference of Personnel Directors and PECAB examine the feasibility of establishing a four level secretarial series with a standard two step differential between each level.

In so doing your Committee wishes to emphasize that the maintenance of a two SR differential between levels in the secretarial class is in keeping with the accepted standards of the overall State Compensation plans, and therefore inequity exists where a one SR differential is established for Secretarial levels I through IV, while virtually all other comparable classes in State and County government enjoy a two SR differential between levels. Any disparity in public employee compensation plans is a matter of serious concern to the Legislature, and thus your Committee intends that the joint review be conducted as expeditiously as possible so that immediate action may be taken to rectify the situation.

Your Committee on Public Employment and Government Operations concurs with the intent and purpose of H.C.R. No. 76 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 76, H.D. 1.

Signed by all members of the Committee.

SCRep. 863

Judiciary on H.R. No. 139

The purpose of this resolution is to request the House Judiciary Committee to study the feasibility and desirability of codifying rules of evidence for Hawaii courts.

Your Committee finds that whereas many other states have codified the rules of evidence applicable in their state courts, Hawaii has yet to do so and what rules are currently applicable in this State are those which have developed under case law.

Inasmuch as rules of evidence are of great importance, often affecting the outcome of a case the merits of the cause of action notwithstanding, and the codification thereof may be beneficial in clarifying which rules and exceptions thereto apply in Hawaii's courts, your Committee feels that such a study as the one proposed by this resolution is essential in order to ensure that the statutory scheme enacted, if any, is as efficient, comprehensive, and as effective as possible.

Your Committee has amended this resolution by modifying its title to more accurately reflect its purpose.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 139, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 139, H.D. 1.

Signed by all members of the Committee.

SCRep. 864

Judiciary on H.C.R. No. 85

The purpose of this resolution is to request the House and Senate Judiciary Committees to study the feasibility and desirability of codifying rules of evidence for Hawaii courts.

Your Committee finds that whereas many other states have codified the rules of evidence applicable in their state courts, Hawaii has yet to do so and what rules are currently applicable in this State are those which have developed under case law.

Inasmuch as rules of evidence are of great importance, often affecting the outcome of a case the merits of the cause of action notwithstanding, and the codification thereof may be beneficial in clarifying which rules and exceptions thereto apply in Hawaii's courts, your Committee feels that such a study as the one proposed by this resolution is essential in order to ensure that the statutory scheme enacted, if any, is as efficient,

comprehensive, and as effective as possible.

Your Committee has amended this resolution by modifying its title to more accurately reflect its purpose.

Your Committee on Judiciary concurs with the intent and purpose of H.C.R. No. 85, 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. 85, H.D. 1.

Signed by all members of the Committee.

SCRep. 865

Judiciary on H.R. No. 406

The purpose of this resolution is to request the Legislative Reference Bureau to conduct an evaluation and study of the 1975 Lobbyist Registration Law and the manner in which it has been implemented.

Your Committee finds that it has been four years since passage of the Lobbyist Registration Law and that during this period its effectiveness has come into question because it has resulted in a disorganized state of affairs relative to the registration of lobbyists and the information system designed to provide orderly, comprehensive and timely data on lobbyists.

In addition, inasmuch as the recent amendment to the State Constitution would require state and local ethics commissions to assume the responsibility for lobbyist registration, your Committee finds that this is an opportune time for a study of the Lobbyist Registration Law such as the one requested in this resolution.

Your Committee feels that such a study should include a consideration of the following:

- (1) requiring a system whereby lobbyists would file and refile, as close as possible, to the same date each year, such date to be set prior to each legislative session;
- (2) requiring the publishing of a lobbyist directory organized according to employers or sponsoring organizations of lobbyists to be distributed to all legislators and made available to the public prior to the convening or the twentieth day of each legislative session;
- (3) redefining the term "lobbyist" or creating registration requirements whereby only those lobbyists who are substantially compensated or expend substantial sums of moneys in lobbying must register;
- (4) requiring lobbyists and employers and sponsoring organizations of lobbyists, to file statements including information as to any exchange of goods or services between such lobbyists, employers and organizations, and elected officials, candidates for elected office, members of their families, staffs or businesses in which the official or candidate has a substantial interest;
- (5) requiring lobbyists to disclose the use of moneys, goods or services, including aid in soliciting sales or donations for candidates' and elected officials' fund raisers and testimonials, in assisting the campaigns of candidates for office;
- (6) requiring lobbyists to file statements showing that all expenditures made in connection with lobbying have been from a single expense account, indicating the amount of money expended, the purposes of those expenditures, including the amounts spent for food and beverages, and the officials or members of their staffs and families on whom the funds were spent;
- (7) the addition of deterrent features in the law, such as more stringent penalties for those persons and organizations that violate the law on lobbyist registration and disclosure; and
- (8) the methods by which other states, such as California, handle lobbyist registration.

Your Committee has amended this resolution to request the Legislative Auditor, instead of the Legislative Reference Bureau, to conduct the study and evaluation of the Lobbyist Registration Law.

Your Committee on Judiciary concurs with the intent and purpose of H.R. No. 406, as amended herein, and recommends that it be referred to the Committee on Finance,

in the form attached hereto as H.R. No. 406, H.D. 1.

Signed by all members of the Committee.

SCRep. 866 Health on H.R. No. 485

The purpose of this Resolution is to request a review of program planning and evaluation of alternative funding sources for the delivery of community based services for the developmentally disabled.

Your Committee on Health received testimony in support of this study from the Department of Social Services and Housing, the State Planning and Advisory Council on Developmental Disabilities and the Hawaii Association for Retarded Citizens. The Council testified to its concern about the ability of present programs to maintain or expand services in the face of rising costs and stationary Title XX funding levels. There is considerable concern as well about the need for advanced planning of funding alternatives to meet the growing need for community based services. This Resolution will encourage the preparation of such plans and requests the submission of recommendations to the Legislature.

Your Committee has amended the Resolution to more clearly delineate the objectives of the study and report being requested and to specify that the Departments of Social Services and Housing, Health and Education, as well as other appropriate private and public agencies, cooperate with the State Planning Council for Developmental Disabilities in the study and the preparation of recommendations to the 1980 Session of the Legislature.

Your Committee on Health concurs with the intent and purpose of H.R. No. 485, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 485, H.D. 1.

Signed by all members of the Committee.

SCRep. 867 Health on H.C.R. No. 107

The purpose of this concurrent resolution is to request a review of program planning and evaluation of alternative funding sources for the delivery of community based services for the developmentally disabled.

Your Committee on Health received testimony in support of this study from the Department of Social Services and Housing, the State Planning and Advisory Council on Developmental Disabilities and the Hawaii Association for Retarded Citizens. The Council testified to its concern about the ability of present programs to maintain or expand services in the face of rising costs and stationary Title XX funding levels. There is considerable concern as well about the need for advanced planning of funding alternatives to meet the growing need for community based services. This concurrent resolution will encourage the preparation of such plans and requests the submission of recommendations to the Legislature.

Your Committee has amended the concurrent resolution to more clearly delineate the objectives of the study and report being requested and to specify that the Departments of Social Services and Housing, Health and Education, as well as other appropriate private and public agencies, cooperate with the State Planning Council for Developmental Disabilities in the study and the preparation of recommendations to the 1980 Session of the Legislature.

Your Committee on Health concurs with the intent and purpose of H.C.R. No. 107, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 107, H.D. 1.

Signed by all members of the Committee.

SCRep. 868 Health on H.R. No. 395

The purpose of this resolution is to focus on the particular needs of adult developmentally disabled persons and to request a report of findings and recommendations to the Regular Session of 1980.

The resolution, as originally drafted, called for the formation of a consortium for the purpose of studying and determining the status and needs of developmentally disabled adults. It is the feeling of your Committee on Health that the formation of a consortium for these purposes would be a duplication of the work presently required of the State Planning and Advisory Council on Developmental Disabilities.

Your Committee received testimony from the Department of Health and the State Planning and Advisory Council on Developmental Disabilities indicating that the tasks identified in the resolution are currently being undertaken by the Council and that the make up of the Council is such that it is similar to a consortium. Furthermore, the Council's current staff has conducted a study of the needs of the adult group and is prepared to report their findings together with suggestions for implementation of their recommendations.

Your Committee has made stylistic changes to the first and second clauses of the resolution, and added a new clause to read as follows:

"WHEREAS, the State Planning and Advisory Council on Developmental Disabilities is charged with the responsibility of planning, coordinating and evaluating services within the State for the developmentally disabled and has completed a preliminary study relative to the needs of developmentally disabled adults;"

Your Committee has further amended the resolution to delete the references to the consortium and has requested that the State Advisory Council on Developmental Disabilities be the responsible agency. A report to the Legislature is requested twenty days prior to the convening of the Regular Session of 1980.

Your Committee on Health concurs with the intent and purpose of H.R. No. 395, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 395, H.D. 1.

Signed by all members of the Committee.

SCRep. 869

Health on H.R. No. 156

The purpose of this resolution is to request the appropriate House standing committees to meet with the Department of Health and the Honolulu Police Department to review the noise abatement program and report their findings to the House.

Your Committee believes that a meeting of the appropriate House Standing Committees can provide to the legislature a better understanding of obstacles and problems relating to the enforcement of the vehicular and community noise rules, regulations and ordinances.

Your Committee on Health has amended the resolution as follows:

- 1) By designating that the appropriate House standing committee shall be the Committee on Ecology and Environmental Protection;
- 2) The Committee shall work in conjunction with representatives of the office of Attorney General, Prosecuting Attorney's office and the District Court in their deliberations; and
- 3) Certified copies of this Resolution shall also be transmitted to the Chairmen of the Ecology and Environmental Protection Committee, Director of Health, Chief of Police of the Honolulu Police Department, Attorney General, Prosecuting Attorney's office and the District Court.

Your Committee on Health concurs with the intent and purpose of H.R. No. 156, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 156, H.D. 2.

Signed by all members of the Committee.

SCRep. 870

Employment Opportunities and Labor Relations on S.B. No. 621

The purpose of this bill is to amend Section 386-1, Hawaii Revised Statutes to exempt from workers' compensation coverage a corporate officer who is performing services without remuneration and who is at least a twenty-five percent stockholder.

Under the present Workers' Compensation Law, services for a religious, charitable, educational, or nonprofit organization, if performed in a voluntary or unpaid capacity, are not considered to be employment subject to the Workers' Compensation Law.

There are no provisions to exclude individuals who are corporate officers and who perform services for the corporation but receive no compensation. A number of states have provisions to exclude coverage or make it elective to cover officers of a corporation. In most cases, however, coverage is provided to paid officers of a corporation.

The Department of Labor and Industrial Relations frequently encounters opposition from family type corporations or corporations solely owned by one or two corporate officers. Services are being performed but no compensation paid to any of the individuals. The Temporary Disability Insurance Law and the Prepaid Health Care Law both exclude coverage to these individuals since they do not meet the coverage requirements of the respective laws. This proposal to exclude workers' compensation coverage to corporate officers who do not receive remuneration would also be consistent with the Unemployment Insurance Law where no tax liability is incurred by the corporation since no wages were paid and subsequently the corporate officer would not be entitled to unemployment insurance benefits.

Your Committee on Employment Opportunities and Labor Relations is in accord with the intent and purpose of S.B. No. 621, 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. 871 Ocean and Marine Resources on S.B. No. 625

The purpose of this Bill is to amend Section 189-1, Hawaii Revised Statutes, to include marine plants and seaweeds under the purview of this section.

Testimony before your Committee by the Department of Land and Natural Resources on H.B. No. 729 "RELATING TO COMMERCIAL FISHING", a companion Bill to S.B. No. 625, S.D. 1, reveals that through existing laws, any person who sells or offers for sale any species of saltwater fish, shellfish, crustacean, or other marine animals or products of any size must have a commercial fishing license issued by the Department of Land and Natural Resources. Initially, seaweeds were considered as a marine product and fell under the purview of existing statute; however, a recent decision by the District Court of the First Circuit, Honolulu Division, determined that seaweeds were not included as marine animals or products and, therefore, not subject to licensing requirements.

Further Testimony by the Department asserts that a Commercial Fishing License should be required so that essential information for the management of the seaweed resource may be collected through the established commercial catch report system.

Your Committee finds that in order for comprehensive management plans of the marine resources in Hawaiian waters to be developed, information on all our marine resources, including seaweeds, is essential.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of S.B. No. 625, 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 Garcia.

SCRep. 872 Ocean and Marine Resources on S.B. No. 626

The purpose of this Bill is to amend Chapter 188 of the Hawaii Revised Statutes, thereby authorizing the Department of Land and Natural Resources to designate agents to sell the freshwater game fishing license in accordance with the procedures and conditions set forth in Section 191-7, Hawaii Revised Statutes.

Testimony before your Committee by the Department of Land and Natural Resources on H.B. No. 730 "RELATING TO DESIGNATION OF AGENTS TO SELL FRESHWATER GAME FISH LICENSES", a companion Bill to S.B. No. 626, S.D. 1, indicates that Section 188-49, Hawaii Revised Statutes requires that a license must be procured to fish for, take or catch any introduced freshwater game fish. Further, Section 188-49, Hawaii Revised Statutes authorizes agents of the Department of Land and Natural Resources to issue

those required licenses.

Your Committee finds that statutory authority to designate the agents to sell the freshwater game fish license is not clearly defined. This amendment is necessary to clarify the fact that the Department of Land and Natural Resources has the authority to designate agents of selling freshwater game fish licenses.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of S.B. No. 626, 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 Garcia.

SCRep. 873

Ocean and Marine Resources on S.B. No. 627

The purpose of this bill is to amend Section 188-40 of the Hawaii Revised Statutes to make the term "lobster" apply only to slipper lobster, and thus leave the minimum size for sale of spiny lobster to be regulated by the Department of Land and Natural Resources, Division of Fish and Game, Regulation 22 "Relating to the Management of Native Lobsters or Ula".

Testimony before your Committee by the Department of Land and Natural Resources on H.B. No. 731, "RELATING TO THE MINIMUM SIZE OF FISH", a companion Bill to S.B. No. 627, S.D. 1, indicates that Section 188-40 makes it illegal to sell both the spiny and slipper lobsters that weigh less than one pound. Recent studies conducted by the Department have determined that the 3 1/4 inches of carapace length on a spiny lobster is equivalent to a one pound size.

Your Committee finds that the Division of Fish and Game Regulation 22 has been amended to establish 3 1/4 inches of carapace length as a minimum size for the taking and sale of spiny lobsters.

Your Committee further finds that studies have not been conducted on slipper lobsters to effect conversion from a weight to a more feasible linear measurement. As a result, this bill proposes to insert "slipper" before the word "lobster" in Section 188-40 to make the one-pound minimum size remain applicable only to slipper lobsters.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of S.B. No. 627, 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 Garcia.

SCRep. 874

Legislative Management

Informing the House that House Resolution Nos. 619 to 635, House Concurrent Resolution Nos. 155 to 158, and Standing Committee Report Nos. 856 to 873, have been printed and distributed.

Signed by all members of the Committee.

SCRep. 875

Corrections and Rehabilitation on H.R. No. 326

The purpose of this resolution is to request the Department of Accounting and General Services to conduct a feasibility study for the restoration of Hilltop Cottage at the Hawaii Youth Correctional Facility. Your Committee has broadened the scope of this resolution to include an overall study of present and future structural needs at the facility.

Your Committee heard testimony by the Department of Social Services and Housing indicating a future need for Hilltop Cottage as the population of the Hawaii Youth Correctional Facility increases. The Department indicated that rather than housing wards, Hilltop Cottage may be best suited to house the Central Kitchen and the Olomana School while the Maunawili Cottage, which is now being utilized for these purposes, may be better suited to incarcerate the increasing number of male wards.

It is your Committee's belief that rather than renovating each building as the need arises, an overall study of the campus by the Department of Accounting and General Services and the Department of Social Services and Housing is necessary to ensure

the most efficient utilization of existing structures and to determine the possible need for future construction.

Therefore, your Committee has amended the title of this resolution to reflect the broadened scope of this study. Such title reads: "HOUSE RESOLUTION REQUESTING THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO CONDUCT AN OVERALL STUDY OF THE PRESENT AND FUTURE STRUCTURAL NEEDS OF THE HAWAII YOUTH CORRECTIONAL FACILITY AND THE FEASIBILITY OF RESTORING HILLTOP COTTAGE." Your Committee has further amended the Resolved clause to reflect this change.

Your Committee has further amended this resolution to request the Department of Accounting and General Services to conduct this study and submit its findings and recommendations to the House of Representatives prior to the convening of the Regular Session of 1980.

Your Committee on Corrections and Rehabilitation concurs with the intent and purpose of H.R. No. 326, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 326, H.D. 1.

Signed by all members of the Committee except Representative Garcia.

SCRep. 876

State General Planning and Tourism on H.R. No. 78

The purpose of this Resolution is to request that the House Committee on Tourism review the Tourism Functional Plan and recommend action regarding its adoption.

Your Committees note that although in 1976, the Legislature enacted the Interim Tourism Policy Act (Act 133, Session Laws of Hawaii 1976) to provide a framework for the orderly planned growth of tourism in the coming decade, which Act directed the Department of Planning and Economic Development (DPED) to develop a ten-year master plan for the growth of tourism, that interim Act has now in effect been superseded by the 1978 Hawaii State Planning Act (Act 100, Session Laws of Hawaii 1978; now Chapter 226, Hawaii Revised Statutes).

Your Committees also note that the Hawaii State Planning Act, which establishes state policy objectives for the visitor industry, requires the DPED Director to develop a functional plan for tourism and to submit such plan to the Legislature for review and possible adoption. Your Committees are informed that DPED is now in the process of formulating the Tourism Functional Plan.

Your Committees have amended the Resolution in the following major respects:

1. By adding two new "WHEREAS" clauses, which both make reference to the 1978 Hawaii State Planning Act, so as to make it clear (a) that the Interim Tourism Policy Act of 1976, referred to in earlier "WHEREAS" clauses, has been superseded by the Hawaii State Planning Act and (b) that it is the State Planning Act, not the Interim Tourism Policy Act, which requires the DPED Director to develop a functional plan for tourism.
2. By deleting two "WHEREAS" clauses (the 6th and 7th "WHEREAS" clauses in the original resolution) which were unnecessary in developing the purpose and intent of the Resolution.
3. By adding a new "WHEREAS" clause which explains that the DPED is now formulating the Tourism Functional Plan and what the Plan will generally encompass.
4. By providing that instead of the entire or only members from the House Committee on Tourism reviewing the Tourism Functional Plan, that the Speaker of the House (in his discretion) appoint an interim legislative committee, to function during the 1979 legislative interim, to review the Plan and to recommend to the 1980 Legislature, pursuant to section 226-58(d), Hawaii Revised Statutes, whether or not the plan should be adopted, with or without modifications.

Your Committees agree that the Tourism Functional Plan is a very important plan which deserves the careful attention and review of the Legislature for the benefit of all of Hawaii's citizens.

Your Committees on State General Planning and Tourism concur with the intent and purpose of H.R. No. 78, as amended therein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No.

78, H.D. 1.

Signed by all members of the Committee.

SCRep. 877

Tourism on H.R. No. 71

The purpose of this resolution is to request the House Committee on Tourism to study the various alternatives to improve visitor destination area quality, particularly in the areas of obtaining more open space and the examination of county special design district regulations.

Your Committee notes that to have quality tourist destination areas, it must retain its attractiveness and open space appeal to the visitors. Your Committee further feels that physically improving these scenic sites and obtaining more open space will have a positive impact on the visitor as well as the community surrounding the area.

Your Committee has amended the Resolution to have an interim committee submit its findings, conclusions, and recommendations to the Legislature 20 days prior to the opening of the Regular Session of 1980. Your Committee feels that this will give your interim committee sufficient time to do a comprehensive study.

Your Committee on Tourism concurs with the intent and purpose of H.R. No. 71, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 71, H.D. 1.

Signed by all members of the Committee.

SCRep. 878

Tourism on H.R. No. 72

The purpose of this resolution is to request that the appropriate House standing committees review the status of the accumulated funding, including past, present, and planned expenditures and projects, and any other data which will help determine the extent of progress made in the improvement of Waikiki.

Your Committee recognizes that Waikiki will require continuous upgrading and maintenance of its physical facilities in order to preserve those qualities which appeal to residents and visitors alike.

However, your Committee is fully aware that major segments related to Waikiki improvement have not been properly addressed. These areas concern social problems of overcrowding, attitudes of residents toward visitors, and attitudes of visitors toward residents. After holding a public hearing on this resolution, statements from the Waikiki Health Center showed that Waikiki has one of the highest crime rates in the State, along with the highest rate of suicide, and second highest rate of child abuse and/or neglect.

Your Committee has therefore amended the resolution with the following changes:

- (1) Add a new "WHEREAS" clause which reflects the social problems related with the continued development and improvement of Waikiki.
- (2) Amend the submittal date of the report to the Legislature to be presented 20 days prior to the opening of the Regular Session of 1980.
- (3) Amend the resolution to have an interim committee, appointed by the Speaker of the House, to do the report requested.

Your Committee on Tourism concurs with the intent and purpose of H.R. No. 72, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 72, H.D. 1.

Signed by all members of the Committee.

SCRep. 879

Tourism; and Employment Opportunities and Labor Relations on
H.R. No. 76

The purpose of this resolution is to request that the appropriate House standing committees review the status and problems of the respective visitor industry training programs

of the Hawaii State Office of Manpower Planning and the Honolulu City Department of Human Resources.

Your Committees find that articulation between and among the various entities delivering training programs both in the public and private sectors is an important objective which must not be overlooked.

Your Committees are aware that in the public interest, those public entities engaged in the visitor training and education fields give serious and continuing attention to the need for innovative and modern training techniques consonant with the changing demands of the visitor industry.

Your Committees have amended the resolution to have an interim committee appointed by the Speaker of the House of Representatives address the review of programs requested. Your Committees have further amended the resolution to have the interim committee submit their findings and recommendations 20 days prior to the opening of the Regular Session of 1980.

Your Committees on Tourism and Employment Opportunities and Labor Relations concur with the intent and purpose of H.R. No. 76, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 76, H.D. 1.

Signed by all members of the Committees.

SCRep. 880

Culture and the Arts on H.R. No. 246

The purpose of this resolution is to request the Hawaii Foundation for History and the Humanities to keep in good repair through a regular system of maintenance the Kamehameha Water Tunnels.

These Water Tunnels, also known as Waiapuka or Kamehameha's Irrigation Tunnel, are located between Halawa and Pololu in North Kohala and were said to have been constructed by Kamehameha in order to divert stream water through the bottom of a ridge into taro patches on the other side. Since the Hawaiians of this era had no means of such aids as blasting powder, the construction of this tunnel is regarded as a highly significant engineering feat, since the work was handdug.

The Water Tunnels are at present in a state of disrepair. Although some of its shafts are eroded, at least half of the original tunnel is still intact. The other half, as reported in the 1972 edition of the Hawaii State Department of Land and Natural Resources' North Kohala; Preservation of Historical Resources, is covered by a plantation road and cane field.

Since the Water Tunnels are an important, albeit neglected, historic site and are one of the many historic sites in North Kohala associated with Kamehameha that are to be repaired and preserved for posterity, your Committee feels strongly that action must be initiated now towards its acquisition and upkeep.

The title of the resolution through its citing "repair, maintenance, and upkeep" of the tunnels assumes an acquisition by the State, which in fact does not exist. While repair, maintenance and upkeep are indeed desired, steps first must be made towards acquisition. Further, it was clarified that all of these things can only be done by the Department of Land and Natural Resources and not the Hawaii Foundation for History and Humanities. The Tunnels, too, are already on the Hawaii Register of Historic Places. The next move then would be, your Committee suggests, to enable the proper department of the State, the Department of Land and Natural Resources, to initiate land title acquisition as well as provide repair, maintenance, and upkeep.

Your Committee, therefore, recommends the following amendments to the resolution to permit these necessary changes:

- 1) that the title of the resolution be broadened to "A RESOLUTION RELATING TO THE KAMEHAMEHA WATER TUNNELS", so that acquisition as well as repair, maintenance and upkeep can be assumed;
- 2) that the following WHEREAS clause, denoting an additionally important fact, be inserted for clarification as the last WHEREAS clause:

"WHEREAS, one such affirmative measure already made is the designation of the Kamehameha Water Tunnels on the list of the Hawaii Register of Historic Places; now, therefore,"

3) that the BE IT RESOLVED clause be revised to delete the "Hawaii Foundation for History and the Humanities" while inserting "the Hawaii State Department of Land and Natural Resources" and to add "acquire and" between "to" and "keep" on line 4 of the same clause; and

4) that in the BE IT FURTHER RESOLVED clause copies be transmitted to the Chairman of the Board of Land and Natural Resources, and the Director of Budget and Finance.

Your Committee on Culture and the Arts is in accord with the intent and purpose of H.R. No. 246, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 246, H.D. 1.

Signed by all members of the Committee.

SCRep. 881 Culture and the Arts on H.R. No. 16

The purpose of this resolution is to request the House Committee on Culture and the Arts to continue to review the progress being made by the Hawaii Foundation for History and the Humanities and the State Foundation on Culture and the Arts.

Both Foundations supported this resolution and agreed on the need for an ongoing review of the progress being made. The two Foundations also suggested that they have quarterly meetings with the House Committee on Culture and the Arts to better evaluate the situation from time to time.

Your Committee has amended the resolution to provide for quarterly meetings of the two Foundations with the House Committee on Culture and the Arts.

Your Committee has also amended the resolution to have the House Committee on Culture and the Arts submit a report of its findings and recommendations prior to the adjournment of the Regular Session of 1980 instead of 1979.

Your Committee feels that the Regular Session of 1979 is too early to have a report on findings and recommendations due. The amendment to 1980 would allow for the quarterly meetings and also for a more comprehensive report.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 16, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 16, H.D. 1.

Signed by all members of the Committee.

SCRep. 882 Culture and the Arts on H.R. No. 18

The purpose of this resolution is to have the appropriate House standing committees review any proposed policies, plans, and activities of the Hawaii Sports Hall of Fame and Museum, Inc., to construct and operate a Hawaii Sports Hall of Fame. The committees shall also determine what type of public commitment will be required to develop and operate such a facility and to ensure public input in the development and operation of such a facility.

Your Committee believes that this resolution will have a positive effect on the Hawaii Sports Hall of Fame. However, in order to better evaluate any proposed plans, your Committee feels that it should be done in the interim.

Your Committee has amended the resolution to provide that the committee report their findings to the House of Representatives prior to the adjournment of the Regular Session of 1980 instead of 1979.

Your Committee on Culture and the Arts concurs with the intent and purpose of H.R. No. 18, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 18, H.D. 1.

Signed by all members of the Committee.